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FINAL
BLG / JWM / RB

ALTIVS ROYALTY CORPORATION
as Borrower

and

CERTAIN AFFILIATES OF THE BORROWER
as Guarantors

and

**THE LENDERS FROM TIME TO TIME
PARTY TO THIS AGREEMENT**
as Lenders

and

THE BANK OF NOVA SCOTIA
as Administrative Agent

THE BANK OF NOVA SCOTIA
as Bookrunner and Co-Lead Arranger

ING CAPITAL LLC
as Bookrunner and Co-Lead Arranger

CS225,000,000 CREDIT FACILITIES
AMENDED AND RESTATED CREDIT AGREEMENT
ORIGINALLY DATED AS OF 3 MAY 2016
AMENDED AND RESTATED AS OF 29 JUNE 2018

BORDEN LADNER GERVAIS LLP
STIKEMAN ELLIOTT LLP

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2018 **AMENDED AND RESTATED CREDIT AGREEMENT** dated as of 29 June

BETWEEN:

ALTIUS ROYALTY CORPORATION

as Borrower

- and -

CERTAIN AFFILIATES OF THE BORROWER

as Guarantors

- and -

**THE LENDERS FROM TIME TO TIME PARTY
TO THIS AGREEMENT**

as Lenders

- and -

THE BANK OF NOVA SCOTIA

as Administrative Agent

RECITALS:

- A. The parties to this agreement are also parties to a credit agreement dated as of 3 May 2016, as amended by an amending agreement dated as of 4 May 2016 (by which, among other things, The Toronto-Dominion Bank was added as a Lender), by a notice of amendment dated 18 May 2016 given by the Agent under Section 8.6(7) of the Credit Agreement, by an amending agreement dated as of 26 April 2017 and by an amending agreement dated as of 4 October 2017 (as amended, the "**Existing Credit Agreement**").
- B. The Lenders have provided commitments to the Borrower to, among other things, increase the Commitments under the Revolving Credit and the Term Credit, extend the term of those Credits and amend certain covenants in the Existing Credit Agreement.
- C. The Existing Credit Agreement contemplates that it may be amended and restated. The parties are entering into this Agreement to amend and restate the Existing Credit Agreement and provide for the terms of the continuing credits.

THEREFORE, for value received, and intending to be legally bound by this Agreement, the Parties agree that the Existing Credit Agreement is hereby amended and restated so that, as amended and restated, it reads as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

In this Agreement, unless the context otherwise requires, the following terms have the respective meanings specified or referred to. The following terms have the same meanings if used in another Loan Document unless they are otherwise defined in that Loan Document or the context otherwise requires.

- (1) "**Acquisition**" means (a) any investment in, or purchase or other acquisition of any Equity Interests of any Person, or (b) any purchase or other acquisition of a business or undertaking or division of any Person, including Property comprising the business, undertaking or division.
- (2) "**Advance**" means an availing of a Credit by the Borrower by way of Prime Rate Advance, Base Rate Advance, B/A, B/A Equivalent Loan or LIBOR Advance, including deemed advances and conversions, renewals and rollovers of existing Advances. Any reference to the amount of Advances is a reference to the sum, without duplication, of all outstanding Prime Rate Advances, Base Rate Advances and LIBOR Advances, the face amount of all outstanding B/As, the aggregate amount payable at the end of the term of all outstanding B/A Equivalent Loans and the amount of any Advance for which the Borrower has failed to provide for payment under Section 9.6.
- (3) "**Advance Date**" means the date, which shall be a Banking Day, of any Advance.
- (4) "**Affiliate**" means, with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.
- (5) "**Agent**" or "**Administrative Agent**" means BNS in its capacity as administrative agent for the Lenders under this Agreement, or any successor administrative agent appointed in accordance with this Agreement.
- (6) "**Agreement**" means this Credit Agreement, including all Schedules to this Credit Agreement. In any other Loan Document, "**Agreement**" means the Loan Document in which the term is used.
- (7) "**Applicable Law**" means (a) any domestic or foreign statute, law (including common and civil law), treaty, code, ordinance, rule, regulation, restriction or by-law (zoning or otherwise); (b) any judgment, order, writ, injunction, decision, ruling, decree or award; (c) any regulatory policy, practice, request, guideline or directive; or (d) any franchise, licence, qualification, authorization, consent, exemption, waiver, right, permit or other approval of any Governmental Authority, binding on or affecting the Person referred to in the context in which the term is used or binding on or affecting the Property of that Person, in each case whether or not having the force of law.

- (8) **"Applicable Percentage"** means, with respect to any Lender, the percentage of the total Commitments represented by the Lender's Commitment. If the Commitments have terminated or expired, the Applicable Percentages shall be the percentage of the total outstanding Advances represented by that Lender's outstanding Advances. Depending on the context, Applicable Percentage may refer to a Lender's position either with respect to all Credits or any particular Credit. Each Lender's Applicable Percentage as of the date of this Agreement is specified on Schedule A.
- (9) **"ARI"** means Altius Resources Inc.
- (10) **"Assignment and Assumption"** means an assignment and assumption agreement entered into by a Lender and an Eligible Assignee and accepted by the Agent, in substantially the form of Schedule L or any other form approved by the Agent.
- (11) **"Associate"** has the meaning defined in the *Canada Business Corporations Act* as of the date of this Agreement.
- (12) **"B/A"** means a depository bill as defined in the *Depository Bills and Notes Act* (Canada) in Canadian Dollars that is in the form of an order signed by the Borrower and accepted by a Lender pursuant to this Agreement or, for Lenders not participating in clearing services contemplated in that Act, a draft or bill of exchange in Canadian Dollars that is drawn by the Borrower and accepted by a Lender pursuant to this Agreement. For this purpose, orders or drafts that become depository bills, drafts or bills of exchange are sometimes collectively referred to as **"orders"** in this Agreement.
- (13) **"B/A Discount Proceeds"** means, in respect of any B/A, the amount that is calculated on the applicable Advance Date in accordance with Section 9.2(5).
- (14) **"B/A Discount Rate"** means:
- (a) with respect to any B/A accepted by a Lender named on Schedule I to the *Bank Act* (Canada):
 - (i) the average rate that appears on the Reuters screen CDOR page (or any successor source as determined by the Agent from time to time) as of 10:00 a.m. on the applicable Advance Date, for bankers' acceptances having an identical maturity date to the maturity date of that B/A; or
 - (ii) if the Required Lenders determine from time to time that the rate referred to in item (i) does not adequately and fairly reflect their actual cost of funding B/A's, or if that rate is not available, the rate determined by the Agent as being the arithmetic average (rounded upward to the nearest multiple of 0.01%) of the discount rates of the Schedule I Reference Lenders, determined in accordance with normal market practice at approximately 10:00 a.m. on the applicable Advance Date, for bankers' acceptances having a comparable face amount and identical maturity date to the face amount and maturity date of that B/A;

but in any event not less than 0.00% per annum; and

- (b) with respect to any B/A accepted by any other Lender and for any B/A Equivalent Loan, the rate determined in accordance with item (a) above plus 0.10% per annum.
- (15) **"B/A Equivalent Loan"** is defined in Section 9.9(3).
- (16) **"B/A Fee"** means the fee payable with respect to a B/A that is calculated in accordance with Section 9.2(4).
- (17) **"Bail-In Action"** means the exercise of any Write-Down and Conversion Powers by the applicable EEA Resolution Authority in respect of any liability of an EEA Financial Institution.
- (18) **"Bail-In Legislation"** means, with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law for that EEA Member Country from time to time that is described in the EU Bail-In Legislation Schedule.
- (19) **"Banking Day"** means a day of the year, except a Saturday or a Sunday, on which:
- (a) the Agent is open for normal banking business at its principal offices in Toronto, Canada;
 - (b) with respect to Base Rate Advances, the Agent is open for normal banking business at its principal office in New York, U.S.A.; and
 - (c) with respect to notices, determinations, payments or advances relating to LIBOR Advances, the Agent is open for normal banking business at its principal offices in New York, U.S.A. and London, England;
- except that, if banks are open in some but not all of these locations on a particular day and the Agent determines that the closing of its offices on that day will not adversely affect completion of relevant transactions in accordance with customary banking market and trading practices, the Agent may, on reasonable notice to the Borrower and the Lenders, specify that particular day to be a Banking Day.
- (20) **"Base Rate"** means, on any day, the greatest of:
- (a) the annual rate of interest established by the Agent as its reference rate for that day for commercial loans made by it in Canada in US Dollars;
 - (b) the interest rate per annum equal to 0.50% per annum above (i) the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System as published for the day (or, if the day is not a Banking Day, for the first preceding Banking Day) by the Federal Reserve Bank of New York or, (ii) if that rate is not published for that day by the Federal Reserve Bank

of New York, the average of the quotations for that day for those transactions received by the Agent from three federal funds brokers of recognized standing; and

(c) LIBOR for a period of 30 days plus 1.00% per annum,

but in any event not less than 0.00% per annum.

- (21) **"Base Rate Advance"** means an Advance in US Dollars bearing interest based on the Base Rate, and includes availments that are deemed to be Base Rate Advances under this Agreement.
- (22) **"BNS"** means The Bank of Nova Scotia.
- (23) **"Borrower"** means Altius Royalty Corporation, a corporation amalgamated under the laws of Alberta, formerly Altius Prairie Royalties Corp.
- (24) **"Branch of Account"** means the office of the Agent at Global Wholesale Operations – Canadian Agency Loan Operations, 720 King Street West, 2nd Floor, Toronto, Ontario, M5V 2T3, or another address in Toronto that the Agent may designate by notice to the Borrower from time to time.
- (25) **"Callinan Arrangement Agreement"** means the arrangement agreement dated as of 4 March 2015 between the Parent and Callinan Royalties Corporation (since amalgamated with the Borrower), and the related disclosure letter dated as of 4 March 2015, copies of which were filed on SEDAR on or about that date.
- (26) **"Canadian Dollar"**, **"CS"**, **"CAD"** and **"\$"** each mean the lawful currency of Canada.
- (27) **"Capital Expenditure"** means any expenditure for fixed or capital assets (including by way of capital lease) that is required to be classified as a capital expenditure in accordance with IFRS or is of a type that has previously been classified as a capital expenditure by the relevant Person.
- (28) **"Cash Collateral"** means a deposit of cash or a letter of credit issued by a financial institution satisfactory to the Required Lenders, or to the beneficiaries of the letter of credit if it is not all Lenders, all in a form satisfactory to them.
- (29) **"Change in Law"** means the occurrence, after the date of this Agreement, of any of the following: (a) the phase-in, adoption or taking effect of any Applicable Law, (b) any change in any Applicable Law or in its administration, interpretation, implementation or application by any Governmental Authority or (c) the making or issuance of any Applicable Law by any Governmental Authority, except that notwithstanding anything in this Agreement to the contrary, (x) the *Dodd-Frank Wall Street Reform and Consumer Protection Act* and all requests, rules, guidelines or directives under it or issued in connection with it and (y) all requests rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the Canadian or foreign Governmental Authorities, in

each case pursuant to Basel III, shall in each case be deemed to be a "Change in Law," regardless of the date enacted, adopted or issued.

- (30) **"Change of Control"** means either (a) any Person or group of Persons acting jointly or otherwise in concert owns or acquires Equity Interests of the Parent to which are attached more than 50% of the voting rights or economic interests attached to all Equity Interests of the Parent or otherwise has or acquires Control of the Parent or (b) a majority of the seats (except vacant seats) on the board of directors of the Parent is occupied by Persons (i) who were neither nominated by the board of directors of the Parent nor appointed by directors so nominated, or (ii) whose initial nomination occurs as a result of an actual or threatened solicitation of proxies or consents for the election or removal of one or more directors by any Person or group of Persons acting jointly or otherwise in concert, except a solicitation for the election of one or more directors by or on behalf of the board of directors of the Parent. In addition, the exercise by Holders of their rights under section 3.4 of the Indenture is a Change of Control unless the Holders are solely Fairfax Financial Holdings Limited and/or one or more of its Affiliates and the directors appointed by exercise of those rights are solely their nominees.
- (31) **"Commitment"** means, for each Lender from time to time, the agreement to make Advances to the Borrower in the Lender's Applicable Percentage of the maximum amount of each Credit and, where the context requires, the maximum amount of Advances that the Lender has agreed to make. Each Lender's Commitment may change from time to time or be cancelled in accordance with this Agreement.
- (32) **"Commodity Exchange Act"** means the *Commodity Exchange Act* (7 U.S.C. § 1 *et seq.*), and any successor statute.
- (33) **"Compliance Certificate"** means a certificate in the form of Schedule I.
- (34) **"Constating Documents"** means, with respect to any Person, as applicable:
- (a) its certificate and/or articles of incorporation, association, amalgamation or continuance, memorandum of association, charter, declaration of trust, trust deed, partnership agreement, limited liability company agreement or other similar document;
 - (b) its by-laws; and
 - (c) all unanimous shareholder agreements, other shareholder agreements, voting trust agreements and similar arrangements applicable to the Person's Equity Interests;
- all as in effect from time to time.
- (35) **"Contract"** means any agreement, contract, indenture, lease, deed of trust, licence, option, undertaking, promise or other commitment or obligation, whether oral or written, expressed or implied, other than a Permit.
- (36) **"Contributing Lender"** is defined in Section 9.11(2).

- (37) "**Control**" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by Contract or otherwise. "Controlling" and "Controlled" have corresponding meanings.
- (38) "**Credits**" means the Revolving Credit and the Term Credit, and "**Credit**" means either of them.
- (39) "**Debt**" means, with respect to any Person, the following amounts, each calculated in accordance with IFRS unless the context otherwise requires and without regard to any interest component (whether actual or imputed) that is not due and payable, except as provided in item (c) below:
- (a) any obligation (including by way of overdraft or draft or order accepted representing an extension of credit) that would be considered to be indebtedness for borrowed money;
 - (b) any obligation (whether or not with respect to the borrowing of money) that is evidenced by a bond, debenture, note or other similar instrument;
 - (c) the face amount of any bankers' acceptance or similar instrument;
 - (d) any obligation on which interest is customarily paid by that Person;
 - (e) any Equity Interest of that Person (or of any Subsidiary of that Person) that, by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable at the option of the holder), or on the happening of any event, matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or is redeemable at the option of the holder of the Equity Interest, in whole or in part, on or before, or within one year after, the maturity date of the Credits, for cash or securities constituting Debt;
 - (f) the market value of any Derivative for which the market value is negative from that Person's perspective (that is, the Person is "out of the money"), where the market value is the aggregate amount that would have to be paid by that Person to its counterparty under the Derivative so as to preserve the economic equivalent of all payments or deliveries (whether the underlying obligation was absolute or contingent) to be made by both parties in respect of the obligations under the Derivative; that amount may be reduced to the extent that the market value of another Derivative entered into by that Person with the same counterparty is positive from that Person's perspective and a netting arrangement between that Person and its counterparty is in place;
 - (g) any operating lease obligation, capital lease obligation, synthetic lease obligation, obligation under sale and leaseback transaction or purchase money obligation;
 - (h) all indebtedness of any other Person secured by a Lien on any Property of the specified Person, whether or not the indebtedness is assumed by the specified

Person, except that the amount of the resulting Debt shall be the lesser of (i) the fair market value of the Property at the date of determination, and (ii) the amount of the indebtedness of the other Person;

- (i) the face amount of any outstanding letter of credit or letter of guarantee, performance bond, surety bond or similar instrument for which the Person has reimbursement obligations;
- (j) the amount of the contingent liability under any guarantee (except by endorsement of negotiable instruments for collection or deposit in the Ordinary Course) in any manner of any part or all of an obligation of another Person of the type included in items (a) through (i) above; and
- (k) any other guarantee or other contingent liability of any part or all of an obligation of another Person, in each case only to the extent that the guarantee or other contingent liability is required by IFRS to be treated as a liability on a balance sheet of the guarantor or Person contingently liable;

except that current trade payables, share-based payment reserves and obligations and deferred taxes, in each case incurred in the Ordinary Course, do not constitute Debt and, for certainty, indebtedness owing under the Preferred Securities does not constitute Debt.

- (40) **"Default"** means any event or condition that constitutes an Event of Default or that would constitute an Event of Default except for satisfaction of any condition subsequent required to make the event or condition an Event of Default, including giving of any notice, passage of time, or both. Without limiting the preceding sentence, it shall be a Default (but not an Event of Default) if the Required Lenders conclude there are reasonable grounds to believe that the Borrower will not be in compliance with any financial covenants contained in Section 6.1 at the end of the current fiscal quarter, and it shall be an Event of Default if the Required Lenders conclude there are reasonable grounds to believe that the Borrower was not in compliance with those covenants at the end of the immediately preceding fiscal quarter if it has not delivered its Compliance Certificate for that quarter.
- (41) **"Defaulting Lender"** means, subject to Section 8.10(5), any Lender that:
 - (a) has failed to (i) fully fund its share of any Advance within two Banking Days of the date it is required to do so under this Agreement, unless the Lender notifies the Agent and the Borrower in writing that its failure is the result of its determination that one or more conditions precedent to funding (each of which conditions precedent, together with any applicable Default, shall be specifically identified in its notice) has not been satisfied, or (ii) pay to the Agent or any Lender any other amount required to be paid by it under this Agreement within two Banking Days of the date when due;
 - (b) has notified the Borrower, the Agent or any other Lender in writing that it does not intend to comply with its funding obligations under this Agreement, or has made a public statement to that effect (unless its notice or public statement relates to its obligation to fund an Advance and states that the Lender's position is based on its

determination that one or more conditions precedent to funding (each of which conditions precedent, together with any applicable Default, shall be specifically identified in its notice or public statement) cannot be satisfied);

- (c) has failed, within three Banking Days after written request by the Agent or the Borrower, to confirm in writing to the Agent and the Borrower that it will comply with its prospective funding obligations under this Agreement (but the Lender will cease to be a Defaulting Lender pursuant to this Section 1.1(41)(c) upon receipt of that written confirmation by the Agent and the Borrower);
- (d) has itself or is Controlled by a Person that has (i) become the subject of a bankruptcy or insolvency proceeding, or (ii) had a receiver, custodian, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business appointed for it, except that a Lender shall not be a Defaulting Lender solely by virtue of (x) the ownership or acquisition of any Equity Interests in that Lender or any Person that Controls it by a Governmental Authority, (y) that Lender being an agent for all purposes of Her Majesty in right of Canada, or (z) if that Lender or any Person that Controls it is solvent, the appointment of an receiver, custodian, conservator, trustee, administrator or similar Person by a Governmental Authority under or based on the law in the country where the Lender or any Person that Controls it is subject to home jurisdiction, if Applicable Law requires that such appointment not be disclosed, in each case as long as that does not result in or provide the Lender with immunity from the jurisdiction of courts within the Province of Ontario or from the enforcement of judgments or writs of attachment on its Property, or permit the Lender or Governmental Authority to reject, repudiate, disavow or disaffirm any Contract made with the Lender.

Any determination by the Agent that a Lender is a Defaulting Lender under any one or more of Sections 1.1(41)(a) to 1.1(41)(d) shall be conclusive and binding absent manifest error, and that Lender shall be deemed to be a Defaulting Lender (subject to Section 8.10(5)) upon delivery of written notice of the Agent's determination to the Borrower and each Lender.

- (42) "**Derivative**" means any transaction or combination of transactions, including any related agreement, of a type commonly considered to be a derivative or hedging transaction, whether relating to one or more of interest rates, currencies, commodities, securities or any other matters, including (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.
- (43) "**Dispute**" means any suit, action, dispute, investigation, claim, arbitration, legal, insolvency or other proceeding, appeal or application for review, whether at law, in equity or before any Governmental Authority, or any industrial or labour dispute, and includes any claim by any Governmental Authority regarding payment, collection, withholding or remittance of Taxes.

- (44) **"EBITDA"** means, for any relevant period, an amount equal to the Parent's net income or net loss for the period, including the Parent's proportionate share of EBITDA of the Partnerships and LNRLP, calculated on a consolidated basis in accordance with IFRS unless otherwise expressly described below, plus amounts deducted, or minus amounts added, in calculating net income or net loss in respect of:
- (a) Total Interest Expense;
 - (b) upfront fees paid to the Agent or Lenders in connection with this Agreement;
 - (c) income taxes, whether or not deferred;
 - (d) depreciation and amortization;
 - (e) any gain or loss attributable to the sale, conversion or other disposition of Property out of the Ordinary Course, including any disposition of property held as part of an investment portfolio;
 - (f) interest or non-cash dividend income;
 - (g) foreign exchange gain or loss;
 - (h) gains resulting from the write-up of Property and losses resulting from the write-down of Property (except allowances for doubtful accounts receivable);
 - (i) any gain or loss on the repurchase or redemption of any securities (including in connection with the early retirement or defeasance of any Debt);
 - (j) non-cash expense attributable to compensating directors, officers and employees of Obligors through the issuance of Equity Interests or options or rights to Equity Interests except where amounts are cash settled during the period;
 - (k) any other item arising from an event or transaction that (i) possesses a high degree of abnormality and is of a type clearly unrelated to, or only incidentally related to, Ordinary Course activities of the Obligors, (ii) is not reasonably expected to recur in the foreseeable future, and (iii) does not depend primarily on decisions or determinations by management or owners of the Obligors, in each case taking into account the environment in which the Obligors operate;
 - (l) amounts that are attributable to Persons other than Obligors or to minority interests in Obligors; and
 - (m) non-cash income or loss of Associates or joint ventures that are accounted for by the equity method.

Notwithstanding the foregoing, exploration-related expenses deducted when calculating net income or net loss for a relevant period may be added back when calculating EBITDA for that period to the extent of Net Cash Proceeds of sales permitted by this Agreement of

publicly traded securities held by the Obligors as part of an investment portfolio that are received during that period.

If a Permitted Acquisition has been made during a relevant period, EBITDA will be adjusted based on EBITDA for the Property that is the subject of the Permitted Acquisition during the part of the relevant period before the Permitted Acquisition was made if that can be determined with reliability satisfactory to the Lenders.

- (45) **"EEA Financial Institution"** means (a) any credit institution or investment firm established in any EEA Member Country that is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country that is a parent of an institution described in item (a) immediately above, or (c) any financial institution established in an EEA Member Country that is a Subsidiary of an institution described in items (a) or (b) immediately above and is subject to consolidated supervision with its parent.
- (46) **"EEA Member Country"** means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.
- (47) **"EEA Resolution Authority"** means any public administrative authority or any person entrusted with public administrative authority of any EEA Member Country (including any delegatee) having responsibility for the resolution of any EEA Financial Institution.
- (48) **"Eligible Assignee"** means any Person (other than a natural person, any Obligor or Affiliate of an Obligor, any Defaulting Lender or Affiliate of a Defaulting Lender, or any Person who would be a Defaulting Lender upon becoming a Lender), in respect of which any consent that is required by Section 10.2(1) has been obtained.
- (49) **"Employee Plan"** means a Pension Plan, a Welfare Plan or both.
- (50) **"Equity Interests"** means, with respect to any Person, any and all present and future shares, units, trust units, partnership, membership or other interests, participations or other equivalent rights in the Person's equity or capital, however designated and whether voting or non-voting, and warrants, options or other rights to acquire any of the foregoing and Debt or other rights convertible into or exchangeable for any of the foregoing. For certainty, the Preferred Securities do not constitute Equity Interests.
- (51) **"Equivalent Amount"** means, with respect to an amount in one currency, the amount in another currency that could be purchased by the amount in the first currency determined by reference to the Exchange Rate at the time of determination.
- (52) **"EU Bail-In Legislation Schedule"** means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor to it), as in effect from time to time.
- (53) **"Event of Default"** means any event listed in Section 7.1.
- (54) **"Exchange Rate"** means the Agent's mid rate (i.e., the average of the Agent's spot buying and selling rates) for converting one currency to another currency at the relevant time. For

the purpose of calculating any standby fee, or if the Exchange Rate is being determined at any time in respect of a previous day, the exchange rate most recently published by the Bank of Canada as of that day will be used instead of the Agent's mid rate.

- (55) **"Excluded Swap Obligation"** means, with respect to any Obligor, any Swap Obligation if, and to the extent that, all or a portion of the Security granted by that Obligor for that Swap Obligation (or any guarantee or indemnity relating to the Swap Obligation) is or becomes illegal under the Commodity Exchange Act or any rule, regulation or order of the Commodity Futures Trading Commission (or the application or official interpretation of any of them) by virtue of the Obligor's failure for any reason to constitute an "eligible contract participant" as defined in the Commodity Exchange Act and the regulations under that Act (determined after giving effect to Section 3.3 and any other "keepwell, support or other agreement" for the benefit of the Obligor and any and all guarantees of that Obligor's Swap Obligations by other Obligors) at the time the Security becomes effective with respect to that Swap Obligation. If a Swap Obligation arises under a master agreement governing more than one Swap Obligation, the exclusion shall apply only to the portion of the Swap Obligations for which the Security is or becomes excluded in accordance with the first sentence of this definition.
- (56) **"Excluded Taxes"** means any of the following Taxes imposed on or with respect to a Recipient or required to be withheld or deducted from a payment to a Recipient:
- (a) Taxes imposed on or measured by its net income (however denominated), franchise Taxes and branch profits Taxes, in each case, (i) imposed as a result of that Recipient being organized under the laws of, or having its principal office or, in the case of any Lender, its applicable lending office located in the jurisdiction imposing the Tax (or any political subdivision of the jurisdiction) or (ii) that are Other Connection Taxes;
 - (b) any FATCA Withholding Tax existing as of the date of this Agreement or under any amended or successor legislation that is substantially similar and not materially more onerous to comply with;
 - (c) in the case of a Foreign Lender, any withholding Tax (which includes any Tax that a Foreign Lender is required to pay pursuant to Part XIII of the *Income Tax Act* (Canada)) that is required by Applicable Law to be withheld or paid in respect of any amount payable under any Loan Document to that Foreign Lender at the time it becomes a Party (or designates a new lending office) or is attributable to the Foreign Lender's failure or inability (other than as a result of a Change in Law) to comply with Section 9.15(6), except:
 - (i) withholding Tax applicable to an assignee pursuant to a request by the Borrower under Section 9.16(2);
 - (ii) withholding Tax applicable to an assignee pursuant to an Assignment and Assumption made when an Event of Default has occurred and is continuing;

- (iii) withholding Tax applicable to any other assignee to the extent that the Borrower has expressly agreed that any withholding Taxes shall be an Indemnified Tax;
 - (iv) withholding Tax imposed or assessed in respect of an Advance that was made on the premise that an exemption from that withholding tax would be available where the exemption is subsequently determined, or alleged by a taxing authority, not to be available; and
 - (v) to the extent that the Foreign Lender (or its assignor, if any) was entitled, at the time of designation of a new lending office (or assignment), to receive additional amounts from an Obligor with respect to that withholding Tax pursuant to Section 9.15(1);
- (d) Taxes payable by a Lender that does not deal at arm's length with the Borrower (within the meaning of the *Income Tax Act* (Canada)) at the time of the payment; and
- (e) Taxes payable by a Lender that is a "specified non-resident shareholder" of the Borrower, or is a Person not dealing at arm's length with a "specified shareholder" of the Borrower for the purposes of the *Income Tax Act* (Canada).
- (57) **"Existing Credit Agreement"** is defined in the first recital to this Agreement.
- (58) **"FATCA Withholding Tax"** means any United States federal withholding tax imposed or collected pursuant to sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended (in this Section 1.1(58), the "**Code**"), any current or future regulations or official interpretations thereof, any agreement entered into pursuant to section 1471(b) of the Code, or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of those sections of the Code.
- (59) **"Fee Agreements"** means the fee letter dated 29 June 2018 from BNS and ING Capital LLC to the Borrower and the fee letter dated 29 June 2018 from the Agent to the Borrower, each accepted by the Borrower on 29 June 2018.
- (60) **"Foreign Lender"** means any Lender that is not organized under the laws of the jurisdiction in which the Borrower is resident for tax purposes and that is not otherwise considered or deemed in respect of any amount payable to it under any Loan Document executed by an Obligor to be resident for income tax or withholding tax purposes in the jurisdiction in which the Borrower is resident for tax purposes by application of the laws of that jurisdiction. For purposes of this definition Canada and each of its Provinces and Territories shall be deemed to constitute a single jurisdiction and the United States of America, each of its States and the District of Columbia shall be deemed to constitute a single jurisdiction.
- (61) **"General Partners"** means Coal Royalty GP Inc., Potash Royalty GP Inc. and Genesee Royalty GP Inc., each of which is incorporated under the laws of Alberta.

- (62) "**Genesee Partnership**" means the limited partnership in which Genesee Royalty GP Inc. is the sole general partner and Genesee APR Holdings Corp. holds more than a 50% interest as limited partner, and the sole purpose of which is to hold the royalty referred to as Genesee and related real property interests and distribute payments received from that royalty.
- (63) "**Governmental Authority**" means the government of Canada or any other nation, or of any of its political subdivisions, whether provincial, state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government, including any supra-national bodies such as the United Nations, the European Union or the European Central Bank and including a Minister of the Crown, Superintendent of Financial Institutions or other comparable authority or agency.
- (64) "**Hazardous Materials**" means any pollutant, contaminant, or hazardous, toxic or dangerous waste, substance or material, as defined in any Applicable Law or regulated by any Governmental Authority from time to time.
- (65) "**Holders**" means the holders of Preferred Securities.
- (66) "**IFRS**" means International Financial Reporting Standards as in effect from time to time in Canada.
- (67) "**Indemnified Taxes**" means (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of an Obligor under any Loan Document, and (b) to the extent not otherwise described in (a), Other Taxes.
- (68) "**Indemnitee**" is defined in Section 11.5(2).
- (69) "**Indenture**" means the indenture dated as of 26 April 2017 between the Parent and TSX Trust Company providing for the issuance of the Preferred Securities.
- (70) "**Intellectual Property**" means patents, trademarks, service marks, trade names, domain names, rights relating to social media, copyrights, trade secrets, industrial designs and other similar rights.
- (71) "**Interbank Reference Rate**" means, in respect of any currency, the interest rate expressed as a percentage per annum that is determined by the Agent at any time in accordance with banking industry rules on interbank compensation for use when calculating interest due by it or owing to it arising from correction of errors in transactions in that currency between it and other banks, but in any event not less than 0.00% per annum.
- (72) "**Intercreditor Agreement**" means (a) any intercreditor, priority, subordination or similar agreement, including any declaration of subordination by the Lenders for the benefit of a third party or by a third party for the benefit of the Lenders, that may be entered into from time to time and that provides for the terms of subordination, ranking or priority of any other Debt or Lien in relation to any of the Obligations, the Other Secured Obligations or the Security; (b) the agreement required to be entered into by the Agent for the benefit of

Vale Newfoundland & Labrador Limited (formerly Voisey's Bay Nickel Company Limited) and the consent required from the other partners of LNRLP, in each case as a condition of Equity Interests in LNRLP being pledged as part of the Security; (c) the agreements required to be entered into by the Agent for the benefit of the respective Partnerships, as a condition of Equity Interests in the Partnerships being pledged as part of the Security; and (d) the agreement dated 26 April 2017 between the Agent, the Parent and the trustee under the Indenture.

- (73) **"Interest Coverage Ratio"** means, at any time, the ratio of (a) EBITDA for the Parent's four most recently completed fiscal quarters to (b) Total Interest Expense for the Parent's four most recently completed fiscal quarters.
- (74) **"Intragroup Debts"** means all present and future debts, liabilities and obligations owing or remaining unpaid by any Obligor to another Obligor in respect of loans or advances made to the first Obligor by the other Obligor.
- (75) **"Intragroup Obligations"** means all present and future debts, liabilities and obligations of any kind owing or remaining unpaid by any Obligor to another Obligor, including Intragroup Debts.
- (76) **"Junior Company"** means any publicly traded junior exploration company that is not a Subsidiary of the Parent and that, at the relevant time, has a market capitalization that does not exceed \$80,000,000.
- (77) **"KYC Laws"** means Applicable Laws regarding anti-money laundering, anti-bribery and corruption, anti-terrorist financing, sanctions and "know your client" matters, including the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) and the *Corruption of Foreign Public Officials Act* (Canada).
- (78) **"Lenders"** means each of the Persons listed on Schedule A and other lenders that from time to time become Lenders in accordance with Article 10. It includes the Revolving Lenders and the Term Lenders. However, the reference in Section 8.6(2)(d) and other similar references to the Lenders in the context of the Agent or others holding Security or other rights or documents for the benefit or on behalf of the Lenders shall be interpreted as including other Persons to whom Other Secured Obligations are owed.
- (79) **"LIBOR"** means, for any LIBOR Period and LIBOR Advance:
 - (a) the rate expressed as a percentage per annum for deposits in US Dollars in the London interbank market for a period equal to the LIBOR Period that is published by ICE Benchmark Administration Limited (or any successor source as determined by the Agent from time to time) at approximately 11:00 a.m. (London time) two Banking Days before the first day of the LIBOR Period; or
 - (b) if the rate in item (a) is not available, the interest rate expressed as a percentage per annum determined by the Agent to be the arithmetic average (rounded upward to the nearest multiple of 1/16 of 1%) of the cost of funds of the Schedule I Reference Lenders in the London interbank market for US Dollars for delivery on the first day

of the LIBOR Period, for a period equal to the LIBOR Period and in an amount approximately equal to the amount of the LIBOR Advance, at approximately 11:00 a.m. (London time) two Banking Days before the first day of the LIBOR Period;

but in any event not less than 0.00% per annum.

- (80) "**LIBOR Advance**" means an Advance in US Dollars bearing interest based on LIBOR.
- (81) "**LIBOR Period**" means the period selected by the Borrower for a LIBOR Advance under Section 9.5(3).
- (82) "**Lien**" means:
 - (a) with respect to any Property, any mortgage, debenture, deed of trust, lien, pledge, hypothec, hypothecation, encumbrance, charge, assignment by way of security, consignment, security interest, royalty interest, adverse claim, defect of title or right to set off in, on or of the Property;
 - (b) the interest of a vendor or a lessor under any conditional sale agreement, capital lease (or financial lease) or title retention agreement having substantially the same economic effect as any of the foregoing, relating to any Property;
 - (c) with respect to securities, any purchase option, call or similar right of a third party, in respect of the securities;
 - (d) any netting or set-off arrangement (except one arising by operation of law in the Ordinary Course), defeasance arrangement or reciprocal fee arrangement; and
 - (e) any other arrangement having the effect of providing security.
- (83) "**LNRLP**" means the Labrador Nickel Royalty Limited Partnership.
- (84) "**Loan Documents**" means this Agreement, the Security, the Fee Agreements, each Intercreditor Agreement and all other documents relating to the Credits, or either of them.
- (85) "**Material Adverse Effect**" means a material adverse effect on (a) the business, operations, Property, liabilities, business prospects, financial position or operating results of the Obligors, taken as a whole, (b) the ability of the Obligors, taken as a whole, to comply with the Loan Documents, or (c) the validity or enforceability of a material provision of any Loan Document.
- (86) "**Material Royalties**" means the various rights to receive payments under royalty, streaming and other agreements in the mining industry:
 - (a) that are owned by the Partnerships in respect of the properties known as Genesee, Sheerness, Paintearth, Highvale, Cardinal River (Cheviot), Esterhazy, Rocanville, Cory, Allan, Patience Lake and Vanscoy;

- (b) that are owned directly or indirectly by the Borrower in respect of the properties known as the 777 Mine, Chapada and Voisey's Bay; or
 - (c) that are acquired on or after the date of this Agreement if either (i) the acquisition cost was \$7,500,000 or more or (ii) it generates annual revenue of \$1,500,000 or more.
- (87) **"Net Cash Proceeds"** means:
- (a) the proceeds of any sale, transfer or other disposition of Property in the form of cash and readily marketable cash equivalents (whenever actually received) net of (i) amounts required to be applied to the repayment of Debt secured by a Permitted Lien ranking in priority to the Security on the Property that is the subject of the sale, transfer or other disposition, (ii) arm's length legal fees, accountant's fees, investment banking fees, real estate agents' fees, brokers' fees, and other arm's length fees and expenses actually incurred in connection with the sale, transfer or other disposition, (iii) the amount of any reserve required to be established in accordance with IFRS against any liabilities (except Taxes deducted pursuant to clause (iv) below) (x) associated with the Property that is the subject of the sale, transfer or other disposition, and (y) retained by the Borrower, provided that the amount of any subsequent reduction of the reserve (except in connection with a payment in respect of any liability) shall be deemed to be Net Cash Proceeds of the sale, transfer or other disposition, received on the date of the reduction, and (iv) Taxes paid or reasonably estimated to be payable as a result of the disposition; and
 - (b) the cash proceeds of any issuance of Debt or Equity Interests (whenever actually received) net of arm's length legal fees, investment banking fees, accountants' fees, underwriting discounts and commissions and other arm's length fees and expenses actually incurred in connection with the issuance.
- (88) **"Net Debt Ratio"** means, at any time, the ratio of (a) the aggregate of the Parent's consolidated Debt at that time less consolidated cash on hand that is held in accounts domiciled in Canada with one or more Lenders or invested in cash equivalents with the Lenders or Affiliates of Lenders in Canada, and that is not subject to any Lien other than the Security or otherwise restricted, to (b) EBITDA for the Parent's four most recently completed fiscal quarters.
- (89) **"Net Worth"** means, at any time, the aggregate of (a) the Parent's consolidated stated share capital, other paid-in capital, contributed surplus and retained earnings (excluding any deficit or equity interests of the Parent held by any of its Subsidiaries), less (b) amounts due from officers and directors of the Obligors, associates of the Parent that are not Obligors and Persons of whom the Parent is an associate, and less (c) the aggregate value of the Parent's consolidated intangible assets (including goodwill, leasehold improvements, trademarks and licenses but excluding royalty and streaming interests). For certainty, as of the date of this Agreement, the proceeds of the Preferred Securities, net of the amount of associated deferred tax, are included as part of item (a).

- (90) "**Non-B/A Lender**" is defined in Section 9.9(3).
- (91) "**Non-Consenting Lender**" means any Lender that does not approve any consent, waiver or amendment that (a) requires the approval of all Lenders in accordance with Section 8.6(5) and (b) has been approved by the Required Lenders.
- (92) "**Non-Funding Lender**" is defined in Section 9.11(2).
- (93) "**Obligations**" means all debts, liabilities and obligations of the Borrower to the Lenders under or in connection with this Agreement, whether present or future, direct or indirect, absolute or contingent, matured or not, at any time owing or remaining unpaid by the Borrower to the Lenders in any currency under or in connection with this Agreement, whether arising from dealings between the Lenders and the Borrower or from other dealings or proceedings by which the Lenders may be or become in any manner whatever creditors of the Borrower under or in connection with this Agreement, and wherever incurred, and whether incurred by the Borrower alone or with another or others and whether as principal or surety, and all interest, fees, commissions and legal and other costs, charges and expenses owing or remaining unpaid by the Borrower to the Lenders in any currency under or in connection with this Agreement. In this definition, "Lenders" means the Lenders, or any of them. For certainty, the Other Secured Obligations are not Obligations.
- (94) "**Obligors**" means, collectively, the Borrower and each of the guarantors of the Obligations and/or Other Secured Obligations that are signatories to this Agreement or become Obligors in accordance with Section 3.1(2). References to "the Obligors" shall be interpreted to mean "the Obligors or any of them." At the date of this Agreement, the Obligors are those Persons listed in Schedule B.
- (95) "**Ordinary Course**" means, with respect to an action taken by a Person, that the action is consistent with the past practices of the Person and is taken in the usual course of the normal day-to-day operations of the Person, but dealing with new customers or suppliers or adopting new business methods does not, in itself, constitute a departure from past practice.
- (96) "**Other Coal Partnership**" means the limited partnership in which Coal Royalty GP Inc. is the sole general partner and Coal APR Holdings Corp. holds more than a 50% interest as limited partner, and the sole purpose of which is to acquire and hold the royalties relating to coal assets (other than the royalty referred to as Genesee) and related real property interests and distribute payments received from those royalties.
- (97) "**Other Connection Taxes**" means, with respect to any Recipient, Taxes imposed as a result of a present or former connection between that Recipient and the jurisdiction imposing the Tax (other than connections arising from the Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document, or sold or assigned an interest in any Advance or Loan Document).
- (98) "**Other Secured Obligations**" is defined in Section 3.2(1)(b).

- (99) **"Other Subsidiary"** means a Subsidiary of the Parent that (a) is not established under the laws of Canada, the United States, Mexico or a province or state of one of them, or (b) holds solely mineral properties and lands that do not generate royalty, streaming or similar payments, unless in any such case (i) the Agent, acting reasonably, determines that the benefit to the Lenders of the Subsidiary becoming an Obligor exceeds the costs and disadvantages to the Parent of that result or (ii) the Subsidiary is acquired using proceeds of an Advance, or at a cost of \$20,000,000 or more, or has Property that generates annual revenue of \$3,000,000 or more or was acquired at an aggregate cost of \$20,000,000 or more. As of the date hereof, Consultora Altius Chile Limitada, Minera Altius Chile Limitada, Altius Australia Pty Ltd., Altius Resources Michigan Inc., Adventus Exploration Limited, Altius Alaska, Inc., Adia Resources Inc. and Altius Finland OY are Other Subsidiaries.
- (100) **"Other Taxes"** means all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to Section 9.16).
- (101) **"Parent"** means Altius Minerals Corporation.
- (102) **"Participant"** is defined in Section 10.4(1).
- (103) **"Parties"** means collectively the Borrower, the other Obligors, the Lenders and the Agent.
- (104) **"Partnerships"** means, collectively, Genesee Partnership, Potash Partnership and Other Coal Partnership.
- (105) **"Pension Plan"** means a "pension plan" or "plan" within the meaning of the applicable pension benefits legislation in any jurisdiction of Canada, which is organized and administered to provide pensions, pension benefits or retirement benefits for employees and former employees of any Obligor. For certainty, neither a Welfare Plan nor a Statutory Plan is a Pension Plan.
- (106) **"Permits"** means franchises, licences, qualifications, authorizations, consents, certificates, registrations, exemptions, waivers, filings, grants, notifications, privileges, rights, orders, judgments, rulings, directives, permits and other approvals, obtained from or required by a Governmental Authority.
- (107) **"Permitted Acquisition"** means an Acquisition by the Parent or the Borrower of one or more royalties and/or streaming assets relating to mines located in a Permitted Jurisdiction, that generate at least \$3,000,000 of annual revenue for each Acquisition or that will do so in the 12 months after the Acquisition based on projections by the Parent or the Borrower that are satisfactory to the Required Lenders, all as confirmed in a certificate delivered by the Parent or the Borrower, as applicable, to the Agent, with details and copies of principal documents relating to the Acquisition, before completing the Acquisition.

(108) **"Permitted Debt"** means:

- (a) the Obligations;
- (b) the Other Secured Obligations;
- (c) Debt secured by Permitted Liens;
- (d) Intragroup Debts, to the extent permitted under this Agreement;
- (e) obligations under Derivatives that comply with Section 6.4(8);
- (f) with respect to the Potash Partnership only, royalties payable pursuant to a purchase and sale agreement between Mike Petryk and Fording Coal Limited dated 6 September 1988, as amended from time to time before the date of this Agreement;
- (g) with respect to the Other Coal Partnership only, royalties payable pursuant to an agreement between Prairie Mines & Royalty Ltd. and Fording Canadian Coal Trust dated 11 September 2006, as amended from time to time before the date of this Agreement;
- (h) with respect to the Parent, ARI and the Other Subsidiaries only, obligations under operating leases for office space and vehicles that are entered into when no Default has occurred and is continuing, or would occur as a result, and in respect of which the aggregate payment obligations of the Parent, ARI and the Other Subsidiaries do not exceed \$600,000 in any fiscal year of the Parent; and
- (i) other Debt expressly consented to by the Required Lenders in writing.

(109) **"Permitted Jurisdictions"** means Australia, Scandinavia, Germany, Switzerland, France, Belgium, the Netherlands, Spain, Portugal, the United Kingdom, the Republic of Ireland, India and the Americas, excluding Argentina, Bolivia, Cuba, Ecuador and Venezuela.

(110) **"Permitted Liens"** means, with respect to any Person:

- (a) Liens for Taxes not yet due, or for which instalments have been paid based on reasonable estimates pending final assessments, or if due, the validity of which is being contested diligently and in good faith by appropriate proceedings by that Person and for which that Person has made adequate provision for payment of the contested amount and provided evidence of the provision requested by the Agent;
- (b) undetermined, inchoate or statutory Liens, rights of distress and charges incidental to current operations that have not been filed or exercised and of which none of the Lenders has been given notice, or that relate to obligations not due or payable or if due, the validity of which is being contested diligently and in good faith by appropriate proceedings by that Person and for which that Person has made adequate provision for payment of the contested amount and provided evidence of the provision requested by the Agent;

- (c) reservations, limitations, provisos and conditions expressed in any original grants from the Crown or other grants of real or immovable property, or interests in real or immovable property, that do not materially affect the use of the affected land for the purpose for which it is used by that Person;
- (d) licences, easements, rights-of-way and rights in the nature of easements (including licences, easements, rights-of-way and rights in the nature of easements for sidewalks, public ways, sewers, drains, gas, steam and water mains or electric light and power, or telephone and telegraph conduits, poles, wires and cables) and zoning, land use and building restrictions, by-laws, regulations and ordinances of federal, provincial, municipal and other Governmental Authorities that do not materially impair the use of the affected land for the purpose for which it is used by that Person;
- (e) minor title defects, encroachments or irregularities that in the aggregate do not materially impair the use of the affected property or assets for the purpose for which it is used by that Person;
- (f) the right reserved to or vested in any municipality or Governmental Authority by the terms of any lease, license, franchise, grant or permit acquired by that person or by any statutory provision to terminate the lease, license, franchise, grant or permit, or to require annual or other payments as a condition to its continuance;
- (g) Liens resulting from the deposit of cash or securities in connection with contracts, tenders or expropriation proceedings, or to secure workers' compensation, unemployment insurance, surety or appeal bonds, costs of litigation when required by law, liens and claims incidental to current construction, mechanics', warehousemen's, carriers' and other similar liens, and public, statutory and other like obligations incurred in the Ordinary Course, up to a maximum aggregate amount deposited at any time of \$1,000,000 for all Obligors;
- (h) security given to a public utility or any Governmental Authority when required by the utility or authority in connection with the operations of that Person in the Ordinary Course;
- (i) any Lien created by a judgment of a court of competent jurisdiction, as long as the judgment is being contested diligently and in good faith by appropriate proceedings or is being satisfied by that Person and has not caused an Event of Default and that Person has made adequate provision for payment of the contested amount and provided evidence of the provision requested by the Agent;
- (j) the Security;
- (k) in the case of the Parent, ARI and the Other Subsidiaries only, Liens on equipment and its proceeds created or assumed to finance or re-finance the acquisition or improvement or secure the unpaid purchase price of the equipment (including the principal amount of any capital lease) provided that the aggregate principal amount (or fair market value of the Property that is subject to a Lien if no principal amount

is designated) secured by all such Liens outstanding for the Parent, ARI and the Other Subsidiaries at any time does not exceed \$3,000,000;

- (l) Liens listed on Schedule E; and
 - (m) other Liens expressly agreed to in writing by the Required Lenders.
- (111) "**Person**" means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity, and "person" has the same meaning.
- (112) "**Pledged Shares**" means the Equity Interests of the Obligors and other Persons (including the Partnerships and LNRLP) that are specifically pledged as part of the Security from time to time.
- (113) "**Potash Partnership**" means the limited partnership in which Potash Royalty GP Inc. is the sole general partner and the Borrower indirectly holds at least a 90% interest through one or more limited partners, and the sole purpose of which is to hold the royalties relating to potash assets and related real property interests and distribute payments received from those royalties.
- (114) "**Preferred Securities**" means the 5% subordinate preferred securities of the Parent issued under the Indenture in the aggregate principal amount of up to \$100,000,000.
- (115) "**Prime Rate**" means, on any day, the greater of:
- (a) the annual rate of interest established by the Agent as its reference rate for that day for commercial loans made by it in Canada in Canadian Dollars; and
 - (b) the average rate for 30 day Canadian Dollar bankers' acceptances that appears on the Reuters Screen CDOR page (or any successor source from time to time) at 10:00 a.m. Toronto time on that day (but in any event not less than 0.00% per annum), plus 1.00% per annum.
- (116) "**Prime Rate Advance**" means an Advance in Canadian Dollars bearing interest based on the Prime Rate and includes availments that are deemed to be Prime Rate Advances under this Agreement.
- (117) "**Property**" means, with respect to any Person, any or all of its present and future undertaking, property and assets, whether tangible or intangible, real or personal, and includes rights under Contracts and Permits.
- (118) "**Qualified ECP Guarantor**" means, in respect of any Swap Obligation, each Obligor with total assets exceeding US \$10,000,000 at the time the relevant Security becomes effective with respect to that Swap Obligation or any other Person that qualifies as an "eligible contract participant" under the Commodity Exchange Act and the regulations under that Act and can cause another Person to qualify as an "eligible contract participant" at that time

by entering into a "keepwell, support or other agreement" under section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

- (119) "**Recipient**" means the Agent and any Lender, as applicable.
- (120) "**Register**" is defined in Section 10.3.
- (121) "**Related Parties**" means, with respect to any Person, its Affiliates and the directors, officers, employees, agents and advisors of the Person and of its Affiliates.
- (122) "**Representatives**" means, with respect to any Party, its Affiliates and, if applicable, its and their respective directors, officers, employees, agents and other representatives and advisors.
- (123) "**Required Lenders**" means all of the Lenders if there are two or fewer Lenders and otherwise means two or more Lenders (or three or more Lenders if there are four or more Lenders) holding, in the aggregate, a minimum of 66⅔% of the outstanding amount of the Commitments. For the purpose of determining the number of Lenders, two or more Lenders that are Affiliates of each other shall be counted as one Lender. If any Lender is a Defaulting Lender at any time of determination, then that Lender and its Commitment shall be excluded in determining the Required Lenders.
- (124) "**Revolving Credit**" means the revolving credit in favour of the Borrower that is established pursuant to Section 2.1(1).
- (125) "**Revolving Lenders**" means the Lenders who have provided Commitments relating to the Revolving Credit as specified in Schedule A.
- (126) "**Royalty Cos**" means Coal APR Holdings Corp., Potash APR Holdings Corp., Liberty Metals & Mining Canadian Royalties Ltd. and Genesee APR Holdings Corp.
- (127) "**Schedule I Reference Lenders**" means Lenders that are banks named on Schedule I of the *Bank Act* (Canada) and that have been designated as or deemed to be Schedule I Reference Lenders pursuant to Section 8.12.
- (128) "**Security**" means all security documents and guarantees and indemnities made by the Obligors or other Persons in favour of or for the benefit of the Agent and the Lenders, securing or intended to secure or support the repayment of the Obligations and the Other Secured Obligations, including the security documents and guarantees and indemnities described in Section 3.1.
- (129) "**Sherritt Arrangement Agreement**" means the arrangement agreement dated as of 24 December 2013 between Westmoreland Coal Company, the Parent, the Borrower, Sherritt International Corporation, Prairie Mines & Royalty Ltd. and others, and the related disclosure letter dated as of December 24, 2013, together with all amendments thereto on or prior to the closing date of that arrangement, copies of all of which were filed on SEDAR on or about 24 December 2013.

- (130) "**Statutory Plan**" means any benefit plan that an Obligor is required by statute to participate in or contribute to in respect of any current or former employee, director, officer, shareholder, consultant or independent contractor of that Obligor, or any dependent of any of them, including the Canada Pension Plan, the Quebec Pension Plan and plans administered pursuant to applicable legislation regarding health, tax, workers' compensation insurance and employment insurance.
- (131) "**Subsidiary**" of a Person means any Person Controlled by the first Person or by any Subsidiary of the first Person.
- (132) "**Swap Obligation**" means, with respect to any Obligor, any obligation to pay or perform under any agreement, contract or transaction that constitutes a "swap" within the meaning of Section 1a(47) of the Commodity Exchange Act.
- (133) "**Taxes**" means all present or future taxes, levies, imposts, duties, deductions, withholdings, assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable to them.
- (134) "**Term Credit**" means the credit of up to C\$125,000,000 in favour of the Borrower that is established pursuant to Section 2.1(2).
- (135) "**Term Lenders**" means the Lenders who have provided Commitments relating to the Term Credit as specified in Schedule A.
- (136) "**Total Interest Expense**" means, for any particular period, the aggregate expense incurred by the Parent on a consolidated basis for interest and other costs of obtaining credit, including:
- (a) B/A Fees and fees payable in respect of other bankers' acceptances;
 - (b) discounts on B/As and other bankers' acceptances;
 - (c) fees payable in respect of letters of credit and letters of guarantee;
 - (d) the interest portion of any capital lease;
 - (e) all fees and other compensation paid to any Person that has extended credit to the Obligors except upfront fees paid to the Agent or Lenders; and
 - (f) interest actually paid on the Preferred Securities, whether or not it is deducted when calculating the Parent's net income or net loss;
- in each case other than item (f), whether or not actually paid, unless paid by the issuance of securities constituting Debt.
- (137) "**US Dollars**", "US \$" and "USD" mean the lawful currency of the United States of America.

- (138) **"Warrants"** means 6,670,000 common share purchase warrants issued concurrently with the Preferred Securities, each entitling the warrant holder to acquire, when vested, and upon due exercise in accordance with the terms of the warrant, one common share of the Parent for an exercise price of \$15.
- (139) **"Welfare Plan"** means any deferred compensation, bonus, share option or purchase, savings, retirement savings, retirement benefit, profit sharing, medical, health, hospitalization, insurance or any other benefit, program, agreement or arrangement, funded or unfunded, formal or informal, written or unwritten, that is applicable to any current or former employee, director, officer, shareholder, consultant or independent contractor of any Obligor, or any dependent of any of them, except a Pension Plan or a Statutory Plan.
- (140) **"Write-Down and Conversion Powers"** means, with respect to any EEA Resolution Authority, the write-down and conversion powers of that EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule.

1.2 Amendment and Restatement

- (1) This Agreement is and shall for all purposes be deemed to be an amendment and restatement of the provisions of the Existing Credit Agreement. While this Agreement will supersede the Existing Credit Agreement insofar as it constitutes the entire agreement between the parties concerning the subject matter of this Agreement, this Agreement merely amends and restates the Existing Credit Agreement and does not constitute or result in a novation or rescission of the Existing Credit Agreement, the existing Security or any other Loan Document.
- (2) The Parties confirm that none of the outstanding Advances (as defined in the Existing Credit Agreement) has been repaid or replaced by new obligations as a result of this Agreement. All of those outstanding Advances are Advances under this Agreement as more specifically provided in Section 2.3, and all of the Obligations (as defined in the Existing Credit Agreement) are Obligations under this Agreement.
- (3) Without in any way limiting the terms of the Existing Credit Agreement or the other Loan Documents, the Obligors confirm that the existing Security shall continue to secure all of the Obligations and Other Secured Obligations, including those arising as a result of this Agreement. Any references in the Security or other Loan Documents to the Existing Credit Agreement or section numbers in the Existing Credit Agreement shall be interpreted as referring to this Agreement and the corresponding Sections of it.
- (4) For certainty, Liberty Metals & Mining Canadian Royalties Ltd., which was not a party to the Existing Credit Agreement, acknowledges and agrees to the terms of this Agreement and agrees to be bound by all obligations of an Obligor under this Agreement.

1.3 Confirmation of Security

- (1) Each Obligor (i) acknowledges that it has received a copy of this Agreement and (ii) consents to the amendments to the Existing Credit Agreement pursuant to this Agreement, and the restatement of the Existing Credit Agreement as so amended.
- (2) Each Obligor confirms and agrees that the Security executed by it (or any of its predecessor entities) continues to secure all of its debts, liabilities and obligations, direct or indirect, absolute or contingent, matured or not, at any time due or accruing due under or in connection with the Loan Documents and the documents under which Other Secured Obligations arise, to which it is a party.
- (3) Each Obligor confirms and agrees that the Security and the other Loan Documents executed by it (or any of its predecessor entities) in connection with the Existing Credit Agreement continue to be valid and enforceable against it in accordance with their respective terms as of the date of this Agreement.
- (4) The Agent and each Obligor acknowledge, confirm and agree, with respect to the Security to which the Agent and that Obligor are parties (including as a consequence of being a successor to a party), as follows:
 - (a) the Security accurately describes and contains the mutual understandings of the parties to it with respect to the matters provided for in it; and
 - (b) other than this Agreement, there are no oral or written statements or agreements or courses of prior dealings among the parties to the Security, or any of their respective predecessors, that would modify, amend, vary or override any of the covenants, agreements, terms or conditions of the Security.
- (5) Notwithstanding the amendment and restatement of the Existing Credit Agreement by way of the execution and delivery of this Agreement or the execution and delivery of any additional Loan Documents in connection with this Agreement, each Obligor hereby irrevocably and unconditionally (i) acknowledges, confirms and agrees that the Security executed and delivered by it (or any of its predecessor entities, if applicable), and all of its covenants, agreements, obligations and liabilities under that Security are hereby ratified and confirmed, remain in full force and effect, and continue to constitute its valid, binding and enforceable covenants, agreements, obligations and liabilities, and (ii) ratifies, confirms and agrees to perform, observe, comply with and be bound by each and every covenant, agreement, term, condition, undertaking, appointment, duty, guarantee, indemnity, debt, liability, obligation and security interest contained in, existing under or created by the Security executed and delivered by it (or any of its predecessor entities, if applicable).
- (6) Sections 1.3(2) to 1.3(5) inclusive do not apply to the Security to the extent any part of it has been expressly released in writing by the Agent on behalf of the Lenders before the date of this Agreement.

1.4 Construction

The Loan Documents have been negotiated by each Party with the benefit of legal representation, and any rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not apply to the construction or interpretation of the Loan Documents.

1.5 Certain Rules of Interpretation

(1) In any Loan Document:

- (a) the division into articles and sections and the insertion of headings and the Table of Contents are for convenience of reference only and shall not affect the construction or interpretation of the Loan Document;
- (b) unless otherwise specified or the context otherwise requires:
 - (i) "the aggregate of", "the total of", "the sum of", or a phrase of similar meaning means "the aggregate (or total or sum), without duplication, of";
 - (ii) all amounts expressed in this Agreement in terms of money shall refer to Canadian Dollars, but any determination concerning any representation, covenant, Event of Default or other limit that refers to a minimum or maximum amount in Canadian Dollars will be made by taking into account the Equivalent Amounts in other currencies at the time of calculation;
 - (iii) any reference to a Person "directly or indirectly" owning, doing or having anything includes a Subsidiary of that Person owning, doing or having that thing; and
 - (iv) all references to specific times are references to Toronto time.

- (2) The interpretation rules in this Section 1.5(2) apply to every Loan Document unless a particular Loan Document specifies otherwise or the context otherwise requires. The definitions of terms in any Loan Document 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." Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document (including any definition of or reference to this Agreement) shall be construed as referring to that agreement, instrument or other document as from time to time amended, supplemented, restated or otherwise modified (subject to any restrictions on amendments, supplements, restatements or modifications in any Loan Document), (b) any reference to any Person shall be construed to include the Person's successors and permitted assigns, (c) the words "herein", "hereof" and "hereunder", and words of similar import, shall be construed to refer to the Loan Document in which they appear in its entirety and not to any particular provision of the Loan Document, (d) all

references in a Loan Document to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, the Loan Document in which the references appear, and (e) any reference to any law or regulation shall, unless otherwise specified, refer to that law or regulation as amended, modified or supplemented from time to time.

- (3) If Section 7.1 specifies a grace period before an event or circumstance becomes an Event of Default (that is, the occurrence of the event or circumstance initially constitutes a Default but not an Event of Default), and if before the expiration of the grace period the Borrower provides evidence of having remedied the event or circumstance that is satisfactory to the Agent (after consulting the Lenders if the Agent considers it appropriate to do so), then any Default arising from the occurrence of that event or circumstance will be deemed not to be "continuing." In any other case, any Default or Event of Default will be deemed to be "continuing" if it has not been waived by the Lenders in accordance with Section 11.2.

1.6 Knowledge

In any Loan Document, any reference to the knowledge of any Party means to the best of the knowledge, information and belief of the Party after reviewing all relevant records and making due inquiries regarding the relevant matter of all relevant Representatives of the Party. The determination of which records and Representatives are relevant in any particular instance may be made by the particular Party, acting reasonably.

1.7 Performance on Banking Days

If any action is required to be taken pursuant to any Loan Document on or by a specified date that is not a Banking Day, the action is valid if taken on or by the next Banking Day except that, in the case of a payment, if the next Banking Day is in a different calendar month then the payment shall be made on the preceding Banking Day.

1.8 Accounting Terms

In any Loan Document, unless specified otherwise, each accounting term has the meaning assigned to it under IFRS.

1.9 Permitted Liens

The designation of a Lien to be a Permitted Lien is not, and shall not be deemed to be, an acknowledgment by the Agent or any Lender that the Lien shall have priority over the Security.

ARTICLE 2 THE CREDITS

2.1 Amounts and Availment Options

- (1) Subject to the terms and conditions of this Agreement, the Revolving Lenders shall provide, severally (not jointly and not jointly and severally), a credit facility referred to as

the Revolving Credit for the use of the Borrower in the aggregate amount of up to \$100,000,000 or the Equivalent Amount in US Dollars. Each Revolving Lender's obligation shall be limited to its respective Applicable Percentage of the Revolving Credit.

- (2) Subject to the terms and conditions of this Agreement, the Term Lenders shall provide, severally (not jointly and not jointly and severally), a credit facility referred to as the Term Credit for the use of the Borrower in the aggregate amount of up to \$125,000,000. Each Term Lender's obligation shall be limited to its respective Applicable Percentage of the Term Credit.
- (3) Any undrawn portion of the Term Credit as of the date of this Agreement may be drawn only in a single Advance at the time of execution and delivery of this Agreement. Any amount under the Term Credit that is not drawn at that time will be permanently cancelled.
- (4) At the option of the Borrower, the Revolving Credit may be used by:
 - (a) requesting the Revolving Lenders to make Prime Rate Advances, Base Rate Advances and/or LIBOR Advances; and/or
 - (b) presenting orders to the Revolving Lenders for acceptance as B/As.
- (5) At the option of the Borrower, the Term Credit may be used by:
 - (a) requesting the Term Lenders to make Prime Rate Advances; and/or
 - (b) presenting orders to the Term Lenders for acceptance as B/As.

2.2 Re-borrowing

- (1) The Revolving Credit is a revolving credit and the principal amount of any Advance under the Revolving Credit that is repaid may be re-borrowed, if the Borrower is otherwise entitled to an Advance under the Revolving Credit.
- (2) The Term Credit is a non-revolving credit and the principal amount of any Advance under the Term Credit that is repaid may not be re-borrowed.

2.3 Use of the Credits

- (1) The Revolving Credit may only be used to finance acquisitions by Obligors (for certainty, not by Other Subsidiaries) of Property that are permitted in Sections 6.4(6)(a), 6.4(6)(b), 6.4(6)(e) and 6.4(6)(g), except that the outstanding principal amount of Advances under the Revolving Credit that have not been used to finance Permitted Acquisitions must not at any time exceed 50% of the committed amount of the Revolving Credit at that time.
- (2) The Term Credit:
 - (a) continues advances made under the Term Credit in the Existing Credit Agreement, which were used to fully repay the Borrower's existing indebtedness owing to the

lenders under the credit agreement dated as of 28 April 2014 between the Borrower as borrower, certain affiliates of the Borrower as guarantors, Sprott Resources Lending Partnership as agent and the lenders party thereto from time to time, as amended, and for general corporate purposes of the Obligors;

- (b) continues Canadian Dollar advances made under the Revolving Credit in the Existing Credit Agreement, which will be deemed to be Advances under the Term Credit when the conditions precedent in Article 4 have been satisfied;
- (c) as to the remainder of approximately \$9,750,000 (after repayment by the Borrower of US Dollar advances made under the Revolving Credit in the Existing Credit Agreement, which is to occur on the date of execution and delivery of this Agreement), may be drawn in a single Advance on the date of execution and delivery of this Agreement and used for general corporate purposes of the Obligors.

2.4 Term and Repayment

- (1) If Property acquired with an Advance is disposed of as permitted under Section 6.4(9)(b), the Borrower must use at least 50% of the Net Cash Proceeds of disposition to repay the Revolving Credit, without prejudice to the Borrower's right to re-borrow under the Revolving Credit.
- (2) In any event, the Revolving Credit shall be repaid in full by the Borrower and cancelled on or before 29 June 2023.
- (3) At the Borrower's option, voluntary payments of the Revolving Credit may be applied against Advances used to finance Permitted Acquisitions or Advances used to finance Acquisitions that are not Permitted Acquisitions.
- (4) The Term Credit shall be repaid and permanently reduced by the Borrower in quarterly instalments of \$5,000,000 on the last Banking Day of each of January, April, July and October of each year.
- (5) At the Borrower's option, voluntary payments of the Term Credit may be applied against the immediately following scheduled repayment and reduction in order of due date unless a Default would have occurred but for that voluntary payment. If a Default would have occurred, and to the extent that the voluntary payment exceeds the immediately following scheduled repayment and reduction, the payment will be applied against scheduled repayments and reductions in inverse order of due date.
- (6) In any event, the Term Credit shall be repaid in full by the Borrower and cancelled on or before 29 June 2023.

2.5 Interest Rates and Fees

- (1) Interest rates on Prime Rate Advances, Base Rate Advances and LIBOR Advances and the rate for calculation of B/A Fees shall be determined and adjusted based on the Net Debt Ratio as follows:

Net Debt Ratio	Prime Rate and Base Rate Advances	Other Advances	Standby Fee
Greater than or equal to 2.50 to 1			
Greater than or equal to 2.00 to 1 but less than 2.50 to 1			
Greater than or equal to 1.00 to 1 but less than 2.00 to 1			
Less than 1.00 to 1			

All figures in the table above represent percentages per annum. Each of the percentages specified above, except the standby fee, shall be increased by [REDACTED] per annum if an Event of Default has occurred and is continuing, but the increased amounts shall not be secured by any mortgage of real property or hypothec on immovables forming part of the Security to the extent prohibited by Applicable Law. If an Event of Default is disclosed by a Compliance Certificate, any increase shall be applied beginning as of the end of the fiscal period to which the Compliance Certificate relates.

- (2) Any increase or decrease in the interest rates and fees resulting from a change in the Net Debt Ratio shall be effective as of the 45th day after the end of each of the Borrower's fiscal quarters, except that if a Compliance Certificate for a fiscal quarter is delivered late, any resulting decrease shall be effective only as of the date that a satisfactory Compliance Certificate is actually received by the Agent. Interest and fees shall initially be established based on the Compliance Certificate delivered under Section 4.1(3)(c). B/A Fees paid before the effective date of an increase or decrease will not be adjusted.
- (3) Interest shall accrue and be payable on Prime Rate Advances and Base Rate Advances at the Prime Rate or the Base Rate, respectively, plus the relevant figure shown under "Prime Rate and Base Rate Advances" in the table in Section 2.5(1). Interest shall accrue and be payable on LIBOR Advances at LIBOR plus the relevant figure shown under "Other Advances" in that table. The rate for calculation of B/A Fees shall be the relevant figure shown under "Other Advances" in that table.
- (4) The Borrower shall pay interest and fees at the applicable rate specified in Section 2.5(1) to the Agent at the Branch of Account on Advances outstanding from time to time, except that the B/A Fee for any B/A shall be paid by each Lender deducting the applicable B/A Fee from the proceeds of the B/A remitted to the Agent pursuant to Section 9.7(4). The Borrower shall pay interest on Prime Rate Advances and Base Rate Advances on the 22nd day of each month. The Borrower shall pay interest on each LIBOR Advance on the last day of the applicable LIBOR Period and, if the LIBOR Period is longer than three months, every three months after the date of the relevant LIBOR Advance.
- (5) The Borrower shall pay a standby fee on the daily unadvanced portion of the Revolving Credit at a rate that shall be adjusted based on the Net Debt Ratio and that shall be as specified under "Standby Fee" in the table in Section 2.5(1). The standby fee shall be

payable monthly in arrears on the 22nd day of each month. On termination of all Commitments under the Revolving Credit, the Borrower shall also pay any accrued but unpaid standby fees.

- (6) The Agent shall distribute interest and fees for the Revolving Credit to the Revolving Lenders based on their respective Applicable Percentages. The Agent shall distribute interest and fees for the Term Credit to the Term Lenders based on their respective Applicable Percentages.

2.6 Other Fees

The Borrower shall, concurrently with the execution of this Agreement, pay non-refundable upfront and other fees to Lenders in accordance with the applicable Fee Agreement. The Borrower shall also pay agency and other fees to the Agent from time to time in accordance with the applicable Fee Agreement.

2.7 Exchange Rate Fluctuations

If fluctuations in Exchange Rates cause the amount of Advances (expressed in Canadian Dollars) under the Revolving Credit to exceed the maximum amount of that Credit permitted in this Agreement by five percent or more at any time, the Borrower shall immediately pay the Lenders the amount by which the maximum amount of that Credit is exceeded. If the Borrower is unable to immediately pay any amount under this Section because LIBOR Periods have not ended or B/As have not matured, the Borrower shall immediately post Cash Collateral with the Agent in the amount of the excess, and that Cash Collateral shall form part of the Security and be held until the excess no longer exists. If, on the date of any Advance under the Revolving Credit (whether by rollover, renewal, conversion or otherwise), the amount of Advances (expressed in Canadian Dollars) under that Credit exceeds the maximum amount of that Credit because of fluctuations in Exchange Rates, the Borrower shall immediately pay the Lenders the excess and shall not be entitled to any Advance that would result in the amount of that Credit being exceeded.

ARTICLE 3 SECURITY

3.1 Security

- (1) The Security includes the following documents and instruments in favour of the Agent for the benefit of the Lenders (which may have been delivered pursuant to the Existing Credit Agreement), all in form and substance satisfactory to the Lenders and subject only to Permitted Liens:
 - (a) security over all present and after-acquired Property of each Obligor in the form of a general security agreement, debenture including a fixed charge over any freehold and leasehold real property designated by the Agent, hypothec on a universality of all Property, security over Intellectual Property, assignment of insurance and/or other documents appropriate for the type of Property and the jurisdictions in which Property is located, but no fixed charge will be required in respect of any land or

- mineral rights owned at the time of closing of the transactions contemplated by the Sherritt Arrangement Agreement by Carbon Development Partnership (since dissolved, with its assets transferred to Carbon Development Corporation), Carbon Development Corporation or Callinan Royalties Corporation;
- (b) pledges of all Equity Interests of Obligors that are owned by other Obligors from time to time;
 - (c) pledges of Equity Interests of Persons other than the Obligors that are owned by the Obligors from time to time, including pledges of the Obligors' interests in the Partnerships and in LNRLP but excluding any pledge of Equity Interests of the Obligors in any Other Subsidiary, Junior Company or Person that is not a Subsidiary (recognizing that those Equity Interests are subject to the Security required under Section 3.1(1)(a));
 - (d) unconditional guarantees and indemnities by each of the Obligors (excluding the Borrower) of the Obligations and Other Secured Obligations of the Borrower and its guarantee and indemnity referred to in Section 3.1(1)(e), which shall be unlimited except for limits specified in the respective guarantees and indemnities to reflect Applicable Law; and
 - (e) unconditional and unlimited guarantee and indemnity by the Borrower relating to any Other Secured Obligations incurred by Obligors other than the Borrower.
- (2) If at any time the Parent owns, establishes or acquires a Subsidiary that is wholly owned by the Parent directly or indirectly, except an Other Subsidiary, the Parent shall immediately cause that Subsidiary to become an Obligor, adopt this Agreement by delivering an agreement in the form of Schedule J so as to be bound by all of the terms applicable to Obligors as if it had executed this Agreement as an Obligor, and deliver a guarantee and indemnity and other security documents required to comply with Section 3.1(1), which shall become part of the Security. For the purposes of this Agreement, "wholly-owned" shall include any Subsidiary that is wholly-owned except for Equity Interests required by Applicable Law to be held by directors of the Subsidiary. The Parent shall also deliver or cause the delivery of a pledge of all of the Equity Interests of the new Subsidiary as part of the Security, deliver any certificates representing the Equity Interests with endorsements executed in blank and take other steps that the Agent reasonably requires to perfect the Security relating to the Equity Interests.
 - (3) If at any time any Obligor owns or acquires any Equity Interest in a Person that is not a wholly-owned Subsidiary (except any Equity Interest that, pursuant to Section 3.1(1)(c), is not required to be pledged to the Agent), the Parent shall cause the delivery of a pledge of that Equity Interest as part of the Security, the delivery of any certificates representing the Equity Interest with endorsements executed in blank and the taking of other steps that the Agent reasonably requires to perfect the Security relating to the Equity Interest.
 - (4) Each Obligor shall, immediately on receipt, deliver to the Agent for the benefit of the Lenders, certificates representing all Equity Interests of an Obligor or other Person in

which it owns Equity Interests that it acquires after the date that it first delivers Equity Interests of that Obligor or other Person as part of the Security as required by this Agreement, together with any certificates representing those Equity Interests and endorsements executed in blank, and take other steps that the Agent reasonably requires to perfect the Security relating to those Equity Interests. If Equity Interests of an Obligor that are pledged as part of the Security are subsequently transferred to another Obligor, the transferee shall immediately deliver a pledge of all of the transferred Equity Interests as part of the Security, deliver any certificates representing the Equity Interests with endorsements executed in blank and take other steps that the Agent reasonably requires to perfect the Security relating to the Equity Interests.

- (5) Each Obligor shall, immediately on the acquisition of any freehold or leasehold real property or any Intellectual Property in which its interest is registered in a public office, grant to the Agent for the benefit of the Lenders, a fixed charge over that real property or a security interest in that Intellectual Property as part of the Security and cause the delivery of legal opinions and other supporting documents reasonably required by the Agent, unless excepted under Section 3.1(1)(a).
- (6) Notwithstanding the foregoing, the Obligors are not required to comply with Sections 3.1(2) to 3.1(5) in respect of Oro Del Norte S.A., Callinan Royalties Barbados Corporation or Callinan Royalties Corporation de Mexico S.A. de C.V. as long as they do not own any material Property or carry on any material business and the Parent continues in good faith with steps to have them dissolved.
- (7) Nothing in this Section 3.1 that contemplates the Obligors owning, establishing, acquiring or transferring Property, Equity Interests or Subsidiaries shall in any way modify any restriction on doing so elsewhere in this Agreement.

3.2 Obligations Secured by the Security

- (1) Unless otherwise agreed by the Lenders among themselves, the documents constituting the Security shall secure the following obligations *pari passu* with each other:
 - (a) the Obligations;
 - (b) the present and future debts, liabilities and obligations of the Obligors to any Lender or Affiliate of a Lender (collectively, the "**Other Secured Obligations**") (i) that are described in Schedule G, (ii) that arise under or in connection with Derivatives that are permitted under this Agreement, or (iii) that arise under or in connection with other transactions not made under this Agreement if it is agreed by the Borrower and the Agent acting on the instructions of the Required Lenders that those debts, liabilities and obligations shall be secured, except that no Excluded Swap Obligation of any Obligor will be an Other Secured Obligation of that Obligor.
- (2) The Parties confirm it is their intention that Affiliates of Lenders to whom Other Secured Obligations are owed shall benefit from the Security in accordance with this Section 3.2, notwithstanding that the Affiliates are not Parties. The Agent shall act as agent for those

Affiliates as well as the Lenders in holding the Security and it is understood that the Lenders' decisions concerning the Security referred to in Section 3.2(6) may reflect the interests of their respective Affiliates. In addition, the Obligors constitute the Lenders as trustees of the benefits of the Security for their respective Affiliates and the Lenders accept that trust.

- (3) If Applicable Law restricts any particular document forming part of the Security from securing all of the obligations described in Section 3.2(1) and the Lenders accept the document subject to that restriction, any proceeds of realization of that document shall be distributed in payment of the obligations that are secured, and proceeds of realization of other Security shall be distributed disproportionately as necessary to adjust for proceeds that would have been distributed to Lenders and holders of Other Secured Obligations but for the restriction. If compliance with Applicable Law results in any particular document forming part of the Security being expressed to secure obligations in addition to those described in Section 3.2(1), the Lenders and holders of Other Secured Obligations shall nevertheless only be entitled to claim and recover the obligations described in Section 3.2(1) from any realization of that Security.
- (4) As of the date of this Agreement, the Other Secured Obligations are those listed in Schedule G. The Borrower shall include in each Compliance Certificate a revised Schedule G to reflect any changes in the Other Secured Obligations from Schedule I to this Agreement or any revision delivered pursuant to any Compliance Certificate. Neither the failure of the Borrower to update Schedule I nor any error contained in Schedule I shall affect the security for the Other Secured Obligations if it has been agreed in accordance with this Section 3.2 that they shall be secured by the Security.
- (5) Other Secured Obligations listed on Schedule G, and (subject to Section 3.2(4)) any revision of it from time to time, shall be conclusively deemed to be secured by the Security (in the absence of manifest error) and shall not cease to be secured without the prior written consent of the respective Lenders to whom, or to whose Affiliates, the Other Secured Obligations are owed, whether or not the applicable Lender remains a Lender at any applicable time. If all Obligations have been indefeasibly paid in full and all Commitments have been cancelled, the Borrower may, and shall if requested by any Lender or Affiliate holding Other Secured Obligations, deliver Cash Collateral to secure the Other Secured Obligations, in an amount and form satisfactory to the respective Lenders and Affiliates to whom Other Secured Obligations are owed, acting reasonably, following which the respective Lenders and Affiliates shall release their interest in the Security.
- (6) Notwithstanding the rights of Lenders and Affiliates to benefit from the Security in respect of the Other Secured Obligations, all decisions concerning the Security and its enforcement shall be made by the Lenders or the Required Lenders in accordance with this Agreement and no Lender or Affiliate to whom Other Secured Obligations are owed from time to time shall have any additional right to influence the Security or the enforcement of the Security as a result of holding Other Secured Obligations as long as this Agreement remains in force. Notwithstanding the termination of this Agreement because of payment of the Credits, or for any other reason, the Other Secured Obligations shall continue to be secured by the Security, except as expressly provided in Section 3.2(5). After the termination of this

Agreement, decisions concerning the Security shall be made by those to whom Other Secured Obligations are owed as they may determine among themselves.

3.3 Keepwell for Swap Obligations

Each Qualified ECP Guarantor hereby jointly and severally absolutely, unconditionally and irrevocably undertakes to provide such funds or other support as may be needed from time to time by each other Obligor to honor all of its obligations under its guarantee and indemnity in respect of Swap Obligations (except that each Qualified ECP Guarantor shall only be liable under this Section 3.3 for the maximum amount that can be incurred without rendering its obligations under this Section 3.3, or otherwise under its guarantee and indemnity, voidable under Applicable Law relating to fraudulent conveyance or fraudulent transfer, and not for any greater amount). The obligations of each Qualified ECP Guarantor under this Section 3.3 shall remain in full force and effect until the termination of this Agreement or the release of the Qualified ECP Guarantor in accordance with Section 8.6(5)(e). Each Qualified ECP Guarantor intends that this Section 3.3 constitute, and this Section 3.3 shall be deemed to constitute, a "keepwell, support, or other agreement" for the benefit of each other Obligor for all purposes of section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

ARTICLE 4 DISBURSEMENT CONDITIONS

4.1 Conditions Precedent to Effectiveness of Agreement

The conditions precedent specified in this Section 4.1 must be satisfied at or before the execution of this Agreement, unless waived by all Lenders. In determining whether the conditions have been satisfied, the Agent on behalf of the Lenders shall take into account the documents that have been delivered and other steps that have been taken in connection with the Existing Credit Agreement. Where delivery of documents is referred to, the documents must be delivered to the Agent, for and on behalf of the Lenders, the documents must be in form and substance satisfactory to the Lenders, duly executed by all parties and in full force and effect, and all matters disclosed by the documents must be satisfactory to the Lenders.

(1) Security and Other Principal Documents

- (a) The Agent must have received duly executed copies of this Agreement and the Fee Agreements.
- (b) The Agent must have received duly executed copies of the Security, including unlimited guarantees and indemnities.
- (c) The Security must have been duly registered and otherwise perfected as required by the Agent.
- (d) The Agent must have received certificates representing the Pledged Shares, and endorsements executed in blank relating to those certificates and evidence of other

arrangements being made as required by the Agent to perfect the Security relating to the Pledged Shares.

(2) Corporate and Other Information

- (a) The Agent must have received a certificate of each Obligor attaching (i) copies of its Constatting Documents, (ii) a list of its officers and directors with occupations of all directors and specimens of the signatures of those officers or directors who are executing Loan Documents on its behalf, and (iii) copies of the corporate proceedings taken to authorize it to execute, deliver and perform its obligations under the Loan Documents and, if it is an issuer of Pledged Shares, consents that are required from its directors, shareholders, partners or members, either in connection with the pledges of Pledged Shares or in connection with any disposition of the Pledged Shares upon enforcement of the Security.
- (b) The Agent must have received (i) a certificate of the Borrower attaching copies of executed partnership agreements for the Partnerships disclosing that there are no restrictions or consents required in respect of the pledges of the interests of the Royalty Cos and the General Partners in the respective Partnerships and the pledges of the Equity Interests issued by the General Partners and the Royalty Cos as part of the Security, and any enforcement of that Security, (ii) a certificate attaching copies of documents necessary to disclose all material terms of the royalty now owned by the Borrower in respect of the property known as the 777 Mine; and (iii) a certificate of the Borrower attaching copies of agreements referred to on Schedule E that have not been filed on SEDAR.
- (c) The Agent must have received a certificate of status, compliance, good standing or equivalent for each Obligor and Partnership for its jurisdiction of incorporation and for each jurisdiction where an Obligor carries on business or where registrations or filings in relation to the Security given by that Obligor have been effected, except for any jurisdiction where certificates of that kind are not customarily issued by a Governmental Authority.
- (d) Each Obligor must have complied with Section 6.2(12).

(3) Financial Information

- (a) The Agent must have received the Parent's audited consolidated financial statements for its fiscal period ended 31 December 2017 and its unaudited consolidated financial statements for its fiscal period ended 31 March 2018.
- (b) The Agent must have received each Partnership's audited financial statements for its fiscal period ended 31 December 2017.
- (c) The Agent must have received a Compliance Certificate from the Parent for the fiscal period ended 31 March 2018.

(4) Other Debt and Liens / Third Party Documents

- (a) The Agent must have received evidence that all Debt of the Obligors, the Other Subsidiaries and the Partnerships, other than Permitted Debt, has been paid in full or will be paid in full concurrently with the execution of this Agreement.
- (b) The Agent must have received releases and discharges (in registrable form where appropriate) covering all Liens affecting any Property of any Obligor, Other Subsidiary or Partnership, other than Permitted Liens, or undertakings of the holders of those Liens to deliver releases and discharges promptly after the execution of this Agreement.
- (c) The Agent must have received all statements, postponements and acknowledgements that are required in respect of other Liens affecting the Property of the Obligors, Other Subsidiaries or Partnerships to confirm that those Liens are Permitted Liens.
- (d) The Agent must have received a certificate attaching a copy of the partnership agreement and any other Constatting Documents for LNRLP, and must have received all consents that are required from LNRLP and/or its partners in respect of the pledge of the interest of the Borrower in LNRLP as part of the Security, and any enforcement of that Security.
- (e) The Agent must have received certificates of insurance or other evidence that the covenants and conditions of the Loan Documents concerning insurance coverage are being complied with.

(5) Opinions The Agent must have received the following opinions, addressed to the Agent and the Lenders:

- (a) opinion of Borden Ladner Gervais LLP, as counsel to the Agent and Lenders;
- (b) opinion of Stikeman Elliott LLP, as principal counsel to the Obligors, with respect to the laws of Canada, Ontario and Alberta; and
- (c) opinion of local counsel in Newfoundland.

(6) Other Matters The following other conditions must be satisfied:

- (a) The Agent must have received payment of all fees that are payable under or in connection with this Agreement to the Agent, the Lenders or any of them, and reimbursement of all expenses incurred by any of them, including legal fees, as required by any Loan Document.
- (b) The Agent must have received payment of all interest and fees and reimbursement of all expenses owing to the Agent and the Lenders under or in connection with the Existing Credit Agreement.

- (c) The Lenders must be satisfied that, as of the date of this Agreement, there has not occurred and does not exist any event or circumstance that has, or could have, a Material Adverse Effect.
- (d) The Agent must have received other documents that the Lenders may reasonably require and of which the Borrower has been given reasonable notice.

4.2 Conditions Precedent to all Advances

In addition to the other conditions precedent specified in this Agreement, the obligation of the Lenders to make any Advance is subject to the following conditions precedent:

- (a) The representations and warranties made in Section 5.1 of this Agreement, except those expressly stated to be made as of a specific date, must be true and correct on and as of the Advance Date with the same force and effect as if the representations and warranties had been made on and as of the Advance Date.
- (b) No Default, including one relating to Material Adverse Effect, may have occurred and be continuing on the Advance Date, or result from making the Advance.
- (c) The Agent must have received timely notice as required under Section 9.4 and, in connection with any Advance under the Revolving Credit (other than a renewal, rollover or conversion) which will be used to finance a Permitted Acquisition, a certificate concerning the Permitted Acquisition being funded as contemplated in Section 1.1(107).
- (d) The Borrower must have no reasonable grounds to believe that it will not be in compliance with any financial covenants contained in Section 6.1 at the end of the then-current fiscal quarter or that it was not in compliance with those covenants at the end of the immediately preceding fiscal quarter if it has not delivered its Compliance Certificate for that quarter.
- (e) Neither the Agent nor any Lender may have received notice under section 224 of the *Income Tax Act* (Canada), section 317 of the *Excise Tax Act* (Canada), any successor provision of either statute or any comparable provision of any other taxing statute in respect of any Obligor.
- (f) All other terms and conditions of this Agreement on which an Advance may be obtained must be fulfilled.

ARTICLE 5 REPRESENTATIONS AND WARRANTIES

5.1 Representations and Warranties

Each Obligor represents and warrants to the Lenders as specified in this Section 5.1. In addition, the Parent represents and warrants to the Lenders with respect to each of the Other Subsidiaries and the Partnerships as specifically stated below.

- (1) Organization It is duly incorporated or otherwise established and duly organized, validly existing and in good standing under the laws of its jurisdiction of formation. It is qualified to do business and in good standing in each jurisdiction where that is necessary. In addition, the Parent represents and warrants to the Lenders that the foregoing is correct with respect to each of the Other Subsidiaries and the Partnerships.
- (2) Powers It has the corporate or analogous power and capacity to:
- (a) enter into and perform its obligations under any Loan Document to which it is or will be a party;
 - (b) incur Obligations and Other Secured Obligations; and
 - (c) own its Property and carry on the business in which it is engaged.
- In addition, the Parent represents and warrants to the Lenders that Section 5.1(2)(c) is correct with respect to each of the Other Subsidiaries and the Partnerships.
- (3) Authorization All necessary corporate or analogous action has been taken by it or on its part to authorize its execution and delivery of the Loan Documents to which it is or will be a party, the performance of its obligations under those Loan Documents and the incurrence of Obligations and Other Secured Obligations.
- (4) Absence of Conflict The execution, delivery and performance by it of the Loan Documents to which it is or will be a party and the incurrence of Obligations and Other Secured Obligations will not:
- (a) result in a material breach of any of the provisions of, constitute a default under, conflict with, or cause the acceleration of any of its obligations under:
 - (i) any material Contract to which it is a party or by which any of its Property is bound or affected;
 - (ii) any material Permit by which its business or any of its Property is bound or affected;
 - (iii) its Constatng Documents or any resolution of its directors (or similar governing body) or holders of its Equity Interests; or
 - (iv) any Applicable Law;
 - (b) result in or require the creation or imposition of any Lien on any of its Property, except Permitted Liens; or
 - (c) result in the forfeiture of any of its Property.
- (5) No Consents Required Except for filings required to perfect the Security, no Permit is required, nor is any authorization, consent, approval or notice required under any material

Contract to which it is a party, in connection with its execution, delivery and performance of the Loan Documents or the incurrence of Obligations or Other Secured Obligations.

- (6) No Restrictions on Borrowing Etc. Neither its power to borrow money, to give financial assistance by way of loan, guarantee or otherwise, or to create any Lien on any or all of its present and after-acquired Property to secure the Obligations and Other Secured Obligations, nor the power of its directors to authorize those actions, is restricted by its Constatng Documents or Applicable Law.
- (7) No Burdensome Restrictions It is not a party to any Contract, the holder of any Permit or subject to any Applicable Law, compliance with which has had or could reasonably be expected to have a Material Adverse Effect.
- (8) Enforceability The Loan Documents to which it is or will be a party have been or will be duly executed and delivered by it, and when executed and delivered will constitute its legal, valid and binding obligations, enforceable against it in accordance with their respective terms, subject to bankruptcy, insolvency and other similar laws affecting the rights of creditors generally and to general principles of equity.
- (9) No Default As of the date of this Agreement and as of the date of any Advance, no Default has occurred and is continuing.
- (10) Compliance With Law It is in compliance in all material respects with all requirements of Applicable Law affecting it or its Property.
- (11) Debt Except for Debt that will be repaid before or concurrently with the execution of this Agreement, it has no Debt other than Permitted Debt.
- (12) Title It has good and marketable title in fee simple to all real property that it purports to own, it has valid leasehold interests pursuant to valid and enforceable leases in all real and personal property that it purports to hold as lessee, and it has valid and indefeasible title to all personal property that it purports to own, in each case free and clear of all Liens except Permitted Liens.
- (13) Disputes Except as reported pursuant to Section 6.3(2)(d), there are no material Disputes pending, outstanding or, to its knowledge, threatened against it or in respect of any Material Royalty. To its knowledge there is no factual or legal basis on which any material Dispute might be commenced with any reasonable likelihood of success.
- (14) Financial Statements Except to the extent that subsequent financial statements furnished to the Agent have identified restatements, other adjustments or changes in accounting policies, all of its financial statements furnished to the Agent in connection with this Agreement:
 - (a) are in all material respects complete and fairly present its assets, liabilities (whether accrued, absolute, contingent or otherwise) and financial position as of the respective dates referred to in those financial statements and its revenues, expenses

and results of operation for the respective periods covered, in each case on a consolidated basis where specified; and

- (b) have been prepared in accordance with IFRS, consistently applied, except, in the case of quarterly financial statements, notes to the statements and normal year-end audit adjustments required by IFRS are not included.
- (15) Projections Its most recent projections provided to the Agent, including forecasts, budgets, *pro formas* and business plans, were prepared in good faith based on assumptions that were believed to be reasonable and (except to the extent it has notified the Agent) are believed to be reasonable estimates of the prospects of the businesses referred to in those projections.
- (16) Accuracy of Information Taken as a whole, all information (including information in financial statements, but excluding projections) pertaining to it that it has provided to the Agent, the Lenders, or any of them, is complete and accurate in all material respects and does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained in the information not materially misleading in light of the circumstances in which the statements are made. There is no fact that it has not disclosed to the Agent and the Lenders in writing that has had or could reasonably be expected to have a Material Adverse Effect.
- (17) No Material Adverse Effect Since the date of the Parent's most recent audited financial statements provided to the Agent, there has been no event or circumstance that has had or could reasonably be expected to have a Material Adverse Effect.
- (18) Permitted Liens It is not in material default under any Permitted Lien.
- (19) Intragroup Debts As of the date of this Agreement or the most recently delivered Compliance Certificate, it has no Intragroup Debts except as disclosed in Schedule F as updated from time to time by each Compliance Certificate.
- (20) Property, Equity Interests, Etc. As of the date of this Agreement or the most recently delivered Compliance Certificate, Schedule C, as updated from time to time by each Compliance Certificate, contains a complete and accurate organizational chart for the Obligors and is a complete and accurate description of its name (including any French or combined French and English form of its name), its jurisdiction of incorporation, its history of mergers, amalgamations and changes of name, the ownership of all of its issued and outstanding Equity Interests (or in the case of the Parent, the identity of all Persons or groups of Persons that are known to the Parent to directly or indirectly own or control 25% or more of its outstanding Equity Interests), the nature of the business that it carries on, the locations of its registered office (and chief executive office, if different), the Equity Interests in Obligors and other Persons that it owns, the location of its freehold and leasehold real property, the jurisdictions in which its other tangible Property is located and its bank accounts and securities accounts.
- (21) Pledged Shares The Pledged Shares are validly issued as fully paid and non-assessable shares of the respective issuers. The consents of the directors, shareholders, partners or members of the respective issuers of Pledged Shares that will be delivered at or before the

time that the Pledged Shares become part of the Security are the only consents that are necessary or desirable in connection with the pledges of the Pledged Shares as part of the Security (including the enforcement of the pledges), and will be kept in full force and effect as long as they remain necessary or desirable.

- (22) Intellectual Property It owns or is licensed or otherwise has the right to use all material Intellectual Property that is necessary for the operation of its business, to its knowledge without material conflict with the rights of any other Person, except as specified on Schedule D. As at the date of this Agreement or the most recently delivered Compliance Certificate, all Intellectual Property in which its interest is registered in any public office is listed on Schedule D, as updated from time to time by each Compliance Certificate. If it is not the owner of any Intellectual Property used in its business, its right of use is not subject to termination unless the consequences of termination would not be material.
- (23) Permits All Permits required to carry on its business as currently conducted are in full force and effect, except for omissions that individually and in the aggregate are not material.
- (24) Environmental Matters
 - (a) Its business and Property (including underlying groundwater) have been and are being owned, occupied and operated in material compliance with Applicable Law relating to pollution, protection or enhancement of the environment, preservation or reclamation of natural resources, Hazardous Materials, or health and safety matters. To its knowledge there are no material breaches of that Applicable Law, no enforcement actions are outstanding, threatened or pending in respect of that Applicable Law and it has not received any communication alleging that it is in breach of that Applicable Law or claiming that it has any liability in respect of Hazardous Materials.
 - (b) (i) There are no active or abandoned underground storage tanks located on any land that it occupies or controls, except those that comply with Applicable Law, (ii) there are no Hazardous Materials located on, above or below the surface of any land that it occupies or controls or contained in the soil or water constituting that land, except those being stored, used and otherwise handled and existing in compliance with Applicable Law, (iii) no release, spill, leak, emission, discharge, leaching, dumping or disposal of Hazardous Materials has occurred on or from the land, except those that are not material and do not violate Applicable Law, (iv) no land that it occupies or controls has been used as a landfill or waste disposal site, (v) Hazardous Materials generated on any land that it occupies or controls have been transported, treated and disposed of in accordance with Applicable Law, and (vi) no other circumstance exists that would give rise to liability on its part under the Applicable Law referred to in Section 5.1(24)(a).
 - (c) It has made available to the Lenders all environmental studies (including any environmental audit) that it has regarding any land that it occupies or controls.

- (d) Its representations in this Section 5.1(24) regarding land that it presently occupies or controls would have been accurate with respect to land that it previously occupied or controlled if made immediately before the time when it ceased to occupy or control that land.

(25) Taxes and Withholdings

- (a) It has correctly and completely filed on a timely basis all material returns, elections and reports required to be filed by it regarding its Taxes. It has paid all material Taxes due and payable by it, unless they are being contested diligently, in good faith and by appropriate proceedings, it has made adequate provision for payment of the contested amount and it has provided evidence of the provision for the contested amount that the Agent requires. It has made adequate provision for material Taxes payable by it for the current period and any previous period for which tax returns are not yet required to be filed. It is not subject to any audit by any Governmental Authority relating to Taxes.
- (b) It has withheld from each payment made to any of its past or present employees, officers or directors, to any non-resident of the country in which it is resident and to any other Person, the amount of all material Taxes and other deductions required to be withheld from those payments, has remitted the amounts withheld to the proper tax or other receiving officers within the time required under any Applicable Law and has correctly and completely filed on a timely basis all material returns and reports required to be filed by it regarding amounts withheld.
- (c) It has collected and remitted to the appropriate tax authority when required by Applicable Law to do so all material amounts required to be collected and remitted in respect of sales tax, goods and services tax and similar Taxes, and has correctly and completely filed on a timely basis all material returns and material reports required to be filed by it regarding amounts collected.

(26) Pension and Other Plans

- (a) No Employee Plan under which it has any liability or contingent liability is a Pension Plan and no Other Subsidiary or Partnership has any liability or contingent liability under a Pension Plan.
- (b) It does not maintain or contribute to, is not required to maintain or contribute to, is not a party to or bound by, and has no liability or contingent liability under, any program, agreement or arrangement outside Canada that is similar to an Employee Plan.
- (c) It has no liability or contingent liability under a Welfare Plan to provide for benefits after termination of employment or retirement that could reasonably be expected to have a Material Adverse Effect.
- (d) Except for matters that, individually or in the aggregate, could not reasonably be expected to be material, (i) each Employee Plan is established, registered,

administered and invested in compliance in all respects with its terms and all Applicable Law, including the *Income Tax Act* (Canada), (ii) all employer and employee payments, contributions and premiums required to be remitted or paid to or in respect of any Employee Plan or Statutory Plan have been remitted or paid in a timely fashion to or in respect of the Employee Plan or the Statutory Plan in accordance with their respective terms and all Applicable Law, (iii) there is no claim by any Governmental Authority or by any Person pending or, to its knowledge, threatened in respect of any Employee Plan (except routine claims for payment of benefits), (iv) no event has occurred that has given rise to or could reasonably be expected to give rise to any liability on its part under any Employee Plan except those disclosed in the financial statements required to be provided pursuant to this Agreement, and (v) with respect to any Employee Plan that is registered under any Applicable Law, no event has occurred and no condition exists that has resulted or could reasonably be expected to result in that Employee Plan having its registration revoked, or entitle any other Person to terminate or wind up that Employee Plan (in whole or in part).

(27) Solvency

- (a) The aggregate of its Property is, at a fair valuation, sufficient, and, if disposed of at a fairly conducted sale under legal process, would be sufficient, to enable payment of all of its obligations and liabilities, due and accruing due.
- (b) It is able to meet its obligations as they generally become due and it has not ceased paying its current obligations in the Ordinary Course as they generally become due.

(28) Charitable Status It is not a charity registered with the Canada Revenue Agency and does not solicit charitable financial donations from the public.

(29) Use of Proceeds Except as expressly specified in this Agreement, no Advance and no product or service giving rise to Other Secured Obligations will be used by, on behalf of or for the benefit of any Person except the Obligors.

(30) KYC Laws Neither it nor any of its Affiliates is:

- (a) a Person referred to in section 5 of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada);
- (b) a Person that is on the list of names subject to the Regulations Establishing a List of Entities made under subsection 83.05(1) of the *Criminal Code* (Canada), the *Regulations Implementing the United Nations Resolutions on the Suppression of Terrorism* (RIUNRST) and/or the *United Nations Al-Qaida and Taliban Regulations* (UNAQTR) as published by the Office of the Superintendent of Financial Institutions Canada;
- (c) a Person that is subject to sanctions under the *Special Economic Measures Act* (Canada) and/or the *Justice for Victims of Corrupt Foreign Officials Act* (Canada);

- (d) a Person that is subject to an order or regulation affecting its Property under the *Freezing Assets of Corrupt Foreign Officials Act* (Canada); or
 - (e) a Person with which any Lender is restricted from dealing or otherwise engaging in any transaction by any KYC Law.
- (31) Investment Company Act Neither it nor any of its Affiliates is (a) subject to regulation under the *Investment Company Act of 1940*, as amended (15 U.S.C. § 80a-1 *et seq.*) or under any other Applicable Law that may limit its ability to incur Debt or that may otherwise render all or any portion of the Obligations unenforceable, (b) a "registered investment company" or a company "controlled" by a "registered investment company" or a "principal underwriter" of a "registered investment company" as those terms are defined in the *Investment Company Act of 1940*, or (c) engaged principally, or as one of its important activities, in the business of extending credit for the purpose of purchasing or carrying any "margin stock" (as defined in Regulation U of the Board of Governors of the Federal Reserve System as in effect from time to time), nor will it use the proceeds of any Advance to do so.

5.2 Survival of Representations and Warranties

The representations and warranties made in this Agreement or any other Loan Document shall survive the execution of this Agreement and all other Loan Documents. No investigation by or on behalf of the Agent or Lenders at any time shall have the effect of waiving, diminishing the scope of, or otherwise affecting, any representation or warranty made in any Loan Document. Unless expressly stated to be made as of a specific date, they shall be deemed to be repeated as of the date of each Advance and as of the date of delivery of each Compliance Certificate. The Lenders shall be deemed to have relied upon all representations and warranties at the time of each Advance as a condition of making that Advance and continuing to extend the Credits.

ARTICLE 6 COVENANTS

6.1 Financial Covenants

- (1) The Parent shall at all times maintain a Net Debt Ratio of not greater than 3.00 to 1.
- (2) The Parent shall at all times maintain an Interest Coverage Ratio of not less than 3.00 to 1.
- (3) The Parent shall at all times maintain a Net Worth of not less than the aggregate of (i) \$307,175,000, plus (ii) 50% of its consolidated net income for each fiscal quarter beginning with its fiscal quarter ending 30 June 2018, excluding any fiscal quarter in which its net income is a loss, plus (iii) 50% of the Net Cash Proceeds of issuances of Equity Interests by the Parent or contributions of capital to the Parent after 31 March 2018, less (iv) the amount of any (A) loss on the disposition of any of the Parent's consolidated Property not relating to the Borrower, the Royalty Cos, the General Partners, the Partnerships or any other Material Royalty, or (B) write-down of the value of any such Property.

6.2 Positive Covenants

Each Obligor shall perform the covenants specified in this Section 6.2. In addition, the Parent shall cause each of the Other Subsidiaries and the Partnerships to perform the covenants specifically identified below.

- (1) Payment of Obligations It shall duly and punctually pay the Obligations, either as Borrower or in accordance with any guarantee or indemnity made by it, at the times and places and in the manner required by the terms of this Agreement or the guarantee and indemnity, as applicable.
- (2) Use of Proceeds of Credits In the case of the Borrower, it shall use proceeds of Advances solely for the purposes set out in Section 2.3.
- (3) Maintenance of Existence and Status Subject to Section 6.4(12), it shall maintain its existence and maintain its qualification to do business in all jurisdictions where it carries on business. In addition, the Parent shall cause each of the Other Subsidiaries and the Partnerships to do so.
- (4) Operation of Business
 - (a) It shall keep proper books of accounts and record.
 - (b) It shall operate its business in accordance with sound business practices and in material compliance with all material Applicable Laws (including those regarding ownership of Persons carrying on the type of business that it carries on), Material Royalties, and the terms of Permitted Liens.
 - (c) It shall maintain in good standing and shall obtain, as and when required, all Permits and Contracts that it requires to permit it to acquire, own, operate and maintain its business and Property and perform its obligations under the Loan Documents to which it is or will be a party.

In addition, the Parent shall cause each of the Other Subsidiaries and the Partnerships to perform the covenants in this Section 6.2(4).

- (5) Inspection It shall at all reasonable times and from time to time on reasonable notice, permit Representatives of the Agent to inspect any of its Property and to examine and take extracts from its financial books, accounts and records, including accounts and records stored in computer data banks and computer software systems, and to discuss its financial condition with its senior officers and (in the presence of those of its Representatives as it may designate) its auditors, the reasonable expense of all of which shall be paid by the Borrower. In addition, the Parent shall cause each of the Other Subsidiaries and the Partnerships to do so.
- (6) Insurance It shall maintain or cause to be maintained, and shall provide the Agent annually or more often if reasonably requested with evidence of, insurance in respect of its Property and business underwritten with financially sound and reputable insurance companies, with

terms and conditions that would be obtained by a prudent Person owning similar Property and carrying on a similar business in a similar location, and shall cause the Agent to be named as loss payee and an additional named insured. In addition, the Parent shall cause each of the Other Subsidiaries and the Partnerships to do so.

(7) Taxes and Withholdings

- (a) It shall pay all material Taxes as they become due and payable unless they are being contested in good faith by appropriate proceedings and it has made adequate provision for payment of the contested amount and it shall provide evidence of the provision for the contested amount that the Agent requires.
- (b) It shall 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 material Taxes and other deductions required to be withheld and pay the amount withheld to the proper tax or other receiving officers within the time required under any Applicable Law.
- (c) It shall collect from all Persons the amount of all material Taxes required to be collected from them and remit the amount collected to the proper tax or other receiving officers within the time required under any Applicable Law.

In addition, the Parent shall cause each of the Other Subsidiaries and the Partnerships to perform the covenants in this Section 6.2(7).

- (8) Employee and Statutory Plans It shall perform all of its material obligations under and in respect of each Employee Plan and Statutory Plan and shall remit or pay all payments, contributions and premiums that it is required to remit or pay to or in respect of each Employee Plan and Statutory Plan, all in a timely way in accordance with the terms of the applicable plan and all Applicable Law. In addition, the Parent shall cause each of the Other Subsidiaries and the Partnerships to do so.
- (9) Hazardous Materials It shall observe and comply at all times and in all material respects with the provisions of all Applicable Laws relating to Hazardous Materials and shall provide evidence of ongoing compliance with those Applicable Laws that the Required Lenders reasonably require from time to time including, if so requested by the Required Lenders acting reasonably upon reasonable cause, having one or more environmental site assessment and/or compliance audits (each consisting of a non-intrusive phase one site assessment and recommendations with respect to the findings of the compliance audit, and other audits or investigations recommended in each phase one site assessment, including an intrusive phase two assessment) conducted and reported upon by an independent consultant engaged by the Obligors and acceptable to the Required Lenders, acting reasonably. Site assessments shall be conducted in accordance with Applicable Laws. It shall also remove, clean up or otherwise remedy the matters referred to in Section 6.3(2)(e).
- (10) Control Agreements It shall notify the Agent of any securities account or bank account that it holds from time to time and shall obtain a control agreement satisfactory to the Agent from the relevant securities intermediary or holder of bank account.

- (11) Accounts It shall maintain all of its bank accounts with the Agent if banking arrangements are offered by the Agent on commercially competitive terms. In addition, the Parent shall cause each of the Other Subsidiaries and the Partnerships to do so.
- (12) Know Your Client Matters It shall promptly provide all information, including information concerning its direct and indirect holders of Equity Interests and other Persons exercising Control over it (or in the case of the Parent, the identity of all Persons or groups of Persons that are known to the Parent to directly or indirectly own or control 25% or more of its outstanding Equity Interests), and its and their respective directors and officers, and including supporting documentation and other evidence, as may reasonably be requested by the Agent, any Lender, or any prospective assignee or participant of a Lender, in order to comply with the requesting person's policies and procedures relating to KYC Laws. Each Lender that is subject to the *USA PATRIOT Act*, Title III of Pub. L. 107-56, signed into law on 26 October 2001 hereby notifies the Obligor that, pursuant to the requirements of that Act, it is required to obtain, verify and record information that identifies the Obligor, which information includes the name and address of the Obligor and other information that will allow the Lender to identify the Obligor in accordance with that Act.

6.3 Financial Reporting and Notice Requirements

- (1) Periodic Financial Reports The Parent shall deliver or cause the delivery of the following reports to the Agent. Any report shall be considered to have been delivered if the Borrower has posted it on the www.sedar.com website or other website generally used in Canada for public filings by reporting issuers, and notifies the Agent that it has done so. All financial statements shall be prepared in accordance with IFRS and other reports shall be in a form satisfactory to the Agent.
 - (a) As soon as practicable and in any event 45 days of the end of each of their respective first three fiscal quarters, the Parent shall deliver interim unaudited consolidated financial statements as at the end of the quarter for the Parent, including balance sheet, statement of income and retained earnings, statement of changes in financial position and management reports, and internally-prepared financial statements and management reports for each Partnership.
 - (b) As soon as practicable and in any event within 90 days after the end of each of their respective fiscal years, the Parent shall deliver consolidated annual financial statements for the Parent and annual financial statements of each Partnership (and the annual financial statements of other Obligors where prepared separately), including balance sheet, statement of income and retained earnings, statement of changes in financial position and management reports. The financial statements shall, in the case of the Parent and each Partnership, be audited by an internationally recognized accounting firm and shall include a copy of the auditor's letter to the Parent or Partnership, and shall otherwise be prepared by an internationally recognized accounting firm based on a review engagement.
 - (c) The Parent shall deliver a Compliance Certificate concurrently with the delivery of each of its financial statements.

- (d) If they are available to an Obligor or Partnership, the Parent shall deliver mine plans for each of the mines to which the royalties owned by each Partnership or any Obligor relate, promptly after receipt from the owners of the respective mines.
- (e) The Borrower shall promptly provide all other material information reasonably requested by the Agent from time to time concerning the business, financial condition and Property of the Obligors, the Other Subsidiaries, the Partnerships and LNRLP, subject in the case of LNRLP to any applicable obligations of confidentiality.

If there is any change in a subsequent period from the accounting policies, practices and calculation methods used by the Parent in preparing any part of its financial statements for its fiscal year ended 31 December 2017, the Borrower shall provide the Agent with all information that the Agent reasonably requires to ensure that reports provided to the Agent after any such change are comparable to reports prepared for periods before the change. In addition, all calculations made for the purposes of this Agreement shall continue to be made based on the accounting policies, practices and calculation methods that were used in preparing the Parent's financial statements for its fiscal year ended 31 December 2017 if the changed policies, practices and methods would have a material effect on the results of those calculations, unless and until the Borrower and the Agent agree, acting reasonably, on amendments to this Agreement to reflect those changes.

(2) Requirements for Notice

- (a) The Borrower shall notify the Agent within two Banking Days of learning of any Default and shall from time to time provide the Agent with all information requested by the Agent concerning the status of the Default.
- (b) The Borrower shall promptly provide the Agent from time to time with certificates attaching copies of all documents necessary to fully and fairly disclose all material terms of all Material Royalties entered into or obtained after the date of this Agreement.
- (c) The Borrower shall promptly notify the Agent if it has knowledge of any material default under any Material Royalty (either by a Partnership or by any other party), or of any event that, with the giving of notice, lapse of time or any other condition subsequent, would be a material default or would otherwise allow the termination of any Material Royalty or the imposition of any material sanction on any party to a Material Royalty, and shall from time to time provide the Agent with all information reasonably requested by the Agent concerning the status of the default.
- (d) The Borrower shall promptly notify the Agent if it has knowledge of any material Dispute affecting any Obligor, any Other Subsidiary, any Partnership or LNRLP and of any other circumstance affecting any of those Persons, the result of which has had or could reasonably be expected to have a Material Adverse Effect, and shall from time to time provide the Agent with all information requested by the Agent concerning the status of the Dispute or circumstance.

- (e) The Borrower shall promptly notify the Agent on (i) learning of Hazardous Materials located on, above or below the surface of any land that any Obligor or Partnership occupies or controls (except those being stored, used and otherwise handled and existing in material compliance with Applicable Laws), or contained in the soil or water constituting that land (that would constitute an actual or potential material breach of or non-compliance with any Applicable Law), and (ii) the occurrence of any reportable release, spill, leak, emission, discharge, leaching, dumping or disposal of Hazardous Materials that has occurred on or from that land. The Borrower shall provide the Agent with details, including cost, of the work required to remove, clean up or otherwise remedy the matters referred to in the notice.
- (f) The Borrower shall promptly notify the Agent and provide copies of all relevant documentation if it has knowledge of (i) the taking of any steps by an Obligor or any Governmental Authority to terminate any Employee Plan (wholly or in part) that could result in any Obligor being required to make a material additional contribution to the Employee Plan, or (ii) the taking of any action by any Person or the occurrence of any event with respect to any Employee Plan or Statutory Plan that could reasonably be expected to (w) give rise to a Lien under any Applicable Law, (x) result in a material increase in the liability of an Obligor over, or the incurrence by an Obligor of any material liability in addition to, the liability of the Obligor before the action was taken or the event occurred, or (y) have a Material Adverse Effect.
- (g) The Borrower shall notify the Agent at least 20 days before the date (i) of any meeting at which an "Extraordinary Resolution" as defined in the agreement between the partners of each Partnership is to be considered, (ii) an Extraordinary Resolution is consented to in writing and (iii) of any meeting to consider removing any General Partner from its role as general partner of a Partnership.
- (h) The Parent shall concurrently send the Agent a copy of every notice that it sends to or receives from the Trustee or the Holders pursuant to a provision of the Indenture.

6.4 Negative Covenants

No Obligor shall do any of the things specified in this Section 6.4. In addition, the Parent shall ensure that none of the Other Subsidiaries or the Partnerships does any of those things unless expressly excluded below.

(1) Liens

- (a) It shall not create, incur, assume, cause or permit any Lien upon or in respect of any of its Property, except for Permitted Liens.
- (b) It shall not do or permit anything to adversely affect the ranking or validity of the Security except by incurring a Permitted Lien.

(2) Debt and Payments of Debt

- (a) It shall not create, incur, assume or permit the existence of any Debt for which it is liable except Permitted Debt.
- (b) It shall not prepay, redeem, defease, repurchase or otherwise acquire any of its Debt, or make other payments in respect of any of its Debt, except for:
 - (i) the Obligations;
 - (ii) the Other Secured Obligations, to the extent they constitute Debt;
 - (iii) the purchase money and other obligations contemplated in Section 1.1(110)(k); and
 - (iv) Intragroup Debts, if no Default has occurred and is continuing or would result from payment being made.

Notwithstanding the foregoing, the Potash Partnership and the Other Coal Partnership may make scheduled payments in respect of the Debt identified in Sections 1.1(108)(f) and 1.1(108)(g).

(3) Payments of Dividends and Fees In the case of the Parent only:

- (a) it shall not declare or pay any dividend, return of capital or other distribution (in cash, securities or other Property) of, on or in respect of, any of its Equity Interests;
- (b) it shall not retire, redeem, retract, purchase, or otherwise acquire its Equity Interests, reduce its stated capital or make any payment of any kind whatsoever to effect any of the foregoing; and
- (c) it shall not pay any management or similar fees;

unless, in the case of item (c) immediately above, those fees reflect the fair market value of services actually performed by the payees and, in all cases,

- (d) no Default has occurred and is continuing, or would occur as a result of the payment or other action by the Parent; and
- (e) the aggregate of all amounts paid for those purposes in any fiscal year does not exceed 75% of the Parent's cash flow from operations, less (i) Total Interest Expense, (ii) mandatory principal payments on its consolidated Debt (including the mandatory payments under Sections 2.4(1) (to the extent the relevant Net Cash Proceeds were included in the calculation of cash flow from operations) and 2.4(4)), (iii) payments of Taxes, and (iv) the aggregate amount of payments made to repay, repurchase or redeem Preferred Securities under Section 6.4(23)(a)(iv) during the fiscal year in which the payment would be made, all as disclosed on its audited

financial statements for the immediately preceding fiscal year (with no right to carry forward any unused amount to a subsequent fiscal year).

- (4) Financial Assistance It shall not make loans to or acquire Debt of any other Person, guarantee, provide an indemnity in respect of, endorse or otherwise become liable for any debts, liabilities or obligations of any other Person, or give other financial assistance of any kind to any other Person, except for:
- (a) guarantees and indemnities given as part of the Security;
 - (b) loans and advances resulting in Intragroup Debts; and
 - (c) loans to or acquisitions of Debt of another Person, if the investment would have been permitted under this Agreement had it instead been made as an acquisition of Equity Interests of that Person.
- (5) Capital Expenditures It shall not incur consolidated Capital Expenditures exceeding an aggregate of \$5,000,000 in any fiscal year of the Parent.
- (6) Acquisition of Property It shall not acquire any Property of any Person (including any Equity Interests), or agree to do so, except for:
- (a) Property acquired by Obligors other than the General Partners or the Royalty Cos in connection with a Permitted Acquisition;
 - (b) royalties and/or streaming assets relating to mines located in Permitted Jurisdictions, that are acquired by Obligors (other than the General Partners or the Royalty Cos) or by Other Subsidiaries;
 - (c) Property acquired through Capital Expenditures that are permitted under this Agreement;
 - (d) Property acquired through transactions contemplated in the definition of Permitted Liens;
 - (e) Property acquired by Obligors (other than the General Partners or the Royalty Cos) or by Other Subsidiaries consisting of (i) Equity Interests in publicly traded companies, the material Property of each of which is only royalty and/or streaming assets relating to mines located in Permitted Jurisdictions, which assets are owned directly or through a Subsidiary of those companies, (ii) Equity Interests in publicly traded mineral exploration companies that have Property located only in Permitted Jurisdictions, (iii) Equity Interests representing not more than 25% of the outstanding voting and/or equity interests in publicly traded mining companies that have Property located only in Permitted Jurisdictions, (iv) real properties located in Permitted Jurisdictions that are actual or potential exploration stage mining projects or (v) royalties and/or streaming assets acquired by Obligors (other than the General Partners or the Royalty Cos) or by Other Subsidiaries relating to mines located outside Permitted Jurisdictions, provided that the aggregate acquisition cost

in any fiscal year of all such Property located outside Permitted Jurisdictions does not exceed \$10,000,000 and at the time of acquisition no such mines are located in a jurisdiction, or owned or controlled by a Person, that is subject to trade, economic or financial sanctions imposed, administered or enforced from time to time by any Governmental Authority in Canada, the United States, the United Kingdom or the European Union or by the United Nations, unless the acquisition of any such Property is not contrary to such trade, economic or financial sanctions;

- (f) Property acquired by the Parent, ARI or the Borrower as a result of dispositions referred to in Section 6.4(9);
 - (g) amounts receivable and other Property related to loans and other transactions permitted under Section 6.4(4)(c); and
 - (h) investments acquired by Other Subsidiaries in respect of renewable energy projects that are located in Permitted Jurisdictions.
- (7) Subsidiaries and Equity Interests In the case of only the Royalty Cos, the General Partners and the Partnerships, it shall not have any Subsidiaries or hold or acquire Equity Interests of any other Person except for holdings disclosed in Schedule C as of the date of this Agreement and Equity Interests (if any) that it is permitted to acquire under Section 6.4(6)(e).
- (8) Derivative Transactions
- (a) It shall not enter into any Derivative except for the purposes of prudent management of its interest rate, foreign currency and commodity price exposure and not for speculative purposes.
 - (b) It shall not enter into any Derivative with any Person except a Lender or an Affiliate of a Lender.
 - (c) It shall not enter into any Derivative that requires margin payments in any circumstance.

Notwithstanding the foregoing, none of the Partnerships may enter into any Derivative.

- (9) Dispositions of Property It shall not sell, lease, sell and lease back or otherwise dispose of any of its Property or any rights or interests in its Property or agree to do so unless (a) no Default has occurred and is continuing or would result from the disposition, (b) the disposition is of (i) Equity Interests in any Other Subsidiary, Junior Company or Person that is not a Subsidiary or (ii) Property that does not generate annual revenue of \$1,500,000 or more and (c) the Borrower complies with Section 2.4(1) if applicable. However, the restrictions in this Section 6.4(9) shall not prevent dispositions from one of the Parent, ARI and the Borrower to another of them if the Parent gives the Agent reasonable advance notice of the disposition and immediately takes whatever steps and delivers whatever documents (including opinions of counsel satisfactory to the Agent) are reasonably required to ensure that the Lenders' position is not adversely affected as a result.

- (10) Business It shall not carry on any business except the business it carries on as described in Schedule C as of the date of this Agreement or any business resulting from acquiring and/or holding Property (including Equity Interests) as expressly permitted by this Agreement. Notwithstanding the foregoing, none of the Partnerships may carry on any business except the acquisition and holding of the royalties that each acquired through the Sherritt Arrangement Agreement and the distribution of payments received from those royalties.
- (11) Arm's Length Transactions It shall not enter into any transaction of any kind with an Affiliate, Associate, or Person of which it is an Associate, except on a commercially reasonable basis as if it were dealing with the Person on an arm's length basis.
- (12) Mergers and Dissolutions It shall not consolidate, amalgamate or merge with any other Person, enter into any corporate reorganization or other transaction intended to effect or otherwise permit a change in its existing Constatting Documents, liquidate, wind-up or dissolve itself, or permit any liquidation, winding-up or dissolution, except for (a) a transaction involving only one or more Obligor and/or Other Subsidiaries or (b) a share-for-share transaction involving the Parent as long as no Change of Control would occur as a result, if in each case the Borrower gives the Agent reasonable advance notice of the transaction and immediately takes whatever steps and delivers whatever documents (including opinions of counsel satisfactory to the Agent) are reasonably required to ensure that the Lenders' position is not adversely affected as a result. Notwithstanding the foregoing, neither the Borrower nor the Parent may be liquidated, wound-up or dissolved.
- (13) Changes of Name In the case of the Obligors only, it shall not change its name without providing the Agent with reasonable advance notice of the change and promptly taking other steps, if any, as the Agent reasonably requests to maintain the Security and the other Loan Documents so that the Lenders' position in respect of the Obligations and the Security is not adversely affected.
- (14) Changes of Location In the case of the Obligors only, it shall not permit its chief executive office or any of its tangible Property to be located out of the respective jurisdictions specified on Schedule C as of the date of this Agreement, or do anything else to cause it to be located out of those respective jurisdictions for the purpose of any *Personal Property Security Act* or other Applicable Law, without providing the Agent with reasonable advance notice of the change and promptly taking other steps, if any, as the Agent reasonably requests to maintain the Security and the other Loan Documents so that the Lenders' position is not adversely affected.
- (15) Change of Year End It shall not change its fiscal year end (being 31 December for the Parent) except, if it has a different fiscal year end, it may change its fiscal year end to 31 December.
- (16) Change of Auditors It shall not change its auditors, unless an internationally recognized accounting firm is appointed.
- (17) Change of Control It shall not enter into, or agree to enter into, any transaction that would result in, nor shall it otherwise cause or permit, a Change of Control, any change in the

ownership or Control of the Borrower or ARI that would result in either not being wholly-owned by the Parent directly or indirectly, or any decrease in the Obligors' percentage ownership of the Partnerships from that described on Schedule C as of the date hereof.

(18) Material Royalties

- (a) It shall not assign or terminate any Material Royalty or accept the surrender of any Material Royalty, or permit any such action.
- (b) It shall not cause or permit any material amendment or material modification to, grant or permit any material waiver of any material term of, or grant or permit any material consent or material concession under, any Material Royalty, nor shall it cause or permit any amendment or modification whatsoever to any Material Royalty without notifying the Agent of the amendment or modification.

(19) Restrictive Agreements In the case of the Obligors only, it shall not enter into any Contract restricting in any material respect its ability to (a) comply with the Loan Documents, including its ability to create or cause the creation of Liens to secure payment of the Obligations and Other Secured Obligations, (b) amend, supplement, restate or replace any Loan Document, or (c) make payments of any kind to any Obligor.

(20) KYC Laws It shall not, nor shall any broker or other agent acting for it in any capacity in connection with a Credit, (i) conduct any business with or engage in making or receiving any contribution of funds, goods or services to, from or for the benefit of any Person described in Section 5.1(30) or otherwise subject to trade, economic or financial sanctions described in Section 6.4(6)(e), or (ii) engage in or conspire to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any prohibition in any KYC Law.

(21) Partners and Partnerships No General Partner or Royalty Co shall cause or permit any material amendment or material modification to, grant or permit any material waiver of any material term of, or grant or permit any material consent or material concession under, the partnership agreement for the Partnership of which it is part, nor shall it cause or permit any amendment or modification whatsoever to that partnership agreement without notifying the Agent of the amendment or modification. No General Partner or Royalty Co shall have any material Property or incur any material debt, liability or obligation of any kind, except pursuant to the partnership agreement for the Partnership of which it is part or as necessarily resulting from its role as a partner and except for debts, liabilities and obligations pursuant to the Loan Documents.

(22) Coal Investments It shall not make any direct or indirect investment in thermal or metallurgical coal, other than expenditures required to maintain investments in thermal or metallurgical coal that are owned as of the date of this Agreement.

(23) Preferred Securities and Indenture In the case of the Parent only:

- (a) It shall not prepay, redeem, defease, repurchase or otherwise acquire any Preferred Security, or make other payments in respect of any of any Preferred Security, except for:

- (i) regularly scheduled payments of interest if no Default has occurred and is continuing, or would occur as a result of the payment;
 - (ii) repayments of Preferred Securities as a result of the exercise by Holders of their right to surrender Preferred Securities for cancellation under section 5.10 of the Indenture;
 - (iii) repayments of Preferred Securities through the use of cash proceeds from the exercise of Warrants, if no Default has occurred and is continuing or would result from repayment being made; and
 - (iv) repayment of Preferred Securities, if no Default has occurred and is continuing or would result from repayment being made and if the aggregate amount paid for all such repayments in any fiscal year does not exceed 75% of the Parent's cash flow from operations less (A) Total Interest Expense, (B) mandatory principal payments on its consolidated Debt (including the mandatory payments under Section 2.4(4)), (C) payments of Taxes, and (D) the aggregate amount paid under 6.4(3)(e) during the fiscal year in which the repayment would be made, all as disclosed on its audited financial statements for the immediately preceding fiscal year (with no right to carry forward any unused amount to a subsequent fiscal year).
- (b) It shall not amend, supplement, restate, replace or waive any term of the Indenture except as permitted in the applicable Intercreditor Agreement, nor shall it amend, supplement, restate, replace or waive any term of the Indenture whatsoever without notifying the Agent.
- (c) It shall not issue Preferred Securities at a discount, except for any value assigned to the Warrants.
- (d) It shall not create, incur, assume or permit the existence of any obligation comparable to the Preferred Securities for which it is liable, except the Preferred Securities, and it shall ensure that none of the other Obligor, the Other Subsidiaries or the Partnerships does so.

6.5 Intragroup Obligations

- (1) If and for as long as a Default has occurred and is continuing, or would result from payment of Intragroup Obligations by one Obligor to another, payment of Intragroup Obligations is hereby postponed to the indefeasible payment in full in cash of the Obligations and the Other Secured Obligations and the termination of all Commitments, and:
- (a) any Obligor that is indebted to another Obligor shall neither make nor be entitled to make and any Obligor to whom the Intragroup Obligations are owed shall not receive or be entitled to receive any payment, prepayment or other compensation in respect of the Intragroup Obligations, and if an Obligor to whom the Intragroup Obligations are owed receives any payment, prepayment or other compensation in respect of the Intragroup Obligations contrary to this Section 6.4(21), the payment, prepayment or compensation shall be held by the recipient Obligor in trust for the

Lenders and holders of Other Secured Obligations, separate and apart from its own property, and shall be immediately paid over to the Agent for application to the Obligations and Other Secured Obligations; and

- (b) no Obligor to whom Intragroup Obligations are owed shall be entitled to accelerate the time for payment of the Intragroup Obligations, petition the indebted Obligor into bankruptcy or participate in any bankruptcy proceeding of the indebted Obligor, initiate or participate in any similar proceeding (including a proceeding in respect of the indebted Obligor under the *Companies' Creditors Arrangement Act* (Canada)), or initiate or participate in any proceeding claiming judgment for payment or performance of any of those Intragroup Obligations.
- (2) Each Obligor acknowledges that, under the terms of the Security it has given, all Intragroup Obligations owing to it are assigned as security to the Agent. Upon any Obligations becoming due and payable under Section 7.2, the Agent may with the consent of the Required Lenders terminate the postponement in Section 6.5(1) as to any or all Intragroup Obligations, in which case those Intragroup Obligations shall be paid to the Agent or as it directs free of any set off, counterclaim, defence or other right that the Obligors, or any of them, owing Intragroup Obligations may assert against the Obligors, or any of them, to whom Intragroup Obligations are owed.

ARTICLE 7

DEFAULT

7.1 Default

Each of the following events shall constitute an Event of Default under this Agreement:

- (a) the Borrower fails to pay or provide for any amount of principal (including any amount in accordance with Section 9.6) when due under this Agreement;
- (b) the Borrower fails to pay any other Obligation within three Banking Days of the date on which it is due;
- (c) an Obligor makes any representation, warranty or certification under any of the Loan Documents that is incorrect, incomplete or misleading when made or deemed to be made;
- (d) there is a Change of Control or a breach of Sections 6.1, 6.3(2)(a) or 6.4;
- (e) there is a breach of Section 6.3(1) that is not corrected or otherwise satisfied within seven days after the Agent gives written notice of the breach;
- (f) a default or other event or circumstance occurs in connection with Debt of any Obligor other than the Obligations in an aggregate amount of \$2,000,000 or more, if the effect is to cause or permit the acceleration of the due date of that Debt (whether or not acceleration actually occurs) or to require the prepayment, repurchase, redemption or defeasance of that Debt before its scheduled maturity,

an Obligor fails to pay any such Debt when due or an Event of Default (as defined in the Indenture) occurs;

- (g) an Obligor or any other party to a Loan Document denies its obligations under any Loan Document or claims any Loan Document to be invalid, unenforceable or withdrawn in whole or in part, including by purporting to terminate any guarantee or indemnity forming part of the Security;
- (h) the performance of any Loan Document becomes unlawful, any Loan Document is invalidated or made unenforceable by any Applicable Law, or any Loan Document is determined to be invalid or unenforceable by any Governmental Authority, in each case in whole or in any material part;
- (i) any Lien purported to be created by the Security ceases to be, or is claimed by any Obligor or issuer of Pledged Shares not to be, a valid, perfected Lien in the collateral described in the relevant document, subject only to Permitted Liens, except as a result of being released by the Agent in accordance with this Agreement;
- (j) an Obligor, an Other Subsidiary or a Partnership does not, is unable to, or admits its inability to meet or pay its obligations as they generally become due, ceases or threatens to cease to carry on its business (except as expressly permitted in this Agreement), declares any moratorium on its obligations, proposes a compromise or arrangement between it and any creditor, or otherwise becomes insolvent;
- (k) an Obligor, an Other Subsidiary or a Partnership makes an assignment in bankruptcy, makes a proposal to its creditors or files notice of its intention to do so, institutes any other proceeding under Applicable Law seeking to adjudicate it a bankrupt or an insolvent, or seeking liquidation, dissolution, winding-up, reorganization, compromise, arrangement, adjustment, protection, moratorium, relief, stay of proceedings of creditors, composition of it or its debts or any other similar relief;
- (l) an Obligor, an Other Subsidiary or a Partnership applies for the appointment of, or the taking of possession by, a receiver, interim receiver, receiver/manager, sequestrator, conservator, custodian, administrator, trustee, liquidator or other similar official for it or a substantial part of its Property;
- (m) any petition is filed, application made or other proceeding instituted against or in respect of any Obligor, Other Subsidiary or Partnership in any jurisdiction seeking any of the results described in Sections 7.1(k) and 7.1(l), and the Obligor, Other Subsidiary or Partnership files an answer admitting the material allegations made against it or fails to defend the proceeding diligently and in good faith by appropriate proceedings, or the relief sought in the proceeding is granted (whether or not subject to appeal), or the proceeding is not dismissed or stayed within 30 days of being instituted;
- (n) one or more final judgments, writs of execution, garnishments or attachments or similar processes representing claims in an aggregate of \$5,000,000 or more for all

Obligors and Partnerships at any time are issued or levied against any of their Property and are not released, bonded, satisfied, discharged, vacated, stayed or accepted for payment by an insurer within ten days after their entry, commencement or levy;

- (o) possession of Property of an Obligor or Partnership having an aggregate value of \$5,000,000 or more is taken by or at the instance of the holder of a Lien, whether by seizure, appointment of a receiver or receiver and manager, or otherwise;
- (p) an event or circumstance occurs that has a Material Adverse Effect, as determined by the Required Lenders in good faith and on commercially reasonable grounds;
- (q) a default by an Obligor or any other party to any Material Royalty occurs, or any other event occurs under any Material Royalty, and continues without being waived after any applicable grace period specified in the Material Royalty, if the effect of the default or other event (if not waived) is to terminate, or permit the termination of, the Material Royalty or if the default or other event results in a declaration of non-performance being issued or similar step being taken with respect to an Obligor or a Partnership and, where the default is not by an Obligor or a Partnership, the termination or similar step would have a Material Adverse Effect;
- (r) the audited annual financial statements of the Parent or a Partnership are qualified by its auditors with a "going concern" or similar qualification or exception or contain a material qualification or exception as to the scope of the audit;
- (s) there is a breach of any other provision of any Loan Document that is not corrected or otherwise satisfied within 30 days after the Borrower has knowledge of the breach or the Agent gives written notice of the breach, whichever is earlier; or
- (t) any default arising from non-payment of any amount owing occurs (and continues without being waived following any grace period) under any agreement under which any Other Secured Obligation arises.

7.2 Acceleration and Termination of Rights

- (1) If any Event of Default occurs, the Lenders shall be under no further obligation to make Advances and the Required Lenders may instruct the Agent to give notice to the Borrower (a) declaring the Lenders' obligations to make Advances to be terminated, in which case they shall terminate immediately (except in respect of disbursements relating to then-outstanding B/As), and/or (b) declaring the Obligations or any of them to be due and payable, in which case they shall be immediately due and payable without presentment, protest or further notice of any kind, all of which are expressly waived by the Borrower.
- (2) Notwithstanding Section 7.2(1), upon the occurrence of an Event of Default in Sections 7.1(k), 7.1(l) or 7.1(m), then without prejudice to the other rights of the Lenders, without any notice or action of any kind by the Agent or the Lenders, and without presentment, demand or protest, the Lenders' obligation to make Advances shall immediately terminate and the Obligations shall immediately become due and payable.

7.3 Payment of B/As

- (1) Immediately upon any Obligations becoming due and payable under Section 7.2, the Borrower shall, without necessity of further act or evidence, be unconditionally obligated to immediately deposit with the Agent for the Lenders' benefit Cash Collateral equal to the full face amount of all B/As then outstanding for its account and the Borrower hereby unconditionally promises and agrees to do so. The amounts required to be deposited as Cash Collateral form part of the Security. The Borrower authorizes the Lenders, or any of them, to debit its accounts with the amount required to pay outstanding B/As including any that are held by the Lenders, or any of them, in their own right at maturity. Amounts paid to the Agent in respect of B/As shall be applied against, and shall reduce, *pro rata* among the Lenders, to the extent of the amounts paid to the Agent in respect of B/As, the obligations of the Borrower to pay amounts then or subsequently payable under B/As at the times amounts become payable.
- (2) The Borrower shall be entitled to receive interest on cash held as Cash Collateral in accordance with Section 9.2(8).

7.4 Remedies

On the occurrence of any event by which any of the Obligations become due and payable under Section 7.2, the Required Lenders may instruct the Agent to take any action or proceedings on behalf of the Lenders and in compliance with Applicable Law that the Required Lenders in their sole discretion deem expedient to enforce the Security, all without any additional notice, presentment, demand, protest or other formality, all of which are expressly waived by the Obligors.

7.5 Interest After Stay of Proceedings

If a stay of proceedings is obtained or ordered in respect of the Borrower under the provisions of the *Bankruptcy and Insolvency Act* (Canada) or the *Companies' Creditors Arrangement Act* (Canada), then without prejudice to the Lenders' rights to contest the stay, the Borrower agrees to continue to pay interest and fees on all amounts due to the Lenders in accordance with this Agreement. The Borrower acknowledges that permitting the Borrower to continue to use the proceeds of Advances after a stay is obtained or ordered constitutes valuable consideration in the same way that permitting the Borrower to use leased premises constitutes valuable consideration.

7.6 Saving

Except as required pursuant to Applicable Law, (a) neither the Agent nor any Lender shall be under any obligation to the Obligors or any other Person to realize any collateral that is subject to the Security or enforce all or any part of the Security or to allow any of the collateral to be sold, dealt with or otherwise disposed of, and (b) neither the Agent nor any Lender shall be responsible or liable to the Obligors or any other Person for any loss or damage upon the realization or enforcement of, the failure to realize or enforce the Security or any part of it, the failure to allow any of the collateral to be sold, dealt with or otherwise disposed of or any act or omission on their respective parts or on the part of any director,

officer, agent, servant or adviser in connection with any of the foregoing, except that the Agent or a Lender may be responsible or liable for any loss or damage arising from its wilful misconduct or gross negligence.

7.7 Perform Obligations

If an Event of Default has occurred and is continuing and if any Obligor has failed to perform any of its covenants or agreements in the Loan Documents, the Required Lenders may, but shall be under no obligation to, instruct the Agent on behalf of the Lenders to perform any of those covenants or agreements in any manner deemed fit by the Required Lenders without waiving any rights to enforce the Loan Documents as a result. The reasonable expenses (including any legal costs) paid by the Agent and/or the Lenders in respect of the foregoing shall be secured by the Security.

7.8 Third Parties

No Person dealing with any Lender, the Agent or any other Representative of the Lenders is required to determine (a) whether the Security has become enforceable, the powers that the Lenders, the Agent or the other Representative are purporting to exercise have become exercisable, or any Obligations remain outstanding, (b) as to the necessity or expediency of the stipulations and conditions subject to which any sale shall be made, (c) otherwise as to the propriety or regularity of any sale or other disposition or any other dealing with the collateral charged by the Security or any part of it, or (d) how any payment to the Lenders, the Agent or any other Representative has been or will be applied. Any Person who acquires collateral charged by the Security from the Lenders, the Agent or any other Representative in good faith will acquire it free from any interest of the Obligors.

7.9 Power of Attorney

Effective upon occurrence of an Event of Default, each Obligor irrevocably constitutes and appoints any Vice President, Managing Director or more senior officer of the Agent its due and lawful attorney with full power of substitution in its name and on its behalf, during the continuance of an Event of Default, to enforce any right, title or interest of the Lenders in, to or under all or any part of the Security or any obligation to that Obligor or remedy available to that Obligor. This appointment is irrevocable to the maximum extent permitted by Applicable Law.

7.10 Remedies Cumulative

The rights and remedies of the Agent and/or Lenders under the Loan Documents are cumulative and are in addition to and not in substitution for any rights or remedies provided by Applicable Law. Any single or partial exercise by the Agent and/or Lenders of any right or remedy for a default or breach of any agreement, term, covenant or condition in this Agreement shall not be a waiver of or alter, affect, or prejudice any other right or remedy or other rights or remedies to which they may be lawfully entitled for the same default or breach. Any waiver by the Agent and/or Lenders of the strict observance, performance or compliance with any agreement, term, covenant or condition in this Agreement and any indulgence they grant shall not be a waiver of any subsequent default.

7.11 Set-Off or Compensation

If an Event of Default has occurred and is continuing, each Lender and each of its Affiliates is authorized at any time and from time to time to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) at any time held and other obligations (in whatever currency) at any time owing by that Lender or any of its Affiliates to or for the credit or the account of any Obligor against any and all of the Obligations to that Lender, irrespective of whether or not the Lender has made any demand under this Agreement or any other Loan Document and although the obligations of the Obligor may be contingent or unmatured or are owed to a branch or office of the Lender different from the branch or office holding the deposit or obligated to an Obligor. If a Defaulting Lender or its Affiliate exercises any such right of set off, (a) all amounts so set off shall be paid over immediately to the Agent for further application in accordance with the provisions of Section 8.10 and, pending payment, shall be segregated by the Defaulting Lender or its Affiliate from its other funds and deemed to be held in trust for the benefit of the Agent and the Lenders, and (b) the Defaulting Lender shall promptly provide the Agent with a statement describing in reasonable detail the Obligations owing to the Defaulting Lender as to which the right of set off was exercised. The rights of each Lender and its Affiliates under this Section are in addition to other rights and remedies (including other rights of set-off, consolidation of accounts and bankers' lien) that the Lenders or their respective Affiliates may have. Each Lender agrees to promptly notify the Borrower and the Agent after any such set-off and application, but the failure to give notice shall not affect the validity of the set-off and application. If any Affiliate of a Lender exercises any rights under this Section 7.11, it shall share the benefit received in accordance with Section 7.12 as if the benefit had been received by the Lender of which it is an Affiliate.

7.12 Direct Payments

- (1) If any Lender, by exercising any right of set-off or counterclaim or otherwise, obtains any payment or other reduction that might result in that Lender receiving payment or other reduction of a proportion of the aggregate amount of its Advances and accrued interest on them or other Obligations and Other Secured Obligations greater than its *pro rata* share of them as provided in this Agreement, then the Lender receiving the payment or other reduction shall (x) notify the Agent of that fact, and (y) purchase (for cash at face value) participations in the Advances and other Obligations and Other Secured Obligations owing to the other Lenders, or make other adjustments as shall be equitable, so that the benefit of all those payments shall be shared by the Lenders and others to whom Other Secured Obligations are owed rateably in accordance with the aggregate amount of Obligations and Other Secured Obligations owing to them, provided that:
 - (a) if any participation is purchased and all or any portion of the payment giving rise to it is recovered, the participation shall be rescinded and the purchase price restored to the extent of the recovery, without interest;
 - (b) the provisions of this Section shall not be construed to apply to (i) any payment made by any Obligor pursuant to and in accordance with the express terms of this Agreement (including the application of funds arising from the existence of a

Defaulting Lender) or (ii) any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Advances to any assignee or participant, other than to any Obligor or any Affiliate of an Obligor (as to which the provisions of this Section shall apply); and

- (c) the provisions of this Section shall not be construed to apply to (i) any payment (including a payment in respect of Other Secured Obligations) made while no Event of Default has occurred and is continuing in respect of obligations of an Obligor to a Lender that do not arise under or in connection with the Loan Documents, (ii) any payment made in respect of an obligation that is secured by a Permitted Lien (other than the Security) or that is otherwise entitled to priority over the Obligations, (iii) any reduction arising from an amount owing to an Obligor upon the termination of Derivatives entered into between the Obligor and a Lender except for a net amount available after the termination of all Derivatives entered into between the Obligors and that Lender and the set-off of resulting amounts owing by the Obligors and to the Obligors, or (iv) any payment to which a Lender is entitled as a result of any form of credit protection obtained by that Lender.
- (2) The Obligors consent to the foregoing and agree, to the extent they may effectively do so under Applicable Law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against each Obligor rights of set-off and counterclaim and similar rights of Lenders with respect to that participation as fully as if the Lender were a direct creditor of each Obligor in the amount of the participation.

ARTICLE 8

THE AGENT AND THE LENDERS

8.1 Authorization of Agent

- (1) Each of the Lenders hereby irrevocably appoints BNS as the Agent to act on its behalf as the Agent under the Loan Documents and authorizes the Agent to take the actions on its behalf and to exercise the powers that are delegated to the Agent by the terms of the Loan Documents, together with actions and powers that are reasonably incidental to them. The use of the term "agent" in any Loan Document with reference to the Agent is not intended to connote any fiduciary or other implied (or express) obligation arising under agency doctrine of any Applicable Law. Instead, the term is used as a matter of market custom and is intended to create or reflect only an administrative relationship between contracting parties.
- (2) Without limiting Section 8.1(1), each Lender grants to the Agent:
- (a) a power of attorney for the purposes of Applicable Laws in respect of the Security, to sign documents comprising the Security from time to time as the party accepting the grant of the Security; and
 - (b) the right to delegate its authority as attorney to any other Person, whether or not an officer or employee of the Agent.

8.2 Rights as a Lender

The Person serving as the Agent shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Agent and the term "Lender" or "Lenders" shall, unless otherwise expressly indicated or unless the context otherwise requires, include the Person serving as the Agent in its individual capacity. That Person and its Affiliates may accept deposits from, lend money to, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of business with any Obligor or any Affiliate of an Obligor as if the Person were not the Agent and without any duty to account to the Lenders.

8.3 Exculpatory Provisions

- (1) The Agent shall not have any duties or obligations except those expressly specified in the Loan Documents. Without limiting the generality of the foregoing, the Agent:
 - (a) shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing;
 - (b) shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated by the Loan Documents that the Agent is required to exercise as directed in writing by the Required Lenders (or another number or percentage of the Lenders that is expressly provided for in the Loan Documents), but the Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Agent to liability or that is contrary to any Loan Document or Applicable Law; and
 - (c) shall not, except as expressly specified in the Loan Documents, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Borrower or any of its Affiliates that is communicated to or obtained by the person serving as the Agent or any of its Affiliates in any capacity.
- (2) The Agent shall not be liable for any action taken or not taken by it (i) with the consent or at the request of the Required Lenders (or another number or percentage of the Lenders that is necessary, or that the Agent believes in good faith is necessary, under the provisions of the Loan Documents) or (ii) in the absence of its own gross negligence or wilful misconduct. The Agent shall be deemed not to have knowledge of any Default unless and until notice describing the Default is given to the Agent by the Borrower or a Lender.
- (3) Except as otherwise expressly specified in this Agreement, the Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with any Loan Document, (ii) the contents of any certificate, report or other document delivered under or in connection with any Loan Document, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions in any Loan Document or the occurrence of any Default, (iv) the validity, enforceability, effectiveness or genuineness of any Loan Document or any other agreement, instrument or document or (v) the satisfaction of any condition specified in any

Loan Document, other than to confirm receipt of items expressly required to be delivered to the Agent.

8.4 Reliance by Agent

The Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. The Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for relying on it. In determining compliance with any condition to the making of an Advance that by its terms must be fulfilled to the satisfaction of a Lender, the Agent may presume that the condition is satisfactory to the Lender unless the Agent has received notice to the contrary from the Lender before the making of the Advance. The Agent may consult with legal counsel (who may be counsel for the Borrower), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with their advice.

8.5 Delegation of Duties

The Agent may perform any and all of its duties and exercise its rights and powers under any Loan Document by or through any one or more sub-agents appointed by the Agent from among the Lenders (including the Person serving as Agent) and their respective Affiliates. The Agent and any sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Related Parties. Notwithstanding any such delegation, the Agent shall remain liable under this Agreement for the performance of all of its duties and for the exercise of its rights and powers under any Loan Document by or through any one or more sub-agents appointed by it. The provisions of this Article and other provisions of this Agreement for the benefit of the Agent shall apply to any sub-agent and to the Related Parties of the Agent and any sub-agent, and shall apply to their respective activities in connection with the syndication of the Credits as well as activities as Agent.

8.6 Administration of the Credits

- (1) Any reference in this Agreement to the Agent means, where the Agent is also a Lender, the agency department of that Lender specifically responsible for acting as Agent under and in connection with this Agreement. In acting as Agent, the agency department will be treated as a separate entity from any other department or division of the Lender in question. Without limiting the foregoing, the Agent shall not be deemed to have notice of a document or information received by any other department or division of that Lender, nor will that Lender be deemed to have notice of a document or information received by the Agent.

- (2) Unless otherwise specified in this Agreement, the Agent shall perform the following duties:
- (a) Subject to Section 8.4, the Agent shall ensure that all conditions precedent to any Advance have been fulfilled in accordance with the terms of this Agreement, unless waived in accordance with this Agreement.
 - (b) The Agent shall take delivery of each Lender's share of an Advance and disburse all Advances in accordance with Article 9.
 - (c) The Agent shall use reasonable efforts to collect all sums due and payable by the Borrower pursuant to this Agreement and shall remit all payments to the Lenders in accordance with this Agreement.
 - (d) The Agent shall hold the Security and all other Loan Documents on behalf of the Lenders, maintain records showing all Advances made by the Lenders, all payments made by the Borrower to the Agent, all remittances made by the Agent to the Lenders and all fees and other sums received by the Agent and, except for records and documents relating to the fees payable under the Fee Agreements, allow each Lender and its advisors to examine those records and documents at its own expense. The Agent shall provide each Lender with copies of this Agreement, the Security and other Loan Documents (except the Fee Agreements) in customary electronic record books, which shall be provided at the expense of the Borrower. Otherwise, the Agent shall provide any Lender, upon reasonable notice and at the Lender's expense, with copies of records and documents held by the Agent in connection with this Agreement that the Lender may reasonably require from time to time.
 - (e) The Agent shall, following receipt of any material written notice or other written communication from an Obligor pursuant to this Agreement, deliver that notice or other communication to each Lender.
 - (f) The Agent shall promptly forward to each Lender, on request, an up-to-date loan status report.
 - (g) The Agent shall promptly notify each Lender if it has knowledge of the occurrence of a Default. The Agent shall have no other duty or obligation whatsoever to provide any notice to the Lenders concerning the creditworthiness of any Obligor. Each Lender shall notify the Agent of any Default of which it becomes aware.
- (3) The Agent shall make commercially reasonable efforts to comply with registration requirements so that the Security remains perfected under Applicable Laws, but each Lender shall notify the Agent of any circumstance that might affect the perfection of the Security of which the Lender becomes aware.
- (4) The Agent may take the following actions only with the prior consent of the Required Lenders, subject to Sections 8.6(5), 8.6(6) and 8.6(7) or unless otherwise expressly specified in this Agreement:

- (a) amend, modify or waive any term of this Agreement or any other Loan Document, including waiver of a Default if the subject matter of the waiver does not fall within the matters covered by Section 8.6(5), or exercise any right of approval conferred on the Lenders by this Agreement;
 - (b) notify any Obligor of any matter of which notice may be required or desirable under or in connection with the Loan Documents, except that the Agent shall, without direction from the Lenders, immediately give the Borrower notice of any payment that is due or overdue under the terms of this Agreement unless the Agent considers that it should request the direction of the Required Lenders, in which case the Agent shall promptly request that direction;
 - (c) declare an Event of Default, declare the Obligations to be immediately due and payable, take action to enforce performance of the Obligations or to realize on the Security including by appointment of a receiver, the exercise of powers of sale given by the Security or by Applicable Law or foreclosure proceedings, and/or pursue any other legal remedy;
 - (d) pay insurance premiums, Taxes and any other sum reasonably required to protect the interests of the Lenders; and
 - (e) enter into or amend, modify or waive any term of any Intercreditor Agreement or exercise any right of approval under any Intercreditor Agreement, unless Section 8.6(5)(i) applies.
- (5) The Agent may take the following actions only with the unanimous consent of the Lenders, unless otherwise specified in this Agreement:
- (a) reduce the rate or amount of any interest or fee payable under this Agreement, or postpone payment of any interest or fee, except to the extent that waiver of a Default may in effect result in waiver of any post-Default increase in interest or fees or that an amendment relating to a financial covenant that determines which of various specified interest or fee rates applies may in effect cause a reduction, postponement or waiver of interest or fees;
 - (b) increase the amount of a Credit or change the several liability of the Lenders;
 - (c) waive payment of any part of the Obligations, or postpone the date for or reduce the amount of any payment under Section 9.6 or any scheduled repayment (including the maturity date) or mandatory prepayment or reduction of any Credit;
 - (d) change the currency in which Advances are made by the Lenders or payments are made by the Borrower;
 - (e) subject to Section 8.6(7), discharge any Property from the Lien of any Security, release any obligation to provide or perfect Security or release any Obligor generally from its obligations as an Obligor;

- (f) amend the definition of "Required Lenders," this Section 8.6(5) or any other provision of this Agreement that specifies the number or percentage of Lenders required to make any decision under or in connection with this Agreement;
 - (g) amend any aspect of this Agreement that would affect the sharing of payments specified in this Agreement;
 - (h) waive an Event of Default under Sections 7.1(k), 7.1(l) or 7.1(m);
 - (i) enter into, exercise any right of approval under, or amend, modify or waive any term of, any Intercreditor Agreement if doing so would adversely affect the priority of any Lien arising under the Security or the priority of any payment obligation of the Obligors under the Loan Documents.
- (6) Except as expressly contemplated in this Agreement, no Lender's Commitment or Applicable Percentage may be amended without the consent of that Lender. In addition, no amendment, modification or waiver affecting the rights or obligations of the Agent may be made without its consent and no amendment, modification or waiver affecting rights or obligations under the Loan Documents relating to Other Secured Obligations may be made without the consent of the Lenders who are or whose Affiliates are affected as holders of Other Secured Obligations. No amendment to the definition of "Defaulting Lender" or Section 8.10 may be made without the consent of the Agent. An amendment, modification or waiver affecting a Fee Agreement shall be made only by the parties to it.
- (7) Notwithstanding Sections 8.6(4), 8.6(5) and 8.6(6), the Agent may, without the consent of any Lender or Obligor, make amendments to the Loan Documents that are for the sole purpose of curing any ambiguity, defect or inconsistency that is clerical or not material, but shall promptly notify the Lenders and Obligors if it does so. The Agent may also, without the consent of any Lender, discharge any Security and/or release any Obligor other than the Borrower to the extent necessary to allow completion of any sale or other disposition of Property (including Equity Interests of an Obligor) or any corporate reorganization permitted by this Agreement or in respect of which the Lenders or Required Lenders have, as applicable, consented or waived the requirements of this Agreement.
- (8) As between the Obligors, on the one hand, and the Agent and the Lenders, on the other hand:
- (a) all statements, certificates, consents and other documents that the Agent purports to deliver on behalf of the Lenders or the Required Lenders shall be binding on each Lender, and the Obligors shall not be required to ascertain or confirm the authority of the Agent in delivering the documents;
 - (b) all certificates, statements, notices and other documents that are delivered by the Obligors to the Agent in accordance with this Agreement shall be deemed to have been duly delivered to each Lender;

- (c) all payments that are delivered by the Borrower to the Agent in accordance with this Agreement shall be deemed to have been received by each Lender entitled to payment; and
 - (d) even if not expressly stated, requests by and decisions of the Agent referred to in this Agreement may reflect the Agent's consultation with the Lenders.
- (9) Except in its own right as a Lender, the Agent shall not be required to advance its own funds for any purpose, and in particular, shall not be required to pay with its own funds insurance premiums, taxes or public utility charges or the cost of repairs or maintenance with respect to the Property that is the subject matter of the Security, nor shall it be required to pay with its own funds the fees of solicitors, counsel, auditors, experts or agents engaged by it as permitted by the Loan Documents.

8.7 Acknowledgments, Representations and Covenants of Lenders

- (1) Each Lender acknowledges that it has, independently and without reliance upon the Agent or any other Lender or any of their Related Parties and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon the Agent or any other Lender or any of their Related Parties and based on documents and information that it from time to time deems appropriate, continue to make its own decisions in taking or not taking action under or based upon any Loan Document or any related agreement or any document furnished under any Loan Document.
- (2) Each Lender represents and warrants that it has full power and authority, and has taken all action necessary, to execute and deliver this Agreement, to consummate the transactions contemplated by this Agreement and to be a Lender.
- (3) Each Lender agrees to indemnify the Agent and hold it harmless (to the extent not reimbursed by the Borrower), rateably according to its Applicable Percentage (and not jointly or jointly and severally) from and against any and all losses, claims, damages, liabilities and related expenses, including the fees, charges and disbursements of any counsel, which may be incurred by or asserted against the Agent in any way relating to or arising out of the Loan Documents or the transactions contemplated in them. However, no Lender shall be liable for any portion of those losses, claims, damages, liabilities and related expenses that results from the Agent's gross negligence or wilful misconduct. The Agent shall not be required to take or continue any action unless the Agent has received sufficient funds or arrangements satisfactory to it for indemnification to cover the cost of the proposed action.
- (4) To the extent that the Borrower for any reason fails to indefeasibly pay any amount required under Sections 11.5(1) and 11.5(2) to be paid by it to the Agent (or any sub-agent or Related Party of the Agent), each Lender severally agrees to pay to the Agent (or any sub-agent or Related Party) that Lender's Applicable Percentage (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of the unpaid amount, provided that the unreimbursed expense or indemnified loss, claim, damage,

liability or related expense, as the case may be, was incurred by or asserted against the Agent (or any sub-agent) in its capacity as such, or against any Related Party of any of the foregoing acting for the Agent (or any sub-agent) in connection with that capacity. The obligations of the Lenders under this Section are subject to the other provisions of this Agreement concerning several liability of the Lenders.

- (5) Each Lender acknowledges and confirms that if the Agent does not receive payment in accordance with this Agreement, it shall not be the Agent's obligation to maintain the Credits in good standing, nor shall any Lender have recourse to the Agent in respect of any amounts owing to the Lender under this Agreement.
- (6) Each Lender acknowledges and agrees that its obligation to advance its Applicable Percentage of Advances in accordance with the terms of this Agreement is independent and in no way related to the obligation of any other Lender.
- (7) Each Lender acknowledges receipt of a copy of this Agreement, the Security (to the extent that the Security has been delivered) and each Intercreditor Agreement that exists at the date of this Agreement, and acknowledges that it is satisfied with the form and content of those documents.

8.8 Collective Action of the Lenders

Each Lender acknowledges that to the extent permitted by Applicable Law, the Security and the remedies provided under the Loan Documents to the Lenders are for the benefit of the Lenders collectively and acting together and not severally, and also acknowledges that its rights under the Loan Documents are to be exercised not severally, but by the Agent upon the decision of the Required Lenders (or another number or percentage of the Lenders as is expressly provided for in the Loan Documents). Accordingly, notwithstanding any of the provisions contained in any Loan Document, each Lender agrees that it shall not be entitled to take any action, including any declaration of Default, but that any such action shall be taken only by the Agent with the prior written agreement of the Required Lenders (or another number or percentage of the Lenders that is expressly provided for in the Loan Documents). Each Lender also agrees that, upon any such written agreement being given, it shall co-operate fully with the Agent to the extent requested by the Agent. Notwithstanding the foregoing, in the absence of instructions from the Lenders and where in the sole opinion of the Agent, acting reasonably and in good faith, the exigencies of the situation warrant such action, the Agent may without notice to or consent of the Lenders take any action on behalf of the Lenders that it deems appropriate or desirable in the interest of the Lenders.

8.9 Authorization of Intercreditor Agreement

Each Lender hereby authorizes and directs the Agent to execute and deliver on its behalf each Intercreditor Agreement to which the Agent is a party and that is approved in accordance with this Agreement, including the Intercreditor Agreement referred to in Section 1.1(72)(b) and agrees that each such Intercreditor Agreement shall be binding on each Lender as if it was a signatory.

8.10 Defaulting Lenders

- (1) Notwithstanding any other provision of this Agreement, if any Lender becomes a Defaulting Lender, then the provisions of Sections 8.10(2) to 8.10(4) shall apply to the extent permitted by Applicable Law until the Lender is no longer a Defaulting Lender.
- (2) The Defaulting Lender's right to approve or disapprove any amendment, waiver or consent with respect to this Agreement shall be restricted as specified in the definition of "Required Lenders."
- (3) The Defaulting Lender shall be deemed to be a Non-B/A Lender. Any outstanding Advance by the Defaulting Lender by way of B/A shall be deemed to have been made as a B/A Equivalent Loan and, provided that on the maturity of each such B/A Equivalent Loan the Borrower pays the Agent the difference between the amount that it would otherwise have to pay the Defaulting Lender as a Non-B/A Lender in accordance with Section 9.9(3) and the proceeds of a B/A Equivalent Loan that the Defaulting Lender would be required to make if requested to rollover the maturing B/A Equivalent Loan, the B/A Equivalent Loan shall be deemed to have been rolled over.
- (4) Any payment of principal, interest, fees or other amounts received by the Agent for the account of the Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to Article 7 or otherwise) or received by the Agent from a Defaulting Lender pursuant to Section 7.11 shall be applied at such time or times as may be determined by the Agent as follows: *first*, to the payment of any amounts owing by the Defaulting Lender to the Agent under this Agreement; *second*, to the payment of any amounts owing to the Lenders as a result of any judgment of a court of competent jurisdiction obtained by any Lender against the Defaulting Lender as a result of the Defaulting Lender's breach of its obligations under this Agreement; *third*, so long as no Default exists, to the payment of any amounts owing to the Borrower as a result of any judgment of a court of competent jurisdiction obtained by the Borrower against the Defaulting Lender as a result of the Defaulting Lender's breach of its obligations under this Agreement; and *fourth*, to the Defaulting Lender or as otherwise directed by a court of competent jurisdiction. Any payments, prepayments or other amounts paid or payable to a Defaulting Lender (including any amount paid by the Borrower to the Agent for the account of the Defaulting Lender) that are applied to pay amounts owed by a Defaulting Lender shall be deemed paid to and redirected by the Defaulting Lender, and each Lender irrevocably consents to that.
- (5) If the Borrower and the Agent agree in writing that a Lender is no longer a Defaulting Lender, the Agent will so notify the Parties, whereupon as of the effective date specified in that notice and subject to any conditions specified in it the Lender will cease to be a Defaulting Lender. Except to the extent otherwise expressly agreed by the affected Parties, no change from Defaulting Lender to Lender will constitute a waiver or release of any claim of any Party arising from that Lender having been a Defaulting Lender.

8.11 Acknowledgement and Consent to Bail-In of EEA Financial Institutions

Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any Parties, each Party acknowledges that any liability of any EEA Financial Institution arising under any Loan Document, to the extent the liability is unsecured, may be subject to the write-down and conversion powers of an EEA Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

- (a) the application of any Write-Down and Conversion Powers by an EEA Resolution Authority to any such liabilities arising under any Loan Document that may be payable to it by any Party that is an EEA Financial Institution; and
- (b) the effects of any Bail-In Action on any such liability, including, if applicable:
 - (i) a reduction in full or in part or cancellation of any such liability;
 - (ii) a conversion of all, or a portion of, the liability into shares or other instruments of ownership in the EEA Financial Institution, its parent undertaking, or a bridge institution that may be issued to that Party or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or
 - (iii) the variation of the terms of the liability in connection with the exercise of the write-down and conversion powers of any EEA Resolution Authority.

8.12 Reference Lenders

- (1) If more than one Lender is a bank named on Schedule I of the *Bank Act* (Canada), the Agent shall be a Schedule I Reference Lender and the Borrower shall designate a different Lender named on Schedule I of the *Bank Act* (Canada) to be a Schedule I Reference Lender for the purpose of providing quotations to the Agent to be used in determining rates as required by this Agreement.
- (2) If any Schedule I Reference Lender ceases to be a Lender, the person that originally designated that Schedule I Reference Lender shall have the right to designate in a timely manner another Lender that is named on Schedule I of the *Bank Act* (Canada) as a replacement Schedule I Reference Lender, failing which the applicable rate shall be determined on the basis of the quotation provided by the notice from the remaining Schedule I Reference Lender.
- (3) If only one Lender is a bank named on Schedule I of the *Bank Act* (Canada), that Lender shall be deemed to be the Schedule I Reference Lender and any applicable rate shall be determined on the basis of the quotation provided by that Lender.

8.13 Successor Agent

- (1) The Agent may at any time give notice of its resignation to the Lenders and the Borrower. Upon receipt of any such notice of resignation, the Required Lenders shall have the right, in consultation with the Borrower, to appoint a successor, which shall be a Revolving Lender having an office in Toronto, Ontario or Montreal, Quebec, or an Affiliate of any such Lender with an office in Toronto or Montreal. The Agent may also be removed at any time by the Required Lenders upon 30 days' notice to the Agent and the Borrower as long as the Required Lenders, in consultation with the Borrower, appoint and obtain the acceptance of a successor within those 30 days, which shall be a Revolving Lender having an office in Toronto or Montreal or an Affiliate of any such Lender with an office in Toronto or Montreal.
- (2) If no successor has been appointed by the Required Lenders and has accepted the appointment within 30 days after the retiring Agent gives notice of its resignation, then the retiring Agent may on behalf of the Lenders and in consultation with the Borrower, appoint a successor Agent meeting the qualifications specified in Section 8.13(1) and that is not a Defaulting Lender, provided that if the Agent notifies the Borrower and the Lenders that no qualifying Person has accepted that appointment, then the resignation shall nonetheless become effective in accordance with the retiring Agent's notice and (a) the retiring Agent shall be discharged from its duties and obligations under the Loan Documents (except that the retiring Agent shall continue to hold the Security on behalf of the Lenders until such time as a successor Agent is appointed) and (b) all payments, communications and determinations provided to be made by, to or through the Agent shall instead be made by or to each Lender directly, until such time as the Required Lenders appoint a successor Agent as provided for in Section 8.13(1).
- (3) Upon a successor's appointment as Agent, the successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the former Agent, and the former Agent shall be discharged from all of its duties and obligations under the Loan Documents (if not already discharged from them as provided in Section 8.13(2)). The fees payable by the Borrower to a successor Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and the successor. After the termination of the service of the former Agent, the provisions of this Article 8 and of Section 11.5 shall continue in effect for the benefit of the former Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while the former Agent was acting as Agent.

8.14 No Other Duties, Etc.

Notwithstanding anything in this Agreement to the contrary, no Bookrunner, Arranger or holder of a similar title specified in this Agreement shall have any powers, duties or responsibilities under this Agreement or any of the other Loan Documents, except in its capacity, as applicable, as the Agent or a Lender.

8.15 Provisions Operative Between Lenders and Agent Only

Except for Sections 8.6(7), 8.6(8), 8.7(2), 8.7(6), 8.9 to 8.14 inclusive and this Section 8.15, the provisions of this Article relating to the rights and obligations of the Lenders and the Agent *inter se* shall be operative as between the Lenders and the Agent only, and the Obligors shall not have any rights under or be entitled to rely for any purpose on those provisions.

ARTICLE 9

DETAILS REGARDING ADVANCES, PAYMENTS, INTEREST AND FEES

9.1 Evidence of Indebtedness

The Agent shall maintain records concerning the Obligations and each Lender shall maintain records concerning those Advances it has made. The records maintained by the Agent shall constitute *prima facie* evidence of the Obligations and all related details, but those Parties may correct any error or omission in their respective records. The corrected records will then constitute *prima facie* evidence and the error or omission does not adversely affect the obligation of the Borrower to pay the Obligations in accordance with this Agreement.

9.2 Calculation and Other Matters Regarding Interest and Fees

- (1) All interest on Prime Rate Advances, Base Rate Advances and LIBOR Advances shall accrue from day to day and shall be payable in arrears, calculated on the actual number of days elapsed from and including the date of Advance or the previous date on which interest was due in accordance with Section 2.5, as the case may be, to but excluding the date on which interest is due. If interest is not paid on the date it is due, the principal amount shall continue to bear interest at the rate that is applicable to the particular type of Advance from time to time in accordance with Section 2.5(1), both before and after maturity, default and judgment, and overdue interest shall bear interest at the same rate, compounded monthly, and be payable on demand. Notwithstanding the immediately preceding sentence, upon the expiry of the LIBOR Period applicable to any LIBOR Advance, the principal amount and any overdue interest with respect to that LIBOR Advance shall bear interest calculated at the rates applicable to Base Rate Advances.
- (2) Interest and fees shall be calculated on the basis of a calendar year unless otherwise specified. Interest calculated with reference to LIBOR shall be calculated on the basis of a year of 360 days and the B/A Discount Rate shall be calculated on the basis of a year of 365 days. Any rate that is calculated with reference to a period (the "**deemed interest period**") that is less than the actual number of days in the calendar year of calculation is, for the purposes of the *Interest Act* (Canada), equivalent to a rate based on a calendar year calculated by multiplying that rate of interest by the actual number of days in the calendar year of calculation and dividing by the number of days in the deemed interest period. All calculations of interest and fees under the Loan Documents shall be made on the basis of the nominal rates described in this Agreement and not on the basis of effective yearly rates or on any other basis that gives effect to the principle of deemed reinvestment. The Parties

acknowledge that there is a material difference between the stated nominal rates and effective yearly rates taking into account reinvestment, and that they are capable of making the calculations required to determine effective yearly rates. If requested in writing by the Borrower, the Agent will promptly provide to the Borrower a calculation of the nominal and effective per annum rate of interest on any Advance outstanding at the time of such request, but any error in any such calculation, or any failure to provide such information on request, will not relieve the Borrower of any obligation under any Loan Document or result in any liability to of the Agent or any Lender. The Borrower hereby irrevocably agrees not to plead or assert, whether by way of defence or otherwise, in any proceeding relating to any Loan Document, that the interest payable under this Agreement and its calculation has not been adequately disclosed to the Borrower, whether pursuant to section 4 of the *Interest Act* (Canada) or any other Applicable Law.

- (3) In this Section 9.2, any reference to a "calendar year" means the calendar year in which the period for which the calculation in question falls. If the period falls in two calendar years, one of which is a leap year, the calculation shall be done separately for the parts of the period that fall in each calendar year and the calculated amounts for each period shall be added.
- (4) The B/A Fee for a B/A is calculated by multiplying the face amount of the B/A by the rate for calculation of the B/A Fee specified in Section 2.5, and multiplying the result by a fraction, the numerator of which is the term of the B/A and the denominator of which is the number of days in the calendar year.
- (5) The B/A Discount Proceeds for a B/A are equal to the face amount of that B/A multiplied by the price and shall be rounded to the nearest full cent, with one-half of one cent being rounded up. The price is calculated by dividing one by the sum of one plus the product of (i) the B/A Discount Rate applicable to that B/A expressed as a decimal fraction, multiplied by (ii) a fraction, the numerator of which is the term in days of that B/A and the denominator of which is 365. The price shall be rounded to the nearest multiple of 0.001%.
- (6) The standby fee shall be calculated daily on the undrawn amount of the applicable Credit at the rate for calculation of the standby fee specified in Section 2.5, beginning on the date of this Agreement, and each payment shall cover the period from and including the date of this Agreement or the previous date on which the standby fee was due in accordance with Section 2.5, as the case may be, to but excluding the date on which the standby fee is due.
- (7) If an Obligor fails to pay when due any amount payable under any Loan Document for which interest is not otherwise provided in this Agreement or another relevant Loan Document, that Obligor shall, on demand, pay interest on the overdue amount to the Agent from and including the due date up to but excluding the date of actual payment, both before and after demand, default or judgment, at the rate of interest determined from time to time in accordance with Section 2.5(1) that is applicable to Prime Rate Advances (if the amount is denominated in Canadian Dollars) or Base Rate Advances (if the amount is denominated in US Dollars), in each case compounded monthly.

- (8) If the Borrower deposits cash as Cash Collateral pursuant to a requirement under this Agreement, the Agent or the Lender or Lenders holding the cash shall pay the Borrower interest on the cash while it continues to be held as Cash Collateral at the rate offered by the Person holding the cash from time to time for deposits in the relevant currency of comparable size and term.
- (9) The Parties intend to comply with Applicable Law relating to usury. Notwithstanding any other provision of this Agreement or any other Loan Document, in no event shall any Loan Document require the payment or permit the collection of interest or other amounts in an amount or at a rate in excess of the amount or rate that is permitted by Applicable Law or in an amount or at a rate that would result in the receipt by the Lenders or the Agent of interest at a criminal rate, as the terms "interest" and "criminal rate" are defined under the *Criminal Code* (Canada). Where more than one Applicable Law applies to any Obligor, that Obligor shall not be obliged to make payment in an amount or at a rate higher than the lowest permitted amount or rate. If from any circumstance whatever, fulfilment of any provision of any Loan Document would result in exceeding the highest rate or amount permitted by Applicable Law for the collection or charging of interest, the obligation to be fulfilled shall be reduced to reflect the highest permitted rate or amount. If from any circumstance the Agent or the Lenders shall ever receive anything of value as interest or deemed interest under any Loan Document that would result in exceeding the highest lawful rate or amount of interest permitted by Applicable Law, the amount that would be excessive interest shall be applied to the reduction of the principal amount of the relevant Credit, and not to the payment of interest, or if the excessive interest exceeds the unpaid principal balance of the relevant Credit, the amount exceeding the unpaid balance shall be refunded to the Borrower. In determining whether or not the interest paid or payable under any specified contingency exceeds the highest lawful rate, the Obligors, the Agent and the Lenders shall, to the maximum extent permitted by Applicable Law, (i) characterize any non-principal payment as an expense, fee or premium rather than as interest, (ii) exclude voluntary prepayments and their effects, (iii) amortize, prorate, allocate and spread the total amount of interest throughout the term of the applicable Credit so that interest does not exceed the maximum amount permitted by Applicable Law, and/or (iv) allocate interest between portions of the Obligations to the end that no portion shall bear interest at a rate greater than that permitted by Applicable Law. For the purposes of the *Criminal Code* (Canada), the effective annual rate of interest shall be determined in accordance with generally accepted actuarial practices and principles and if there is any dispute, the determination of a Fellow of the Canadian Institute of Actuaries appointed by the Agent shall be conclusive.

9.3 Conversions, Rollovers, Renewals, Repayments and Reductions

- (1) Subject to the other terms of this Agreement, the Borrower may from time to time:
- (a) convert all or any part of the outstanding amount of any LIBOR Advance into a Base Rate Advance in the same principal amount, or *vice versa*;
 - (b) convert all or any part of the outstanding amount of any Advance by way of B/As into a Prime Rate Advance in the same principal amount, or *vice versa*;

- (c) rollover all or any part of the outstanding amount of any LIBOR Advance at the end of the LIBOR Period as a new LIBOR Advance or rollover all or any part of the outstanding amount of any Advance by way of B/As as a new Advance by way of B/As; and
 - (d) in circumstances not mentioned in items (a) to (c) immediately above, concurrently repay one Advance and obtain a different type of Advance.
- (2) Subject to giving notice required by Section 9.4, the Borrower may from time to time repay Advances outstanding under a Credit without penalty, except that:
 - (a) The Borrower must prepay all Lenders under the applicable Credit *pro rata* and must prepay the same Advance made by each applicable Lender.
 - (b) LIBOR Advances may not be paid before the end of the applicable LIBOR Periods unless the Borrower indemnifies the relevant Lenders for any loss or expense that the Lenders incur as a result, including any breakage costs.
 - (c) No B/A may be paid before its maturity date. The Borrower may provide Cash Collateral to the Lenders that have accepted B/As in an amount equal to the face amount of any or all outstanding B/As if the Borrower concurrently repays all corresponding B/A Equivalent Loans.

No voluntary payment by the Borrower shall affect the Borrower's obligation to make all other principal payments required by this Agreement in full when due, until the applicable Credit is repaid in full and cancelled.

- (3) The Borrower may cancel the Revolving Credit, or from time to time permanently reduce the committed amount of that Credit by an amount that must be a minimum of \$5,000,000 and a whole multiple of \$1,000,000. The Borrower shall do so by giving not less than three Banking Days' irrevocable notice to the Agent and paying all accrued and unpaid standby fees on the amount cancelled or reduced to the effective date of cancellation or reduction. Any reduction must be applied *pro rata* to the respective Commitments of the Revolving Lenders. The Borrower shall have no right to any reinstatement of any previously committed amount of the Revolving Credit after any cancellation or reduction.

9.4 Notice of Advances and Payments

- (1) The Borrower shall give the Agent irrevocable notice, in the form attached as Schedule H, of any request for any Advance to it. The Borrower shall also give the Agent irrevocable notice in the same form of any payment by it of any Advance (whether resulting from repayment, prepayment, rollover or conversion).
- (2) Notice for B/As or LIBOR Advances shall be given on or before the third Banking Day immediately preceding the Advance Date or date of payment. Notice for a Prime Rate Advance or Base Rate Advance shall be given on or before the Banking Day immediately preceding the Advance Date or date of payment.

- (3) Notices shall be given not later than 11:00 a.m. on the date notice is required. Payments (except those being made solely from the proceeds of rollovers and conversions) must be made before 1:00 p.m. on the date for payment. If a notice or payment is not given or made by those times, it shall be deemed to have been given or made on the next Banking Day, unless all Lenders affected by the late notice or payment agree, in their sole discretion, to accept a notice or payment at a later time as being effective on the date it is given or made. The obligations of the Borrower with respect to Advances shall be unconditional and irrevocable, and shall be paid strictly in accordance with the terms of this Agreement under all circumstances, including the existence of any claim, set off, defence or other right that the Borrower may have at any time against a Lender or any other Person or entity, whether in connection with this Agreement or otherwise.
- (4) Without limiting Section 11.5, the Borrower shall indemnify the Agent and the Lenders for all costs that they incur if the Borrower gives notice requesting an Advance or notice of a payment and subsequently fails to complete the Advance or payment or the conditions of the Advance are not satisfied before the time specified in Section 9.7(5) on the proposed Advance Date.

9.5 Size and Term of Advances

- (1) Each Prime Rate Advance or Base Rate Advance shall be in an aggregate minimum amount of \$1,000,000 or US \$1,000,000, respectively and in a whole multiple of \$100,000 or US \$100,000, respectively.
- (2) Each Advance of B/As shall be in an aggregate minimum amount of \$1,000,000 and in a whole multiple of \$1,000. In its notice requesting an Advance of B/As, the Borrower shall select a term of one, two, three or six months to apply to the Advance.
- (3) Each LIBOR Advance shall be in a minimum amount of US \$1,000,000 and a whole multiple of US \$500,000. In its notice requesting a LIBOR Advance, the Borrower shall select a LIBOR Period of one week or one, two, three or six months to apply to any particular LIBOR Advance.
- (4) Terms of B/As and LIBOR Periods of lengths other than those specified in Sections 9.5(2) and 9.5(3) shall also be available at the discretion of the Lenders from time to time and the Agent may, in circumstances of market disruption or illiquidity, restrict the term or maturity dates of B/As and/or LIBOR Advances. There shall not at any time be B/As and/or LIBOR Advances outstanding with more than six different maturity dates. No B/A may mature and no LIBOR Period may end on a date that is not a Banking Day, after the maturity date of the applicable Credit, or after a date on which the applicable Credit is required to be reduced if that would adversely affect the Borrower's ability to make the reduction.

9.6 Payment of B/As and LIBOR Advances

- (1) The Borrower shall provide for payment of the following amounts by giving notice under Section 9.4 requesting a rollover or conversion if the Borrower is otherwise entitled to an Advance, or by delivery of the applicable payment:

- (a) payment to the Agent at the Branch of Account of the full face amount of each B/A for value on the date of its maturity; and
 - (b) payment to the Agent at the Branch of Account of the amount of each LIBOR Advance for value on the last day of the applicable LIBOR Period.
- (2) If the Borrower fails to provide for payment in accordance with Section 9.6(1), and if the Borrower is otherwise entitled to an Advance but for failing to give notice under Section 9.4 due to inadvertence, the Agent may deem a Prime Rate Advance to have been made in the case of failure to provide for a B/A or a Base Rate Advance to have been made in the case of failure to provide for a LIBOR Advance, in each case under the Credit under which the B/A or LIBOR Advance was originally advanced. If the Agent deems an Advance to have been made, the Agent shall immediately give notice to the Borrower and the Lenders.
- (3) If the Borrower fails to provide for payment in accordance with Section 9.6(1) and if the Agent does not deem an Advance to have been made under Section 9.6(2), then without limiting the Lenders' other rights, the Borrower shall pay interest on the amount for which it has not provided for payment at a rate of interest per annum equal to the rate applicable to Prime Rate Advances (in the case of a B/A) or Base Rate Advances (in the case of a LIBOR Advance) as determined in accordance with Section 2.5(1), compounded monthly. Interest shall be calculated from and including the date on which payment was to have been provided for, up to but excluding the date the payment and all interest, both before and after demand, default and judgment, is provided for by the Borrower.

9.7 Co-ordination of Prime Rate, Base Rate, B/A and LIBOR Advances

- (1) The Agent shall advise each Lender of its receipt of a notice pursuant to Section 9.4 requesting a Prime Rate, Base Rate or LIBOR Advance or Advance of B/As on the day that notice is received from the Borrower and shall, as soon as possible, advise each Lender of that Lender's share of the Advance. Each Lender's share shall be based on its Applicable Percentage, but if the Agent determines that a Lender's Applicable Percentage would result in its share of an Advance not being a whole multiple of \$1,000 or US \$1,000, as the case may be, the Agent may increase or reduce the amount to be advanced by that Lender in the Agent's sole discretion to the extent necessary to make the amount a whole multiple.
- (2) In advising a Lender of the amount it is to deliver to the Agent in respect of any Advance, the Agent shall allow for deduction by each Lender of the applicable B/A Fee in connection with an Advance by way of B/As and may also net other amounts payable in the same currency by the Borrower to the Agent for the account of that Lender on the Advance Date.
- (3) The LIBOR Period applicable to a LIBOR Advance and the maturity date for an Advance of B/As shall be identical for each Lender.
- (4) Each Lender shall deliver its share of the Advance to the Agent not later than 11:00 a.m. on the Advance Date, for value on that date.

- (5) If the Agent determines that all the conditions precedent to an Advance specified in this Agreement have been met, it shall advance to the Borrower before 2:00 p.m. on the Advance Date the amount delivered by each Lender, by crediting an account maintained by the Borrower with the Agent or initiating a wire transfer in accordance with instructions received from the Borrower. If the conditions precedent to the Advance are not met by 2:00 p.m. on the Advance Date, the Agent shall return the funds to the Lenders or invest them in an overnight investment as orally instructed by each Lender until the Advance is made. The Agent is not required to advance any amount to the Borrower that the Agent has not actually received from a Lender.
- (6) Any difference between the actual proceeds of a newly issued B/A and the amount required to pay a maturing B/A that is being rolled over or the amount required to pay a Prime Rate Advance that is being converted to B/As, any difference between the actual proceeds of an Advance and the amount required to repay any Advance that is concurrently being repaid and any difference between the actual proceeds of an Advance and the amount required to fulfill any specific use of the proceeds that the Borrower has directed the Agent to make, shall be paid by the Borrower to the Agent from its own resources by 11:00 a.m. on the Advance Date.

9.8 Execution of B/As

- (1) To facilitate the acceptance of B/As under this Agreement, the Borrower appoints each Lender as its attorney to sign and endorse on its behalf, as and when considered necessary by the Lender, an appropriate number of orders in the form prescribed by that Lender.
- (2) Each Lender may, at its option, execute any order in handwriting or by the facsimile or mechanical signature of any of its authorized officers, and the Lenders are authorized to accept or pay, as the case may be, any order of the Borrower that purports to bear such a signature notwithstanding that the signatory has ceased to be an authorized officer of the Lender. Any such order or B/A shall be as valid as if the individual were an authorized officer at the date of issue of the order or B/A.
- (3) Any order or B/A signed by a Lender as attorney for the Borrower, whether signed in handwriting or by facsimile or mechanical signature may be dealt with by the Agent or any Lender to all intents and purposes and shall bind the Borrower as if duly signed and issued by the Borrower.
- (4) The receipt by the Agent of a notice requesting an Advance by way of B/As shall be each Lender's sufficient authority to execute, and each Lender shall, subject to the terms and conditions of this Agreement, execute orders in accordance with that request and the advice of the Agent given pursuant to Section 9.7. The executed orders shall be deemed to have been presented for acceptance.

9.9 Funding of B/As

- (1) Subject to Section 9.18(1), it shall be the responsibility of each Lender to arrange, in accordance with normal market practice, for the sale on each Advance Date of the B/As

issued by the Borrower and to be accepted by that Lender, failing which the provisions of this Agreement relating to Non-B/A Lenders shall apply.

- (2) Notwithstanding any other provision of this Agreement, the amount to be transferred by a Lender to the Agent in connection with any B/A accepted by that Lender shall be determined by the B/A Discount Proceeds calculated with respect to the B/A rather than the actual proceeds of any sale of that B/A. Accordingly, in respect of any particular B/A accepted by it, a Lender (a) shall be entitled to retain for its own account the amount, if any, by which any actual proceeds of sale exceed the calculated B/A Discount Proceeds with respect to the B/A, and (b) shall be required to pay out of its own funds the amount, if any, by which the actual proceeds of sale are less than the calculated B/A Discount Proceeds.
- (3) Whenever the Borrower requests an Advance that includes B/As, each Lender that is not permitted by Applicable Law or by customary market practice to accept B/As or for any other reason elects by notice to the Agent from time to time not to do so (a "**Non-B/A Lender**") shall, in lieu of accepting its *pro rata* amount of B/As, make available to the Borrower on the Advance Date a loan (a "**B/A Equivalent Loan**") in Canadian Dollars and in an amount equal to the B/A Discount Proceeds of the B/As that the Non-B/A Lender would otherwise have accepted, less the B/A Fee that would otherwise have been applicable. The B/A Equivalent Loan shall have a term equal to the term of the B/As that the Non-B/A Lender would otherwise have accepted and the Borrower shall, at the end of that term, be obligated to pay the Non-B/A Lender an amount equal to the aggregate face amount of the B/As that it would otherwise have accepted. All provisions of this Agreement applicable to B/As and Lenders that accept B/As shall apply *mutatis mutandis* to B/A Equivalent Loans and Non-B/A Lenders.

9.10 Other B/A Provisions

- (1) The Borrower shall not claim from a Lender any days of grace for the payment at maturity of any B/A accepted by the Lender pursuant to this Agreement. The Borrower waives any defence to payment that might otherwise exist if for any reason a B/A is held at maturity by a Lender in its own right, and the doctrine of merger shall not apply to any B/A that is at any time held by a Lender in its own right.
- (2) Any executed orders to be used as B/As shall be held by a Lender in safekeeping with the same degree of care as if they were the Lender's own Property, and shall be kept at the place at which executed orders are ordinarily held by the Lender.
- (3) The obligations of the Borrower with respect to B/As under this Agreement shall be unconditional and irrevocable, and shall be paid strictly in accordance with the terms of this Agreement under all circumstances, including the following circumstances:
 - (a) any lack of validity or enforceability of any order accepted by a Lender as a B/A;
or

- (b) the existence of any claim, set-off, defence or other right that the Borrower may have at any time against the holder of a B/A, a Lender or any other Person, whether in connection with this Agreement or otherwise.
- (4) The Borrower shall not enter into any agreement or arrangement of any kind with any Person to whom B/As have been delivered by which the Borrower undertakes to replace the B/As on a continuing basis with other B/As, nor shall the Borrower directly or indirectly take, use or provide B/As as security for loans or advances from any other Person.

9.11 Failure of Lender to Fund

- (1) Unless the Agent has received notice from a Lender before the proposed date of any Advance that the Lender will not make available to the Agent its share of the Advance, the Agent may assume that the Lender has made its share available on that date in accordance with the provisions of this Agreement concerning funding by Lenders and may, in reliance upon that assumption, make available to the Borrower a corresponding amount. In that event, if a Lender has not in fact made its share of the applicable Advance available to the Agent, then the applicable Lender shall pay to the Agent immediately on demand that corresponding amount, with interest for each day from and including the date the amount is made available to the Borrower to but excluding the date of payment to the Agent, at a rate determined by the Agent in accordance with prevailing banking industry practice on interbank compensation. If the Lender pays that amount to the Agent, then the amount shall constitute the Lender's Advance. If the Lender does not do so immediately, the Borrower shall pay to the Agent immediately on demand the corresponding amount with interest at the interest rate applicable to the Advance in question. Any payment by the Borrower shall be without prejudice to any claim the Borrower may have against a Lender that has failed to make its payment to the Agent.
- (2) Notwithstanding Section 9.11(1), if any Lender fails to deliver its share of any Advance to the Agent (that Lender being the "**Non-Funding Lender**") and no steps have been taken to address the failure through provisions of this Agreement relating to Defaulting Lenders, the Agent shall immediately give notice of that failure by the Non-Funding Lender to the Borrower and the other Lenders and indicate to the other Lenders that any Lender (individually a "**Contributing Lender**" and collectively the "**Contributing Lenders**") may make available to the Agent all or any portion of the Non-Funding Lender's share of that Advance in place of the Non-Funding Lender, but in no way shall any other Lender or the Agent be obliged to do so. A Contributing Lender shall make funds available to the Agent as soon as possible for delivery by the Agent to the Borrower. If more than one Contributing Lender gives notice that it is prepared to make funds available and the aggregate of the funds that the Contributing Lenders are prepared to make available exceeds the amount of the Advance that the Non-Funding Lender failed to make, then each Contributing Lender shall make available a portion of that Advance based on the Contributing Lenders' relative Commitments to the applicable Credit. If a Contributing Lender makes funds available in the place of a Non-Funding Lender, then the Non-Funding Lender shall pay the Contributing Lender, immediately on demand, the amount advanced on its behalf together with interest at the rate applicable to that Advance from the date of advance to the date of payment, and the Non-Funding Lender shall then be entitled to

receive all interest paid in respect of the Advance by the Borrower. The failure of any Lender to deliver its Applicable Percentage of any Advance to the Agent as required shall not relieve any other Lender of its obligation to deliver its Applicable Percentage of any Advance as required.

9.12 Payments by the Borrower

- (1) Except as otherwise specified in this Agreement, all payments made by or on behalf of the Borrower shall be made to and received by the Agent and shall be distributed by the Agent to the Lenders promptly upon receipt by the Agent. Except as otherwise provided in this Agreement (including Sections 3.2(3) and 9.13), the Agent shall distribute:
 - (a) payments of interest in accordance with each Lender's Applicable Percentage of the relevant Credit;
 - (b) repayments of principal in accordance with each Lender's Applicable Percentage of the relevant Credit; and
 - (c) all other payments received by the Agent, including amounts received on the realization of Security, in accordance with each Lender's Applicable Percentage of the relevant Credit, except that no Lender shall receive proceeds of realization in excess of the Obligations owing to it.
- (2) Notwithstanding Section 9.12(1), before the Agent distributes amounts received on the realization of Security to Lenders, the Agent shall deduct from the amounts received the pari passu share to which Persons to whom the Other Secured Obligations are owed are entitled in accordance with Section 3.2(1) and distribute the amount deducted to those Persons in accordance with their respective entitlements, concurrently with distributing the balance to the Lenders in accordance with Section 9.12(1).
- (3) If the Agent does not distribute a Lender's share of a payment made by the Borrower to that Lender for value on the day that payment is made or deemed to have been made to the Agent, the Agent shall pay to the Lender on demand an amount equal to the product of (a) the Interbank Reference Rate per annum multiplied by (b) the Lender's share of the amount received by the Agent from the Borrower and not distributed to the Lender, multiplied by (c) a fraction, the numerator of which is the number of days that have elapsed from and including the date of receipt of the payment by the Agent to but excluding the date on which the payment is made by the Agent to the Lender and the denominator of which is 365. The Agent shall be entitled to withhold any Tax applicable to any payment as required by Applicable Law.
- (4) The Agent may debit accounts, credits and other balances maintained by the Borrower from time to time with the Agent or its Affiliates to facilitate or otherwise obtain payment of interest, fees and other Obligations owing by the Borrower.

9.13 Payments by Agent

- (1) For certainty, the following provisions shall apply to payments made by the Agent to the Lenders:
- (a) The Agent shall be under no obligation to make any payment to any Lender (whether in respect of principal, interest, fees or otherwise) until an amount in respect of that payment has been received by the Agent from the Borrower.
 - (b) If the Agent receives less than the full amount of any payment of principal, interest, fees or other amount owing by the Borrower under this Agreement, the Agent shall have no obligation to remit to each Lender any amount except that Lender's Applicable Percentage of the amount actually received by the Agent.
 - (c) If any Lender advances more or less than its Applicable Percentage of a Credit, that Lender's entitlement to that payment shall be increased or reduced, as the case may be, in proportion to the amount actually advanced by that Lender.
 - (d) Except as specified in any applicable Assignment and Assumption, if a Lender's share of an Advance has been advanced, or a Lender's Commitment has been outstanding, for less than the full period to which any payment (except a payment of principal) by the Borrower relates, that Lender's entitlement to that payment shall be reduced in proportion to the length of time the Lender's share of the relevant Advance or the Lender's Commitment, as the case may be, has actually been outstanding.
 - (e) The Agent, acting reasonably and in good faith and after consultation with the Lenders in the case of any dispute, shall determine in all cases the amount of all payments to which each Lender is entitled and that determination shall be binding and conclusive in the absence of manifest error.

On request, the Agent shall deliver a statement detailing any of the payments to the Lenders.

- (2) Unless the Agent has received notice from the Borrower before the date on which any payment is due to the Agent for the account of any Lender that the Borrower will not make that payment, the Agent may assume that the Borrower has made the payment on that date in accordance with this Agreement and may, in reliance upon that assumption, distribute the amount due to the Lenders. In that event, if the Borrower has not in fact made the payment, then each Lender severally agrees to repay to the Agent immediately on demand the amount distributed to that Lender, with interest for each day from and including the date the amount is distributed to it to but excluding the date of payment to the Agent, at a rate determined by the Agent in accordance with prevailing banking industry practice on interbank compensation.

9.14 Increased Costs, Etc.

(1) If any Change in Law from time to time shall:

- (a) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, any Lender;
- (b) subject any Lender to any Tax of any kind whatsoever with respect to this Agreement or any Advance made by it, or change the basis of taxation of payments to the Lender in respect of this Agreement or any Advance, except for Indemnified Taxes or Other Taxes covered by Section 9.15 and the imposition, or any change in the rate, of any Excluded Tax payable by that Lender; or
- (c) impose on any Lender or any applicable interbank market any other condition, cost or expense affecting this Agreement or any Advance made by that Lender;

and the result of any of the foregoing shall be to increase the cost to the Lender of making or maintaining any Advance (or of maintaining its obligation to make any Advance), or to reduce the amount of any sum received or receivable by the Lender under this Agreement (whether of principal, interest or any other amount), then upon request of the Lender from time to time the Borrower will pay to that Lender an additional amount or amounts that will compensate the Lender for the additional costs incurred or reduction suffered.

- (2) If any Lender determines in its sole and absolute discretion that any Change in Law affecting the Lender or any lending office of the Lender or its holding company (or other Controlling Person), if any, regarding capital or liquidity requirements has or would have the effect of reducing the rate of return on the Lender's capital or on the capital of its holding company (or other Controlling Person), if any, as a consequence of this Agreement, the Commitments of the Lender or any Advance made by the Lender, to a level below that which the Lender or its holding company (or other Controlling Person) could have achieved but for that Change in Law (taking into consideration the Lender's policies and the policies of its holding company (or other Controlling Person) with respect to capital adequacy or liquidity, each from time to time), then from time to time the Borrower will pay to that Lender an additional amount or amounts that will compensate that Lender or its holding company (or other Controlling Person) for the reduction suffered.
- (3) A certificate of a Lender specifying the amount or amounts necessary to compensate the Lender or its holding company (or other Controlling Person), as the case may be, as specified in this Section, including reasonable detail of the basis of calculation of the amount or amounts determined based on methods of averaging and attribution in its sole and absolute discretion, and delivered to the Borrower shall be conclusive absent manifest error, but the Lender need not disclose any information that is price sensitive or confidential or for which disclosure is prohibited by Applicable Law. The Borrower shall pay the Lender the amount shown as due on any such certificate within 10 days after receipt of the certificate.

- (4) Failure or delay on the part of any Lender to demand compensation pursuant to this Section shall not constitute a waiver of the Lender's right to demand compensation, except that the Borrower shall not be required to compensate a Lender pursuant to this Section for any increased costs incurred or reductions suffered more than nine months before the date that the Lender notifies the Borrower of the Change in Law giving rise to the increased costs or reductions and of the Lender's intention to claim compensation, unless the Change in Law giving rise to the increased costs or reductions is retroactive, in which case the nine month period referred to above shall be extended to include the period of retroactive effect.

9.15 Taxes

- (1) Any and all payments by or on account of any obligation of an Obligor under any Loan Document shall be made without deduction or withholding for any Taxes, except as required by Applicable Law. If any Applicable Law requires the deduction or withholding of any Tax from any such payment by an Obligor or the Agent (as determined in the good faith discretion of the Obligor or Agent, respectively), then the applicable Obligor or the Agent shall be entitled to make the deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with Applicable Law and, if such Tax is an Indemnified Tax, then the sum payable by the Obligor shall be increased as necessary so that after the deduction or withholding has been made (including deductions and withholdings applicable to additional sums payable under this Section) the Agent or applicable Lender receives an amount equal to the sum it would have received had no such deduction or withholding been made.
- (2) The Obligors shall timely pay any Other Taxes to the relevant Governmental Authority in accordance with Applicable Law or, at the option of the Agent, promptly reimburse the Agent for the payment of any Other Taxes.
- (3) The Obligors shall jointly and severally indemnify the Agent and each Lender, within 10 days after demand, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section) payable or paid by the Agent or that Lender or required to be withheld or deducted from a payment to the Agent or that Lender and any reasonable expenses arising from or with respect to the Indemnified Taxes, whether or not they were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of the payment or liability delivered to the Borrower by a Lender (with a copy to the Agent), or by the Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.
- (4) Each Lender shall severally indemnify the Agent, within 10 days after demand therefor, for (i) any Indemnified Taxes attributable to such Lender (but only to the extent that the Obligors have not already indemnified the Agent for such Indemnified Taxes and without limiting the obligation of the Obligors to do so), (ii) any Taxes attributable to such Lender's failure to comply with the maintenance of the Register and (iii) any Excluded Taxes attributable to such Lender, in each case, that are payable or paid by the Agent in connection with any Loan Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or

- asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Agent to set off and apply any and all amounts at any time owing to such Lender under any Loan Document or otherwise payable by the Agent to the Lender from any other source against any amount due to the Agent under this Section 9.15(4).
- (5) As soon as practicable after any payment of Taxes by an Obligor to a Governmental Authority pursuant to this Section 9.15, the Obligor shall deliver to the Agent the original or a certified copy of a receipt issued by the Governmental Authority evidencing payment, a copy of the return reporting the payment or other evidence of the payment reasonably satisfactory to the Agent.
 - (6) Any Foreign Lender that is entitled to an exemption from or reduction of withholding tax under the law of the jurisdiction in which the Borrower is resident for tax purposes, or any treaty to which that jurisdiction is a party, with respect to payments under any Loan Document shall, at the request of the Borrower, deliver to the Borrower (with a copy to the Agent), at the time or times prescribed by Applicable Law or reasonably requested by the Borrower or the Agent, all properly completed and executed documentation prescribed by Applicable Law that will permit the payments to be made without withholding or at a reduced rate of withholding. In addition, (a) any Lender, if requested by the Borrower or the Agent, shall deliver other documentation prescribed by Applicable Law or reasonably requested by the Borrower or the Agent that will enable the Borrower or the Agent to determine whether or not that Lender is subject to withholding or information reporting requirements, and (b) any Lender shall notify the Borrower and the Agent in writing within five Banking Days of ceasing to be, or to be deemed to be, resident in Canada for purposes of Part XIII of the *Income Tax Act* (Canada) or any successor provision.
 - (7) If a payment made to a Lender under any Loan Document would be subject to FATCA Withholding Tax if that Lender were to fail to comply with the applicable reporting requirements (including those contained in section 1471(b) or 1472(b) of the Internal Revenue Code of the United States, as applicable), the Lender shall deliver to the Borrower and the Agent at the time or times prescribed by Applicable Law or reasonably requested by the Borrower or the Agent, documentation prescribed by Applicable Law (including as prescribed by section 1471(b)(3)(C)(i) of the Internal Revenue Code of the United States) and additional documentation reasonably requested by the Borrower or the Agent as may be necessary for the Borrower and the Agent to comply with their obligations relating to FATCA Withholding Tax and to determine that the Lender has complied with its obligations relating to FATCA Withholding Tax or to determine the amount to deduct and withhold from the payment.
 - (8) If any Party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section 9.15 (including by the payment of additional amounts pursuant to this Section), or that, because of the indemnification, it has benefited from a reduction in Excluded Taxes otherwise payable by it, it shall pay to the indemnifying Party an amount equal to the refund or reduction (but only to the extent of indemnification), net of all out-of-pocket expenses of

the Agent or Lender, as the case may be, and without interest (other than any net after Tax interest paid by the relevant Governmental Authority with respect to any such refund). The indemnifying Party, upon the request of the indemnified Party, shall repay to the indemnified Party the amount paid over pursuant to this Section 9.15(8) (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) if the indemnified Party is required to repay the refund or reduction to the Governmental Authority. Notwithstanding anything to the contrary in this Section 9.15(8), in no event will the indemnified Party be required to pay any amount to an indemnifying Party pursuant to this Section 9.15(8) the payment of which would place the indemnified Party in a less favorable net after-Tax position than the indemnified Party would have been in if the Tax subject to indemnification and giving rise to such refund or reduction had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This Section shall not be construed to require any indemnified Party to make available its tax returns (or any other information relating to its Taxes that it deems confidential) to the indemnifying Party or any other Person, to arrange its affairs in any particular manner or to claim any available refund or reduction.

9.16 Mitigation Obligations; Replacement of Lenders

- (1) If any Lender requests compensation under Section 9.14, or requires the Borrower to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 9.15, then the Lender shall use reasonable efforts to designate a different lending office for funding or booking its Advances or to assign its rights and obligations under this Agreement to another of its offices, branches or Affiliates, if, in the judgment of the Lender, doing so (i) would eliminate or reduce amounts payable pursuant to Section 9.14 or 9.15, as the case may be, in the future and (ii) would not subject the Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to the Lender. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.
- (2) If any Lender requests compensation under Section 9.14 or the Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 9.15 and in each case the Lender has declined or is unable to comply with Section 9.16(1), if any FATCA Withholding Tax is imposed on any payment to a Lender under or in connection with this Agreement (whether the payment is made directly or through another financial institution), if any Lender's obligations are suspended pursuant to Section 9.17 or if any Lender becomes a Defaulting Lender or a Non-Consenting Lender, then the Borrower may, at its sole expense and effort, upon 10 days' notice to that Lender and the Agent, require the Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in, and consents required by, Section 10.2), all of its interests, rights (other than its existing rights under Sections 9.14, 9.15 and 11.5) and obligations under this Agreement and the related Loan Documents to an Eligible Assignee that will assume those obligations (which assignee may be another Lender, if a Lender accepts the assignment), provided that:

- (a) the Borrower pays the Agent the assignment fee specified in Section 10.2(1)(e);
 - (b) the Lender receives payment of an amount equal to the outstanding principal of its Advances, accrued interest, accrued fees and all other amounts payable to it under the Loan Documents (including any breakage costs and amounts required to be paid under this Agreement as a result of prepayment to a Lender) from any assignee and/or the Borrower;
 - (c) in the case of any assignment resulting from a claim for compensation under Section 9.14 or payments required to be made pursuant to Section 9.15, the assignment will result in a reduction in future compensation or payments;
 - (d) any assignment does not conflict with Applicable Law; and
 - (e) in the case of any assignment resulting from a Lender becoming a Non-Consenting Lender, the assignee consents to the applicable waiver, amendment or consent.
- (3) A Lender shall not be required to make any such assignment or delegation or accept repayment if, before completion, as a result of a waiver by the Lender or otherwise, the circumstances entitling the Borrower to require the assignment and delegation or repayment cease to apply.

9.17 Illegality

If any Lender determines that any Applicable Law has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for any Lender or its applicable lending office to make or maintain any Advance (or to maintain its obligation to make any Advance), or to determine or charge interest based upon any particular rate, then, on notice by that Lender to the Borrower through the Agent, any obligation of the Lender with respect to the activity that is unlawful shall be suspended until the Lender notifies the Agent and the Borrower that the circumstances giving rise to that determination no longer exist. Upon receipt of that notice, the Borrower shall, upon demand from that Lender (with a copy to the Agent), prepay or, if conversion would avoid the activity that is unlawful, convert any Advances, in order to avoid the activity that is unlawful. Upon any such prepayment or conversion, the Borrower shall also pay accrued interest on the amount so prepaid or converted. Each Lender agrees to designate a different lending office if doing so will avoid the need for that notice and will not, in the good faith judgment of the Lender, otherwise be materially disadvantageous to the Lender.

9.18 Inability to Determine Rates, Etc.

- (1) Notwithstanding Section 9.9(1), if any Lender determines that (a) for any reason a market for B/As does not exist at any time, (b) the Lender cannot for other reasons, after reasonable efforts, readily sell B/As or perform its other obligations under this Agreement with respect to B/As, (c) adequate and reasonable means do not exist for determining the B/A Discount Rate applicable to an Advance by way of B/As, or (d) the B/A Discount Rate does not adequately and fairly reflect the cost to that Lender of making or maintaining an Advance by way of B/As, then the Agent will promptly notify the Borrower and each Lender.

Thereafter, the Borrower's right to request acceptance of B/As shall be and remain suspended until each applicable Lender determines and the Agent notifies the Borrower and each Lender that any condition causing the original determination no longer exists.

- (2) If any Lender determines that for any reason adequate and reasonable means do not exist for determining LIBOR for any requested LIBOR Period with respect to a proposed LIBOR Advance, or that LIBOR for any requested LIBOR Period with respect to a proposed LIBOR Advance does not adequately and fairly reflect the cost to the Lender of funding that Advance, then the Agent will promptly notify the Borrower and each Lender. Thereafter, the obligation of the Lenders to make or maintain LIBOR Advances shall be suspended until the Agent (upon the instruction of each applicable Lender) revokes the notice. Upon receipt of notice that LIBOR Advances have been suspended, the Borrower may revoke any pending request for a borrowing, conversion or continuation of LIBOR Advances or, failing that, will be deemed to have converted its request into a request for a borrowing of Base Rate Advances in the amount specified in the request.

ARTICLE 10

ADDITIONAL LENDERS, SUCCESSORS AND ASSIGNS

10.1 Successors and Assigns, Third Party Beneficiaries

The provisions of this Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and assigns permitted by this Agreement, except that no Obligor may assign or otherwise transfer any of its rights or obligations under any Loan Document without the prior written consent of the Agent and each Lender and no Lender may assign or otherwise transfer any of its rights or obligations under this Agreement except (i) to an Eligible Assignee in accordance with the provisions of Section 10.2, (ii) by way of participation in accordance with the provisions of Section 10.4, or (iii) by way of pledge or assignment of a security interest subject to the restrictions of Section 10.5 (and any other attempted assignment or transfer by any Party shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the Parties, their respective successors and permitted assigns, sub-agents contemplated by this Agreement, Participants to the extent provided in Section 10.4 and, to the extent expressly contemplated by this Agreement, the Related Parties of each of the Agent, any sub-agent and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

10.2 Assignments by Lenders

- (1) Any Lender may at any time assign to one or more Eligible Assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Advances at the time owing to it), provided that:
 - (a) except if an Event of Default has occurred and is continuing or in the case of an assignment of the entire remaining amount of the assigning Lender's Commitment and the Advances at the time owing to it or in the case of an assignment to a Lender or an Affiliate of a Lender, the aggregate amount of the Commitment being

assigned (which for this purpose includes Advances outstanding under the Commitment) or, if the applicable Commitment is not then in effect, the principal outstanding balance of the Advances of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Assumption with respect to the assignment is delivered to the Agent or, if "Trade Date" is specified in the Assignment and Assumption, as of the Trade Date) shall not be less than \$5,000,000, in the case of any assignment in respect of the Revolving Credit, or \$1,000,000, in the case of any assignment in respect of the Term Credit, unless each of the Agent and, so long as no Default has occurred and is continuing, the Borrower otherwise consent to a lower amount (each consent not to be unreasonably withheld or delayed);

- (b) each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement;
 - (c) any assignment must be approved by the Agent (which is not to be unreasonably withheld or delayed) unless:
 - (i) in the case of an assignment of a Commitment relating to the Revolving Credit, the proposed assignee is itself already a Revolving Lender;
 - (ii) no Event of Default has occurred and is continuing, the assignment is of a Commitment relating to the Term Credit, and the Term Credit is fully advanced; or
 - (iii) the proposed assignee is a bank whose senior, unsecured, non-credit enhanced, long term debt is rated at least A3, A- or A low by at least two of Moody's Investor Services Inc., Standard & Poor's, a division of The McGraw-Hill Companies, Inc. and Dominion Bond Rating Service Limited, respectively;
 - (d) any assignment must be approved by the Borrower (which is not to be unreasonably withheld or delayed) unless the proposed assignee is itself already a Lender with the same type of Commitment, or an Affiliate of such a Lender, or a Default has occurred and is continuing; and
 - (e) the parties to each assignment shall execute and deliver to the Agent an Assignment and Assumption, together with a processing and recordation fee of \$3,500 and the Eligible Assignee, if it is not a Lender, shall deliver any administrative questionnaire required by the Agent.
- (2) In addition to the other conditions specified in this Agreement, no assignment of rights and obligations of a Defaulting Lender shall be effective until the parties to the assignment have made additional payments to the Agent in an amount sufficient, upon distribution of the payments as appropriate to (a) pay and satisfy in full all payment liabilities then owed by the Defaulting Lender to the Agent and each Lender, with accrued interest, and (b) acquire (and fund as appropriate) its full pro rata share of all Advances in accordance with its Applicable Percentage. Distribution of payments may be by outright payment,

purchases by the assignee of participations or sub-participations, or other compensating actions, including funding, with the consent of the Borrower and the Agent, the applicable pro rata share of Advances previously requested but not funded by the Defaulting Lender, to each of which the applicable assignor and assignee hereby irrevocably consent. If, notwithstanding the foregoing, any assignment of the rights and obligations of a Defaulting Lender becomes effective under Applicable Law without compliance with this Section 10.2(2), then the assignee shall be deemed to be a Defaulting Lender for all purposes of this Agreement until compliance occurs.

- (3) Subject to acceptance and recording by the Agent pursuant to Section 10.3, from and after the effective date specified in each Assignment and Assumption, the Eligible Assignee shall be a Party and, to the extent of the interest assigned by the Assignment and Assumption, have the rights and obligations of a Lender under this Agreement and the other Loan Documents, including the Security, and the assigning Lender shall, to the extent of the interest assigned by the Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, it shall cease to be a Party) but shall continue to be entitled to the benefits of Sections 3.2, 9.14, 9.15 and 11.5, and shall continue to be liable for any breach by it of this Agreement and any other liability by reason of having been a Defaulting Lender, with respect to facts and circumstances occurring before the effective date of the assignment. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this Section 10.2 shall be treated for purposes of this Agreement as a sale by that Lender of a participation in those rights and obligations in accordance with Section 10.4. Any payment by an assignee to an assigning Lender in connection with an assignment or transfer shall not be or be deemed to be a repayment by the Borrower or a new Advance to the Borrower.

10.3 Register

The Agent shall maintain at one of its offices in Toronto, Ontario or Montréal, Québec a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amounts of the Advances owing to, each Lender from time to time (the "**Register**"). The entries in the Register shall be conclusive, absent manifest error, and the Borrower, the Agent and the Lenders may treat each Person whose name is recorded in the Register as a Lender for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrower and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

10.4 Participations

- (1) Any Lender may at any time, without the consent of, or notice to, the Borrower or the Agent, sell participations to any Person (other than a natural person, an Obligor or any Affiliate of an Obligor) (each, a "**Participant**") in all or a portion of that Lender's rights and/or obligations under this Agreement (including all or a portion of its Commitment and/or the Advances owing to it). However, (i) the Lender's obligations under this Agreement shall remain unchanged, (ii) the Lender shall remain solely responsible to the

other Parties for the performance of its obligations and (iii) the Borrower, the Agent and the other Lenders shall continue to deal solely and directly with that Lender in connection with its rights and obligations under this Agreement. Any payment by a Participant to a Lender in connection with a sale of a participation shall not be or be deemed to be a repayment by the Borrower or a new Advance to the Borrower. Each Lender shall be responsible for any repayment to the Agent required under Section 9.13(2) with respect to any payment made by the Lender to its Participant(s).

- (2) Subject to Section 10.4(3), the Borrower agrees that each Participant shall be entitled to the benefits of Sections 9.14 and 9.15 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to Section 10.2. To the extent permitted by Applicable Law, each Participant also shall be entitled to the benefits of Section 7.11 as though it were a Lender, provided the Participant agrees to be subject to Section 7.12 as though it were a Lender.
- (3) A Participant shall not be entitled to receive any greater payment under Sections 9.14 and 9.15 than the applicable Lender would have been entitled to receive with respect to the participation sold to that Participant, unless the sale of the participation to the Participant is made with the Borrower's prior written consent. A Participant that would be a Foreign Lender if it were a Lender shall not be entitled to the benefits of Section 9.15 unless the Borrower is notified of the participation sold to that Participant and the Participant agrees, for the benefit of the Borrower, to comply with that Section as though it were a Lender.

10.5 Certain Pledges

Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of that Lender, but no pledge or assignment shall release the Lender from any of its obligations under any Loan Document or substitute any pledgee or assignee for the Lender as a Party.

ARTICLE 11 MISCELLANEOUS PROVISIONS

11.1 Severability, Etc.

If, in any jurisdiction, any provision of any Loan Document or its application to any circumstance is restricted, prohibited or unenforceable, that provision shall, as to that jurisdiction, be ineffective only to the extent of that restriction, prohibition or unenforceability without invalidating the remaining provisions of the affected Loan Document, without affecting the validity or enforceability of that provision in any other jurisdiction and, if applicable, without affecting its application to other circumstances.

11.2 Amendment, Supplement or Waiver

No amendment, supplement or waiver of any provision of any Loan Document, nor any consent to any departure by an Obligor from any provision, shall in any event be effective unless it is in writing, makes express reference to the affected provision and is signed by the Agent and the applicable Lenders, or by the Agent with any approval of any applicable

Lenders, all as required by Sections 8.6(4), 8.6(5), 8.6(6) and 8.6(7), as applicable. It shall be effective only in the specific instance and for the specific purpose for which it is given. No waiver or act or omission of the Agent or any Lender shall extend to or be taken in any way to affect any subsequent Default or other matter or their resulting rights.

11.3 Governing Law and Agent for Service

- (1) Each of the Loan Documents, except for those that expressly provide otherwise, and any Dispute (whether in contract, tort or otherwise) based upon, arising out of or relating to any Loan Document, except for those that expressly provide otherwise, shall for all purposes be governed by and construed in accordance with, the laws of the Province of Ontario and the laws of Canada applicable in Ontario. Each Obligor irrevocably and unconditionally (a) agrees that it will not commence any litigation or other proceeding against the Agent, any Lender or their respective Related Parties relating to any Dispute (whether in contract, tort or otherwise) based upon, arising out of or relating to any Loan Document in any forum other than the courts of the Province of Ontario and (b) submits, for itself and its Property, to the exclusive jurisdiction of the courts of the Province of Ontario, and any appellate court from any of those courts, in any litigation or other proceeding based upon, arising out of or relating to this Agreement or any other Loan Document, or for recognition or enforcement of any judgment, and each Party irrevocably and unconditionally agrees that all claims in respect of any such litigation or other proceeding may be heard and determined in those courts. Each Party agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by Applicable Law. Nothing in this Agreement or in any other Loan Document shall affect any right that the Agent or any Lender may otherwise have to bring any litigation or other proceeding relating to this Agreement or any other Loan Document against any Obligor or its Property in the courts of any jurisdiction. Each Obligor irrevocably and unconditionally waives, to the fullest extent permitted by Applicable Law, any objection that it may now or in the future have to the laying of venue of any litigation or other proceeding arising out of or relating to this Agreement or any other Loan Document in any court of the Province of Ontario. Each Party hereby irrevocably waives, to the fullest extent permitted by Applicable Law, the defence of an inconvenient forum to the maintenance of litigation or other proceedings in any such court.
- (2) Each Obligor hereby nominates, constitutes and appoints Stikeman Elliott LLP as its agent for service, to act as such and as such to sue and be sued, plead and be impleaded in any court in Ontario. This appointment shall be irrevocable without the written appointment of a substitute agent in Ontario acceptable to the Required Lenders. Service on Stikeman Elliott LLP (or a substitute agent) of process or of papers and notices relating to proceedings in any court in Ontario shall be sufficient service on all Obligors.

11.4 Waiver of Jury Trial, Consequential Damages, Etc.

- (1) Each Party hereby irrevocably waives, to the fullest extent permitted by Applicable Law, any right it may have to a trial by jury in any legal proceeding directly or indirectly arising out of or relating to any Loan Document or the transactions contemplated by it (whether based on contract, tort or any other theory).

- (2) To the fullest extent permitted by Applicable Law, the Obligors shall not assert, and hereby waive, any claim against any Indemnitee, on any theory of liability, for indirect, consequential, punitive, aggravated or exemplary damages (as opposed to direct damages) arising out of, in connection with, or as a result of, any Loan Document or any agreement or instrument contemplated by it (or any breach of it), the transactions contemplated by the Loan Documents, any Advance or the use of its proceeds. No Indemnitee shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed by it through telecommunications, electronic or other information transmission systems in connection with the Loan Documents or the transactions contemplated by them.
- (3) Each Obligor agrees that none of the Agent or the Lenders shall have any liability to it in relation to any due diligence investigations conducted by any of them in connection with the transactions contemplated by the Loan Documents or be under any obligation whatsoever to disclose to it any information received or facts disclosed by any investigations. Each Obligor also agrees that it is not relying, will not rely, and will not be deemed, in any respect whatsoever, to have relied upon the facts received by and information disclosed to any of the Agent or the Lenders under or in connection with due diligence investigations.
- (4) Each Party (a) certifies that no Representative of any other person has represented, expressly or otherwise, that the other person would not, in the event of litigation, seek to enforce the foregoing waivers and (b) acknowledges that it and the other Parties have been induced to enter into the Loan Documents by, among other things, the waivers and certifications in this Section.

11.5 Expenses and Indemnity

- (1) The Borrower shall pay (i) all reasonable out-of-pocket expenses incurred by the Agent and its Affiliates, including the reasonable fees, charges and disbursements of counsel for the Agent, in connection with the syndication of the Credits, the preparation, negotiation, execution, delivery and administration of the Loan Documents or any amendments, modifications or waivers of their provisions (whether or not the transactions contemplated by them are consummated), and (ii) all reasonable out-of-pocket expenses incurred by the Agent or any Lender, including the reasonable fees, charges and disbursements of counsel, in connection with the enforcement or protection of its rights in connection with the Loan Documents, including its rights under this Section, or in connection with Advances, including those incurred during any workout, restructuring or negotiations in respect of the Obligations. No Lender shall, however, be entitled to be reimbursed for fees, charges and disbursements of counsel to advise it separately from counsel advising the Agent and the Lenders collectively. Without limiting the foregoing, the Borrower shall promptly pay all invoices issued by legal counsel to the Agent, to the extent otherwise in compliance with this Section 11.5, and the Agent may debit any account maintained by the Borrower with it to pay invoices.
- (2) The Borrower shall indemnify the Agent (and its sub-agents), each Lender and each Related Party of any of the foregoing Persons (each of whom is called an "**Indemnitee**")

against, and hold each Indemnatee harmless from, any and all losses, claims, damages, liabilities and related expenses, including the reasonable fees, charges and disbursements of any counsel for any Indemnatee, incurred by any Indemnatee or asserted against any Indemnatee by any Obligor or other Person (except an Indemnatee) arising out of, in connection with, or as a result of (i) the execution or delivery of any Loan Document or any agreement or instrument contemplated by it, the performance or non-performance by the Parties of their respective obligations under any Loan Document or the consummation or non-consummation of the transactions contemplated by the Loan Documents, (ii) any Advance or the use or proposed use of its proceeds, (iii) any actual or alleged presence or release, spill, leakage, emission, deposit, discharge, leaching, migration or disposition of any Hazardous Material on or from any Property owned or operated by any Obligor, or any related remedial action taken by the Agent or Lender or any breach of Applicable Law with respect to any such Hazardous Material that is related in any way to any Obligor (including the assertion of any Lien under Applicable Law), or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by an Obligor and regardless of whether any Indemnatee is a party to it, provided that the indemnity shall not, as to any Indemnatee, be available to the extent that its losses, claims, damages, liabilities or related expenses (x) are determined by a court of competent jurisdiction by final and non-appealable judgment to have resulted from its gross negligence or wilful misconduct or (y) result from a claim brought by the Borrower or any other Obligor against an Indemnatee for breach in bad faith of that Indemnatee's obligations under any Loan Document, if the Obligor has obtained a final and non-appealable judgment in its favour on that claim as determined by a court of competent jurisdiction, nor shall it be available in respect of matters specifically addressed in Sections 9.14, 9.15 and 11.5(1).

- (3) All amounts due under this Section 11.5 shall be payable promptly after demand, except to the extent that any Obligor has commenced and is diligently pursuing an action in respect of the matters referred to in items (x) and (y) of Section 11.5(2). A certificate of the Agent or a Lender specifying the amount or amounts owing to the Agent, Lender or a sub-agent or Related Party, as the case may be, as specified in this Section, including reasonable detail of the basis of calculation of the amount or amounts, and delivered to the Borrower shall be conclusive absent manifest error.

11.6 Currency

All payments made under this Agreement shall be made in the currency in which the obligation requiring payment arose. Unless the context otherwise requires, all amounts expressed in this Agreement in terms of money shall refer to Canadian Dollars. Except as otherwise expressly provided in this Agreement, wherever this Agreement contemplates or requires the calculation of the equivalent in one currency of an amount expressed in another currency for a purpose that does not involve the actual purchase of currency, the calculation shall be made on the basis of the Exchange Rate at the effective time of the calculation.

11.7 Liability of Lenders

The liability of the Lenders in respect of all matters relating to this Agreement and the other Loan Documents is several and not joint or joint and several. Without limiting that statement, the obligations of the Lenders to make Advances are limited to their respective Applicable Percentages of any Advance that is requested, and, in the aggregate, to their respective Applicable Percentages of the total amount of each Credit.

11.8 Currency Indemnity

If a judgment or order is rendered by any court or tribunal for the payment of any amount owing to the Agent or any Lender under any Loan Document or for the payment of damages in respect of any breach of any Loan Document, or under or in respect of a judgment or order of another court or tribunal for the payment of those amounts or damages, and the judgment or order is expressed in a currency (the "**Judgment Currency**") other than the currency payable under the relevant Loan Document, judgment or order (the "**Agreed Currency**"), the party against whom the judgment or order is made shall indemnify and hold the Agent and the Lenders harmless against any deficiency in terms of the Agreed Currency in the amounts received by the Agent and the Lenders arising or resulting from any variation as between (a) the actual rate of exchange at which the Agreed Currency is converted into the Judgment Currency for the purposes of the judgment or order, and (b) the actual rate of exchange at which the Agent or Lender is able to purchase the Agreed Currency with the amount of the Judgment Currency actually received by the Agent or Lender on the date of receipt. The indemnity in this Section shall constitute a separate and independent obligation from the other obligations of the Obligors under the Loan Documents, shall apply irrespective of any indulgence granted by the Agent or any Lender and shall be secured by the Security.

11.9 Notices

- (1) Except in the case of notices and other communications expressly permitted to be given by telephone (and except as provided in Section 11.9(3)), all notices and other communications provided for in this Agreement shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by telecopier to the addresses or telecopier numbers specified on Schedule K or, if to a Lender, to it at its address or telecopier number specified in the Register or, if to an Obligor other than the Parent, in care of the Parent. Those addresses shall apply to notices under all Loan Documents, unless otherwise expressly provided.
- (2) Notices sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices sent by telecopier shall be deemed to have been given when sent (except that, if not given on a Banking Day before 5:00 p.m. local time where the recipient is located, shall be deemed to have been given at 9:00 a.m. on the next Banking Day for the recipient). Notices delivered through electronic communications to the extent provided in Section 11.9(3), shall be effective as provided in that Section.

- (3) Notices and other communications to the Lenders may be delivered or furnished by electronic communication (including Debtdomain, Intralinks, Syndtrak or a substantially similar electronic transmission system, e-mail and internet or intranet websites) pursuant to procedures approved by the Agent, except that the foregoing shall not apply to notices to any Lender of Advances to be made if the Lender has notified the Agent that it is incapable of receiving notices relating to Advances by electronic communication. The Agent or the Borrower may, in its discretion, agree to accept notices and other communications to it by electronic communications pursuant to procedures approved by it, but approval of those procedures may be limited to particular notices or communications.
- (4) (i) Notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), except that if a notice or other communication is not sent before 5:00 p.m. on a Banking Day in the city where the recipient is located, the notice or communication shall be deemed to have been sent at the opening of business on the next Banking Day for the recipient, and (ii) notices or communications posted to an internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing clause (i) of notification that the notice or communication is available and identifying the website address.
- (5) Any Party may change its address or telecopier number for notices and other communications by notice to the other Parties.
- (6) Any method of communication contemplated in Section 11.9(3) (the "**Platform**") is provided "as is" and "as available." The Agent does not warrant the adequacy of the Platform and expressly disclaims liability for errors or omissions in information that is distributed through the Platform. No warranty of any kind, express, implied or statutory, including any warranty of merchantability, fitness for a particular purpose, non-infringement of third-party rights or freedom from viruses or other code defects, is made by the Agent in connection with the Platform or information distributed through it. In no event shall the Agent or any of its Related Parties have any liability to any Obligor, any Lender or any other Person for damages of any kind, including direct or indirect, special, incidental or consequential damages, losses or expenses (whether in tort, contract or otherwise) arising solely out of the transmission of information through the Platform.

11.10 Time of the Essence

Time is of the essence of this Agreement.

11.11 Further Assurances

The Obligors shall, at the request of the Agent, promptly do, execute, deliver or cause to be done, executed or delivered all further acts, documents and matters that may, in the reasonable opinion of the Agent (or the Required Lenders or Lenders, as applicable), be necessary or desirable in order to fully perform and carry out the purpose and intent of the Loan Documents.

11.12 Term of Agreement

Except as otherwise provided in this Agreement, it shall remain in full force and effect until the indefeasible payment and performance in full in cash of all of the Obligations and the termination of all Commitments. The obligations of the Obligor in Sections 9.14, 9.15, 11.5 and 11.8 and the obligations of the Lenders in Sections 8.7(3) and 11.14 shall continue for the benefit of those to whom the obligations are owed notwithstanding the termination of this Agreement, the Commitments or any particular person's role as Obligor, Agent or Lender.

11.13 Counterparts, Facsimiles and Records

- (1) Any Loan Document may be executed in counterparts (and by different Parties in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. Except as provided in Article 4, this Agreement shall become effective when it has been executed by the Agent and when the Agent has received counterparts of this Agreement that, when taken together, bear the signatures of each of the other Parties. Delivery of an executed counterpart of a signature page of any Loan Document by telecopy or by sending a scanned or other copy by electronic mail or similar means shall be effective as delivery of an originally executed counterpart of that Loan Document.
- (2) The words "execution," "signed," "signature," and words of similar meaning in any Assignment and Assumption shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper based recordkeeping system, as the case may be, to the extent and as provided for in any Applicable Law, including Parts 2 and 3 of the *Personal Information Protection and Electronic Documents Act* (Canada), the *Electronic Commerce Act, 2000* (Ontario) and other similar federal or provincial laws based on the Uniform Electronic Commerce Act of the Uniform Law Conference of Canada or its Uniform Electronic Evidence Act, as the case may be.
- (3) The Agent and Lenders may create and store copies of Loan Documents in any form as part of their business records, including by microfilm, photocopy and electronic image. Copies may be held in place of original documents and substituted for original documents for any purpose.
- (4) Notwithstanding this Section 11.13, from time to time the Agent may require that originally executed versions of any Loan Document be delivered.

11.14 Treatment of Certain Information: Confidentiality

- (1) Each of the Agent and the Lenders agrees to maintain the confidentiality of Information, except that Information may be disclosed (a) to it, its Affiliates and its and its Affiliates' respective partners, directors, officers, employees, agents, advisors and representatives (it being understood that the Persons to whom disclosure is made will be informed of the confidential nature of the Information and instructed to keep the Information confidential),

(b) to the extent requested by any regulatory authority purporting to have jurisdiction over it (including any self-regulatory authority), (c) to the extent required by Applicable Laws or regulations or by any subpoena or similar legal process, (d) to any other Party, (e) in connection with the exercise of any remedies under any Loan Document or any action or proceeding relating to any Loan Document or the enforcement of rights under the Loan Documents, (f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any assignee of or Participant in, or any 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 Derivative, credit-linked note or similar transaction relating to the Borrower and the Obligations, (g) with the consent of the Borrower or (h) to the extent Information (i) becomes publicly available other than as a result of a breach of this Section or (ii) becomes available to the Agent or any Lender on a non-confidential basis from a source other than an Obligor.

- (2) For purposes of this Section, "**Information**" means all information received in connection with any Loan Document from any Obligor relating to any Obligor or any of its Subsidiaries or any of their respective businesses, other than any such information that was available to the Agent or any Lender on a non-confidential basis before such receipt. 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 the Person has exercised the same degree of care to maintain the confidentiality of the Information as the Person would accord to its own confidential information. In addition, the Agent may disclose to any agency or organization that assigns standard identification numbers to loan facilities such basic information describing the Credits as is necessary to assign unique identifiers (and, if requested, supply a copy of this Agreement), it being understood that the Person to whom disclosure is made will be informed of the confidential nature of the Information and instructed to make available to the public only such Information as the Person normally makes available in the course of its business of assigning identification numbers.
- (3) In addition, and notwithstanding anything in this Agreement to the contrary, the Agent may provide customary information including details of the Obligors, the amount, term, purpose, pricing and repayment requirements of the Credits and the principal covenants contained in this Agreement to Loan Pricing Corporation and/or other recognized trade publishers of information for general circulation in the loan market.
- (4) Each Obligor also consents to:
 - (a) the holder of any Lien on any Property of the Obligor providing the Agent with a statement of the amount required to obtain a release of the Lien and the Agent providing the holder with a redacted copy or details of the Obligor's consent; and
 - (b) the Agent providing any judgment creditor or person who has an interest in Property of an Obligor that is subject to the Security with a statement of the amount required to obtain a release of the Security.

11.15 Entire Agreement

This Agreement and the other Loan Documents constitute the entire agreement between the Parties pertaining to the subject matter of this Agreement and supersede all prior correspondence, agreements, negotiations, discussions and understandings, whether written or oral. Except as expressly specified in this Agreement and the other Loan Documents, there are no representations, warranties, conditions or other agreements or acknowledgments, whether direct or collateral, express or implied, written or oral, statutory or otherwise, that form part of or affect the Loan Documents or the agreements referred to in them, that induced any Party to enter into the Loan Documents or the agreements referred to in them, or on which reliance is placed by any Party.

11.16 This Agreement to Govern

If there is any conflict or inconsistency between the terms of this Agreement and the terms of any other Loan Document (except any Intercreditor Agreement, which shall prevail as against this Agreement), the provisions of this Agreement shall govern to the extent necessary to remove the conflict or inconsistency.

11.17 Language

The Parties have required that the Loan Documents be in the English language, but without prejudice to documents that may from time to time be drawn up in French only, or in both French and English. Les Parties ont exigé que cette convention et tout document de sûreté, hypothèque, contrat, document ou avis y afférent soient rédigés en langue anglaise, mais sans que cette disposition n'affecte toutefois la validité de tout tel document qui pourrait à l'occasion être rédigé en français seulement ou à la fois en français et en anglais.

11.18 Limitation Periods

To the extent that any limitation period applies to any claim for payment of obligations or remedy for enforcement of obligations under any Loan Document, the Obligors agree that:

- (a) any limitation period is expressly excluded and waived entirely if permitted by Applicable Law;
- (b) if a complete exclusion and waiver of any limitation period is not permitted by Applicable Law, any limitation period is extended to the maximum length permitted by Applicable Law;
- (c) any limitation period applying to a Loan Document expressed to be payable on demand shall not begin before an express demand for payment of the relevant obligations is made in writing by the Agent to the relevant Obligor;
- (d) any applicable limitation period shall begin afresh upon any payment or other acknowledgment by any Obligor of its relevant obligations; and

- (e) each Loan Document is a "business agreement" as defined in the *Limitations Act, 2002* (Ontario) if that Act applies to it.

11.19 Services Provided and Conflicts of Interest

- (1) The Lenders and Agent shall not be responsible for providing or arranging services to the Obligors except providing and administering the Credits, respectively. The services of the Agent and Lenders do not include the provision of general corporate finance advisory services. The responsibility of the Agent and Lenders is solely contractual in nature and they do not owe the Obligors any fiduciary duty as a result of the Loan Documents.
- (2) The Obligors acknowledge that the Agent, the Lenders and/or one or more of their respective Affiliates may now and in the future provide debt financing, equity capital or other services (including financial advisory services) to other Persons with whom the Obligors may have conflicting interests. Subject to the provisions of this Agreement, the Agent, the Lenders and their respective Affiliates will not disclose confidential information obtained from the Obligors in connection with the performance of services for others. Similarly, the Agent, the Lenders and their respective Affiliates have no obligation to disclose the existence of or use for the Obligors' benefit confidential information that they have obtained or may obtain from any other Person.
- (3) The Obligors also acknowledge that the Agent, the Lenders and their respective Affiliates engage in securities trading and brokerage activities as well as providing investment banking and other financial services. In the ordinary course of business, the Agent, the Lenders and their respective Affiliates may provide investment banking and other financial services to other Persons with which the Obligors may have commercial or other relationships, and/or acquire, hold or sell, for their own accounts and the accounts of customers, the Obligors' equity, debt and other securities and financial instruments (including bank loans and other obligations) and those of other Persons with which the Obligors may have commercial or other relationships. All rights in respect of securities and financial instruments held by the Agent, the Lenders and their respective Affiliates or their respective customers, including any voting rights, will be exercised by the holder of the rights in its sole discretion.
- (4) The Agent, the Lenders and their respective Affiliates are not responsible to provide the Obligors with advice relating to legal, regulatory, accounting or tax matters. The Obligors acknowledge that (a) they have relied and will continue to rely on the advice of their own legal, regulatory, accounting and tax advisors for all matters relating to the Credits and otherwise and (b) they have not received or relied upon advice from the Agent, the Lenders and their respective Affiliates or advisors regarding legal, regulatory, accounting or tax matters.
- (5) The Obligors acknowledge that no client or near-client relationship has been or will be established between the Obligors and any legal counsel to the Agent or Lenders as a result of their representation of the Agent or Lenders, including by reason of any confidential information regarding any Obligor being provided to legal counsel to the Agent or Lenders or by reason of any Obligor paying or reimbursing the Agent or Lenders for fees, charges

or disbursements of legal counsel to the Agent or Lenders. The Obligors also acknowledge that legal counsel to the Agent or Lenders shall not be prevented from (a) continuing to act for the Agent and Lenders in connection with the Credits and the Loan Documents, including any enforcement of the Security, for any reason including any client or near-client relationship that may exist now or in the future between legal counsel to the Agent or Lenders and any Obligor, or (b) acting for any other Person whose interests conflict with the interests of any Obligor unless the Obligors establish, without the benefit of any presumption, that counsel has provided the other Person, to the detriment of the Obligors, with confidential information regarding the Obligors that they have received as a result of acting as legal counsel to the Agent or Lenders.

- (6) Nothing in this Section 11.19 affects the rights of any Obligor under or in connection with agreements or arrangements other than the Loan Documents to which any Obligor or any of the Agent, the Lenders and/or one or more of their respective Affiliates or legal counsel are parties.

11.20 Date of Agreement

This Agreement may be referred to as being dated **29 June 2018** or as of **29 June 2018**, notwithstanding the actual date of execution.

<SIGNATURE PAGES FOLLOW>

IN WITNESS OF WHICH, the Parties have duly executed this Agreement.

ALTIUS ROYALTY CORPORATION

By: /s/ "Ben Lewis"
Name:
Title:

By: /s/ "Stephanie Hussey"
Name:
Title:

ALTIUS MINERALS CORPORATION

By: /s/ "Ben Lewis"
Name:
Title:

By: /s/ "John Baker"
Name:
Title:

ALTIUS RESOURCES INC.

By: /s/ "Ben Lewis"
Name:
Title:

By: /s/ "John Baker"
Name:
Title:

<signature page for Credit Agreement relating to Altius Royalty Corporation et al.>

CARBON DEVELOPMENT CORPORATION

By: /s/ "Ben Lewis"
Name:
Title:

By: /s/ "Stephanie Hussey"
Name:
Title:

COAL APR HOLDINGS CORP.

By: /s/ "Ben Lewis"
Name:
Title:

By: /s/ "Stephanie Hussey"
Name:
Title:

COAL ROYALTY GP INC.

By: /s/ "Ben Lewis"
Name:
Title:

By: /s/ "Stephanie Hussey"
Name:
Title:

<signature page for Credit Agreement relating to Altius Royalty Corporation et al.>

GENESEE APR HOLDINGS CORP.

By: /s/ "Ben Lewis"
Name:
Title:

By: /s/ "Stephanie Hussey"
Name:
Title:

GENESEE ROYALTY GP INC.

By: /s/ "Ben Lewis"
Name:
Title:

By: /s/ "Stephanie Hussey"
Name:
Title:

POTASH APR HOLDINGS CORP.

By: /s/ "Ben Lewis"
Name:
Title:

By: /s/ "Stephanie Hussey"
Name:
Title:

<signature page for Credit Agreement relating to Altius Royalty Corporation et al.>

POTASH ROYALTY GP INC.

By: /s/ "Ben Lewis"
Name:
Title:

By: /s/ "Stephanie Hussey"
Name:
Title:

**LIBERTY METALS & MINING CANADIAN
ROYALTIES LTD.**

By: /s/ "Ben Lewis"
Name:
Title:

By: /s/ "Stephanie Hussey"
Name:
Title:

<signature page for Credit Agreement relating to Altius Royalty Corporation et al.>

THE BANK OF NOVA SCOTIA, as Lender

By: /s/ "Elizabeth Daponte"
Name:
Title:

By: /s/ "Priya Francis"
Name:
Title:

<signature page for Credit Agreement relating to Altius Royalty Corporation et al.>

ING CAPITAL LLC, as Lender

By: /s/ "Anne van Riel"
Name:
Title:

By: /s/ "Tanja van der Woude"
Name:
Title:

<signature page for Credit Agreement relating to Altius Royalty Corporation et al.>

**EXPORT DEVELOPMENT CANADA, as
Lender**

By: /s/ "Moshe Cohen"
Name:
Title:

By: /s/ "Adam Smith"
Name:
Title:

<signature page for Credit Agreement relating to Altius Royalty Corporation et al.>

**THE TORONTO-DOMINION BANK, as
Lender**

By: /s/ "Brendon D'Mello"
Name:
Title:

By: /s/ "Liza Straker"
Name:
Title:

<signature page for Credit Agreement relating to Altius Royalty Corporation et al.>

THE BANK OF NOVA SCOTIA, as Agent

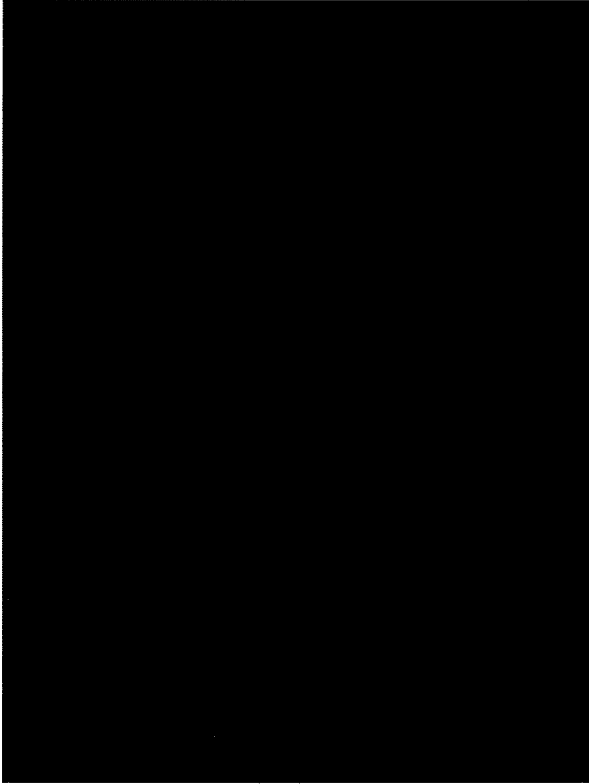
By: /s/ "Clement Yu"
Name:
Title:

By: /s/ "Ryan Moonilal"
Name:
Title:

<signature page for Credit Agreement relating to Altius Royalty Corporation et al.>

SCHEDULE A
LENDERS AND THEIR APPLICABLE PERCENTAGES

<see references in Sections 1.1(8), 1.1(78), 1.1(125), and 1.1(135)>



SCHEDULE B
OBLIGORS

<see reference in Section 1.1(94)>

Altius Minerals Corporation

Altius Resources Inc.

Altius Royalty Corporation

Carbon Development Corporation

Coal Royalty GP Inc.

Coal APR Holdings Corp.

Potash Royalty GP Inc.

Potash APR Holdings Corp.

Liberty Metals & Mining Canadian Royalties Ltd.

Genesee Royalty GP Inc.

Genesee APR Holdings Corp.

SCHEDULE C
DETAILS OF EQUITY INTERESTS, PROPERTY, ETC.

<see references in Sections 5.1(20), 6.4(7), 6.4(10) and 6.4(17)>

ALTIUS MINERALS CORPORATION

Jurisdiction of Incorporation: Alberta

History of Mergers, Amalgamations and Changes of Name: Amalgamation with Altius Investments Limited pursuant to articles of amalgamation dated October 1, 2016; Plan of Arrangement completed on April 28, 2014 in accordance with the Sherritt Arrangement Agreement; Plan of Arrangement completed on May 5, 2015 in accordance with the Callinan Arrangement Agreement; change of name from 730260 Alberta Inc. on June 12, 1997.

Direct and Indirect Holders of its Equity Interests: common shares widely held by the public.

Nature of Business: Royalties and Streaming Interests in the mining industry

Location of Registered Office: 4300 Bankers Hall West, 888 – 3rd Street S.W., Calgary, AB T2P 5C5

Location of Chief Executive Office: Suite 202, Kenmount Business Centre, 66 Kenmount Road, St. John's NL A1B 3V7

Locations of Property:

Freehold Real Property: None

Leasehold Real Property: None

Other Jurisdictions with Property of Material Value: None

ALTIUS RESOURCES INC.

Jurisdiction of Incorporation: Newfoundland

History of Mergers, Amalgamations and Changes of Name: Change of name from 2534549 Ontario Ltd. on October 1, 2016.

Direct and Indirect Holders of its Equity Interests: Altius Minerals Corporation.

Nature of Business: Resource exploration company

Location of Chief Executive Office: Suite 202, Kenmount Business Centre, 66 Kenmount Road, St. John's NL A1B 3V7

Location of Registered Office: Suite 202, Kenmount Business Centre, 66 Kenmount Road, St. John's NL A1B 3V7



Location of Property:

Freehold Real Property: None

Leasehold Real Property: Newfoundland and Labrador

Other Jurisdictions with Property of Material Value: None



Securities Accounts:



ALTIVUS ROYALTY CORPORATION

Jurisdiction of Incorporation: Alberta

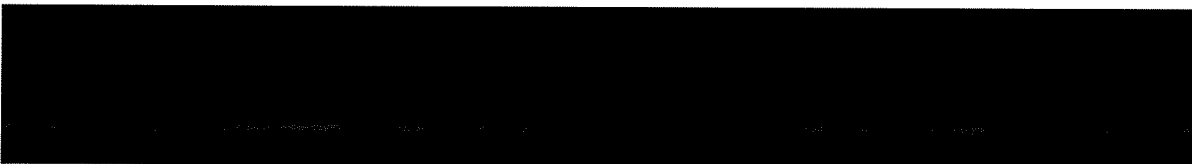
History of Mergers, Amalgamations and Changes of Name: Plan of Arrangement completed on April 28, 2014 in accordance with the Sherritt Arrangement Agreement; amalgamation with Callinan Resources Corporation on October 1, 2016

Direct and Indirect Holders of its Equity Interests: Altivus Minerals Corporation

Nature of Business: Royalty and streaming interests in the mining industry

Location of Registered Office: 4300 Bankers Hall West, 888 – 3rd Street S.W., Calgary, AB T2P 5C5

Location of Chief Executive Office: Suite 202, Kenmount Business Centre, 66 Kenmount Road, St. John's NL A1B 3V7



[REDACTED]

Location of Property:

Freehold Real Property: None

Leasehold Real Property: None

Other Jurisdictions with Property of Material Value: None

[REDACTED]

[REDACTED]

COAL ROYALTY GP INC.

Jurisdiction of Incorporation: Alberta

History of Mergers, Amalgamations and Changes of Name: None

Direct and Indirect Holders of its Equity Interests: Altius Royalty Corporation, Altius Minerals Corporation

Nature of Business: general partner of Coal Royalty Limited Partnership

Location of Registered Office: 4300 Bankers Hall West, 888 – 3rd Street S.W., Calgary, AB T2P 5C5

Location of Chief Executive Office: Suite 202, Kenmount Business Centre, 66 Kenmount Road, St. John's NL A1B 3V7

[REDACTED]

Location of Property:

Freehold Real Property: None; (Note: all titles for Coal Royalty Limited Partnership's freehold property are held in the name of Coal Royalty GP Inc.)

Leasehold Real Property: None; (Note: all titles for Coal Royalty Limited Partnership's leasehold property are held in the name of Coal Royalty GP Inc.)

Other Jurisdictions with Property of Material Value: None

[REDACTED]

[REDACTED]

COAL APR HOLDINGS CORP.

Jurisdiction of Incorporation: Alberta

History of Mergers, Amalgamations and Changes of Name: Plan of Arrangement completed on April 28, 2014 pursuant to the Sherritt Arrangement Agreement; amalgamation of 1817817 Alberta Ltd. and the predecessor of Coal APR Holdings Corp. on August 1, 2014

Direct and Indirect Holders of its Equity Interests: Altius Royalty Corporation, Altius Minerals Corporation

Nature of Business: Limited Partner in Coal Royalty Limited Partnership

Location of Registered Office: 4300 Bankers Hall West, 888 – 3rd Street S.W., Calgary, AB T2P 5C5

Location of Chief Executive Office: Suite 202, Kenmount Business Centre, 66 Kenmount Road, St. John's NL A1B 3V7

[REDACTED]

Location of Property:

Freehold Real Property: None

Leasehold Real Property: None

Other Jurisdictions with Property of Material Value: None

[REDACTED]

[REDACTED]

POTASH ROYALTY GP INC.

Jurisdiction of Incorporation: Alberta

History of Mergers, Amalgamations and Changes of Name: None

Direct and Indirect Holders of its Equity Interests: Altius Royalty Corporation, Altius Minerals Corporation

Nature of Business: general partner of Potash Royalty Limited Partnership

Location of Registered Office: 4300 Bankers Hall West, 888 – 3rd Street S.W., Calgary, AB T2P 5C5

Location of Chief Executive Office: Suite 202, Kenmount Business Centre, 66 Kenmount Road, St. John's NL A1B 3V7

Location of Property:

Freehold Real Property: None; (Note: all titles for Potash Royalty Limited Partnership's freehold property are held in the name of Potash Royalty GP Inc.)

Leasehold Real Property: None; (Note: all titles for Potash Royalty Limited Partnership's leasehold property are held in the name of Potash Royalty GP Inc.)

Other Jurisdictions with Property of Material Value: None

POTASH APR HOLDINGS CORP.

Jurisdiction of Incorporation: Alberta

History of Mergers, Amalgamations and Changes of Name: Plan of Arrangement completed on April 28, 2014 pursuant to the Sherritt Arrangement Agreement; amalgamation of 1817819 Alberta Ltd. and the predecessor of Potash APR Holdings Corp. on August 1, 2014

Direct and Indirect Holders of its Equity Interests: Altius Royalty Corporation, Altius Minerals Corporation

Nature of Business: Limited partner in Potash Royalty Limited Partnership

Location of Registered Office: 4300 Bankers Hall West, 888 – 3rd Street S.W., Calgary, AB T2P 5C5

Location of Chief Executive Office: Suite 202, Kenmount Business Centre, 66 Kenmount Road, St. John's NL A1B 3V7

Location of Property:

Freehold Real Property: None

Leasehold Real Property: None

Other Jurisdictions with Property of Material Value: None

GENESEE ROYALTY GP INC.

Jurisdiction of Incorporation: Alberta

History of Mergers, Amalgamations and Changes of Name: None

Direct and Indirect Holders of its Equity Interests: Altius Royalty Corporation, Altius Minerals Corporation

Nature of Business: general partner of Genesee Royalty Limited Partnership

Location of Registered Office: 4300 Bankers Hall West, 888 – 3rd Street S.W., Calgary, AB T2P 5C5

Location of Chief Executive Office: Suite 202, Kenmount Business Centre, 66 Kenmount Road, St. John's NL A1B 3V7

[REDACTED]

Location of Property:

Freehold Real Property: None; (Note: all titles for Genesee Royalty Limited Partnership's freehold property are held in the name of Genesee Royalty GP Inc.)

Leasehold Real Property: None; (Note: all titles for Genesee Royalty Limited Partnership's leasehold property are held in the name of Genesee Royalty GP Inc.)

Other Jurisdictions with Property of Material Value: None

[REDACTED]

[REDACTED]

GENESEE APR HOLDINGS CORP.

Jurisdiction of Incorporation: Alberta

History of Mergers, Amalgamations and Changes of Name: Plan of Arrangement completed on April 28, 2014 pursuant to the Sherritt Arrangement Agreement; amalgamation of 1817820 Alberta Ltd. and the predecessor of Genesee APR Holdings Corp. on August 1, 2014

Direct and Indirect Holders of its Equity Interests: Altius Royalty Corporation, Altius Minerals Corporation

Nature of Business: Limited partner in Genesee Royalty Limited Partnership

Location of Registered Office: 4300 Bankers Hall West, 888 – 3rd Street S.W., Calgary, AB T2P 5C5

Location of Chief Executive Office: Suite 202, Kenmount Business Centre, 66 Kenmount Road, St. John's NL A1B 3V7

[REDACTED]

Location of Property:

Freehold Real Property: None

Leasehold Real Property: None
Other Jurisdictions with Property of Material Value: None

[REDACTED]

[REDACTED]

CARBON DEVELOPMENT CORPORATION

Jurisdiction of Incorporation: Alberta

History of Mergers, Amalgamations and Changes of Name: Amalgamation of Carbon Development Corporation, 1815853 Ontario Ltd. and Maple Lease Regional Railway Inc. on October 1, 2016, to form Carbon Development Corporation

Direct and Indirect Holders of its Equity Interests: Altius Royalty Corporation and Altius Minerals Corporation

Nature of Business: Coal and Potash Investments

Location of Registered Office: 4300 Bankers Hall West, 888 – 3rd Street S.W., Calgary, AB T2P 5C5

Location of Chief Executive Office: Suite 202, Kenmount Business Centre, 66 Kenmount Road, St. John's NL A1B 3V7

[REDACTED]

Location of Property:

Freehold Real Property: Alberta, Saskatchewan, BC, Manitoba
Leasehold Real Property: Alberta, Saskatchewan, BC
Other Jurisdictions with Property of Material Value: None

[REDACTED]

[REDACTED]

LIBERTY METALS & MINING CANADIAN ROYALTIES LTD.

Jurisdiction of Incorporation: British Columbia

History of Mergers, Amalgamations and Changes of Name: Amalgamated with Berkley Potash Royalty Corp. on May 1, 2014 under present name.

Direct and Indirect Holders of its Equity Interests: Potash APR Holdings Corp., Altius Royalty Corporation and Altius Minerals Corporation

Nature of Business: Limited partner in Potash Royalty Limited Partnership

Location of Registered Office: Suite 1700, Park Place, 666 Burrard St., Vancouver BC, V6C 2X8

Location of Chief Executive Office: Suite 202, Kenmount Business Centre, 66 Kenmount Road,
St. John's NL A1B 3V7

[REDACTED]

Location of Property:

Freehold Real Property: None

Leasehold Real Property: None

Other Jurisdictions with Property of Material Value: None

[REDACTED]

[REDACTED]

<see organizational chart attached>

ALTUS MINERALS CORP
CURRENT STRUCTURE

SCHEDULE D
INTELLECTUAL PROPERTY

<see reference in Section 5.1(22)>

NIL

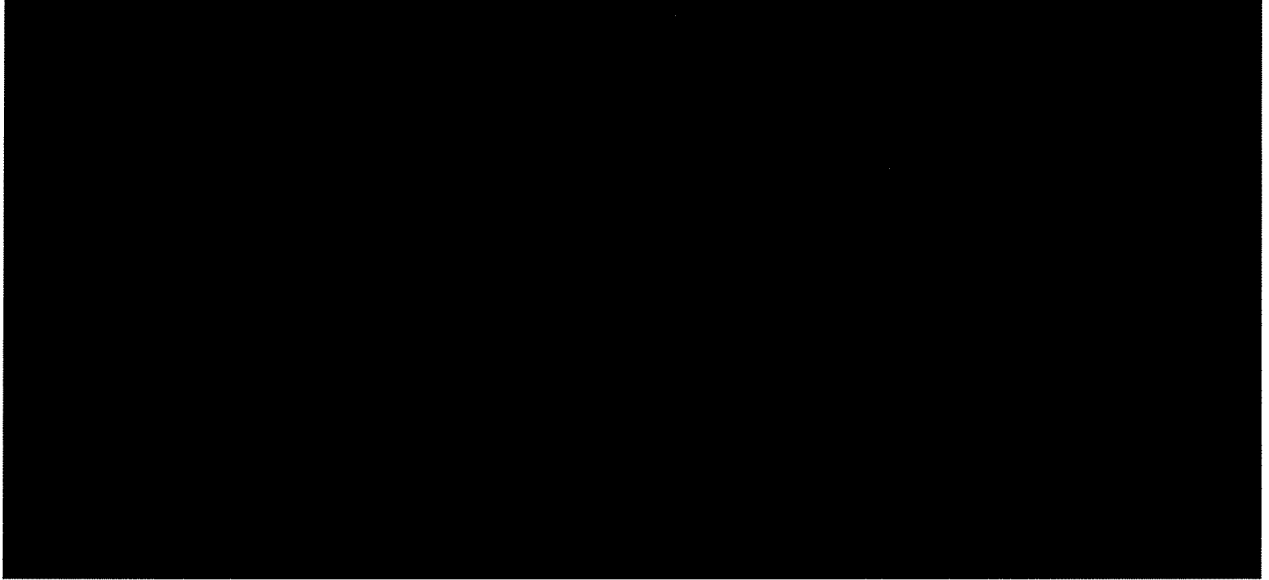
SCHEDULE E
PERMITTED LIENS

<see reference in Section 1.1(110)(l)>

1. Liens arising under the agreements referred to in Sections 1.1(108)(f) and 1.1(108)(g);
2. Liens existing at the time of, or arising as part of, closing of the transactions contemplated by the Sherritt Arrangement Agreement under any royalty contracts, royalty leases, and any other title and operating documents relating to the businesses of the Partnerships, Carbon Development Partnership and Carbon Development Corporation, including any preferential purchase rights, provided that in no case do those Liens secure Debt;
3. Liens and prior claims existing at the time of, or arising as part of, closing of the transactions contemplated by the Sherritt Arrangement Agreement, arising in the ordinary course of business and reserved in or exercisable under any Royalty Lease, as defined in the Sherritt Arrangement Agreement, provided that in no case do those Liens secure Debt;
4. a claim of right, title, use or jurisdiction which may be made or established by any First Nations, Métis, tribal or native authorities or communities by virtue of their status as aboriginal peoples to or over any lands, waters, plants, animals or products harvested or mined from any of the Royalty Assets (as defined in the Sherritt Arrangement Agreement) and any and all lands relating to the Royalty Assets;
5. caveat registered against certain lands referred to as Bow City registered on behalf of Bow City Power Ltd. as instrument number 141 075 939;
6. all Liens registered against Carbon Development Partnership and Carbon Development Corporation at the time of closing of the transactions contemplated by the Sherritt Arrangement Agreement, provided that in no case do those Liens secure Debt;
7. all Liens registered against Callinan Royalties Corporation at the time of closing of the transactions contemplated by the Callinan Arrangement Agreement, provided that in no case do those Liens secure Debt; and
8. Liens on the Property of the Parent created under the Indenture to secure the Preferred Securities, as long as they are subordinated to the Security pursuant to the applicable Intercreditor Agreement.

SCHEDULE F
INTRAGROUP DEBTS

<see reference in Section 5.1(19)>



SCHEDULE G
OTHER SECURED OBLIGATIONS

<see references in Section 3.2>

1. All Derivatives entered into on or after the date of this Agreement between any Obligor and any Lender or its Affiliate (whether entered into directly or as a result of an assignment or otherwise), if the Lender was a Lender at the time the Derivatives were entered into by or assigned to the Lender or Affiliate.
2. Cash consolidation, cash management and electronic funds transfer arrangements between an Obligor and a Lender or an Affiliate of a Lender provided that (a) any arrangement is entered into in the Ordinary Course, (b) any arrangement is entered into with the intention that any obligations arising under it be settled on the same day that they are incurred, (c) no arrangement is entered into with the intention of providing additional long term credit to the Obligors or others, and (d) no arrangement has been entered into on any day if any obligations arising under an arrangement entered into on any previous day have not been settled.
3. All present and future debts, liabilities and obligations of any Obligor to BNS under or in connection with any credit card agreement.
4. All present and future debts, liabilities and obligations under or in connection with any agreement for the purchase or sale of commodities up to an aggregate of US \$5,000,000 for all Obligors at any time that are incurred by any Obligor to any Lender or its Affiliate (whether entered into directly or as a result of an assignment or otherwise), if the Lender was a Lender at the time the agreement for the purchase or sale of commodities was entered into by or assigned to the Lender or Affiliate.
5. All present and future debts, liabilities and obligations of the other Obligors under guarantees and indemnities relating to the obligations listed above.

SCHEDULE H
NOTICE OF ADVANCE, PAYMENT, ROLLOVER OR CONVERSION

<see reference in Section 9.4(1)>

TO: The Bank of Nova Scotia, as Agent
Global Wholesale Operations – Canadian Agency Loan Operations
720 King Street West, 2nd Floor,
Toronto, Ontario, M5V 2T3

Attention: Director
Fax No.: 416 866 5991

We refer to Section 9.4(1) of the credit agreement dated as of **29 June 2018** between Altius Royalty Corporation and others as Obligor, The Bank of Nova Scotia as Agent and the Lenders party to it as of the date hereof, as amended, supplemented, restated or replaced as of the date hereof (the "**Credit Agreement**"). All capitalized terms used in this certificate and defined in the Credit Agreement have the meanings defined in the Credit Agreement.

1. Request for Advance

The undersigned hereby irrevocably requests as follows:

(a) that an Advance be made under the following Credit *<check one>*:

Revolving Credit ()

Term Credit ()

(b) the requested Advance represents the following *<check one or more>*:

increase in Advances under the Credit ()

rollover of existing Advance(s) under the Credit ()

conversion of existing Advance(s) to another type of Advance ()

(c) the Advance Date shall be _____;

(d) the Advance shall be in the form of *<check one or more and complete details>*:

Prime Rate ()
Amount _____

B/As	()
Face Amount:	_____
Term:	_____
Base Rate Advance	()
Amount:	_____
LIBOR Advance	()
Amount:	_____
End of LIBOR Period:	_____

- (e) the proceeds of the Advance shall be *<specify that funds are to be deposited in a designated account maintained by the Borrower with the Agent or are to be transferred by wire in accordance with instructions attached>*.

2. The undersigned hereby confirms as follows:

- (a) the representations and warranties made in Section 5.1 of the Credit Agreement, except those expressly stated to be made as of a specific date, are true on and as of the date of this notice with the same effect as if they had been made on and as of the date of this notice;
- (b) no Default has occurred and is continuing on the date of this notice or will result from the Advance(s) requested in this notice;
- (c) after reasonable inquiry, the undersigned has no reason to believe that (i) it will not be in compliance with all covenants contained in Section 6.1 of the Credit Agreement at the end of its current fiscal quarter, or (ii) it was not in compliance with all covenants contained in Section 6.1 of the Credit Agreement at the end of its immediately preceding fiscal quarter if it has not yet delivered its Compliance Certificate for that quarter;
- (d) the undersigned will immediately notify you if it becomes aware of the occurrence of any event that would mean that the statements in the immediately preceding items (a), (b) and (c) would not be true if made on the Advance Date;
- (e) *<for Advances under the Revolving Credit>* the Advance will be used to finance *<specify either a Permitted Acquisition OR an Acquisition that is permitted by Section 2.3(1) of the Credit Agreement but is not a Permitted Acquisition>*; and
- (f) all other conditions precedents in Sections 4.1 and 4.2 of the Credit Agreement have been fulfilled.

3. Notice of Payment, Rollover or Conversion

The undersigned hereby irrevocably notifies you of the following:

- (a) that a payment, rollover or conversion will be made under the following Credit *<check one>*:

Revolving Credit ()

Term Credit ()

- (b) the payment, rollover or conversion represents the following *<check one or more>*:

reduction in Advances under Credit ()

rollover of existing Advance(s) as the same type of Advance under Credit ()

conversion of existing Advance(s) to another type of Advance under Credit ()

- (c) the payment, rollover and/or conversion date shall be _____;

- (d) the Advance to be paid is in the form of *<check one or more and complete details>*:

Prime Rate ()
Amount _____

B/As ()
Face Amount: _____
Maturity Date: _____

Base Rate Advance ()
Amount: _____

LIBOR Advance ()
Amount: _____
Start of current LIBOR Period: _____

- (e) the Advance to be rolled over or converted is in the form of *<check one or more and complete details>*:

Prime Rate ()
Amount _____

B/As		()
Face Amount:	_____	
Maturity Date:	_____	
Base Rate Advance		()
Amount:	_____	
LIBOR Advance		()
Amount:	_____	
Start of current LIBOR Period:	_____	

The amount of the foregoing payment will be deposited by the Borrower to *<specify account maintained with the Agent>* and the Agent is hereby irrevocably directed to debit that account to effect the payment to the Lenders.

DATED _____.

ALTIVUS ROYALTY CORPORATION

By: _____
Name:
Title:

By: _____
Name:
Title:

**SCHEDULE I
COMPLIANCE CERTIFICATE**

<see reference in Section 1.1(33)>

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

AND TO: THE BANK OF NOVA SCOTIA, as Agent
Corporate Banking – Agency Services
40 King Street West, 62nd Floor
Toronto, Ontario, M5W 2X6

Attention: Director and Head of Agency Services
Fax No.: 416-866-3329

We refer to Section 6.3(1)(c) of the credit agreement dated as of **29 June 2018** between Altius Royalty Corporation and others, as Obligor, The Bank of Nova Scotia as Agent and the Lenders party to it as of the date hereof, as amended, supplemented, restated or replaced as of the date hereof (the "**Credit Agreement**"). All capitalized terms used in this certificate and defined in the Credit Agreement have the meanings defined in the Credit Agreement. This Compliance Certificate relates to the Borrower's fiscal period ended _____ (the "**Period End**").

1. The Borrower hereby certifies that:

- (a) the representations and warranties made in Section 5.1 of the Credit Agreement, except those expressly stated to be made as of a specific date but including those made with respect to the financial statements for the Period End, are true on and as of the date of this Compliance Certificate with the same effect as if those representations and warranties had been made on and as of that date; and
- (b) no Default has occurred and is continuing on the date of this Compliance Certificate. *<Note: Amend and provide details if there is a Default.>*

2. The Borrower hereby certifies that, as of the Period End:

- (a) the Net Debt Ratio was ____ to 1;
- (b) the Interest Coverage Ratio was ____ to 1;
- (c) the Parent's Net Worth was \$ _____;
- (d) Capital Expenditures made by the Persons referred to in Section 6.4(5) during the fiscal quarter ending on the Period End, and for the fiscal year to the end of the Period End, were \$ _____ and \$ _____, respectively;

- (e) the aggregate principal amount (or fair market value of Property encumbered if no principal amount is designated) of all Liens that were outstanding for all Obligors at the Period End under Section 1.1(110)(k) of the Credit Agreement was \$_____;
 - (f) the aggregate amount of Net Cash Proceeds of all issuances of Equity Interests by the Parent during the fiscal quarter ending on the Period End is \$_____.
- 3. Appendix A attached sets out:
 - (a) the calculations of the ratios referred to above;
 - (b) the calculation of EBITDA;
 - (c) the calculations and particulars of all Net Cash Proceeds referred to above and a reconciliation to gross proceeds of the applicable transactions giving rise to Net Cash Proceeds during the fiscal quarter.
- 4. Appendix B attached contains a reconciliation of Advances made under the Revolving Credit to finance Permitted Acquisitions, Advances made under the Revolving Credit to finance Acquisitions that were not Permitted Acquisitions, repayments of each of those types of Advances (other than renewals, rollovers or conversions) and any permanent reductions of the Revolving Credit, all to demonstrate compliance with the limitations on use of Advances in Section 2.3(1) of the Credit Agreement.
- 5. *<select as appropriate: Appendix C attached is an update of Schedule C to the Credit Agreement as of the Period End. / There has been no change to the information contained in the version of Schedule C <appended to the Credit Agreement OR delivered in the Compliance Certificate dated <date>>.>*
- 6. *<select as appropriate: Appendix D attached is an update of Schedule D to the Credit Agreement as of the Period End. / There has been no change to the information contained in the version of Schedule D <appended to the Credit Agreement OR delivered in the Compliance Certificate dated <date>>.>*
- 7. *<select as appropriate: Appendix F attached is an update of Schedule F to the Credit Agreement as of the Period End. / There has been no change to the information contained in the version of Schedule F <appended to the Credit Agreement OR delivered in the Compliance Certificate dated <date>>.>*
- 8. *<select as appropriate: Appendix G attached is an update of Schedule G to the Credit Agreement as of the Period End, including a statement of amounts owing under each Other Secured Obligation described on the updated Schedule G. / There has been no change to the information contained in the version of Schedule G <appended to the Credit Agreement OR delivered in the Compliance Certificate dated <date>>.>*
- 9. Appendix H attached provides details of all publicly traded Equity Interests held by the Obligors as of the Period End, including the security accounts in which they are held.

DATED _____.

ALTIUS MINERALS CORPORATION

By: _____
Name:
Title:

By: _____
Name:
Title:

SCHEDULE J
AGREEMENT OF NEW OBLIGOR SUPPLEMENT TO CREDIT AGREEMENT

<see reference in Section 3.1(2)>

THIS AGREEMENT supplements the amended and restated credit agreement dated as of **29 June 2018** between Altius Royalty Corporation and others, as Obligors, The Bank of Nova Scotia as Agent and the Lenders party to it from time to time, as amended, supplemented, restated or replaced from time to time (the "**Credit Agreement**").

RECITALS:

- A. Capitalized terms used and not defined in this Agreement have the respective meanings defined in the Credit Agreement.
- B. The Credit Agreement contemplates that certain further Subsidiaries of the Borrower shall become Obligors in certain circumstances.
- C. • (the "**New Subsidiary**") is required by the Credit Agreement to become an Obligor.
- D. Security and other documents required by Section 3.1(2) of the Credit Agreement have been delivered by or in respect of the New Subsidiary.

THEREFORE, for value received, and intending to be legally bound by this Agreement, the parties agree as follows:

- 1. The New Subsidiary hereby acknowledges and agrees to the terms of the Credit Agreement and agrees to be bound by all obligations of an Obligor under the Credit Agreement as if it had been an original signatory to it.
- 2. The Agent, on behalf of the Lenders, acknowledges that the New Subsidiary shall be an Obligor as of the date of this Agreement.

IN WITNESS OF WHICH, the undersigned have executed this Agreement as of the • day of •, 20•.

THE BANK OF NOVA SCOTIA, as Agent

By: _____
Name:
Title:

By: _____
Name:
Title:

<NEW SUBSIDIARY>

By: _____
Name:
Title:

By: _____
Name:
Title:

SCHEDULE K
ADDRESSES FOR NOTICE

<see reference in Section 11.9>

Altius Minerals Corporation
Suite 202, Kenmount Business Centre
66 Kenmount Road
St. John's, NL, A1B 3V7

Attention: Brian Dalton
Fax No.: 709 576 3441

The Bank of Nova Scotia
Corporate Banking – Global Mining
62nd Floor,
Scotia Plaza, 40 King Street West
Toronto, ON, M5W 2X6

Attention: Managing Director and Industry Head
Fax No.: 416 866 2009

ING Capital LLC
1325 Avenue of the Americas
New York, NY 10019

Attention: Head Metals & Mining Americas
Fax No.: 646 424 7484

Export Development Canada
150 Slater Street
Ottawa, Ontario
K1A 1K3

Attention: Victor Samuel, Asset Manager
Fax No.: 613 598 3186

The Toronto-Dominion Bank
222 Bay Street
E&Y Tower, 15th Floor
Toronto, Ontario, M5K 1A2

Attention: TDSI Notices
Fax No.: 416-982-8619
E-mail: TDSINotices@tdsecurities.com

The Bank of Nova Scotia, as Agent
Corporate Banking – Agency Services

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

Attention: Director and Head of Agency Services
Fax No.: 416 866 3329

(Notices in the form of Schedule H shall be sent to the Agent at the address specified on that Schedule.)

SCHEDULE L
FORM OF ASSIGNMENT AND ASSUMPTION

<see reference in Section 1.1(10)>

This Assignment and Assumption (the "**Assignment and Assumption**") is dated as of the Effective Date specified below and is entered into by and between <insert name of Assignor> (the "**Assignor**") and <insert name of Assignee> (the "Assignee"). Capitalized terms used but not defined in this Assignment and Assumption shall have the meanings given to them in the Credit Agreement identified below (as amended, the "**Credit Agreement**"), receipt of a copy of which is hereby acknowledged by the Assignee. The Standard Terms and Conditions in the attached Annex 1 are agreed to and incorporated in and made a part of this Assignment and Assumption as if specified here in full.

For an agreed consideration, the Assignor hereby irrevocably sells and assigns to the Assignee, and the Assignee hereby irrevocably purchases and assumes from the Assignor, subject to and in accordance with the Standard Terms and Conditions and the Credit Agreement, as of the Effective Date inserted by the Agent as contemplated below (i) all of the Assignor's rights and obligations in its capacity as a Lender under the Credit Agreement and any other documents or instruments delivered pursuant to it to the extent related to the amount and percentage interest identified below of all of the outstanding rights and obligations of the Assignor under the Credit(s) identified below and (ii) to the extent permitted to be assigned under Applicable Law, all claims, suits, causes of action and any other right of the Assignor (in its capacity as a Lender) against any Person, whether known or unknown, arising under or in connection with the Credit Agreement, any other documents or instruments delivered pursuant to it or the loan transactions governed by it or in any way based on or related to any of the foregoing, including contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (i) above (the rights and obligations sold and assigned pursuant to clauses (i) and (ii) above being referred to collectively as, the "**Assigned Interest**"). The sale and assignment is without recourse to the Assignor and, except as expressly provided in this Assignment and Assumption, without representation or warranty by the Assignor.

(1) Assignor: _____

Assignor <is / is not> a Defaulting Lender.

(2) Assignee: _____

(3) Borrower: _____

(4) Agent: _____, as the agent under the Credit Agreement

(5) Credit Agreement: The \$225,000,000 Credit Agreement dated as of **29 June 2018** among Altius Royalty Corporation, the Lenders parties to it, and The Bank of Nova Scotia as Agent.

(6) Assigned Interest:

Facility Assigned	Aggregate Amount of Commitments / Advances for all Lenders ¹	Amount of Commitment / Advances Assigned ¹	Percentage Assigned of Commitment / Advances ²	CUSIP Number
Term Credit	\$	\$	%	
Revolving Credit	\$	\$	%	
	\$	\$	%	

(7) <Trade Date: _____>³

¹ Amount to be adjusted by the counterparties to take into account any reductions made between the Trade Date and the Effective Date.

² Set forth, to at least 9 decimals, as a percentage of the Commitments / Advances of all Lenders thereunder.

³ To be completed if the Assignor and the Assignee intend that the minimum assignment amount is to be determined as of the Trade Date.

Effective Date: _____, 20__ <TO BE INSERTED BY AGENT AND WHICH SHALL BE THE EFFECTIVE DATE OF RECORDATION OF TRANSFER IN THE REGISTER THEREFOR.>

The terms of this Assignment and Assumption are hereby agreed to:

ASSIGNOR

<NAME OF ASSIGNOR>

By: _____
Title: _____

ASSIGNEE

<NAME OF ASSIGNEE>

By: _____
Title: _____

<Consented to and>⁴ Accepted:

THE BANK OF NOVA SCOTIA, as Agent

By _____
Title: _____

<Consented to: >⁵

<NAME OF RELEVANT PARTY>

By _____
Title: _____

⁴ To be added only if the consent of the Agent is required by Section 10.2(1)(c) of the Credit Agreement.

⁵ To be added for each relevant party only if the consent of the Borrower and/or other Parties is required by Section 10.2 of the Credit Agreement.

ANNEX 1 to Assignment and Assumption

STANDARD TERMS AND CONDITIONS FOR
ASSIGNMENT AND ASSUMPTION

1. Representations and Warranties.

1.1 Assignor. The Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of the Assigned Interest, (ii) the Assigned Interest is free and clear of any Lien, (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated by it, and (iv) it *<is / is not>* a Defaulting Lender; and (b) assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with the Credit Agreement or any other Loan Document, (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Documents or any collateral under them, (iii) the financial condition of the Borrower, any of its Subsidiaries or Affiliates or any other Person obligated in respect of any Loan Document or (iv) the performance or observance by the Borrower, any of its Subsidiaries or Affiliates or any other Person of any of their respective obligations under any Loan Document.

1.2 Assignee. The Assignee (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated by it and to become a Lender under the Credit Agreement, (ii) from and after the Effective Date, it shall be bound by the provisions of the Credit Agreement as a Lender and, to the extent of the Assigned Interest, shall have the obligations of a Lender, (iii) it has received a copy of the Credit Agreement, together with copies of the most recent financial statements delivered pursuant to Section 6.3(1) of the Credit Agreement, as applicable, and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Assumption and to purchase the Assigned Interest on the basis of which it has made its analysis and decision independently and without reliance on the Agent or any other Lender, and (iv) if it is a Foreign Lender, attached to the Assignment and Assumption is any documentation required to be delivered by it pursuant to Section 9.15(6) of the Credit Agreement, duly completed and executed by the Assignee; and (b) agrees that (i) it will, independently and without reliance on the Agent, the Assignor or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Documents, and (ii) it will perform in accordance with their terms all of the obligations that by the terms of the Loan Documents are required to be performed by it as a Lender.

2. Payments. From and after the Effective Date, the Agent shall make all payments in respect of the Assigned Interest (including payments of principal, interest, fees and other amounts) to the Assignee whether those amounts have accrued before, on or after the Effective Date. The Assignor and the Assignee shall make all appropriate adjustments in payments by the Agent for periods before the Effective Date or with respect to the making of this assignment directly between themselves.

3. General Provisions. This Assignment and Assumption shall be binding upon, and inure to the benefit of, the parties to it and their respective successors and permitted assigns. This Assignment and Assumption may be executed in any number of counterparts, which together shall constitute one instrument. Delivery of an executed counterpart of a signature page of this Assignment and Assumption by telecopy or by sending a scanned copy by electronic mail shall be effective as delivery of a manually executed counterpart of this Assignment and Assumption. This Assignment and Assumption shall be governed by, and construed in accordance with, the law governing the Credit Agreement.