

ELEMENTAL ROYALTIES CORP.

- AND -

COMPUTERSHARE TRUST COMPANY OF CANADA

- AND -

CANACCORD GENUITY CORP.

SUBSCRIPTION RECEIPT AGREEMENT

**Providing for the Issue of Subscription Receipts
December 15, 2020**

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SUBSCRIPTION RECEIPT AGREEMENT

THIS AGREEMENT (the “**Agreement**”) dated as of December 15, 2020.

AMONG:

ELEMENTAL ROYALTIES CORP., a company incorporated under the laws of the Province of British Columbia,

(“**Elemental**”)

AND:

COMPUTERSHARE TRUST COMPANY OF CANADA, a trust company existing under the laws of Canada,

(the “**Subscription Receipt Agent**”)

AND:

CANACCORD GENUITY CORP., a corporation existing under the laws of the Province of Ontario (the “**Lead Underwriter**”), on its own behalf and on behalf of the Underwriters,

WHEREAS Elemental proposes to create, issue and sell on a brokered private placement basis up to 11,500,000 Subscription Receipts at a price of \$1.50 per Subscription Receipt;

AND WHEREAS each Subscription Receipt entitles the holder thereof to receive, without any further action, and subject to adjustment of the Exchange Ratio in certain circumstances, one Common Share of Elemental upon the satisfaction or waiver of the Escrow Release Conditions prior to the Escrow Release Deadline, for no additional consideration in the manner herein set forth;

AND WHEREAS Elemental has agreed that:

- (a) pending the satisfaction of the Escrow Release Conditions, the Escrowed Proceeds are to be delivered to and held by the Subscription Receipt Agent as escrow agent hereunder, unless otherwise directed, and invested in the manner set out herein;
- (b) if the Escrow Release Conditions are satisfied at or before the Escrow Release Deadline, Subscription Receiptholders will be entitled to receive, without payment of additional consideration or the undertaking of any further action on the part of Subscription Receiptholders, one Common Share for each Subscription Receipt then held, subject to adjustment of the Exchange Ratio in certain circumstances; and

- (c) if: (i) the Escrow Release Conditions are not satisfied on or before the Escrow Release Deadline, (ii) the Acquisition is terminated at any time prior to the Escrow Release Deadline, or (iii) prior to the Escrow Release Deadline, Elemental advises the Lead Underwriter, on behalf of the Underwriters, or announces to the public that it does not intend to proceed with the Acquisition or satisfy one or more of the Escrow Release Conditions (any such event being a “**Termination Event**”), each Subscription Receiptholder will be entitled to receive: (A) an amount equal to the aggregate Offering Price for such holder’s Subscription Receipts, and (B) the holder’s pro rata share of the Earned Interest, less applicable withholding taxes, if any, and the Subscription Receipts will be cancelled without any further action on the part of the holders thereof. To the extent that the Escrowed Funds are insufficient to satisfy such payment obligations to the Subscription Receiptholders following a Termination Event, Elemental agrees that it will be liable to contribute such amounts as are necessary to satisfy any shortfall;

AND WHEREAS the Subscription Receipt Agent has agreed to act as registrar and transfer agent for the Subscription Receipts, and as escrow agent to receive the Escrowed Proceeds, in accordance with the terms and conditions set out herein;

AND WHEREAS all things necessary have been done and performed to make the Subscription Receipt Certificates and Uncertificated Subscription Receipts, when Authenticated by the Subscription Receipt Agent, as applicable, and issued and delivered as herein provided, legal, valid and binding obligations of Elemental with the benefits of and subject to the terms of this Agreement;

AND WHEREAS the foregoing recitals are made as representations by Elemental and not by the Subscription Receipt Agent or the Lead Underwriter;

AND WHEREAS the Subscription Receipt Agent has agreed to enter into this Agreement and to hold all rights, interests and benefits contained herein for and on behalf of those Persons who from time to time become holders of Subscription Receipts issued pursuant to this Agreement;

NOW THEREFORE THIS AGREEMENT WITNESSES that for good and valuable consideration mutually given, the receipt and sufficiency of which are hereby acknowledged, by each of Elemental, the Subscription Receipt Agent and the Lead Underwriter, Elemental hereby appoints the Subscription Receipt Agent as agent for the Subscription Receiptholders, to hold all rights, interests and benefits contained herein for and on behalf of those Persons who from time to time become holders of Subscription Receipts issued pursuant to this Agreement, Elemental and the Subscription Receipt Agent hereby covenant, agree and declare as follows:

ARTICLE 1 INTERPRETATION

Section 1.1 Definitions

In this Agreement and in the Subscription Receipt Certificates, unless there is something in the subject matter or context inconsistent therewith:

- 1.1.1 “**Accredited Investor**” means an “accredited investor” within the meaning of Rule 501(a) of Regulation D under the U.S. Securities Act;
- 1.1.2 “**Acquisition**” means the acquisition of a royalty portfolio from South32 Royalty Investments Pty Ltd by Elemental pursuant to the terms of the Royalty Purchase Agreement;
- 1.1.3 “**Applicable Legislation**” means such provisions of any statute of Canada or of a province thereof, and of regulations under any such statute, relating to subscription receipt agreements or to the rights, duties and obligations of corporations and of subscription receipt agents under subscription receipt agreements, as are from time to time in force and applicable to this Agreement;
- 1.1.4 “**Applicable Procedures**” means (a) with respect to any transfer or exchange of beneficial ownership interests in, or the issuance of Common Shares pursuant to the Subscription Receipts represented by, an Uncertificated Subscription Receipt, the applicable rules, procedures or practices of the Depository and the Subscription Receipt Agent in effect at the applicable time, and (b) with respect to any issuance, deposit or withdrawal of Subscription Receipts from or to an electronic position evidencing a beneficial ownership interest in Subscription Receipts represented by a Uncertificated Subscription Receipt, the rules, procedures or practices of the Depository and the Subscription Receipt Agent in effect at the applicable time with respect to the issuance, deposit or withdrawal of such positions;
- 1.1.5 “**Approved Bank**” has the meaning ascribed thereto in Section 6.2.1;
- 1.1.6 “**Authenticated**” means (a) with respect to the issuance of a Subscription Receipt Certificate, one which has been duly signed by Elemental and authenticated by signature of an authorized officer of the Subscription Receipt Agent, (b) with respect to the issuance of an Uncertificated Subscription Receipt, one in respect of which the Subscription Receipt Agent has completed all Internal Procedures such that the particulars of such Uncertificated Subscription Receipt as required by Section 2.6.1 are entered in the register of holders of Subscription Receipts; “Authenticate”, “Authenticating” and “Authentication” have the appropriate correlative meanings;
- 1.1.7 “**Book Entry Participants**” means institutions that participate directly or indirectly in the Depository’s book entry registration system for the Subscription Receipts;
- 1.1.8 “**Business Day**” means a day other than Saturday, Sunday or any other day on which the principal chartered banks located in Toronto, Ontario and Vancouver, British Columbia are not open for business;
- 1.1.9 “**CDS Subscription Receipt**” means Subscription Receipts representing all or a portion of the aggregate number of Subscription Receipts issued in the name of the Depository represented by an Uncertificated Subscription Receipt, or if

requested by the Depository or Elemental, by a Subscription Receipt Certificate;

- 1.1.10 “**Certificated Subscription Receipts**” means a Subscription Receipt which is evidenced by a Subscription Receipt Certificate;
- 1.1.11 “**Closing Date**” means the closing date of the Offering, being December 15, 2020 or such earlier or later date as may be agreed to by Elemental and the Lead Underwriter;
- 1.1.12 “**Closing Time**” means 8:00 a.m. (Toronto time) on the Closing Date or such other time as may be agreed to by Elemental and the Lead Underwriter;
- 1.1.13 “**Common Shares**” means the common shares in the capital of Elemental;
- 1.1.14 “**Conditions Precedent Certificate**” means the certificate executed by the Chief Executive Officer of Elemental (or such other officers as may be acceptable to the Lead Underwriter), substantially in the form set out in Schedule “B” attached hereto, certifying to the Lead Underwriter, on its own behalf and on behalf of the Underwriters, that the Escrow Release Conditions set out in 1.1.20.1 and 1.1.20.2 below have been satisfied,
- 1.1.15 “**Counsel**” means a barrister and/or solicitor or a firm of barristers and/or solicitors, retained by the Subscription Receipt Agent or retained by Elemental, acceptable to the Subscription Receipt Agent, which may or may not be counsel for Elemental, acting reasonably;
- 1.1.16 “**Depository**” means CDS Clearing and Depository Services Inc. or such other Person as is designated in writing by Elemental to act as depository in respect of the Subscription Receipts;
- 1.1.17 “**Director**” means a director of Elemental, and reference without more to action by the directors means action by the directors of Elemental as a board or, to the extent empowered, by a committee of the board, in each case by resolution duly passed;
- 1.1.18 “**Earned Interest**” means interest earned on the Escrowed Funds (or the reinvestment of such interest or other income) from the Closing Date, but not including, the earlier to occur of: (i) the Release Date, and (ii) the Termination Date;
- 1.1.19 “**Elemental**” means Elemental Royalties Corp., a company incorporated under the laws of the Province of British Columbia with company number C1083309 with its registered office located at 880 – 580 Hornby Street, Vancouver, British Columbia, Canada;
- 1.1.20 “**Escrow Release Conditions**” means, collectively:

- 1.1.20.1 the receipt of all required board, shareholder and regulatory approvals in connection with the Offering and Acquisition, including, without limitation, the conditional approval of the TSXV for the listing of the Common Shares issuable upon conversion of the Subscription Receipts have been obtained;
- 1.1.20.2 the completion or the satisfaction of all conditions precedent to the Acquisition, substantially in accordance with the terms of the Royalty Purchase Agreement, to the satisfaction of the Lead Underwriter, on behalf of the Underwriters, other than the payment of the Purchase Price (as defined in the Royalty Purchase Agreement); and
- 1.1.20.3 Elemental and the Lead Underwriter having delivered the Joint Notice and Direction to the Subscription Receipt Agent confirming that the conditions set out in 1.1.20.1 and 1.1.20.2 above have been met or waived.

As a condition precedent to the execution by the Lead Underwriter of the Joint Notice and Direction, the Chief Executive Officer of Elemental (or such other officer as may be acceptable to Elemental) shall deliver the Conditions Precedent Certificate to the Lead Underwriter.

- 1.1.21 “**Escrow Release Deadline**” means 5:00 p.m. (Toronto time) on April 15, 2021;
- 1.1.22 “**Escrowed Funds**” means the Escrowed Proceeds plus all Earned Interest thereon at any given time;
- 1.1.23 “**Escrowed Proceeds**” means the cash amount of \$15,593,514.03, being the aggregate gross proceeds of the Offering, less 50% of the Underwriters’ Fee and less the Underwriters’ Expenses (as such terms are defined in the Underwriting Agreement), delivered to the Subscription Receipt Agent to be held in escrow on the terms and subject to the conditions of this Agreement;
- 1.1.24 “**Exchange Ratio**” means the number of Common Shares that the Subscription Receiptholder is entitled to receive for each Subscription Receipt held, if the Escrow Release Conditions are satisfied, subject to adjustment in certain circumstances in accordance with the terms of this Agreement, which at the date of this Agreement is one (1) Common Share;
- 1.1.25 “**Extraordinary Resolution**” has the meaning attributed thereto in Section 9.12.1 and Section 9.15 hereof;
- 1.1.26 “**Governmental Authorities**” means any of the governments of Canada, the United States of America, any other nation or any political subdivision thereof, whether provincial, state, territorial or local, and any agency, authority, instrumentality, regulatory body, court, central bank, fiscal or monetary

authority or other authority regulating financial institutions, and any other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government;

- 1.1.27 “**Indemnified Parties**” has the meaning attributed thereto in Section 11.7.2;
- 1.1.28 “**Internal Procedures**” means in respect of the making of any one or more entries to, changes in or deletions of any one or more entries in the register at any time (including without limitation, original issuance or registration of transfer of ownership) the minimum number of the Subscription Receipt Agent’s internal procedures customary at such time for the entry, change or deletion made to be completed under the operating procedures followed at the time by the Subscription Receipt Agent;
- 1.1.29 “**Joint Notice and Direction**” means the joint notice of Elemental and the Lead Underwriter delivered to the Subscription Receipt Agent, in substantially the form set out in Schedule "C" attached hereto, confirming that the Escrow Release Conditions in Sections 1.1.20.1 and 1.1.20.2 to have been satisfied or waived;
- 1.1.30 “**Lead Underwriter**” means Canaccord Genuity Corp., a corporation existing under the laws of the Province of Ontario;
- 1.1.31 “**Offering**” means the issue and sale of up to 11,500,000 Subscription Receipts by Elemental on a private placement basis at the Offering Price for aggregate gross proceeds of up to \$17,250,000, pursuant to the Subscription Agreements and the Underwriting Agreement;
- 1.1.32 “**Offering Price**” means \$1.50 per Subscription Receipt;
- 1.1.33 “**Person**” includes an individual, corporation, partnership, joint venture, trustee, unincorporated organization or any other entity whatsoever, and words importing Persons have a similar extended meaning;
- 1.1.34 “**Qualified Institutional Buyer**” means a “qualified institutional buyer” within the meaning of Rule 144A under the U.S. Securities Act;
- 1.1.35 “**Regulation S**” means Regulation S under the U.S. Securities Act;
- 1.1.36 “**Release Date**” means either (i) the date, prior to the Termination Date, on which the Joint Notice and Direction is received by the Subscription Receipt Agent in accordance with the terms of this Agreement, provided that the Joint Notice and Direction is received by the Subscription Receipt Agent by 12:30 p.m. (Toronto time), on such date; or (ii) provided that it is prior to the Termination Date, the first Business Day following the date on which the Joint Notice and Direction is received by the Subscription Receipt Agent in accordance with the terms of this Agreement, if the Joint Notice and Direction

is received by the Subscription Receipt Agent after 12:30 p.m. (Toronto time), on such initial date;

- 1.1.37 “**Royalty Purchase Agreement**” means a royalty sale agreement dated November 23, 2020 between Elemental and South32 Royalty Investments Pty Ltd. in respect of the Acquisition;
- 1.1.38 “**Subscription Receipt Agent**” means Computershare Trust Company of Canada, including its successors and assigns;
- 1.1.39 “**Subscription Receipt Certificate**” means a certificate representing one or more Subscription Receipts substantially in the form of the certificate attached hereto as Schedule "A"
- 1.1.40 “**Subscription Receiptholders**” or “**holders**” means the Persons from time to time entered in a register of holders described in 3.1.1 hereof as holders of Subscription Receipts;
- 1.1.41 “**Subscription Receiptholders’ Request**” means an instrument, signed in one or more counterparts by Subscription Receiptholders who hold in the aggregate not less than 10% of the total number of Subscription Receipts then outstanding, requesting the Subscription Receipt Agent to take some action or proceeding specified therein;
- 1.1.42 “**Subscription Receipts**” means the subscription receipts created and issued pursuant to Section 2.1.1 hereof and authorized for issue hereunder and that have not at the particular time expired, been purchased by Elemental converted or otherwise becomes null, void and of no further force or effect;
- 1.1.43 “**subsidiary**” means a subsidiary as defined in the Securities Act (Ontario), as constituted at the date of this Agreement;
- 1.1.44 “**Termination Date**” means the date of occurrence of a Termination Event;
- 1.1.45 “**Termination Event**” has the meaning ascribed thereto in the recitals to the Agreement;
- 1.1.46 “**Termination Notice**” means a written notice from Elemental addressed to the Subscription Receipt Agent and the Lead Underwriter indicating that a Termination Event has occurred and directing the Subscription Receipt Agent to return all Escrowed Funds to the Subscription Receiptholders in accordance with Section 6.4 hereof;
- 1.1.47 “**Termination Payment Time**” means as soon as practically possible following the Termination Date, and in any event, within five (5) Business Days following the Termination Date;
- 1.1.48 “**Termination Time**” means 5:00 p.m. (Toronto time) on the Termination Date;

- 1.1.49 **“this Subscription Receipt Agreement”, “this Agreement”, “hereto”, “hereunder”, “hereof”, “herein”, “hereby”** and similar expressions mean or refer to this Subscription Receipt Agreement and any amendment or indenture, deed or instrument supplemental or ancillary hereto, and the expressions **“article”, “section”, “subsection”, “paragraph”, “subparagraph”, “clause”** and **“subclause”** followed by a number mean the specified article, section, subsection, paragraph, subparagraph, clause or subclause of this Agreement;
- 1.1.50 **“TSXV”** means the TSX Venture Exchange;
- 1.1.51 **“Uncertificated Subscription Receipt”** means any Subscription Receipt which is not a Certificated Subscription Receipt;
- 1.1.52 **“Underwriters”** means collectively, the Lead Underwriter, Haywood Securities Inc., Scotia Capital Inc. and Sprott Capital Partners LP and **“Underwriter”** means any one of them;
- 1.1.53 **“Underwriting Agreement”** means the underwriting agreement dated the date hereof entered into between Elemental and the Underwriters in connection with the Offering;
- 1.1.54 **“United States”** means the United States of America, its territories and possessions, any state of the United States, and the District of Columbia;
- 1.1.55 **“U.S. Exchange Act”** means the U.S. Securities Exchange Act of 1934, as amended;
- 1.1.56 **“U.S. Person”** means a “U.S. person” as that term is defined in Rule 902(k) of Regulation S under the U.S. Securities Act;
- 1.1.57 **“U.S. Purchaser”** means an original purchaser of Subscription Receipts, who is a Subscription Receiptholder, that was at the time of purchase; (a) U.S. Person or a Person purchasing the Subscription Receipts in the United States, (b) a Person purchasing Subscription Receipts on behalf of, or for the account or benefit of, any U.S. Person or Person in the United States, (c) a Person that received an offer to purchase the Subscription Receipts while in the United States, or (d) any Person that was in the United States at the time such Person’s buy order was made or the subscription for the Subscription Receipts was executed or delivered;
- 1.1.58 **“U.S. Securities Act”** means the United States Securities Act of 1933, as amended and the rules and regulation promulgated thereunder; and
- 1.1.59 **“Written Order of Elemental”, “Written Request of Elemental”, “Written Direction of Elemental”** and **“Certificate of Elemental”** mean a written order, request, consent, direction and certificate, respectively, signed in the name of Elemental by any Director or officer of Elemental or by any other individual to

whom such signing authority is delegated by the directors from time to time, and may consist of one or more instruments so executed respectively.

Section 1.2 Interpretation

- 1.2.1 Words Importing the Singular: Words importing the singular include the plural and vice versa and words importing a particular gender or neuter include both genders and neuter.
- 1.2.2 Interpretation Not Affected by Headings, Etc.: The division of this Agreement into articles, sections, subsections, paragraphs, subparagraphs, clauses and subclauses, the provision of a table of contents and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.
- 1.2.3 Day Not a Business Day: Unless otherwise indicated, if the day on or before which any action which would otherwise be required to be taken hereunder is not a Business Day that action will be required to be taken on or before the requisite time on the next succeeding day that is a Business Day.
- 1.2.4 Time of the Essence: Time will be of the essence in all respects in this Agreement and the Subscription Receipt Certificates.
- 1.2.5 Currency: Except as otherwise stated, all dollar amounts herein and in the Subscription Receipt Certificates are expressed in Canadian dollars.
- 1.2.6 Severability: In the event that any provision hereof shall be determined to be invalid or unenforceable in any respect, such determination shall not affect such provision in any other respect or any other provision hereof, all of which shall remain in full force and effect.
- 1.2.7 Conflict: In the event of a conflict or inconsistency between a provision in this Agreement and the Subscription Receipt Certificates issued hereunder, the relevant provision of this Agreement shall prevail to the extent of the inconsistency.

Section 1.3 Applicable Law

This Agreement and the Subscription Receipt Certificates will be construed and enforced in accordance with the laws prevailing in the Province of British Columbia and the federal laws of Canada applicable therein and will be treated in all respects as British Columbia contracts.

ARTICLE 2

THE SUBSCRIPTION RECEIPTS

Section 2.1 Creation and Issue of Subscription Receipts

- 2.1.1 Up to 11,500,000 Subscription Receipts, on the terms and subject to the conditions herein provided, are hereby created and authorized for issue at the Offering Price.
- 2.1.2 One Subscription Receipt shall be issued on the Closing Date, without any further act or formality, for each \$1.50 received by Elemental as payment therefor and each such Subscription Receipt shall be issued as a fully paid and non-assessable Subscription Receipt of Elemental.
- 2.1.3 Each Subscription Receipt issued hereunder will entitle the holder thereof, upon the conversion thereof in accordance with the provisions of Article 4 hereof, and without payment of any additional consideration, to be issued one (1) Common Share, subject, in certain circumstances, to adjustment of the Exchange Ratio.

Section 2.2 Terms of Subscription Receipts

- 2.2.1 Purchase by the Issuer: Notwithstanding Section 3.1.2, Elemental may from time to time purchase Subscription Receipts by private agreement or otherwise, and any such purchase may be made in such manner, from such Persons, at such prices and on such terms as Elemental in its sole discretion may determine in agreement with the applicable Subscription Receiptholder. Subscription Receipt Certificates representing Subscription Receipts purchased by Elemental pursuant to this Section shall be surrendered to the Subscription Receipt Agent for cancellation and shall be accompanied by a Written Direction of Elemental to cancel the Subscription Receipts represented thereby and shall not be reissued. For greater certainty, nothing in this Section 2.2.1 shall grant to Elemental a unilateral right of redemption with respect to the Subscription Receipts.
- 2.2.2 Cancellation of Subscription Receipts: In the event that (i) a Termination Notice is delivered to the Subscription Receipt Agent and Lead Underwriter, (ii) prior to the Escrow Release Deadline, Elemental advises the Lead Underwriter, on behalf of the Underwriters, or announces to the public that it does not intend to proceed with the Acquisition or satisfy one or more of the Escrow Release Conditions, or (iii) the Joint Notice and Direction is not delivered to the Subscription Receipt Agent prior to the Escrow Release Deadline, all of the Subscription Receipts shall, without any action on the part of the holders thereof (including the surrender of Subscription Receipt Certificates or deemed surrender of any Uncertificated Subscription Receipts), be terminated and cancelled by the Subscription Receipt Agent as of the Termination Time and the Subscription Receiptholders shall thereafter have no rights thereunder

except to receive, and the Subscription Receipt Agent shall pay to such holders from the Escrowed Funds, an amount equal to: (i) the aggregate Offering Price in respect of such holder's Subscription Receipts, and (ii) the Subscription Receiptholder's pro rata share of Earned Interest, less applicable withholding taxes, if any. Such amount (less any withholding tax required to be withheld in respect thereof), shall be returned to each holder of a Subscription Receipt by the Subscription Receipt Agent in accordance with Section 6.4 hereof. Elemental shall be liable for any shortfall between the amounts owing to Subscription Receiptholders under this Section 2.2.2 and the amount of Escrowed Funds. The Subscription Receipt Agent and the Underwriters shall have no responsibility for any shortfall owing to the Subscription Receiptholders.

Section 2.3 Form of Subscription Receipts

- 2.3.1 Form: The Subscription Receipts may be issued in both certificated and uncertificated form. Upon the issue of Subscription Receipts, Subscription Receipt Certificates shall be executed by Elemental and, in accordance with a Written Direction of Elemental, Authenticated by or on behalf of the Subscription Receipt Agent and delivered to Elemental or to the order of Elemental in accordance with the Written Direction of Elemental. The Subscription Receipt Certificates shall be substantially in the form attached as Schedule "A" hereto, subject to the provisions of this Agreement, with such variations and changes as may from time to time be agreed upon by the Subscription Receipt Agent, Elemental and the Lead Underwriter, and the Subscription Receipt Certificates shall be dated as of the Closing Date, and shall have such distinguishing letters and numbers as Elemental may, with the approval of the Subscription Receipt Agent, prescribe and shall be issuable in any denomination excluding fractions. Uncertificated Subscription Receipts shall be Authenticated and issued and evidenced by a book position on the register of Subscription Receiptholders to be maintained by the Subscription Receipt Agent in accordance with Section 3.1.1.
- 2.3.2 Production: Except as provided in this Article 2, all Subscription Receipts shall, save as to denominations, be of like tenor and effect. The Subscription Receipt Certificates may be engraved, printed, lithographed, photocopied or be partially in one form or another, as the Subscription Receipt Agent may determine.
- 2.3.3 Canadian Legend: Subscription Receipt Certificates or written notices delivered in respect of ownership of the Subscription Receipts, as well as all certificates or written notices issued in exchange for or in substitution of such Subscription Receipt Certificates or written notices, shall bear the following legends:

“UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE [DATE THAT IS 4 MONTHS AND ONE DAY AFTER THE CLOSING DATE].”

2.3.4 United States Legends:

2.3.4.1 The Subscription Receipts and the Common Shares issuable pursuant to the Subscription Receipts have not been and will not be registered under the U.S. Securities Act or under applicable state securities laws;

2.3.4.2 Each Subscription Receipt Certificate issued to a U.S. Purchaser, and each Subscription Receipt Certificate issued in exchange therefor in substitution or transfer thereof, for so long as required by the U.S. Securities Act or applicable state securities laws, shall bear the following legend:

“THE SECURITIES REPRESENTED HEREBY AND THE SECURITIES ISSUABLE UPON EXERCISE HEREOF (OR IN EXCHANGE FOR SUCH SECURITIES ISSUABLE UPON EXERCISE HEREOF) HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “U.S. SECURITIES ACT”), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THE HOLDER HEREOF, BY PURCHASING SUCH SECURITIES, AGREES FOR THE BENEFIT OF THE ISSUER THAT SUCH SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO THE ISSUER, (B) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH APPLICABLE LOCAL LAWS AND REGULATIONS, (C) PURSUANT TO A REGISTRATION STATEMENT THAT HAS BEEN DECLARED EFFECTIVE UNDER THE U.S. SECURITIES ACT, (D) IN COMPLIANCE WITH THE EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY (1) RULE 144 THEREUNDER, IF AVAILABLE, OR (2) RULE 144A THEREUNDER, IF AVAILABLE, AND, IN EACH CASE, IN COMPLIANCE WITH APPLICABLE STATE SECURITIES LAWS OR (E) IN ANOTHER TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES LAWS AND, IN THE CASE OF (D)(1) AND (E) ABOVE, AFTER THE SELLER FURNISHES TO THE ISSUER AN OPINION OF COUNSEL OF RECOGNIZED STANDING IN FORM AND SUBSTANCE REASONABLY SATISFACTORY TO THE ISSUER TO SUCH EFFECT. DELIVERY OF THIS CERTIFICATE MAY NOT

CONSTITUTE “GOOD DELIVERY” IN SETTLEMENT OF
TRANSACTIONS ON STOCK EXCHANGES IN
CANADA.”

- 2.3.4.3 The Subscription Receipts originally sold to Qualified Institutional Buyers that are in the United States or that are U.S. Persons pursuant to Section 4(a)(2) of the U.S. Securities Act and the Common Shares have not been and will not be registered under the U.S. Securities Act or any applicable state securities laws, and the Subscription Receipts are, and the Common Shares will be, “restricted securities” within the meaning of Rule 144(a)(3) under the U.S. Securities Act, and that each such purchaser was or will be required to execute a Qualified Institutional Buyer Investment Letter (in the form attached as Schedule "C" to the subscription agreement of the U.S. Purchaser) in which it agrees on its own behalf and on behalf of any investor account for which it is purchasing the Subscription Receipts: (i) that the Subscription Receipts and any Common Shares may not be re-offered, resold, pledged or otherwise transferred, directly or indirectly, except (A) to Elemental, or (B) outside the United States to a person who is not a U.S. Person and in compliance with Rule 904 of Regulation S under the U.S. Securities Act, and in compliance with any applicable local laws and regulations; (ii) that for so long as the Subscription Receipts and Common Shares constitute “restricted securities” within the meaning of Rule 144(a)(3) under the U.S. Securities Act, it will not deposit any of the Subscription Receipts or the Common Shares in the facilities of The Depository Trust Company, or a successor depository within the United States, or arrange for the registration of any of the Subscription Receipts or the Common Shares with Cede & Co. or any successor thereto; and (iii) that the Qualified Institutional Buyer will cause any Book Entry Participant holding the Subscription Receipts and/or Common Shares on its behalf, and any beneficial purchaser of the Subscription Receipts and/or Common Shares, to comply with the foregoing restrictions.

Section 2.4 Uncertificated Subscription Receipts

- 2.4.1 Re-registration of beneficial interests in and transfers of Uncertificated Subscription Receipts held by the Depository shall be made only through the book entry registration system and no Subscription Receipt Certificates shall be issued in respect of such Subscription Receipts except where physical certificates evidencing ownership in such securities are required or as set out herein, or as may be requested by Elemental or by the Depository, from time to time. Except as provided in this Section 2.4.1, owners of beneficial interests in

any CDS Subscription Receipts shall not be entitled to have Subscription Receipts registered in their names and shall not receive or be entitled to receive Subscription Receipts in definitive form or to have their names appear in the register referred to in Section 3.1.1 herein while they are held as book entry securities with the Depository.

2.4.2 Notwithstanding any other provision in this Agreement, no CDS Subscription Receipts may be exchanged in whole or in part for Subscription Receipts registered, and no transfer of a CDS Subscription Receipt in whole or in part may be registered, in the name of any Person other than the Depository for such CDS Subscription Receipts or a nominee thereof unless:

2.4.2.1 the Depository notifies Elemental that it is unwilling or unable to continue to act as depository in connection with the CDS Subscription Receipts and Elemental is unable to locate a qualified successor;

2.4.2.2 Elemental determines that the Depository is no longer willing, able or qualified to discharge properly its responsibilities as holder of the Uncertificated Subscription Receipts and Elemental is unable to locate a qualified successor;

2.4.2.3 the Depository ceases to be a clearing agency or otherwise ceases to be eligible to be a depository and Elemental is unable to locate a qualified successor;

2.4.2.4 Elemental determines that the Subscription Receipts shall no longer be held as Uncertificated Subscription Receipts through the Depository;

2.4.2.5 such right is required by applicable law, as determined by Elemental and Elemental's Counsel;

2.4.2.6 a Subscription Receipt Certificate is to be Authenticated for a U.S. Purchaser; or

2.4.2.7 Elemental so instructs the Subscription Receipt Agent in writing,

following which Subscription Receipt Certificates for those holders requesting the same shall be issued to the beneficial owners of such Subscription Receipts or their nominees as directed by the Depository. Elemental shall provide an officer's certificate of Elemental giving notice to the Subscription Receipt Agent of the occurrence of any event outlined in this Section 2.4.2, except in the case of Section 2.4.2.7.

2.4.3 Subject to the provisions of this Section 2.4, any exchange of CDS Subscription Receipts for Subscription Receipts which are not CDS Subscription Receipts

may be made in whole or in part in accordance with the provisions of Section 3.2, mutatis mutandis. All such Subscription Receipts issued in exchange for CDS Subscription Receipts or any portion thereof shall be registered in such names as the Depository for such CDS Subscription Receipts shall direct and shall be entitled to the same benefits and subject to the same terms and conditions (except insofar as they relate specifically to CDS Subscription Receipts) as the CDS Subscription Receipts or portion thereof surrendered upon such exchange.

- 2.4.4 Every Subscription Receipt Authenticated upon registration of transfer of a CDS Subscription Receipt or any portion thereof, or in exchange for or in lieu of a CDS Subscription Receipt or any portion thereof, whether pursuant to this Section 2.4, or otherwise, shall be Authenticated in the form of, and shall be, a CDS Subscription Receipt, unless such Subscription Receipt is registered in the name of a Person other than the Depository for such Uncertificated Subscription Receipt or a nominee thereof.
- 2.4.5 Notwithstanding anything to the contrary in this Agreement, subject to applicable law, the CDS Subscription Receipts shall only be issued to the Depository.
- 2.4.6 The rights of beneficial owners of Subscription Receipts who hold securities entitlements in respect of the Subscription Receipts through the book entry registration system shall be limited to those established by applicable law and agreements between the Depository and the Book Entry Participants and between such Book Entry Participants and the beneficial owners of Subscription Receipts who hold securities entitlements in respect of the Subscription Receipts through the book entry registration system, and such rights must be exercised through a Book Entry Participant in accordance with the rules and Applicable Procedures of the Depository.
- 2.4.7 For so long as Subscription Receipts are held through the Depository, if any notice or other communication is required to be given to Subscription Receiptholders, Elemental will give such notices and other communications to the Depository.
- 2.4.8 Notwithstanding anything herein to the contrary, neither Elemental nor the Subscription Receipt Agent nor any agent thereof shall have any responsibility or liability for:
 - 2.4.8.1 the electronic records maintained by the Depository relating to any ownership interests or any other interests in the Subscription Receipts or the depository system maintained by the Depository, or payments made on account of any ownership interest or any other interest of any Person in any Subscription Receipts represented by an electronic position in the book entry registration system (other than the Depository or its nominee);

- 2.4.8.2 maintaining, supervising or reviewing any records of the Depository or any Book Entry Participant relating to any such interest; or
 - 2.4.8.3 any advice or representation made or given by the Depository or those contained herein that relate to the rules and regulations of the Depository or any action to be taken by the Depository on its own direction or at the direction of any Book Entry Participant.
- 2.4.9 Elemental may terminate the application of this Section 2.4 in its sole discretion in which case all Subscription Receipts shall be evidenced by Subscription Receipt Certificates registered in the name of a Person other than the Depository or a nominee thereof.

Section 2.5 Signing of Subscription Receipt Certificates

- 2.5.1 Signing Officers: The Subscription Receipt Certificates shall be signed by any one officer of Elemental or any one Director or by any other individual to whom such signing authority is delegated by the Directors from time to time.
- 2.5.2 Signatures: The signature of individual referred to in Section 2.5.1 hereof may be a manual signature, electronic, engraved, lithographed or printed in facsimile and Subscription Receipt Certificates bearing such facsimile or electronic signature will, subject to Section 2.6 hereof, be binding on Elemental as if they had been manually signed by such Person.
- 2.5.3 No Longer Officer: Notwithstanding that any individual whose manual, electronic or facsimile signature appears on a Subscription Receipt Certificate as one of the officers of Elemental or Directors referred to in Section 2.5.1 hereof no longer holds the same or any other office with, or is no longer a Director of, Elemental, at the date of issue of any Subscription Receipt Certificate or at the date of certification or delivery thereof, such Subscription Receipt Certificate will, subject to Section 2.6 hereof, be valid and binding on Elemental.

Section 2.6 Authentication by Subscription Receipt Agent

- 2.6.1 Authentication:

No Subscription Receipt Certificate, if issued, will be valid or entitle the holder to the benefits hereof until it has been certified by signature by or on behalf of the Subscription Receipt Agent substantially in the form of the certificate attached hereto as Schedule "A" or in such other form as may be approved by the Subscription Receipt Agent and Elemental. The certification by the Subscription Receipt Agent on a Subscription Receipt Certificate will be conclusive evidence as against Elemental that such Subscription Receipt

Certificate has been issued hereunder and that the holder thereof is entitled to the benefits of this Agreement.

The Subscription Receipt Agent shall Authenticate Uncertificated Subscription Receipts (whether upon original issuance, exchange, registration of transfer, partial payment, or otherwise) by completing its Internal Procedures and Elemental shall, and hereby acknowledges that it shall, thereupon be deemed to have duly and validly issued such Uncertificated Subscription Receipts under this Agreement. Such Authentication shall be conclusive evidence that such Uncertificated Subscription Receipt have been duly issued hereunder and that the holder or holders are entitled to the benefits of this Agreement. The register shall be final and conclusive evidence as to all matters relating to Uncertificated Subscription Receipts with respect to which this Agreement requires the Subscription Receipt Agent to maintain records or accounts. In case of differences between the register at any time and any other time, the register at the later time shall be controlling, absent manifest error, and any Uncertificated Subscription Receipts recorded therein shall be binding on Elemental.

Any Subscription Receipt Certificate validly issued in accordance with the terms of this Agreement in effect at the time of issue of such Subscription Receipt Certificate shall, subject to the terms of this Agreement and applicable law, validly entitle the holder to acquire Common Shares, notwithstanding that the form of such Subscription Receipt Certificate may not be in the form then required by this Agreement.

No Subscription Receipt shall (a) be considered issued, valid, or obligatory; nor (b) entitle the holder thereof to the benefits of this Agreement, until it has been Authenticated by the Subscription Receipt Agent. Authentication by the Subscription Receipt Agent, including by way of entry on the register, shall not be construed as a representation or warranty by the Subscription Receipt Agent as to the validity of this Agreement or of such Subscription Receipt Certificates or Uncertificated Subscription Receipts (except the due Authentication thereof) or as to the performance by Elemental of its obligations under this Agreement and the Subscription Receipt Agent shall in no respect be liable or answerable for the use made of the Subscription Receipts or any of them or of the consideration thereof. Authentication by the Subscription Receipt Agent shall be conclusive evidence as against Elemental that the Subscription Receipts so Authenticated have been duly issued hereunder and that the holder thereof is entitled to the benefits of this Agreement.

No Certificated Subscription Receipt (a) shall be considered issued, valid or obligatory; nor, (b) entitle the holder thereof to the benefits of this Agreement, until it has been Authenticated by manual signature by or on behalf of the Subscription Receipt Agent substantially in the form of the Subscription Receipt Certificate set out in Schedule "A" hereto. Such Authentication on any such Certificated Subscription Receipt shall be conclusive evidence that such

Certificated Subscription Receipt is a valid and binding obligation of Elemental and that the holder is entitled to the benefits of this Agreement.

No Uncertificated Subscription Receipt shall (a) be considered issued, valid or obligatory; nor, (b) entitle the holder thereof to the benefits of this Agreement, until it has been Authenticated by entry on the register of the particulars of the Uncertificated Subscription Receipt. Such entry on the register of the particulars of an Uncertificated Subscription Receipt shall be conclusive evidence that such Uncertificated Subscription Receipt is a valid and binding obligation of Elemental and that the holder is entitled to the benefits of this Agreement.

- 2.6.2 Authentication No Representation: The Authentication by the Subscription Receipt Agent of any Subscription Receipts, whether by way of entry on the register or otherwise, shall not be construed as a representation or warranty by the Subscription Receipt Agent as to the validity of this Agreement or of such Subscription Receipts (except the due Authentication thereof) or as to the performance by Elemental of its obligations under this Agreement and the Subscription Receipt Agent shall in no respect be liable or answerable for the use made of the Subscription Receipts or any of them or the proceeds thereof.

Section 2.7 Subscription Receipts to Rank *Pari Passu*

All Subscription Receipts will rank *pari passu*, whatever may be the actual dates of issue.

Section 2.8 Issue in Substitution for Lost Certificates, Etc.

- 2.8.1 Substitution: If any Subscription Receipt Certificate becomes mutilated or is lost, destroyed or stolen, Elemental, subject to applicable law and to Section 2.8.2 hereof, will issue, and thereupon the Subscription Receipt Agent will certify and deliver, a new Subscription Receipt Certificate of like tenor and bearing the same legends as the one mutilated, lost, destroyed or stolen in exchange for and in place of and on surrender and cancellation of such mutilated certificate or in lieu of and in substitution for such lost, destroyed or stolen certificate.
- 2.8.2 Cost of Substitution: The applicant for the issue of a new Subscription Receipt Certificate pursuant to this Section 2.8 shall bear the reasonable cost of the issue thereof and in the case of loss, destruction or theft shall, as a condition precedent to the issue thereof:
- 2.8.2.1 furnish to Elemental and to the Subscription Receipt Agent such evidence of ownership and of the loss, destruction or theft of the Subscription Receipt Certificate to be replaced as is satisfactory to Elemental and to the Subscription Receipt Agent in their discretion, acting reasonably;

- 2.8.2.2 if so requested, furnish an indemnity and surety bond in amount and form satisfactory to Elemental and to the Subscription Receipt Agent in their discretion, acting reasonably; and
- 2.8.2.3 pay the reasonable charges of Elemental and the Subscription Receipt Agent in connection therewith.

Section 2.9 Subscription Receiptholder not a Shareholder

Nothing in this Agreement or in the holding of a Subscription Receipt or otherwise shall be construed as conferring on any Subscription Receiptholder any right or interest whatsoever as a shareholder of Elemental, including but not limited to any right to vote at, to receive notice of, or to attend, any meeting of shareholders or any other proceeding of Elemental or any right to receive any dividend or other distribution in respect of the Common Shares.

ARTICLE 3 REGISTRATION, TRANSFER AND OWNERSHIP OF SUBSCRIPTION RECEIPTS AND EXCHANGE OF SUBSCRIPTION RECEIPT CERTIFICATES

Section 3.1 Registration and Transfer of Subscription Receipts

- 3.1.1 Register: Elemental will cause to be kept by the Subscription Receipt Agent at its principal office in Vancouver, British Columbia, a register of holders in which shall be entered in alphabetical order the names and addresses of the Subscription Receiptholders and particulars of the Subscription Receipts held by them.
- 3.1.2 Transfer: The Subscription Receipts may only be transferred on the register kept by the Subscription Receipt Agent at the principal office by the holder or its legal representatives or its attorney duly appointed by an instrument in writing in form and execution satisfactory to the Subscription Receipt Agent only upon
 - (i) in the case of a Subscription Receipt Certificate, surrendering to the Subscription Receipt Agent at the principal office the Subscription Receipt Certificates representing the Subscription Receipts to be transferred together with a duly executed form of transfer (in the form attached to the Subscription Receipt Certificate as set out in Schedule "A", (ii) in the case of CDS Subscription Receipts, in accordance with Applicable Procedures prescribed by the Depository under the book entry registration system, (iii) in the case of an Uncertificated Subscription Receipt, which is not a CDS Subscription Receipt, surrendering to the Subscription Receipt Agent at the Subscription Receipt Agency, instruction from the holder in form reasonably satisfactory to the Subscription Receipt Agent, and (iv) in compliance with:
 - 3.1.2.1 the conditions herein;
 - 3.1.2.2 such reasonable requirements as the Subscription Receipt Agent may prescribe; and

- 3.1.2.3 all applicable securities legislation and requirements of regulatory authorities including, for the avoidance of doubt, the restrictions on transfer described herein;

and such transfer shall be duly noted in such register by the Subscription Receipt Agent. Upon compliance with such requirements, the Subscription Receipt Agent shall issue to the transferee of an Authenticated Subscription Receipt, a Subscription Receipt Certificate representing the Subscription Receipts transferred, and to the transferee of an Uncertificated Subscription Receipt, an Uncertificated Subscription Receipt (or it shall Authenticate and deliver a Subscription Receipt Certificate instead, upon request) representing the Subscription Receipts transferred, and the transferee of a CDS Subscription Receipt shall be recorded through the relevant Book Entry Participant in accordance with the book entry registration system as the entitlement holder in respect of such Subscription Receipts. Transfers within the systems of the Depository are not the responsibility of the Subscription Receipt Agent and will not be noted on the register maintained by the Subscription Receipt Agent.

- 3.1.3 Certain Transfers by Persons in the United States or U.S. Persons: Neither the Subscription Receipts nor the Common Shares issuable pursuant to the Subscription Receipts have been or will be registered under the U.S. Securities Act or under any United States state securities laws. Any U.S. Purchaser that: (i) is an Accredited Investor, may only offer, sell, pledge or otherwise transfer such securities, (A) to Elemental, (B) outside the United States to a Person who is not a U.S. Person in compliance with the requirements of Rule 904 of Regulation S and in compliance with applicable local laws and regulations, or (C) in reliance upon an exemption from registration for offers and sales to Accredited Investors; or (ii) that is a Qualified Institutional Buyer, may only offer, sell, pledge or otherwise transfer such securities (A) to Elemental, (B) outside the United States to a Person who is not a U.S. Person and in compliance with the requirements of Rule 904 of Regulation S and in compliance with applicable local laws and regulations, or (C) in reliance upon an exemption from registration for offers and sales to U.S. Qualified Institutional Buyers.
- 3.1.4 No Notice of Trusts: Subject to applicable law, neither Elemental nor the Subscription Receipt Agent will be bound to take notice of or see to the execution of any trust, whether express, implied or constructive, in respect of any Subscription Receipt.
- 3.1.5 Inspection: The registers referred to in Section 3.1.1 hereof, and any branch register maintained pursuant to Section 3.1.6 hereof, will at all reasonable times be open for inspection by Elemental and any Subscription Receiptholder. The Subscription Receipt Agent will from time to time when requested to do so in writing by Elemental or any Subscription Receiptholder (upon payment of the reasonable charges of the Subscription Receipt Agent) furnish Elemental or such Subscription Receiptholder with a list of the names and addresses of

holders of Subscription Receipts entered on such registers and showing the number of Subscription Receipts held by each such holder.

- 3.1.6 Location of Registers: Elemental may at any time and from time to time change the place at which the register referred to in Section 3.1.1 hereof is kept and/or cause branch registers of holders to be kept, in each case subject to the approval of the Subscription Receipt Agent, at other places and close such branch registers or change the place at which such branch registers are kept. Notice of all such changes or closures shall be given by Elemental to the Subscription Receipt Agent and to the holders of Subscription Receipts in accordance with Section 12.1 and Section 12.2 hereof.
- 3.1.7 U.S. Transfers: No transfer of Subscription Receipts evidenced by a Subscription Receipt Certificate bearing a legend set forth in Section 2.3.4.2 above or certificated Common Shares bearing a legend set forth in Section 4.5.3 below shall be made except in accordance with the requirements of such legend (as applicable) and subject to the terms and conditions of this Agreement.
- 3.1.8 The Subscription Receipt Agent shall be entitled to request any other documents that it may require in accordance with its Internal Procedures for the removal of the legend set forth above.
- 3.1.9 Subject to the provisions of this Agreement, Applicable Legislation and applicable law, the Subscription Receiptholder shall be entitled to the rights and privileges attaching to the Subscription Receipts, and the issue of Common Shares by Elemental upon the conversion of Subscription Receipts in accordance with the terms and conditions herein contained shall discharge all responsibilities of Elemental and the Subscription Receipt Agent with respect to such Subscription Receipts and neither Elemental nor the Subscription Receipt Agent shall be bound to inquire into the title of any such holder.

Section 3.2 Exchange of Subscription Receipt Certificates

- 3.2.1 Exchange: One or more Subscription Receipt Certificates may at any time prior to the earlier of the Release Date and the Termination Date, on compliance with the reasonable requirements of the Subscription Receipt Agent, be exchanged for one or more Subscription Receipt Certificates of different denominations representing in the aggregate the same number of Subscription Receipts and registered in the same name as the Subscription Receipt Certificate or Subscription Receipt Certificates being exchanged.
- 3.2.2 Place of Exchange: Subscription Receipt Certificates may be exchanged only at the principal office in Vancouver, British Columbia of the Subscription Receipt Agent or at any other place designated by Elemental with the approval of the Subscription Receipt Agent.

- 3.2.3 Cancellation: Any Subscription Receipt Certificate tendered for exchange pursuant to this Section 3.2 or for registration and transfer pursuant to Section 3.1 shall be surrendered to the Subscription Receipt Agent and cancelled.
- 3.2.4 Execution: Elemental will sign all Subscription Receipt Certificates in accordance with Section 2.5.1 hereof as necessary to carry out exchanges pursuant to this Section 3.2 and such Subscription Receipt Certificates will be Authenticated by the Subscription Receipt Agent.
- 3.2.5 Subscription Receipt Certificates: Subscription Receipt Certificates exchanged for Subscription Receipt Certificates that bear the legends set forth in Section 2.3 hereof shall bear the same legends, as applicable.

Section 3.3 No Charges for Exchange

No charge will be levied on a presenter of a Subscription Receipt Certificate pursuant to this Agreement for the exchange of any Subscription Receipt Certificate.

Section 3.4 Ownership of Subscription Receipts

- 3.4.1 Owner: Elemental and the Subscription Receipt Agent may deem and treat the Person in whose name any Subscription Receipt is registered as the absolute owner of such Subscription Receipt for all purposes, and such Person will for all purposes of this Agreement be and be deemed to be the absolute owner thereof, entitled to the rights and privileges attaching to such Subscription Receipt, and Elemental and the Subscription Receipt Agent will not be affected by any notice or knowledge to the contrary except as required by statute or by order of a court of competent jurisdiction.
- 3.4.2 Rights of Registered Holder: The registered holder of any Subscription Receipt will be entitled to the rights represented thereby free from all equities and rights of set-off or counterclaim between Elemental and the original or any intermediate holder thereof and all Persons may act accordingly, and the issue and delivery to any such registered holder of Common Shares issuable pursuant thereto (or the payment of amounts payable in respect thereof pursuant to Section 2.2.2 hereof) will be a good discharge to Elemental and the Subscription Receipt Agent therefor and neither Elemental nor the Subscription Receipt Agent will be bound to inquire into the title of any such registered holder.

ARTICLE 4 ISSUANCE OF COMMON SHARES

Section 4.1 Issuance of Common Shares by Elemental

- 4.1.1 Conditions Precedent Certificate. If the Escrow Release Conditions set out in 1.1.20.1 and 1.1.20.2 hereof have been satisfied prior to the Escrow Release Deadline, and as a condition precedent to the execution by the Lead Underwriter

of the Joint Notice and Direction, Elemental shall promptly cause the Conditions Precedent Certificate to be delivered to the Lead Underwriter.

- 4.1.2 Joint Notice and Direction: If the Conditions Precedent Certificate has been delivered to the Lead Underwriter under the Subscription Receipt Agreement prior to the Escrow Release Deadline, Elemental and the Lead Underwriter, on behalf of the Underwriters, shall forthwith cause the Joint Notice and Direction to be delivered to the Subscription Receipt Agent.
- 4.1.3 Issuance of Common Shares by Elemental: If the Joint Notice and Direction is delivered to the Subscription Receipt Agent prior to the Escrow Release Deadline, upon receipt of the Joint Notice and Direction by the Subscription Receipt Agent, the Subscription Receipt Agent will confirm receipt, all Subscription Receipts will be automatically converted by the Subscription Receipt Agent and all Common Shares to be issued, which shall be determined as the number of Common Shares to be issued for each Subscription Receipt based on the Exchange Ratio, shall be issued, or be deemed to be issued, on the Release Date for and on behalf of the holders thereof by Elemental and the holders thereof shall, without payment of additional consideration or any further action on the part of the holders thereof (including the surrender of any Subscription Receipt Certificates or deemed surrender of any Uncertificated Subscription Receipts), be deemed to have subscribed for the corresponding number of Common Shares issuable pursuant to such Subscription Receipts, as calculated pursuant to the Exchange Ratio.
- 4.1.4 Certificated Subscription Receipts: In the case of Certificated Subscription Receipts, Elemental will cause the issuance of the applicable Common Shares to the holders of Certificated Subscription Receipts.
- 4.1.5 Uncertificated Subscription Receipts: In the case of Uncertificated Subscription Receipts, Elemental will cause the issuance and registration of the applicable Common Shares in the name of the holders of Uncertificated Subscription Receipts and Elemental will direct the Depository to cause to be issued book entry only system customer confirmations to the beneficial holders of the Common Shares.
- 4.1.6 Rights on Issuance: The holder of any Common Shares deemed to be issued pursuant to Section 4.1.3 hereof shall have no rights hereunder except to be issued the Common Shares pursuant to the conversion of the Subscription Receipts in accordance with the Exchange Ratio.
- 4.1.7 Direction of the Subscription Receipt Agent: Provided that the Joint Notice and Direction is received by the Subscription Receipt Agent at or before the Escrow Release Deadline, the parties hereby irrevocably authorize the issuance of the Common Shares pursuant to Section 4.1.3 hereof upon delivery of the Joint Notice and Direction.

- 4.1.8 Release of Escrowed Funds: If the Joint Notice and Direction is delivered to the Subscription Receipt Agent at or before the Escrow Release Deadline, the Subscription Receipt Agent will release the Escrowed Funds in accordance with Section 6.3 hereof.
- 4.1.9 Delivery of Common Shares: Within three Business Days after the receipt of the Joint Notice and Direction by the Subscription Receipt Agent, Elemental shall cause the Common Shares to be deposited, mailed or delivered to the person or persons entitled thereto with certificates, as applicable, to be delivered to the Subscription Receiptholders at their registered addresses.

Section 4.2 Effect of Issuance of Common Shares

Upon the issuance of the Common Shares pursuant to the Subscription Receipts in accordance with Section 4.1.3 hereof, the Common Shares thereby issuable will be issued, and the Person or Persons to whom such securities are to be issued will be the holder or holders of record thereof, on the Release Date unless the transfer registers for the Common Shares are closed on that date, in which case such Common Shares will be deemed to have been issued and such Person or Persons will become the holder or holders of record thereof on the date on which such transfer registers are reopened, but such Common Shares will be issued on the basis of the number of Common Shares to which such Person or Persons were entitled on the Release Date.

Section 4.3 Fractions

Elemental shall not be required, upon the issuance of the Common Shares pursuant to the Subscription Receipts or upon any adjustment in accordance with Article 7 hereof, to issue fractions of Common Shares to any Person or to issue certificates which evidence a fractional Common Share. To the extent that a Subscription Receiptholder would otherwise have been entitled to receive a fraction or fractions of an Common Share pursuant to the Subscription Receipts, that Subscription Receiptholder may exercise such right in respect of the fraction or fractions only in combination with its entitlement to a fraction or fractions of an Common Share in respect of another Subscription Receipt or other Subscription Receipts that in the aggregate entitle the Subscription Receiptholder to receive a whole number of Common Shares and Elemental shall issue such whole Common Shares to the Subscription Receiptholder in respect of those fractions that in the aggregate form whole Common Shares. Subject to the foregoing, all remaining fractions of an Common Share will be rounded down to the nearest whole number of Common Shares and Elemental shall not pay any amounts to the holder in satisfaction of the right to otherwise have received a fraction of an Common Share.

Section 4.4 Recording

Elemental will record (or cause to be recorded) the name and address of each Person to whom Common Shares are issued and the number of such Common Shares so issued on the Release Date.

Section 4.5 Securities Restrictions

- 4.5.1 General: No Common Shares will be issued pursuant to the conversion of any Subscription Receipt if the issue of such Common Shares would constitute a

violation of the securities laws of any jurisdiction and, without limiting the generality of the foregoing, the certificates representing the Common Shares thereby issued will bear such legend or legends as may, in the opinion of Counsel to Elemental, be necessary or advisable in order to avoid a violation of any securities laws of any jurisdiction or to comply with the requirements of any stock exchange on which the Common Shares are then listed, provided that if, at any time, in the opinion of Counsel to Elemental, such legend or legends are no longer necessary or advisable in order to avoid a violation of any such laws or requirements, or the holder of any such legended certificate, at the expense thereof, provides Elemental with evidence satisfactory in form and substance to Elemental (which may include an opinion of Counsel satisfactory to Elemental) to the effect that such holder is entitled to sell or otherwise transfer such Common Shares in a transaction in which such legend or legends are not required, such legended certificate may thereafter be surrendered to the applicable transfer agent in exchange for a certificate which does not bear such legend or legends.

- 4.5.2 Canadian Legend on Common Shares: The Common Shares issued, or written notices delivered in respect of ownership of the Common Shares, upon the conversion of the Subscription Receipts shall bear the following legend:

“UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE *[DATE THAT IS 4 MONTHS AND A DAY AFTER CLOSING DATE]*.”

and, if applicable under the policies of the TSXV, the additional legend as follows:

“WITHOUT PRIOR WRITTEN APPROVAL OF THE TSX VENTURE EXCHANGE AND COMPLIANCE WITH ALL APPLICABLE SECURITIES LEGISLATION, THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY NOT BE SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE TRADED ON OR THROUGH THE FACILITIES OF THE TSX VENTURE EXCHANGE OR OTHERWISE IN CANADA OR TO OR FOR THE BENEFIT OF A CANADIAN RESIDENT UNTIL *[THE DATE WHICH IS FOUR MONTHS AND ONE DAY AFTER THE CLOSING DATE WILL BE INSERTED]*.”

- 4.5.3 United States Legend on Common Shares: The certificates representing Common Shares issued to a U.S. Purchaser, and all securities issued in exchange therefor or in substitution thereof, for so long as required by the U.S. Securities Act or applicable state securities laws, shall bear the following legend:

“THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES

SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THE HOLDER HEREOF, BY PURCHASING SUCH SECURITIES, AGREES FOR THE BENEFIT OF THE ISSUER THAT SUCH SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO THE ISSUER, (B) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH APPLICABLE LOCAL LAWS AND REGULATIONS, (C) PURSUANT TO A REGISTRATION STATEMENT THAT HAS BEEN DECLARED EFFECTIVE UNDER THE U.S. SECURITIES ACT, (D) IN COMPLIANCE WITH THE EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY (1) RULE 144 THEREUNDER, IF AVAILABLE, OR (2) RULE 144A THEREUNDER, IF AVAILABLE, AND, IN EACH CASE, IN COMPLIANCE WITH APPLICABLE STATE SECURITIES LAWS OR (E) IN ANOTHER TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES LAWS AND, IN THE CASE OF (D)(1) AND (E) ABOVE, AFTER THE SELLER FURNISHES TO THE ISSUER AN OPINION OF COUNSEL OF RECOGNIZED STANDING IN FORM AND SUBSTANCE REASONABLY SATISFACTORY TO THE ISSUER TO SUCH EFFECT. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE "GOOD DELIVERY" IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA."

provided, that if the Common Shares are being sold under clause (B) above (and in compliance with applicable Canadian laws and regulations), the legend set forth above may be removed by providing a declaration and broker letter in the forms attached as Schedule "D" to this Agreement, or in such form as Elemental may from time to time prescribe, together with such other documentation as Elemental may reasonably require, including, but not limited to, an opinion of Counsel of recognized standing or other evidence of exemption, in either case reasonably satisfactory to Elemental and its transfer agent, to the effect that the sale of the securities is being made in compliance with Rule 904 of Regulation S under the U.S. Securities Act; and

provided further, that, if any of the Common Shares are being sold pursuant to Rule 144 of the U.S. Securities Act, the legend may be removed by delivery to the registrar and transfer agent of an opinion of Counsel of recognized standing in form and substance reasonably satisfactory to Elemental and its transfer agent, to the effect that the legend is no longer required under applicable requirements of the U.S. Securities Act.

ARTICLE 5 COVENANTS

Section 5.1 General Covenants of Elemental

Elemental covenants with Elemental, the Lead Underwriter, the Subscription Receipt Agent and the Subscription Receiptholders, that so long as any Subscription Receipts remain outstanding:

- 5.1.1 Maintenance: Elemental will use its commercially reasonable efforts to at all times maintain its corporate existence and will keep or cause to be kept proper books of account in accordance with generally accepted accounting principles.
- 5.1.2 Reservation of Common Shares: Elemental will reserve and conditionally allot for the purpose and keep available sufficient unissued Common Shares to enable it to satisfy its obligations on the full conversion of the Subscription Receipts.
- 5.1.3 Issue of Common Shares: Elemental will cause the Common Shares to be issued pursuant to the conversion of the Subscription Receipts in accordance with the provisions of this Agreement and all Common Shares that are issued pursuant to the conversion of the Subscription Receipts will be fully paid and non-assessable Common Shares.
- 5.1.4 Securities and Exchange Commission Certification: Elemental confirms that as at the date of execution of this Agreement it does not have a class of securities registered pursuant to Section 12 of the U.S. Exchange Act or have a reporting obligation pursuant to Section 15(d) of the U.S. Exchange Act.

Elemental covenants that in the event that (i) any class of its securities shall become registered pursuant to Section 12 of the U.S. Exchange Act, (ii) Elemental shall incur a reporting obligation pursuant to Section 15(d) of the U.S. Exchange Act, or (iii) any such registration or reporting obligation shall be terminated by Elemental in accordance with the U.S. Exchange Act, Elemental shall promptly deliver to the Subscription Receipt Agent an officers' certificate (in a form provided by the Subscription Receipt Agent) notifying the Subscription Receipt Agent of such registration or termination and such other information as the Subscription Receipt Agent may reasonably require at the time. Elemental acknowledges that the Subscription Receipt Agent is relying upon the foregoing representation and covenants in order to meet certain obligations of the Subscription Receipt Agent with respect to those clients of the Subscription Receipt Agent that are required to file reports with the United States Securities and Exchange Commission under the U.S. Exchange Act.

- 5.1.5 Open Registers: Elemental will cause the Subscription Receipt Agent to keep open the registers of holders referred to in Section 3.1.1 hereof as required by such Section and will not take any action or omit to take any action which would have the effect of preventing the Subscription Receiptholders from receiving

any of the Common Shares issued upon conversion of the Subscription Receipts.

- 5.1.6 Filings: Elemental will make all requisite filings, including filings with appropriate securities commissions and stock exchanges, in connection with the conversion of the Subscription Receipts and the issue of the Common Shares including, for the avoidance of doubt, the filing of a Form D with the United States Securities and Exchange Commission within 15 days of the first sale of the Subscription Receipts to a U.S. Purchaser and any such related filings as may be required by applicable state securities laws to secure exemption from registration under such securities laws for the sale of the Subscription Receipts in such states.
- 5.1.7 Record Dates: Elemental shall provide at least ten (10) Business Days' written notice to each holder of any record date to be set or declared by Elemental with respect to any meeting or written resolution of holders of Common Shares.
- 5.1.8 General Performance: Elemental will perform and carry out all acts and things to be done by it as provided in this Agreement or in order to consummate the transactions contemplated hereby.
- 5.1.9 Notice of Termination: In the event that a Termination Event occurs, Elemental shall send or cause to be sent to each holder written notice advising: (i) of the occurrence of the Termination Event, and (ii) that each holder shall receive that amount equal to: (A) the aggregate Offering Price in respect of such holder's Subscription Receipts, and (B) the holder's pro rata share of Earned Interest, if any, less any applicable withholding tax thereon. To the extent that the Escrowed Funds are insufficient to satisfy such payment obligations to the Subscription Receiptholders following a Termination Event, Elemental agrees that it will be liable to contribute such amounts as are necessary to satisfy any shortfall. Any notice to be delivered pursuant to this Section 5.1.9 shall be sent within three Business Days after the Termination Date.
- 5.1.10 Notices to Subscription Receiptholders: Any notices or deliveries required to be provided to Subscription Receiptholders hereunder shall be sent by email, prepaid mail or courier to each Subscription Receiptholder at the address of such holder appearing on the register of Subscription Receipts maintained hereunder or at the last email address provided by the holder to Elemental.
- 5.1.11 Transactions with Securities: From the date of this Agreement to the earlier of the Release Date and the Termination Date, Elemental shall not do any of the following:
 - 5.1.11.1 (i) subdivide, redivide or change the outstanding Common Shares into a greater number of Common Shares; (ii) consolidate, reduce or combine the outstanding Common Shares into a lesser number of Common Shares, except for

greater certainty, the above shall not preclude the issuance of Common Shares pursuant to the loan by Sprott Private Resource Lending II (Collector), LP (“**Sprott**”) to Elemental in connection with the Acquisition; or (iii) issue Common Shares or securities convertible into or exchangeable for Common Shares to the holders of all or substantially all of the outstanding Common Shares by way of a stock dividend or make a distribution to all or substantially all of the holders of Common Shares on its Common Shares payable in Common Shares or securities convertible into or exchangeable for Common Shares;

- 5.1.11.2 issue or distribute to all or substantially all of the holders of Common Shares: (i) shares or other securities of Elemental of any class other than Common Shares; (ii) rights, options or warrants to acquire Common Shares or securities convertible into or exchangeable for Common Shares; (iii) evidence of Elemental’s indebtedness; or (iv) any property or other assets; or
- 5.1.11.3 undertake: (i) a reclassification of the Common Shares or a capital reorganization of Elemental; (ii) any consolidation, amalgamation, arrangement, merger or other form of business combination of Elemental with or into any other body corporate, trust, partnership or other entity; or (iii) a sale, lease conveyance or transfer of the property or assets of Elemental as an entirety or substantially as an entirety to any body corporate, trust, partnership or other entity, other than a direct or indirect wholly-owned subsidiary of Elemental, provided, however, that nothing shall prevent Elemental from undertaking any intra-group reorganization of its corporate structure, business, operations or assets which may include, without limitation, the transfer of assets to, and the assumption of liabilities by, a subsidiary of Elemental or a partnership of which Elemental holds the majority of partnership interests, a corporate continuance of any subsidiary of Elemental, corporate amalgamations of Elemental and any subsidiary of Elemental, dissolution of a subsidiary of Elemental or a partnership of which Elemental holds the majority of partnership interests, redemption of shares or other securities by a subsidiary of Elemental, capitalization of a subsidiary of Elemental either by way of a loan or equity, and such other intra-group transactions as Elemental or any subsidiary of Elemental may consider to be necessary or in its best interests.

- 5.1.12 it will use all commercially reasonable efforts to ensure that the Common Shares are listed and posted for trading on the TSXV following completion of the Acquisition; and
- 5.1.13 Escrow Release Conditions. It will use commercially reasonable efforts to satisfy the Escrow Release Conditions prior to the Escrow Release Deadline.
- 5.1.14 it will well and truly perform and carry out all of the acts or things to be done by it as provided in this Agreement, and that it will do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered, all other acts, deeds and assurances in law as may reasonably be required for the better accomplishing and effecting the intentions and provisions of this Agreement.

Section 5.2 Remuneration and Expenses of Subscription Receipt Agent

Elemental covenants that it will pay to the Subscription Receipt Agent from time to time reasonable remuneration for its services hereunder and will pay or reimburse the Subscription Receipt Agent upon its request for all reasonable expenses, disbursements and advances incurred or made by the Subscription Receipt Agent in the administration or execution of its duties hereunder (including the reasonable compensation and the disbursements of its Counsel and all other advisers and assistants not regularly in its employ) both before any default hereunder and thereafter until all duties of the Subscription Receipt Agent hereunder shall be finally and fully performed, except for any expense, disbursement or advance that arises out of or results from the Subscription Receipt Agent's gross negligence, wilful misconduct or bad faith. Any amount owing hereunder and remaining unpaid after 30 days from the invoice date will bear interest at the then current rate charged by the Subscription Receipt Agent against unpaid invoices and shall be payable upon demand. This Section 5.2 shall survive the resignation of the Subscription Receipt Agent and/or the termination of this Agreement.

Section 5.3 Notice of Issue

Elemental will give written notice of and make all requisite filings respecting the issue of securities pursuant to the conversion of the Subscription Receipts, in such detail as may be required, to each securities commission, stock exchange, or similar regulatory authority in each jurisdiction in which there is legislation or regulations requiring the giving of any such notice or making of any such filing in order that such issue of securities and the subsequent disposition of the securities so issued will not be subject to the prospectus requirements, if any, of such legislation or regulations.

Section 5.4 Securities Qualification Requirements

If, in the opinion of Counsel, any instrument is required to be filed with, or any permission is required to be obtained from any Governmental Authority or any other step is required under any applicable law before any Common Shares which a Subscription Receiptholder is entitled to acquire pursuant to the conversion of any Subscription Receipt may properly and legally be issued, Elemental covenants that it will promptly take such required action.

Section 5.5 Performance of Covenants by Subscription Receipt Agent

If Elemental fails to perform any of its obligations under this Agreement, the Subscription Receipt Agent may notify the Subscription Receiptholders of such failure or may itself perform any of such obligations capable of being performed by the Subscription Receipt Agent, and the Subscription Receipt Agent will notify the Subscription Receiptholders that it is so doing. All amounts expended or advanced by the Subscription Receipt Agent in so doing will be repayable as provided in Section 5.2 hereof. No such performance, expenditure or advance by the Subscription Receipt Agent will relieve Elemental of any default or of its continuing obligations hereunder.

ARTICLE 6

DEPOSIT OF PROCEEDS AND CANCELLATION OF SUBSCRIPTION RECEIPTS

Section 6.1 Deposit of Escrowed Proceeds in Escrow

Elemental will deliver, or will cause to be delivered, the Escrowed Proceeds to the Subscription Receipt Agent on the Closing Date by way of certified cheque, bank draft or electronic wire transfer in immediately available funds, and upon receipt of such funds, the Subscription Receipt Agent shall deliver a signed receipt acknowledging receipt of the Escrowed Proceeds. The Subscription Receipt Agent shall immediately place such funds in a segregated account in accordance with the provisions of this Article 6. Elemental acknowledges and agrees that it is a condition of the payment by the holders of Subscription Receipts of the aggregate Offering Price that the Escrowed Funds are held by the Subscription Receipt Agent in accordance with the provisions of this Article 6. Elemental further acknowledges and confirms that it has no interest in the Escrowed Funds unless and until the Joint Notice and Direction is delivered to the Subscription Receipt Agent (at or before the Escrow Release Deadline). The Subscription Receipt Agent shall retain the Escrowed Funds for the benefit of the Subscription Receiptholders and, upon the delivery of the Joint Notice and Direction to the Subscription Receipt Agent (at or before the Escrow Release Deadline), retroactively for the benefit of Elemental in accordance with the provisions of this Article 6.

Section 6.2 Investment of Escrowed Funds

- 6.2.1 Until released in accordance with this Agreement, the Escrowed Funds shall be recorded in the segregated internal trust account records of the Subscription Receipt Agent, which account record shall be designated in the name of Elemental, and the Escrowed Funds shall be deposited in one or more trust accounts to be maintained by the Subscription Receipt Agent in the name of the Subscription Receipt Agent at one or more banks set forth in Section 6.2.5 hereof (each such bank, an “**Approved Bank**”). Of the amount of interest, if any, earned by the Subscription Receipt Agent on such deposited monies, the Subscription Receipt Agent shall credit to the Escrow Amount an amount that is equal to 0.05 percent less than the target overnight rate of interest announced from time to time by The Bank of Canada, converted to a daily rate, and applied to the Escrowed Funds, calculated daily. Such calculated amount shall be credited by the Subscription Receipt Agent to the Escrowed Funds within three

(3) Business Days of each month-end. The Subscription Receipt Agent may retain the remaining amount of interest, if any, that was earned on such deposited monies for its own use and benefit. Notwithstanding the foregoing, (i) in no event will the Subscription Receipt Agent be obligated to pay or credit any amount on account of interest that exceeds the amount of interest earned from the Approved Bank(s) on the Escrowed Funds, as determined by the Subscription Receipt Agent; and (ii) if an account at any Approved Bank into which the Escrowed Funds or any part thereof has been deposited bears a negative interest rate or there is otherwise any fee or other charge assessed on the account or in respect of the amount of cash on deposit, the cost, as determined by the Subscription Receipt Agent, shall be deducted from the Escrowed Funds.

- 6.2.2 All amounts held by the Subscription Receipt Agent pursuant to this Agreement shall be held by the Subscription Receipt Agent for the benefit of the Subscription Receiptholders and the delivery of the Escrowed Proceeds to the Subscription Receipt Agent, and any interest earned thereon, shall not give rise to a debtor-creditor or other similar relationship between the Subscription Receipt Agent and the Subscription Receiptholders. The amounts held by the Subscription Receipt Agent pursuant to this Agreement are the sole risk of the Subscription Receiptholders and, without limiting the generality of the foregoing, the Subscription Receipt Agent shall have no responsibility or liability for any diminution of the Escrowed Funds which may result from any deposit made with an Approved Bank pursuant to this Section 6.2, including any losses resulting from a default by the Approved Bank or other credit losses (whether or not resulting from such a default) and any credit or other losses on any deposit liquidated or sold prior to maturity. Elemental and the Lead Underwriter acknowledge and agree that the Subscription Receipt Agent acts prudently in depositing the Escrowed Proceeds at any Approved Bank, and that the Subscription Receipt Agent is not required to make any further inquiries in respect of any such bank.
- 6.2.3 At any time and from time to time, Elemental shall be entitled to direct the Subscription Receipt Agent by written notice (i) not to deposit any new amounts in any Approved Bank specified in the notice and/or (ii) to withdraw all or any of the Escrowed Funds that may then be deposited with any Approved Bank specified in the notice and re-deposit such amount with one or more of such other Approved Banks as specified in the notice. With respect to any withdrawal notice, the Subscription Receipt Agent will endeavor to withdraw such amount specified in the notice as soon as reasonably practicable and Elemental acknowledges and agrees that such specified amount remains at the sole risk of the Subscription Receiptholders prior to and after such withdrawal.
- 6.2.4 For tax reporting purposes, all Earned Interest earned from the investment of the Escrowed Proceeds in any tax year shall (i) to the extent such interest is distributed by the Subscription Receipt Agent to any Person pursuant to the terms of this Agreement during such tax year, be allocated to such Person, and

(ii) otherwise be allocated to Elemental in the taxation year that it was earned, notwithstanding that no such amount has been distributed. The Subscription Receiptholders, the Underwriters and Elemental agree to provide the Subscription Receipt Agent with their certified tax identification numbers and others forms, documents and information that the Subscription Receipt Agent may request in order to fulfill any tax reporting function.

6.2.5 The Approved Banks include the following:

APPROVED BANKS

Bank	Relevant S&P Issuer Credit Rating (as at December 1st, 2020)
ANZ Banking Group	AA-
Bank of America NA	A+
Bank of Montreal	A+
The Bank of Nova Scotia	A+
Bank of Scotland	A+
Bank of Tokyo-Mitsubishi UFJ	A
BNP Paribas	A+
Canadian Imperial Bank of Commerce	A+
Citibank NA	A+
HSBC Bank of Canada	A+
National Australia Bank Limited	AA-
National Bank of Canada	A
Royal Bank of Canada	AA-
Société Generale (Canada Branch)	A
The Toronto-Dominion Bank	AA-

Section 6.3 Release of Escrowed Funds on Completion

In the event that the Joint Notice and Direction is delivered to the Subscription Receipt Agent at or before the Escrow Release Deadline: (i) Elemental shall be entitled to receive from the Subscription Receipt Agent an amount equal to the Escrowed Funds less the remaining 50% of the Underwriters' Fee (as such term is defined in the Underwriting Agreement) and less any remaining remuneration, expenses and disbursements of the Subscription Receipt Agent payable under Section 5.2 hereof, and including the *pro rata* share of the Earned Interest earned thereon; and (ii) the Underwriters shall be entitled to receive from the Subscription Receipt Agreement an amount equal to the remaining 50% of the Underwriters' Fee (as such term is defined in the Underwriting Agreement), and including the *pro rata* share of the Earned Interest earned thereon. The Subscription Receipt Agent shall deliver the funds referred to in this Section 6.3 to Elemental (or as directed by Elemental) and the Lead Underwriter (or as directed by the Lead Underwriter), on

behalf of the Underwriters, as soon as practicable on the Release Date in accordance with the Joint Notice and Direction.

Section 6.4 Release of Escrowed Funds on Termination

- 6.4.1 In the event that: (i) a Termination Notice is delivered to the Subscription Receipt Agent and the Lead Underwriter, (ii) prior to the Escrow Release Deadline, Elemental advises the Lead Underwriter, on behalf of the Underwriters, or announces to the public that it does not intend to proceed with the Acquisition or satisfy one or more of the Escrow Release Conditions, or (iii) the Joint Notice and Direction is not delivered to the Subscription Receipt Agent prior to the Escrow Release Deadline, each Subscription Receipt shall, subject to Section 6.4.5 hereof, be terminated and cancelled by the Subscription Receipt Agent as of the Termination Time and each Subscription Receiptholder shall be entitled to receive at the Termination Payment Time, an amount equal to: (a) the aggregate Offering Price in respect of such holder's Subscription Receipts; and (b) such holder's pro rata share of the Earned Interest, less applicable withholding taxes, if any.
- 6.4.2 The amounts paid to each Subscription Receiptholder under Section 6.4.1 shall be satisfied by the Escrowed Funds. To the extent that the Escrowed Funds are insufficient to refund to each Subscription Receiptholder the amounts due to them under Section 6.4.1 hereof, Elemental shall be responsible and liable to the Subscription Receiptholder for any shortfall and shall contribute such amounts as are necessary to satisfy any shortfall such that each Subscription Receiptholder will receive an amount equal to the amounts due to them under Section 6.4.1 hereof. For greater certainty, the Subscription Receipt Agent and the Underwriters will not be responsible or liable for any such shortfall.
- 6.4.3 The obligation to make the payment of the amounts specified in Section 6.4.1 hereof shall be satisfied, in the case of CDS Subscription Receipts, by wire transfer of immediately available funds made by the Subscription Receipt Agent to the Depository or otherwise by the Subscription Receipt Agent mailing cheques payable to the Subscription Receiptholders at their registered addresses.
- 6.4.4 If, at the Termination Time, the Escrowed Funds are less than the amount to which a Subscription Receiptholder is entitled pursuant to its refund right under Section 6.4.1, Elemental shall within three (3) Business Days following the Termination Date, provide the Subscription Receipt Agent with sufficient funds to offset any such difference.
- 6.4.5 Upon receipt of a wire transfer or the delivery of any cheque as provided in Section 6.4.3 hereof (and, in the case of a cheque, provided such cheque has been honoured for payment, if presented for payment within six months of the date thereof) all rights evidenced by the Subscription Receipts held by a

Subscription Receiptholder shall be satisfied and such Subscription Receipts shall be void and of no value or effect.

Section 6.5 Withholding

The Subscription Receipt Agent shall be entitled to deduct and withhold from any amount released pursuant to this Agreement all taxes which may be required to be deducted or withheld under any provision of applicable tax law. All such withheld amounts will be treated as having been delivered to the party entitled to the amount released in respect of which such tax has been deducted or withheld and remitted to the appropriate taxing authority as directed in writing by Elemental to the Subscription Receipt Agent.

Section 6.6 Escrowed Funds

In addition to the other rights granted to holders of Subscription Receipts in this Agreement, until the earlier of the Termination Date and the Release Date, each holder of Subscription Receipts has a claim against the Escrowed Funds held by the Subscription Receipt Agent and against Elemental, in the amount equal to \$1.50 for each Subscription Receipt held by such holder, which claim shall subsist until such time as the Common Shares issuable upon the conversion of such Subscription Receipts are issued or such amount is paid in full. In the event that, prior to the earlier of the Termination Date and the Release Date, Elemental (i) makes a general assignment for the benefit of creditors or any proceeding is instituted by Elemental seeking relief on behalf thereof as a debtor, or to adjudicate Elemental a bankrupt or insolvent, or seeking liquidation, winding-up, reorganization, arrangement, adjustment or composition of Elemental or the debts of Elemental under any law relating to bankruptcy, insolvency, reorganization or relief of debtors, or seeking appointment of a receiver, receiver and manager, trustee, custodian or similar official for Elemental or any substantial part of the property or assets of Elemental or Elemental takes any corporate action to authorize any of the actions set forth above, or (ii) Elemental shall be declared bankrupt, or a receiver, receiver and manager, trustee, custodian or similar official is appointed for Elemental or any substantial part of the property or assets of Elemental or an encumbrancer shall legally take possession of any substantial part of the property or assets of Elemental or a distress or execution or any similar process is levied or enforced against such property or assets and remains unsatisfied for such period as would permit such property or such part thereof to be sold thereunder, the right of each holder of Subscription Receipts to be issued Common Shares upon the conversion of the Subscription Receipts of such holder will terminate and such holder will be entitled to assert a claim against the Escrowed Funds held by the Subscription Receipt Agent and against Elemental for any shortfall, in an amount equal to \$1.50 for each Subscription Receipt held by such holder plus Earned Interest earned thereon less any withholding tax required to be withheld in respect thereof.

Section 6.7 Representation Regarding Third Party Interests

Each of Elemental and the Lead Underwriter (in this Section 6.7 referred to as a “**representing party**”) hereby represents to the Subscription Receipt Agent that any account to be opened by, or interest to be held by, the Subscription Receipt Agent in connection with this Agreement, for or to the credit of such representing party, either (i) is not intended to be used by or on behalf of any third party; or (ii) is intended to be used by or on behalf of a third party, in which case such

representing party hereby agrees to complete, execute and deliver forthwith to the Subscription Receipt Agent a declaration of third party interest in the Subscription Receipt Agent's prescribed form in accordance with the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada) and the regulations thereto, or in such other form as may be satisfactory to it, as to the particulars of such third party.

ARTICLE 7 ADJUSTMENTS

Section 7.1 Proceedings Prior to any Action Requiring Adjustment

As a condition precedent to the taking of any action which would require an adjustment in any of the acquisition rights pursuant to any of the Subscription Receipts, including in the Exchange Ratio, Elemental shall take any corporate action which may, in the opinion of Counsel to Elemental, be necessary in order that Elemental or a successor company has unissued and reserved in its authorized capital and may validly and legally issue as fully paid and non-assessable all the Common Shares and other securities which the holders of such Subscription Receipts are entitled to receive on the conversion of the Subscription Receipts, in accordance with the provisions of this Agreement.

Section 7.2 Action Requiring Adjustment

In case Elemental, after the date hereof and prior to the Release Date, shall take any action affecting the Common Shares or other securities issuable upon conversion of the Subscription Receipts prohibited by this Agreement, which, in the opinion of the directors of Elemental, or the Lead Underwriters, would materially adversely affect the rights of the Subscription Receipt holders, then the Exchange Ratio shall be adjusted in such manner, if any, and at such time as the directors of Elemental, and the Lead Underwriter shall agree, acting reasonably, in order to be equitable to the Subscription Receipt holders in such circumstances. In the event of a dispute between the directors of Elemental, and the Lead Underwriters in determining the equitable adjustment or readjustment, the amount of the adjustment or readjustment and setting of the method of calculation shall be referred to and determined by Elemental's auditors.

Section 7.3 Certificate of Adjustment

Elemental shall, immediately after the occurrence of any event which requires an adjustment or readjustment pursuant to Section 7.2, deliver a certificate of Elemental to the Subscription Receipt Agent specifying the nature of the event requiring such adjustment or readjustment and the amount of the adjustment or readjustment necessitated thereby and setting out in reasonable detail the method of calculation and the facts upon which such calculation is based, which certificate shall be supported by a certificate of Elemental's auditors verifying such calculation.

Section 7.4 No Action After Notice

Elemental covenants with the Subscription Receipt Agent and the Lead Underwriter that it will not close its transfer books or take any other corporate action which might deprive the holder of a Subscription Receipt of the opportunity or right to receive Common Shares pursuant thereto during the period of 14 days after the giving of the certificate set forth in Section 7.3.

Section 7.5 Protection of Subscription Receipt Agent

The Subscription Receipt Agent:

- 7.5.1 shall not at any time be under any duty or responsibility to any Subscription Receiptholder to determine whether any facts exist which may require any adjustment contemplated by this Agreement, or with respect to the nature or extent of any such adjustment when made or the method employed in making such adjustment;
- 7.5.2 shall not be accountable with respect to the validity or value (or the kind or amount) of any Common Shares or other securities or property which may at any time be issued or delivered upon the exercise of the rights attaching to any Subscription Receipt;
- 7.5.3 shall not be responsible for any failure of Elemental to issue, transfer or deliver Common Shares or certificates representing Common Shares or to comply with any of the covenants contained in this Article 7;
- 7.5.4 shall not incur any liability or responsibility whatsoever or be in any way responsible for the consequences of any breach on the part of Elemental of any of the representations, warranties or covenants herein contained or of any acts of the agents of Elemental; and
- 7.5.5 shall be entitled to act and rely upon any certificates of Elemental or of the auditor of Elemental and any other documents filed by Elemental pursuant to Section 7.3.

ARTICLE 8 ENFORCEMENT

Section 8.1 Suits by Subscription Receiptholders

All or any of the rights conferred on a Subscription Receiptholder by the terms of the Subscription Receipt Certificate representing such Subscription Receipt or of this Agreement may be enforced by such holder by appropriate legal proceedings but without prejudice to the right which is hereby conferred on the Subscription Receipt Agent to proceed in the name thereof or on behalf of the holders of Subscription Receipts to enforce each and every provision herein contained for the benefit of the Subscription Receiptholders.

Section 8.2 Limitation of Liability

The obligations hereunder are not personally binding on, nor will resort hereunder be had to the private property of, any past, present or future Director, shareholder, officer, employee or agent of Elemental, but only the property of Elemental shall be bound in respect hereof.

ARTICLE 9 MEETINGS OF SUBSCRIPTION RECEIPTHOLDERS

Section 9.1 Right to Convene Meetings

- 9.1.1 Convening of Meeting: The Subscription Receipt Agent may at any time and from time to time convene a meeting of the Subscription Receiptholders, and will do so on receipt of a Written Request of Elemental or a Subscription Receiptholders' Request and on being funded and indemnified to its reasonable satisfaction by Elemental or by one or more of the Subscription Receiptholders signing such Subscription Receiptholders' Request against the costs which it may incur in connection with calling and holding such meeting.
- 9.1.2 Failure to Convene: If the Subscription Receipt Agent fails, within five (5) Business Days after receipt of such Written Request of Elemental or Subscription Receiptholders' Request, funding and indemnification, to give notice convening a meeting, Elemental or any of such Subscription Receiptholders, as the case may be, may convene such meeting.
- 9.1.3 Place of Meeting: Every such meeting will be held in Toronto, Ontario, or such other place as is approved or determined by the Subscription Receipt Agent and Elemental.

Section 9.2 Notice

- 9.2.1 Notice: At least ten (10) Business Days' notice of any meeting must be given to the Subscription Receiptholders, to the Subscription Receipt Agent (unless the meeting has been called by it) and to Elemental (unless the meeting has been called by it).
- 9.2.2 Contents: The notice of the meeting must state the time when and the place where the meeting is to be held and must state briefly the general nature of the business to be transacted thereat, but it will not be necessary for the notice to set out the terms of any resolution to be proposed or any of the provisions of this Article 9.

Section 9.3 Chairman

Some individual (who need not be a Subscription Receiptholder) designated in writing by the Subscription Receipt Agent will be chairman of the meeting or, if no individual is so designated or the individual so designated is not present within 15 minutes after the time fixed for the holding of the meeting, the Subscription Receiptholders present in person or by proxy may choose some individual present to be chairman.

Section 9.4 Quorum

- 9.4.1 Quorum: Subject to the provisions of Section 9.12 hereof, at any meeting of Subscription Receiptholders, a quorum will consist of Subscription

Receiptholders present in person or by proxy at the commencement of the meeting holding in the aggregate not less than 25% of the total number of Subscription Receipts then outstanding.

9.4.2 No Quorum: If a quorum of Subscription Receiptholders is not present within 30 minutes after the time fixed for holding a meeting, the meeting, if summoned by Subscription Receiptholders or on a Subscription Receiptholders' Request, will be dissolved, but, subject to Section 9.12 hereof, in any other case will be adjourned to the third following Business Day at the same time and place and no notice of the adjournment need be given.

9.4.3 Quorum at Adjourned Meeting: At the adjourned meeting the Subscription Receiptholders present in person or by proxy will form a quorum and may transact any business for which the meeting was originally convened notwithstanding the number of Subscription Receipts that they hold.

Section 9.5 Power to Adjourn

The chairman of a meeting at which a quorum of the Subscription Receiptholders is present may, with the consent of the meeting, adjourn the meeting, and no notice of such adjournment need be given except as the meeting prescribes.

Section 9.6 Show of Hands

Every question submitted to a meeting, other than an Extraordinary Resolution, will be decided in the first place by a majority of the votes given on a show of hands and, unless a poll is duly demanded as herein provided, a declaration by the chairman that a resolution has been carried or carried unanimously or by a particular majority or lost or not carried by a particular majority will be conclusive evidence of the fact.

Section 9.7 Poll

9.7.1 Extraordinary Resolution: On every Extraordinary Resolution, and on every other question submitted to a meeting on which a poll is directed by the chairman or requested by one or more Subscription Receiptholders acting in person or by proxy and holding in the aggregate not less than 10% of the total number of Subscription Receipts then outstanding, a poll will be taken in such manner as the chairman directs.

9.7.2 Other: Questions other than those required to be determined by Extraordinary Resolution will be decided by a majority of the votes cast on the poll.

Section 9.8 Voting

On a show of hands each Person present and entitled to vote, whether as a Subscription Receiptholder or as proxy for one or more absent Subscription Receiptholders, or both, will have one vote, and on a poll each Subscription Receiptholder present in person or represented by a

proxy duly appointed by instrument in writing will be entitled to one vote in respect of each Subscription Receipt held by such holder. A proxy need not be a Subscription Receiptholder.

Section 9.9 Regulations

9.9.1 Ability to Make: The Subscription Receipt Agent, or Elemental with the approval of the Subscription Receipt Agent, may from time to time make or vary such regulations as it thinks fit:

9.9.1.1 for the form of instrument appointing a proxy, the manner in which it must be executed, and verification of the authority of a Person who executes it on behalf of a Subscription Receiptholder;

9.9.1.2 governing the places at which and the times by which instruments appointing proxies must be deposited;

9.9.1.3 generally for the calling of meetings of Subscription Receiptholders and the conduct of business thereof; and

9.9.1.4 for the deposit of instruments appointing proxies at some approved place or places other than the place at which the meeting is to be held and enabling particulars of such instruments appointing proxies to be sent by mail, facsimile or other means of prepaid, transmitted, recorded communication before the meeting to Elemental or to the Subscription Receipt Agent at the place where the meeting is to be held and for voting pursuant to instruments appointing proxies so deposited as though the instruments themselves were produced at the meeting.

Any regulations so made will be binding and effective and the votes given in accordance therewith will be valid and will be counted.

9.9.2 Recognition: Except as such regulations provide, the only Persons who will be recognized at a meeting as the holders of any Subscription Receipts, or as entitled to vote or, subject to Section 9.10 hereof, to be present at the meeting in respect thereof, will be the registered holders of such Subscription Receipts or Persons holding proxies on their behalf.

Section 9.10 Elemental, the Lead Underwriter and Subscription Receipt Agent may be Represented

Elemental, the Lead Underwriter and the Subscription Receipt Agent by their respective employees, officers or directors, and Counsel to Elemental, the Lead Underwriter and the Subscription Receipt Agent, may attend any meeting of Subscription Receiptholders, but will have no vote as such.

Section 9.11 Powers Exercisable by Extraordinary Resolution

In addition to all other powers conferred on them by the other provisions of this Agreement or by law, the Subscription Receiptholders at a meeting will have the power, exercisable from time to time by Extraordinary Resolution:

- 9.11.1 to assent to or sanction any amendment, modification, abrogation, alteration, compromise or arrangement of any right of the Subscription Receiptholders or, with the consent of the Subscription Receipt Agent (such consent not to be unreasonably withheld), of the Subscription Receipt Agent in its capacity as agent hereunder or on behalf of the Subscription Receiptholders against Elemental, whether such right arises under this Agreement or otherwise, and to authorize the Subscription Receipt Agent to concur in and execute any amendment or indenture supplemental hereto in connection therewith;
- 9.11.2 to amend, alter or repeal any Extraordinary Resolution previously passed;
- 9.11.3 subject to arrangements as to financing and indemnity satisfactory to the Subscription Receipt Agent, to direct or authorize the Subscription Receipt Agent to enforce any obligation of Elemental under this Agreement or to enforce any right of the Subscription Receiptholders in any manner specified in the Extraordinary Resolution;
- 9.11.4 to direct or authorize the Subscription Receipt Agent to refrain from enforcing any obligation or right referred to in Section 9.11.3;
- 9.11.5 to waive and direct the Subscription Receipt Agent to waive any default by Elemental in complying with any provision of this Agreement, either unconditionally or on any condition specified in the Extraordinary Resolution;
- 9.11.6 to appoint a committee with power and authority to exercise, and to direct the Subscription Receipt Agent to exercise, on behalf of the Subscription Receiptholders, such of the powers of the Subscription Receiptholders as are exercisable by Extraordinary Resolution;
- 9.11.7 to restrain any Subscription Receiptholder from taking or instituting any suit, action or proceeding against Elemental for the enforcement of any obligation of Elemental under this Agreement or to enforce any right of the Subscription Receiptholders;
- 9.11.8 to direct any Subscription Receiptholder who, as such, has brought any suit, action or proceeding, to stay or discontinue or otherwise deal therewith on payment of the costs, charges and expenses reasonably and properly incurred by it in connection therewith;
- 9.11.9 to assent to any change in or omission from the provisions contained in the Subscription Receipt Certificates and this Agreement or any amendment or ancillary or supplemental instrument which may be agreed to by Elemental or

, with the consent of the Subscription Receipt Agent, such consent not to be unreasonably withheld, concerning any such right of the Subscription Receipt Agent, and to authorize the Subscription Receipt Agent to concur in and execute any ancillary or supplemental indenture embodying the change or omission;

- 9.11.10 to assent to any compromise or arrangement with any creditor or creditors or any class or classes of creditors, whether secured or otherwise, and with holders of any shares or other securities of Elemental;
- 9.11.11 from time to time and at any time to remove the Subscription Receipt Agent and appoint a successor Subscription Receipt Agent; or
- 9.11.12 to extend the Escrow Release Deadline.

Section 9.12 Meaning of “Extraordinary Resolution”

- 9.12.1 Meaning: The expression “Extraordinary Resolution” when used in this Agreement means, subject to the provisions of this Section 9.12 and of Section 9.15 and Section 9.16 hereof, a motion proposed at a meeting of Subscription Receiptholders duly convened for that purpose and held in accordance with the provisions of this Article 9 at which there are present in person or by proxy at the commencement of the meeting Subscription Receiptholders holding in the aggregate not less than 25% of the total number of Subscription Receipts then outstanding and passed by the affirmative votes of Subscription Receiptholders who hold in the aggregate not less than 66% of the total number of Subscription Receipts represented at the meeting and voted on the motion.
- 9.12.2 No Quorum: If, at a meeting called for the purpose of passing an Extraordinary Resolution, the quorum required by Section 9.12.1 hereof is not present within 30 minutes after the time appointed for the meeting, the meeting, if convened by Subscription Receiptholders or on a Subscription Receiptholders’ Request, will be dissolved, but in any other case will stand adjourned to such day, being not less than five (5) Business Days or more than ten (10) Business Days later, and to such place and time, as is appointed by the chairman.
- 9.12.3 Notice: Not less than three (3) Business Days’ notice must be given to the Subscription Receiptholders of the time and place of such adjourned meeting.
- 9.12.4 Form of Notice: The notice must state that at the adjourned meeting the Subscription Receiptholders present in person or by proxy will form a quorum but it will not be necessary to set forth the purposes for which the meeting was originally called or any other particulars.
- 9.12.5 Quorum at Adjourned Meeting: At the adjourned meeting the Subscription Receiptholders present in person or by proxy will form a quorum and may transact any business for which the meeting was originally convened, and a motion proposed at such adjourned meeting and passed by the requisite vote as provided in Section 9.12.1 hereof will be an Extraordinary Resolution within

the meaning of this Agreement, notwithstanding that Subscription Receiptholders holding in the aggregate not less than 25% of the total number of Subscription Receipts outstanding may not be present in person or by proxy at the commencement of such adjourned meeting.

- 9.12.6 Poll: Votes on an Extraordinary Resolution must always be given on a poll and no demand for a poll on an Extraordinary Resolution will be necessary.

Section 9.13 Powers Cumulative

Any one or more of the powers, and any combination of the powers, in this Agreement stated to be exercisable by the Subscription Receiptholders by Extraordinary Resolution or otherwise, may be exercised from time to time, and the exercise of any one or more of such powers or any combination of such powers from time to time will not prevent the Subscription Receiptholders from exercising such power or powers or combination of powers thereafter from time to time.

Section 9.14 Minutes

Minutes of all resolutions passed and proceedings taken at every meeting of the Subscription Receiptholders will be made and duly entered in books from time to time provided for such purpose by the Subscription Receipt Agent at the expense of Elemental, and any such minutes, if signed by the chairman of the meeting at which such resolutions were passed or such proceedings were taken, will be prima facie evidence of the matters therein stated, and, until the contrary is proved, every such meeting in respect of the proceedings of which minutes have been so made, entered and signed will be deemed to have been duly convened and held, and all resolutions passed and proceedings taken thereat to have been duly passed and taken.

Section 9.15 Instruments in Writing

Any action that may be taken and any power that may be exercised by Subscription Receiptholders at a meeting held as provided in this Article 9 may also be taken and exercised by Subscription Receiptholders who hold in the aggregate not less than 50% of the total number of Subscription Receipts at the time outstanding or in the case of an Extraordinary Resolution, Subscription Receiptholders who hold in the aggregate not less than 66%% of the total number of Subscription Receipts at the time outstanding, by their signing, each in person or by attorney duly appointed in writing, an instrument in writing in one or more counterparts, and the expression "Extraordinary Resolution" when used in this Agreement includes a resolution embodied in an instrument so signed.

Section 9.16 Binding Effect of Resolutions

Every resolution and every Extraordinary Resolution passed in accordance with the provisions of this Article 9 at a meeting of Subscription Receiptholders will be binding on all Subscription Receiptholders, whether present at or absent from the meeting and whether voting for or against the resolution or abstaining, and every instrument in writing signed by Subscription Receiptholders in accordance with Section 9.15 hereof will be binding on all Subscription Receiptholders, whether signatories thereto or not, and every Subscription Receiptholder and the Subscription Receipt

Agent (subject to the provisions for its indemnity herein contained) will be bound to give effect accordingly to every such resolution and instrument in writing.

Section 9.17 Evidence of Subscription Receiptholders

Any request, direction, notice, consent or other instrument which this Agreement may require or permit to be signed or executed by the Subscription Receiptholders, including a Subscription Receiptholders' Request, may be in any number of concurrent instruments of similar tenor and may be signed or executed by such Subscription Receiptholders in person or by attorney duly appointed in writing. Proof of the execution of any such request, direction, notice, consent or other instrument or of a writing appointing any such attorney or (subject to the provisions of this Article 9 with regard to voting at meetings of Subscription Receiptholders) of the holding by any Person of Subscription Receipts shall be sufficient for any purpose of this Agreement if the fact and date of execution by any Person of such request, direction, notice, consent or other instrument or writing is proved by a certificate of any notary public, or other officer authorized to take acknowledgements of deeds to be recorded at the place where such certificate is made, to the effect that the Person signing such request, direction, notice, consent or other instrument or writing acknowledged to him the execution thereof, by an affidavit of a witness of such execution or in any other manner which the Subscription Receipt Agent may consider adequate. The Subscription Receipt Agent may, nevertheless, in its discretion require further proof in cases where it deems further proof desirable or may accept such other proof as it shall consider proper.

Section 9.18 Holdings by Elemental and Subsidiaries Disregarded

In determining whether Subscription Receiptholders holding the required total number of Subscription Receipts are present in person or by proxy for the purpose of constituting a quorum, or have voted or consented to a resolution, Extraordinary Resolution, consent, waiver, Subscription Receiptholders' Request or other action under this Agreement, a Subscription Receipt held by Elemental or by a subsidiary of Elemental will be deemed to be not outstanding. Elemental shall provide the Subscription Receipt Agent with a Certificate of Elemental providing details of any Subscription Receipts held by Elemental or by a subsidiary of Elemental upon the written request of the Subscription Receipt Agent.

ARTICLE 10 SUPPLEMENTAL AGREEMENTS AND SUCCESSOR COMPANIES

Section 10.1 Provision for Supplemental Agreements for Certain Purposes

From time to time Elemental, the Lead Underwriter and the Subscription Receipt Agent may, without the consent of the Subscription Receiptholders and subject to the provisions of this Agreement, execute and deliver amendments, agreements or instruments supplemental hereto, which thereafter shall form part hereof, for any one or more or all of the following purposes:

- 10.1.1 providing for the issuance of additional Subscription Receipts hereunder and any consequential amendments hereto as may be required by the Subscription Receipt Agent provided the same are not prejudicial to the interests of the Subscription Receiptholders as a group based on the opinion of the Subscription Receipt Agent, relying on the opinion of Counsel;

- 10.1.2 evidencing the succession, or successive successions, of any other Person to Elemental and the assumption by such successor of the covenants of, and obligations of Elemental under this Agreement;
- 10.1.3 adding to the provisions hereof such additional covenants and enforcement provisions as are necessary or advisable, provided that the same are not, in the opinion of the Subscription Receipt Agent, relying on the opinion of Counsel, prejudicial to the interests of the Subscription Receiptholders as a group;
- 10.1.4 giving effect to any resolution or Extraordinary Resolution passed as provided in Article 9;
- 10.1.5 setting forth any adjustments resulting from the application of Article 7;
- 10.1.6 making such provisions not inconsistent with this Agreement as may be necessary or desirable with respect to matters or questions arising hereunder provided that such provisions are not, in the opinion of the Subscription Receipt Agent, relying on the opinion of Counsel, prejudicial to the interests of the Subscription Receiptholders as a group;
- 10.1.7 adding to or amending the provisions hereof in respect of the transfer of Subscription Receipts, making provision for the exchange of Subscription Receipts and making any modification in the form of the Subscription Receipt Certificates which does not affect the substance thereof;
- 10.1.8 modifying any of the provisions of this Agreement or relieving Elemental from any of the obligations, conditions or restrictions herein contained, provided that no such modification or relief shall be or become operative or effective if, in the opinion of the Subscription Receipt Agent, relying on the opinion of Counsel, such modification or relief impairs any of the rights of the Subscription Receiptholders as a group or of the Subscription Receipt Agent, and provided further that the Subscription Receipt Agent may in its sole discretion decline to enter into any amendment, supplemental agreement or instrument which in its opinion may not afford adequate protection to the Subscription Receipt Agent when the same shall become operative; and
- 10.1.9 for any other purpose not inconsistent with the terms of this Agreement, including the correction or rectification of any ambiguities, defective or inconsistent provisions, errors, mistakes or omissions herein, provided that, in the opinion of the Subscription Receipt Agent, relying on the opinion of Counsel, the rights of the Subscription Receipt Agent and the Subscription Receiptholders as a group are not materially prejudiced thereby.

Section 10.2 Successor Entities

In the case of an amalgamation, arrangement, consolidation or merger of Elemental, or transfer of the undertaking or assets of Elemental with or to another Person as may be permitted by this Agreement (a “**successor entity**”), the successor entity resulting from the amalgamation,

arrangement, consolidation, merger or transfer (if not Elemental) shall be bound by the provisions hereof and all obligations for the due and punctual performance and observance of each and every covenant and obligation contained in this Agreement to be performed or observed by Elemental and the successor entity shall by supplemental agreement, satisfactory in form to the Subscription Receipt Agent and executed and delivered to the Subscription Receipt Agent, expressly assume those obligations.

ARTICLE 11 CONCERNING SUBSCRIPTION RECEIPT AGENT

Section 11.1 Applicable Legislation

If and to the extent that any provision of this Agreement limits, qualifies or conflicts with a mandatory requirement of Applicable Legislation, the mandatory requirement will prevail. Elemental and the Subscription Receipt Agent each will at all times in relation to this Agreement and any action to be taken hereunder observe and comply with and be entitled to the benefits of Applicable Legislation.

Section 11.2 Rights and Duties of Subscription Receipt Agent

- 11.2.1 Duty of Subscription Receipt Agent: In the exercise of the rights and duties prescribed or conferred by the terms of this Agreement, the Subscription Receipt Agent will act honestly and in good faith with a view to the best interests of Subscription Receiptholders and will exercise that degree of care, diligence and skill that a reasonably prudent subscription receipt agent would exercise in comparable circumstances. The Subscription Receipt Agent shall not be bound to give any notice or do or take any act, action or proceeding by virtue of the powers conferred on it hereby unless and until it shall have been required so to do under the terms hereof; nor shall the Subscription Receipt Agent be required to take notice of any default hereunder, unless and until notified in writing of such default, which notice shall distinctly specify the default desired to be brought to the attention of the Subscription Receipt Agent and in the absence of any such notice the Subscription Receipt Agent may for all purposes of this Agreement conclusively assume that no default has been made in the observance or performance of any of the representations, warranties, covenants, agreements or conditions contained therein. Any such notice shall in no way limit any discretion herein given to the Subscription Receipt Agent to determine whether or not the Subscription Receipt Agent shall take action with respect to any default.
- 11.2.2 No Relief From Liability: No provision of this Agreement will be construed to relieve the Subscription Receipt Agent from liability for its own grossly negligent act, wilful misconduct, fraud or bad faith.
- 11.2.3 Actions: The obligation of the Subscription Receipt Agent to commence or continue any act, action or proceeding in connection herewith, including without limitation, for the purpose of enforcing any right of the Subscription

Receipt Agent or the Subscription Receiptholders hereunder is on the condition that the Subscription Receipt Agent shall have received a Subscription Receiptholders' Request specifying the act, action or proceeding which the Subscription Receipt Agent is requested to take and, when required by notice to the Subscription Receiptholders by the Subscription Receipt Agent, the Subscription Receipt Agent is furnished by one or more Subscription Receiptholders with sufficient funds to commence or continue such act, action or proceeding and an indemnity reasonably satisfactory to the Subscription Receipt Agent to protect and hold it harmless against the costs, charges, expenses and liabilities to be incurred thereby and any loss and damage it may suffer by reason thereof.

- 11.2.4 Funding: No provision of this Agreement will require the Subscription Receipt Agent to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers unless it is so indemnified and funded.
- 11.2.5 Deposit of Subscription Receipts: The Subscription Receipt Agent may, before commencing or at any time during the continuance of any such act, action or proceeding, require the Subscription Receiptholders at whose instance it is acting to deposit with the Subscription Receipt Agent the Subscription Receipt Certificates held by them, for which certificates the Subscription Receipt Agent will issue receipts.
- 11.2.6 Restriction: Every provision of this Agreement that relieves the Subscription Receipt Agent of liability or entitles it to rely on any evidence submitted to it is subject to the provisions of Applicable Legislation.
- 11.2.7 Profit on Escrowed Funds: The Subscription Receipt Agent shall not be liable to account to anyone for the profit it may earn, if any, while holding the Escrowed Funds.
- 11.2.8 Right Not to Act/ Right to Resign: The Subscription Receipt Agent shall retain the right not to act and shall not be liable for refusing to act if, due to a lack of information or for any other reason whatsoever, the Subscription Receipt Agent, in its sole judgment, acting reasonably, determines that such act might cause it to be in non-compliance with any applicable anti-money laundering, anti-terrorist or economic sanctions legislation, regulation or guideline. Further, should the Subscription Receipt Agent, in its sole judgment, determine at any time that its acting under this Subscription Receipt Agreement has resulted in its being in non-compliance with any applicable anti-money laundering, anti-terrorist or economic sanctions legislation, regulation or guideline, then it shall have the right to resign on ten (10) Business Days' written notice to Elemental provided (i) that the Subscription Receipt Agent's written notice shall describe the circumstances of such non-compliance; and (ii) that if such circumstances are rectified to the Subscription Receipt Agent's satisfaction, acting reasonably,

within such ten (10) Business Day period, then such resignation shall not be effective.

Section 11.3 Evidence, Experts and Advisers

- 11.3.1 Evidence: In addition to the reports, certificates, opinions and other evidence required by this Agreement, Elemental will furnish to the Subscription Receipt Agent such additional evidence of compliance with any provision hereof, and in such form, as is prescribed by Applicable Legislation or as the Subscription Receipt Agent reasonably requires by written notice to Elemental.
- 11.3.2 Reliance by Subscription Receipt Agent: In the exercise of any right or duty hereunder the Subscription Receipt Agent, if it is acting in good faith, may act and rely, as to the truth of any statement or the accuracy of any opinion expressed therein, on any statutory declaration, opinion, report, certificate or other evidence furnished to the Subscription Receipt Agent pursuant to a provision hereof or of Applicable Legislation or pursuant to a request of the Subscription Receipt Agent, if such evidence complies with Applicable Legislation and the Subscription Receipt Agent examines such evidence and determines that it complies with the applicable requirements of this Agreement.
- 11.3.3 Statutory Declaration: Whenever Applicable Legislation requires that evidence referred to in Section 11.3.1 hereof be in the form of a statutory declaration, the Subscription Receipt Agent may accept such statutory declaration in lieu of a Certificate of Elemental required by any provision hereof. Any such statutory declaration may be made by any one or more of the Chief Executive Officer, President, Chief Financial Officer or Secretary of Elemental or by any other officer(s) or Director(s) of Elemental to whom such authority is delegated by the Directors from time to time. In addition, the Subscription Receipt Agent may act and rely and shall be protected in acting and relying upon any resolution, certificate, direction, instruction, statement, instrument, opinion, report, notice, request, consent, order, letter, telegram, cablegram or other paper or document believed by it to be genuine and to have been signed, sent or presented by or on behalf of the proper party or parties.
- 11.3.4 Proof of Execution: Proof of the execution of any document or instrument in writing, including a Subscription Receiptholders' Request, by a Subscription Receiptholder may be made by the certificate of a notary public, or other officer with similar powers, that the Person signing such instrument acknowledged to him the execution thereof, or by an affidavit of a witness to such execution, or in any other manner that the Subscription Receipt Agent considers adequate and in respect of a corporate Subscription Receiptholder, shall include a certificate of incumbency of such Subscription Receiptholder together with a certified resolution authorizing the Person who signs such instrument to sign such instrument.

- 11.3.5 Experts: The Subscription Receipt Agent may employ or retain such Counsel, accountants, appraisers, or other experts or advisers as it reasonably requires for the purpose of determining and discharging its rights and duties hereunder and may pay the reasonable remuneration and disbursements for all services so performed by any of them, and will not be responsible for any misconduct or negligence on the part of any of them. Elemental shall pay or reimburse the Subscription Receipt Agent for any reasonable fees of such Counsel, accountants, appraisers, or other experts or advisors. The Subscription Receipt Agent may act and rely and shall be protected in acting or not acting and relying in good faith on the opinion or advice of or information obtained from any Counsel, accountant, appraisers or other expert or advisor, whether retained or employed by Elemental or by the Subscription Receipt Agent, in relation to any matter arising in the administration of the duties and obligations hereof.

Section 11.4 Documents, Money, Etc. held by Subscription Receipt Agent

- 11.4.1 Safekeeping: Any security, document of title or other instrument that may at any time be held by the Subscription Receipt Agent subject to the provisions of this Agreement may be placed in the deposit vaults of the Subscription Receipt Agent or placed in the deposit vaults of any Canadian chartered bank or deposited for safekeeping with any such bank.
- 11.4.2 Interest: Subject to the terms of this Agreement, the Earned Interest received by the Subscription Receipt Agent will belong to Elemental.

Section 11.5 Action by Subscription Receipt Agent to Protect Interests

The Subscription Receipt Agent will have power to institute and to maintain such actions and proceedings as it considers necessary or expedient to protect or enforce its interests and the interests of the Subscription Receiptholders.

Section 11.6 Subscription Receipt Agent not Required to Give Security

The Subscription Receipt Agent will not be required to give any bond or security in respect of the execution of the duties and obligations and powers of this Agreement.

Section 11.7 Protection of Subscription Receipt Agent

- 11.7.1 Protection: By way of supplement to the provisions of any Applicable Legislation for the time being relating to subscription receipt agents, it is expressly declared and agreed that:
- 11.7.1.1 the Subscription Receipt Agent will not be liable for or by reason of, or required to substantiate, any statement of fact, representation or recital in this Agreement or in the Subscription Receipt Certificates (except the representation contained in Section 11.9 or in the certification or Authentication of the Subscription Receipt Agent on the

Subscription Receipt Certificates), but all such statements or recitals are and will be deemed to be made by Elemental;

- 11.7.1.2 nothing herein contained will impose on the Subscription Receipt Agent any obligation to see to, or to require evidence of, the registration or filing (or renewal thereof) of this Agreement or any amendment or instrument ancillary or supplemental hereto;
- 11.7.1.3 the Subscription Receipt Agent will not be bound to give notice to any Person of the execution hereof;
- 11.7.1.4 the Subscription Receipt Agent shall not be liable for any error in judgment or for any act done or step taken or omitted by it in good faith or for any mistake, in fact or law, or for anything which it may do or refrain from doing in connection herewith except arising out of its own gross negligence, wilful misconduct, bad faith or fraud;
- 11.7.1.5 the Subscription Receipt Agent will not incur any liability or be in any way responsible for the consequence of any breach by Elemental of any obligation or warranty herein contained or of any act of any Director, officer, employee or agent of Elemental;
- 11.7.1.6 the Subscription Receipt Agent, in its personal or any other capacity, may buy, lend upon and deal in securities of Elemental, including the Subscription Receipts, and generally may contract and enter into financial transactions with Elemental or any related entity of Elemental without being liable to account for any profit made thereby;
- 11.7.1.7 the Subscription Receipt Agent shall incur no liability with respect to the delivery or non-delivery of any certificate or certificates whether delivered by hand, mail or any other means provided that they are sent in accordance with the provisions hereof;
- 11.7.1.8 if the Subscription Receipt Agent delivers any cheque as required hereunder, the Subscription Receipt Agent shall have no further obligation or liability for the amount represented thereby, unless any such cheque is not honoured on presentation, provided that in the event of the non-receipt of such cheque by the payee, or the loss or destruction thereof, the Subscription Receipt Agent, upon being furnished with reasonable evidence of such non-receipt, loss or destruction and, if required by the Subscription Receipt Agent, an

indemnity reasonably satisfactory to it, shall issue to such payee a replacement cheque for the amount of such cheque;

11.7.1.9 the Subscription Receipt Agent will disburse funds in accordance with the provisions hereof only to the extent that funds have been deposited with it. The Subscription Receipt Agent shall not under any circumstances be required to disburse funds in excess of the amounts on deposit (including any Earned Interest) with the Subscription Receipt Agent at the time of disbursement; and

11.7.1.10 notwithstanding the foregoing or any other provision of this Agreement, any liability of the Subscription Receipt Agent shall be limited, in the aggregate, to the amount of annual retainer fees paid by Elemental to the Subscription Receipt Agent under this Agreement in the twelve (12) months immediately prior to the Subscription Receipt Agent receiving the first notice of the claim. Notwithstanding any other provision of this Agreement, and whether such losses or damages are foreseeable or unforeseeable, the Subscription Receipt Agent shall not be liable under any circumstances whatsoever for any (i) breach by any other party of securities law or other rule of any securities regulatory authority, (ii) lost profits or (iii) special, indirect, incidental, consequential, exemplary, aggravated or punitive losses or damages.

11.7.2 Indemnity: In addition to and without limiting any protection of the Subscription Receipt Agent hereunder or otherwise by law, Elemental shall at all times indemnify the Subscription Receipt Agent and its affiliates, their successors and assigns, and each of their directors, officers, employees and agents (the “**Indemnified Parties**”) and save them harmless from and against all claims, demands, losses, actions, causes of action, suits, proceedings, liabilities, damages, costs, charges, assessments, judgments and expenses (including expert consultant and legal fees and disbursements on a solicitor and client basis) whatsoever arising in connection with this Agreement including, without limitation, those arising out of or related to actions taken or omitted to be taken by the Indemnified Parties and expenses incurred in connection with the enforcement of this indemnity, which the Indemnified Parties, or any of them, may suffer or incur, whether at law or in equity, in any way caused by or arising, directly or indirectly, in respect of any act, deed, matter or thing whatsoever made, done, acquiesced in or omitted in or about or in relation to the execution of the Subscription Receipt Agent’s duties, and including any services that the Subscription Receipt Agent may provide in connection with or in any way relating to this Agreement (unless arising from Subscription Receipt Agent’s gross negligence, fraud, wilful misconduct or bad faith) and including any action or liability brought against or incurred by the Indemnified Parties in relation to or arising out of any breach by Elemental. Notwithstanding any other

provision hereof, Elemental agrees that its liability hereunder shall be absolute and unconditional regardless of the correctness of any representations of any third parties and regardless of any liability of third parties to the Indemnified Parties, and shall accrue and become enforceable without prior demand or any other precedent action or proceeding. Notwithstanding any other provision hereof, this indemnity shall survive the resignation or removal of the Subscription Receipt Agent and the termination or discharge of this Agreement.

Section 11.8 Replacement of Subscription Receipt Agent

- 11.8.1 Resignation: The Subscription Receipt Agent may resign and be discharged from all further duties and liabilities hereunder, except as provided in this Section 11.8, by giving to Elemental not less than sixty (60) days' notice in writing or, if a new subscription receipt agent has been appointed, such shorter notice as Elemental accepts as sufficient provided that such resignation and discharge shall be subject to the appointment of a successor thereto in accordance with the provisions hereof.
- 11.8.2 Removal: The Subscription Receiptholders by Extraordinary Resolution may at any time remove the Subscription Receipt Agent and appoint a new subscription receipt agent.
- 11.8.3 Appointment of New Subscription Receipt Agent: If the Subscription Receipt Agent so resigns or is so removed or is dissolved, becomes bankrupt, goes into liquidation or otherwise becomes incapable of acting hereunder, Elemental will forthwith appoint a new subscription receipt agent unless a new subscription receipt agent has already been appointed by the Subscription Receiptholders.
- 11.8.4 Failure to Appoint: Failing such appointment by Elemental, the retiring Subscription Receipt Agent or any Subscription Receiptholder may apply at the expense of Elemental to the Supreme Court of British Columbia, on such notice as the Court directs, for the appointment of a new subscription receipt agent.
- 11.8.5 New Subscription Receipt Agent: Any new subscription receipt agent appointed under this Section 11.8 must be a corporation authorized to carry on the business of a transfer agent or trust company in the Province of British Columbia and, if required by the Applicable Legislation of any other province, in such other province. On any such appointment the new subscription receipt agent will be vested with the same powers, rights, duties and responsibilities as if it had been originally named herein as Subscription Receipt Agent without any further assurance, conveyance, act or deed, but there will be immediately executed, at the expense of Elemental, all such conveyances or other instruments as, in the opinion of Counsel to Elemental, are necessary or advisable for the purpose of assuring the transfer of such powers, rights, duties and responsibilities to the new subscription receipt agent including, without limitation, an appropriate instrument executed by the new subscription receipt agent accepting such appointment and, at the request of Elemental, the

predecessor Subscription Receipt Agent shall, upon payment of its outstanding remuneration and expenses, execute and deliver to the new subscription receipt agent an appropriate instrument transferring to such new subscription receipt agent all rights and powers of the Subscription Receipt Agent hereunder, and shall duly assign, transfer and deliver to the new subscription receipt agent all securities, property and all records kept by the predecessor Subscription Receipt Agent hereunder or in connection therewith. Any new subscription receipt agent so appointed by Elemental, the Subscription Receiptholders or by the Court will be subject to removal by the Subscription Receiptholders in accordance with the terms of this Agreement.

- 11.8.6 Notice of New Subscription Receipt Agent: On the appointment of a new subscription receipt agent, Elemental will promptly give notice thereof to the Subscription Receiptholders in accordance with Section 12.2 hereof.
- 11.8.7 Successor Subscription Receipt Agent: Any corporation resulting from any consolidation or amalgamation to which the Subscription Receipt Agent is a party or any corporation to which all or substantially all of the Subscription Receipt Agent's corporate trust business is sold or otherwise transferred, will be the successor to the Subscription Receipt Agent hereunder, without the execution of any document or any further act on its part or on the part of any party hereto, provided such corporation would be eligible for appointment as a new subscription receipt agent under Section 11.8.5 hereof.
- 11.8.8 Certificates: A Subscription Receipt Certificate Authenticated but not delivered by a predecessor Subscription Receipt Agent may be delivered by the new or successor subscription receipt agent in the name of the predecessor Subscription Receipt Agent or new or successor subscription receipt agent. In case at any time any of the Subscription Receipt Certificates have not been countersigned, a Subscription Receipt Certificate may be countersigned either in the name of the predecessor Subscription Receipt Agent or new or successor subscription receipt agent, and in all such cases such Subscription Receipt Certificates will have the full force provided in the Subscription Receipt Certificates and in this Agreement.

Section 11.9 Acceptance of Duties and Obligations

The Subscription Receipt Agent hereby accepts the duties and obligations in this Agreement declared and provided for and agrees to perform them on the terms and conditions herein set forth. The Subscription Receipt Agent accepts the duties and responsibilities under this Agreement solely as custodian, bailee and agent. No trust is intended to be or will be created hereby and the Subscription Receipt Agent shall owe no duties hereunder as a trustee.

ARTICLE 12 GENERAL

Section 12.1 Notice to Elemental, the Subscription Receipt Agent and the Lead Underwriter

12.1.1 Unless herein otherwise expressly provided, a notice to be given hereunder to Elemental, the Subscription Receipt Agent or the Lead Underwriter will be validly given if delivered personally, if sent by registered letter, postage prepaid, or if sent by email transmission:

12.1.1.1 If to Elemental:

Elemental Royalties Corp.
880 – 580 Hornby Street
Vancouver, British Columbia, V6C 3B5
Attention: Fred Bell (CEO and Director) / Greg Owen (VP Operations)
Email: legal @elementalroyalties.com

with a copy to:

Fasken Martineau DuMoulin LLP
Bay Adelaide Centre
333 Bay Street, Suite 2400
Toronto, Ontario M5H 2T6
Attention: John Sabetti
Email: jsabetti@fasken.com

12.1.1.2 if to the Subscription Receipt Agent:

Computershare Trust Company of Canada
510 Burrard St., 3rd Floor
Vancouver, British Columbia, V6C 3B9
Attention: General Manager, Corporate Trust
Email: corporatetrust.vancouver@computershare.com

12.1.1.3 if to the Lead Underwriter:

Canaccord Genuity Corp.
161 Bay Street, Suite 3000
Toronto, Ontario, M5J 2S1

Attention: Kevin Vuckovic
Email: [Notice Provision – Redacted]

with a copy to:

Cassels Brock & Blackwell LLP
Suite 2100, 40 King St. W.
Toronto, Ontario, M5H 3C2

Attention: Chad Accursi
Email: caccursi@cassels.com

and any such notice delivered or transmitted in accordance with the foregoing prior to 5:00 p.m. (local time of the recipient) on a Business Day will be deemed to have on the date of delivery or email transmission or, if delivered after 5:00 p.m. (local time of the recipient) or if such day is not a Business Day, on the first Business Day following such delivery or transmission. Any notice sent by registered letter in accordance with the foregoing will be deemed to have been received on the second Business Day following the day of the mailing of the notice.

- 12.1.2 Change of Address: Elemental, the Subscription Receipt Agent or the Lead Underwriter, as the case may be, may from time to time notify each of the other parties hereto in the manner provided in Section 12.1.1 hereof of a change of address which, from the effective date of such notice and until changed by like notice, will be the address of Elemental, the Subscription Receipt Agent or the Lead Underwriter, as the case may be, for all purposes of this Agreement.
- 12.1.3 Postal Interruption: If, by reason of a strike, lockout or other work stoppage, actual or threatened, involving Canadian postal employees, a notice to be given to Elemental, the Subscription Receipt Agent or the Lead Underwriter hereunder could reasonably be considered unlikely to reach or likely to be delayed in reaching its destination, the notice will be valid and effective only if it is delivered to an officer of the party to which it is addressed. Any notice delivered in accordance with the foregoing will be deemed to have been received on the date of delivery to such officer.

Section 12.2 Notice to Subscription Receiptholders

- 12.2.1 Notice: Unless herein otherwise expressly provided, a notice to be given hereunder to Subscription Receiptholders will be deemed to be validly given if the notice is sent by email transmission, ordinary surface or air mail, postage prepaid, addressed to the Subscription Receiptholders or delivered (or so mailed to certain Subscription Receiptholders and so delivered to the other Subscription Receiptholders) at their respective addresses appearing on any of the registers of holders described in Section 3.1.1 hereof, provided, however, that if, by reason of a strike, lockout or other work stoppage, actual or threatened, involving Canadian postal employees, the notice could reasonably be considered unlikely to reach or likely to be delayed in reaching its destination, the notice will be valid and effective only if it is so delivered or is given by publication twice in the Report on Business section in the national edition of The Globe and Mail.

- 12.2.2 Date of Notice: A notice transmitted by email will be deemed to have been given on the first Business Day after the transmission. A notice so given by mail or so delivered will be deemed to have been given on the first Business Day after it has been mailed or on the day on which it has been delivered, as the case may be, and a notice so given by publication will be deemed to have been given on the day on which it has been published as required. In determining under any provision hereof the date when notice of a meeting or other event must be given, the date of giving notice will be included and the date of the meeting or other event will be excluded. Accidental error or omission in giving notice or accidental failure to mail or otherwise deliver notice to any Subscription Receiptholder will not invalidate any action or proceeding founded thereon.

Section 12.3 Satisfaction and Discharge of Agreement

Upon the earlier of (i) the satisfaction of the Escrow Release Conditions (at or before the Escrow Release Deadline) and the issuance of the Common Shares required to be issued in accordance with the provisions hereof, and delivery by the Subscription Receipt Agent of the Escrowed Funds as provided for in Section 6.3 hereof; and (ii) the payment of all consideration at the Termination Payment Time or as otherwise provided for in Section 6.4 hereof, this Agreement will cease to be of further effect. On demand of and at the cost and expense of Elemental and on delivery to the Subscription Receipt Agent of a Certificate of Elemental stating that all conditions precedent to the satisfaction and discharge of this Agreement have been complied with and on payment to the Subscription Receipt Agent of any remaining remuneration, expenses and disbursements payable to the Subscription Receipt Agent pursuant to this Agreement, the Subscription Receipt Agent will execute proper instruments acknowledging the satisfaction of and discharging of this Agreement.

Section 12.4 Sole Benefit of Parties and Subscription Receiptholders

Nothing in this Agreement or the Subscription Receipt Certificates, expressed or implied, will give or be construed to give to any Person other than the parties hereto and the Subscription Receiptholders, as the case may be, any legal or equitable right, remedy or claim under this Agreement or the Subscription Receipt Certificates, or under any covenant or provision herein or therein contained, all such covenants and provisions being for the sole benefit of the parties hereto and the Subscription Receiptholders.

Section 12.5 Discretion of Directors

Any matter provided herein to be determined by the Directors will be determined by the Directors in their sole discretion, acting reasonably, and a determination so made will be conclusive.

Section 12.6 Force Majeure

No party shall be liable to the others, or held in breach of this Agreement if prevented, hindered, or delayed in the performance or observance of any provision contained herein by reason of act of God, riots, terrorism, acts of war, governmental action or judicial order, earthquakes, or any other similar causes (including, but not limited to, mechanical, electronic or communication interruptions, disruptions or failures). Performance times under this Agreement shall be extended for a period of time equivalent to the time lost because of any delay that is excusable under this

Section 12.6. For greater certainty, COVID-19 and the impacts related thereto shall not constitute a force majeure event unless such event prevented, hindered or delayed the performance or observance by a party of a provision herein contained and such event was not reasonably foreseeable as of the date of this Agreement.

Section 12.7 Privacy Consent

The parties acknowledge that, subject to applicable privacy laws, the Subscription Receipt Agent may, in the course of providing services hereunder, collect or receive financial and other personal information about such parties, the Subscription Receiptholders and/or their respective representatives, as individuals, or about other individuals related to the subject matter hereof, and use such information for the following purposes:

- 12.7.1 to provide the services required under this Agreement and other services that may be requested from time to time;
- 12.7.2 to help the Subscription Receipt Agent manage its servicing relationships with such individuals;
- 12.7.3 to meet the Subscription Receipt Agent's legal and regulatory requirements; and
- 12.7.4 if Social Insurance Numbers are collected by the Subscription Receipt Agent, to perform tax reporting and to assist in verification of an individual's identity for security purposes.

Each party acknowledges and agrees that the Subscription Receipt Agent may receive, collect, use and disclose personal information provided to it or acquired by it in the course of this Agreement for the purposes described above and, generally, in the manner and on the terms described in its privacy code, which the Subscription Receipt Agent shall make available on its website, www.computershare.com, or upon request, including revisions thereto. The Subscription Receipt Agent may transfer personal information to other companies in or outside of Canada that provide data processing and storage or other support in order to facilitate the services it provides.

Further, each party agrees that it shall not provide or cause to be provided to the Subscription Receipt Agent any personal information relating to an individual who is not a party to this Agreement unless that party has assured itself that such individual understands and has consented to the aforementioned uses and disclosures.

Section 12.8 Electronic Copies

Each of the parties hereto shall be entitled to rely on delivery of a facsimile or PDF copy of this Agreement and acceptance by each such party of any such facsimile or PDF copy shall be legally effective to create a valid and binding agreement between the parties hereto in accordance with the terms hereof.

Section 12.9 Counterparts and Formal Date

This Agreement may be executed in several counterparts, each of which when so executed will be deemed to be an original and such counterparts together will constitute one and the same instrument and notwithstanding the date of their execution will be deemed to be dated as of the date of this Agreement.

[Remainder of page intentionally left blank.]

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

ELEMENTAL ROYALTIES CORP.

Per: ***“Frederick Bell”***_____

Name: Frederick Bell
Title: Chief Executive Officer

**COMPUTERSHARE TRUST
COMPANY OF CANADA**

Per: ***“Nicolas Richard”***_____

Name: Nicolas Richard
Title: Corporate Trust Officer

Per: ***“Alexa Kwan”***_____

Name: Alexa Kwan
Title: Associate Trust Officer

CANACCORD GENUITY CORP.

Per: ***“David Sadowski”***_____

Name: David Sadowski
Title: Managing Director,
Investment Banking

SCHEDULE "A"
FORM OF SUBSCRIPTION RECEIPT CERTIFICATE

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE *[DATE THAT IS 4 MONTHS AND A DAY AFTER CLOSING DATE]*.

[Certificates required to bear the legend set forth in Section 2.3.4.2 of the Subscription Receipt Agreement shall bear the following additional legend:]

“THE SECURITIES REPRESENTED HEREBY AND THE SECURITIES ISSUABLE UPON EXERCISE HEREOF (OR IN EXCHANGE FOR SUCH SECURITIES ISSUABLE UPON EXERCISE HEREOF) HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “U.S. SECURITIES ACT”), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THE HOLDER HEREOF, BY PURCHASING SUCH SECURITIES, AGREES FOR THE BENEFIT OF THE ISSUER THAT SUCH SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO THE ISSUER, (B) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 904 OF REGULATIONS UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH APPLICABLE LOCAL LAWS AND REGULATIONS, (C) PURSUANT TO A REGISTRATION STATEMENT THAT HAS BEEN DECLARED EFFECTIVE UNDER THE U.S. SECURITIES ACT, (D) IN COMPLIANCE WITH THE EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY (1) RULE 144 THEREUNDER, IF AVAILABLE, OR (2) RULE 144A THEREUNDER, IF AVAILABLE, AND, IN EACH CASE, IN COMPLIANCE WITH APPLICABLE STATE SECURITIES LAWS OR (E) IN ANOTHER TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES LAWS AND, IN THE CASE OF (D)(1) AND (E) ABOVE, AFTER THE SELLER FURNISHES TO THE ISSUER AN OPINION OF COUNSEL OF RECOGNIZED STANDING IN FORM AND SUBSTANCE REASONABLY SATISFACTORY TO THE ISSUER TO SUCH EFFECT. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE “GOOD DELIVERY” IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA”.

Certificate Number: [●]

Number of Subscription Receipts: [●]

SUBSCRIPTION RECEIPTS

ELEMENTAL ROYALTIES CORP.

(a company existing under the laws of the Province of British Columbia)

THIS IS TO CERTIFY THAT, for value received, [●] (the “**holder**”) is the registered holder of the number of subscription receipts (“**Subscription Receipts**”) specified above of Elemental Royalties Corp, (the “**Elemental**” or “**Company**”) and is thereby entitled, without payment of any

additional consideration, to be issued, immediately on the Release Date (as defined in the Subscription Receipt Agreement hereinafter referred to) one Common Share of the Company in respect of each Subscription Receipt held, subject to adjustment of the Exchange Ratio in accordance with the Subscription Receipt Agreement.

This Subscription Receipt Certificate represents Subscription Receipts of the Company issued under the provisions of a subscription receipt agreement (which agreement, together with all amendments and instruments supplemental or ancillary thereto, is herein referred to as the “**Subscription Receipt Agreement**”) dated as of December 15, 2020, between Elemental, Canaccord Genuity Corp, (the “**Lead Underwriter**”) and Computershare Trust Company of Canada (the “**Subscription Receipt Agent**”). Reference is hereby made for particulars of the rights of the holders of the Subscription Receipts, the Company, the Lead Underwriter and the Subscription Receipt Agent in respect thereof and of the terms and conditions upon which the Subscription Receipts are issued and held, all to the same effect as if the provisions of the Subscription Receipt Agreement were herein set forth in full, and to all of which the holder, by acceptance hereof, assents. In the event of a conflict between the provisions of this Subscription Receipt Certificate and the Subscription Receipt Agreement, the terms of the Subscription Receipt Agreement shall govern. All capitalized terms used but not defined in this Subscription Receipt Certificate shall have the meaning ascribed thereto in the Subscription Receipt Agreement. The Company will furnish to the holder, on request, a copy of the Subscription Receipt Agreement.

The sale of the Subscription Receipts is being completed in connection with the Acquisition.

Upon satisfaction of the Escrow Release Conditions at or before the Escrow Release Deadline, the Subscription Receipts represented by this Subscription Receipt Certificate will automatically evidence the right of the holder to receive Common Shares on the Release Date and the holder will be a holder of the Common Shares issuable pursuant to such Subscription Receipts without the taking of any further action by the holder or payment of additional consideration. For greater certainty, the Subscription Receipts represented by this Certificate may not be converted by the holder and may only be converted pursuant to the foregoing automatic conversion.

On and after the date of issuance of the Common Shares pursuant to the Subscription Receipts represented by this Subscription Receipt Certificate, the holder will have no rights hereunder except to the Common Shares issued to such holder.

Pursuant to the Subscription Receipt Agreement, the Release Date is the date, or the Business Day following such date, on which the Subscription Receipt Agent receives the Joint Notice and Direction in the form required under the Subscription Receipt Agreement, which notice will inform the Subscription Receipt Agent of the satisfaction of the Escrow Release Conditions and will instruct the Subscription Receipt Agent to pay the Escrowed Funds in accordance with the Subscription Receipt Agreement.

In the event that: (i) a Termination Notice is delivered to the Subscription Receipt Agent and the Lead Underwriter, (ii) prior to the Escrow Release Deadline, the Company advises the Lead Underwriter, on behalf of the Underwriters, or announces to the public that it does not intend to proceed with the Acquisition or satisfy one or more of the Escrow Release Conditions, or (iii) the Joint Notice and Direction is not delivered to the Subscription Receipt Agent prior to the Escrow

Release Deadline, the Subscription Receipts represented by this Subscription Receipt Certificate shall, without any action on the part of the holder (including the surrender of this Subscription Receipt Certificate), be terminated and cancelled by the Subscription Receipt Agent as of the Termination Time. In such event, the holder shall thereafter have no rights hereunder except to receive, and the Subscription Receipt Agent shall pay to the holder from the Escrowed Funds, the amount equal to (i) the aggregate Offering Price for the Subscription Receipts represented by this Subscription Receipt Certificate, and (ii) the holder's *pro rata* share of the Earned Interest (less applicable withholding taxes required to be withheld in respect thereof) in accordance with the Subscription Receipt Agreement. To the extent that the Escrowed Funds are insufficient to satisfy such payment obligations to the Subscription Receiptholders following a Termination Event, Elemental agrees that it will be liable to contribute such amounts as are necessary to satisfy any shortfall.

The holder of this Subscription Receipt is cautioned that in the event that the Subscription Receipts are deemed to be cancelled, a cheque will be mailed or delivered to the latest address of record of the registered holder.

The Subscription Receipts evidenced by this Subscription Receipt Certificate and the Common Shares issuable pursuant to the Subscription Receipts have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”), or under the securities laws of any state of the United States. All or any portion of the Subscription Receipts represented by this Subscription Receipt Certificate may not be offered, sold or pledged or otherwise transferred in the United States (as defined in Regulation S under the U.S. Securities Act) except in limited circumstances contemplated in the Subscription Receipt Agreement.

No Common Shares will be issued pursuant to any Subscription Receipt if the issue of such security would constitute a violation of the securities laws of any applicable jurisdiction.

The Subscription Receipt Agreement contains provisions making binding on all holders of Subscription Receipts outstanding thereunder resolutions passed at meetings of such holders held in accordance with such provisions and instruments in writing signed by holders of a specified majority of all outstanding Subscription Receipts.

The Subscription Receipts represented by this Subscription Receipt Certificate are transferrable only in accordance with the terms of the Subscription Receipt Agreement.

The holding of this Subscription Receipt Certificate will not constitute the holder a shareholder of the Company or entitle such holder to any right or interest in respect thereof except as otherwise provided in the Subscription Receipt Agreement.

This Subscription Receipt Certificate will not be valid for any purpose until it has been certified by or on behalf of the Subscription Receipt Agent for the time being under the Subscription Receipt Agreement.

Time is of the essence hereof.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF THE COMPANY has caused this Subscription Receipt Certificate to be signed by its officers or other individuals duly authorized in that behalf as of the _____ day of _____ 2020.

ELEMENTAL ROYALTIES CORP.

By: _____
Authorized Signing Officer

This Subscription Receipt Certificate is one of the Subscription Receipt Certificates referred to in the Subscription Receipt Agreement.

Countersigned this _____ day of _____, 2020.

**COMPUTERSHARE TRUST
COMPANY OF CANADA**

By: _____
Authorized Signing Officer

FORM OF TRANSFER

Computershare Trust Company of Canada
510 Burrard St., 3rd Floor
Vancouver, British Columbia, V6C 3B9
Attn: Corporate Trust

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers to

_____ (print
name, address and Social Insurance Number/Social Security Number of Transferee) the
Subscription Receipts represented by this Subscription Receipt Certificate and hereby irrevocably
constitutes and appoints _____ as its attorney with full power of substitution to
transfer the said securities on the appropriate register of the Subscription Receipts.

In the case of a Subscription Receipt Certificate that contains a U.S. restrictive legend, the
undersigned hereby represents, warrants and certifies that (one (only) of the following must be
checked):

☐	(A)	the transfer is being made only to the Company; or
☐	(B)	the transfer is being made outside the United States in compliance with Rule 904 of Regulation S under the U.S. Securities Act, and in compliance with applicable local laws and regulations and the holder has provided herewith the Declaration for Removal of Legend attached as Schedule "D" to the Subscription Receipt Agreement;
☐	(C)	the transfer is being made pursuant to the exemption from the registration requirements of the U.S. Securities Act provided by (i) Rule 144 under the U.S. Securities Act or (ii) Rule 144A under the U.S. Securities Act to a person who the seller reasonably believes is a "qualified institutional buyer" as defined in Rule 144A under the U.S. Securities Act ("QIB") that is purchasing for its own account or for the account of a QIB to whom notice is given that the offer, sale, pledge or transfer is being made in reliance of Rule 144A, and, in either case, in compliance with applicable state securities laws; or
☐	(D)	the transfer is being made in another transaction that does not require registration under the U.S. Securities Act or any applicable state securities laws.

In the case of a transfer in accordance with (C) or (D) above, the Company and the Subscription Receipt Agent shall first have received an opinion of counsel of recognized standing or other evidence in form and substance reasonably satisfactory to the Company and the Subscription Receipt Agent, to such effect.

NOTE:

If you hold your Subscription Receipt Certificate as a “qualified institutional buyer” as defined in Rule 144A under the U.S. Securities Act and your Subscription Receipt Certificate bears the legend set forth in Section 2.3.4.2 of the Subscription Receipt Agreement, transfers pursuant to Boxes (C) and (D) are not available.

In the case of a Subscription Receipt Certificate that does not contain a U.S. restrictive legend:

THE UNDERSIGNED TRANSFEROR HEREBY CERTIFIES AND DECLARES that the Subscription Receipts are not being offered, sold or transferred to, or for the account or benefit of, a U.S. Person (as defined in Regulation S under the U.S. Securities Act of 1933 as amended) or a person within the United States.

[Remainder of page intentionally left blank.]

DATED this _____ day of _____, 20 ____.

SPACE FOR GUARANTEES OF SIGNATURES)

(SEE INSTRUCTIONS BELOW))

Signature of Transferor

Guarantor's Signature Stamp

Name of Transferor

REASON FOR TRANSFER - For US Residents only (where the individual(s) or corporation receiving the securities is a US resident). Please select only one (see instructions below).

☐

Gift

☐

Estate

☐

Private
Sale

☐

Other
(or no change in
ownership)

Date of Event (Date of gift, death or
sale):

Value per Subscription
Receipt on the date of event:

□□ / □□ / □□

\$ □□□ . □□

☐ CAD OR ☐ USD

CERTAIN REQUIREMENTS RELATING TO TRANSFERS - READ CAREFULLY

The signature(s) of the transferor(s) must correspond with the name(s) as written upon the face of this certificate(s), in every particular, without alteration or enlargement, or any change whatsoever. All securityholders or a legally authorized representative must sign this form. The signature(s) on this form must be guaranteed in accordance with the transfer agent's then current guidelines and requirements at the time of transfer. Notarized or witnessed signatures are not acceptable as guaranteed signatures. As at the time of closing, you may choose one of the following methods (although subject to change in accordance with industry practice and standards):

- **Canada and the USA:** A Medallion Signature Guarantee obtained from a member of an acceptable Medallion Signature Guarantee Program (STAMP, SEMP, NYSE, MSP). Many commercial banks, savings banks, credit unions, and all broker dealers participate in a Medallion Signature Guarantee Program. The Guarantor must affix a stamp bearing the actual words "Medallion Guaranteed", with the correct prefix covering the face value of the certificate.

- **Canada:** A Signature Guarantee obtained from an authorized officer of the Royal Bank of Canada, Scotia Bank or TD Canada Trust. The Guarantor must affix a stamp bearing the actual words “Signature Guaranteed”, sign and print their full name and alpha numeric signing number. Signature Guarantees are not accepted from Treasury Branches, Credit Unions or Caisse Populaires unless they are members of a Medallion Signature Guarantee Program. For corporate holders, corporate signing resolutions, including certificate of incumbency, are also required to accompany the transfer, unless there is a “Signature & Authority to Sign Guarantee” Stamp affixed to the transfer (as opposed to a “Signature Guaranteed” Stamp) obtained from an authorized officer of the Royal Bank of Canada, Scotia Bank or TD Canada Trust or a Medallion Signature Guaranteed with the correct prefix covering the face value of the certificate.
- **Outside North America:** For holders located outside North America, present the certificate(s) and/or document(s) that require a guarantee to a local financial institution that has a corresponding Canadian or American affiliate which is a member of an acceptable Medallion Signature Guarantee Program. The corresponding affiliate will arrange for the signature to be over-guaranteed.

OR

The signature(s) of the transferor(s) must correspond with the name(s) as written upon the face of this certificate(s), in every particular, without alteration or enlargement, or any change whatsoever. The signature(s) on this form must be guaranteed by an authorized officer of Royal Bank of Canada, Scotia Bank or TD Canada Trust whose sample signature(s) are on file with the transfer agent, or by a member of an acceptable Medallion Signature Guarantee Program (STAMP, SEMP, NYSE, MSP). Notarized or witnessed signatures are not acceptable as a “SIGNATURE GUARANTEED”, “MEDALLION GUARANTEED” OR “SIGNATURE & AUTHORITY TO SIGN GUARANTEE”, all in accordance with the transfer agent’s then current guidelines and requirements at the time of transfer. For corporate holders, corporate signing resolutions, including certificate of incumbency, will also be required to accompany the transfer unless there is a “SIGNATURE & AUTHORITY TO SIGN GUARANTEE” Stamp affixed to the Form of Transfer obtained from an authorized officer of the Royal Bank of Canada, Scotia Bank or TD Canada Trust or a “MEDALLION GUARANTEED” Stamp affixed to the Form of Transfer, with the correct prefix covering the face value of the certificate.

REASON FOR TRANSFER - FOR US RESIDENTS ONLY

Consistent with US IRS regulations, Computershare is required to request cost basis information from US securityholders. Please indicate the reason for requesting the transfer as well as the date of event relating to the reason. The event date is not the day in which the transfer is finalized, but rather the date of the event which led to the transfer request (i.e. date of gift, date of death of the securityholder, or the date the private sale took place).

SCHEDULE "B"
CONDITIONS PRECEDENT CERTIFICATE

TO: CANACCORD GENUITY CORP.

Reference is made to the subscription receipt agreement dated as of December 15, 2020 (the “**Subscription Receipt Agreement**”) among Elemental Royalties Corp. (“**Elemental**”), Computershare Trust Company of Canada (“**Computershare**”), and Canaccord Genuity Corp. Unless otherwise defined herein, words and terms with the letter or letters thereof capitalized shall have the meanings given to such words and terms in the Subscription Receipt Agreement.

This Condition Precedent Certificate is being provided pursuant to the Subscription Receipt Agreement and the undersigned hereby certifies, for and on behalf of Elemental and not in any personal capacity, that

- (i) all required board, shareholder and regulatory approvals in connection with the Offering and Acquisition, including, without limitation, the conditional approval of the TSXV for the listing of the Common Shares issued upon conversion of the Subscription Receipts have been obtained; and
- (ii) all conditions precedent to the Acquisition, substantially in accordance with the terms of the Royalty Purchase Agreement, other than the payment of the Purchase Price (as defined in the Royalty Purchase Agreement) have been satisfied.

[Remainder of page intentionally left blank.]

DATED this _____ day of _____, 2020.

ELEMENTAL ROYALTIES CORP

Per: _____

Name:

Title: Chief Executive Officer

SCHEDULE "C"
JOINT NOTICE AND DIRECTION

TO: COMPUTERSHARE TRUST COMPANY OF CANADA

Reference is made to the subscription receipt agreement dated as of December 15, 2020, (the "**Subscription Receipt Agreement**") among Elemental Royalties Corp., Computershare Trust Company of Canada (the "**Subscription Receipt Agent**"), and Canaccord Genuity Corp, (the "**Lead Underwriter**"). Unless otherwise defined herein, words and terms with the letter or letters thereof capitalized shall have the meanings given to such words and terms in the Subscription Receipt Agreement.

The Subscription Receipt Agent is hereby notified that the Escrow Release Conditions set out in 1.1.20.1 and 1.1.20.2 of the Subscription Receipt Agreement have been satisfied in full in accordance with the Subscription Receipt Agreement, and, accordingly, the Subscription Receipt Agent is hereby irrevocably directed and authorized to, in accordance with Section 6.3 of the Subscription Receipt Agreement, to release on or within one Business Day of the Release Date to:

- (i) the Lead Underwriter, or as otherwise directed by the Lead Underwriter, \$ _____, representing 50% of the Underwriters' Fee (as such term is defined in the Underwriting Agreement), and including the Underwriters' pro rata share of the Earned Interest earned thereon, by means of wire transfer(s) of immediately available funds in the amounts, and to the bank account(s) as attached hereto; and
- (ii) Elemental, or as otherwise directed by Elemental, \$ _____, representing the balance of the Escrowed Funds less \$ _____, being the remaining remuneration, expenses and disbursements of the Subscription Receipt Agent payable under Section 5.2 of the Subscription Receipt Agreement, and including Elemental's pro rata share of the Earned Interest earned thereon, by means of wire transfer(s) of immediately available funds in the amounts and to the bank account(s) as attached hereto.

This Joint Notice and Direction, which may be signed in counterparts and delivered electronically, is irrevocable and shall constitute your good and sufficient authority for taking the actions described herein.

[Remainder of page intentionally left blank.]

DATED this _____ day of _____, 2020.

ELEMENTAL ROYALTIES CORP.

Per: _____

Name:

Title:

CANACCORD GENUITY CORP.

Per: _____

Name:

Title:

SCHEDULE "D"
FORM OF DECLARATION FOR REMOVAL OF LEGEND

TO: Elemental Royalties Corp, (the “**Company**”)

AND TO: Computershare Trust Company of Canada

The undersigned (A) acknowledges that the sale of _____ subscription receipts of the Company to which this declaration relates, represented by certificate no _____, is being made in reliance on Rule 904 of Regulation S under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”), and (B) certifies that: (1) the undersigned is not an “affiliate” (as that term is defined in Rule 405 under the U.S. Securities Act) of the Company; (2) the offer of such securities was not made to a person in the United States and either (a) at the time the buy order was originated, the buyer was outside the United States or the seller and any person acting on its behalf reasonably believed that the buyer was outside the United States, or (b) the transaction was executed on or through the facilities of the TSX Venture Exchange or any other designated offshore securities market as defined in Regulation S under the U.S. Securities Act and neither the seller nor any person acting on its behalf knows that the transaction has been prearranged with a buyer in the United States; (3) neither the seller nor any affiliate of the seller nor any person acting on any of their behalf has engaged or will engage in any directed selling efforts in the United States in connection with the offer and sale of such securities; (4) the sale is bona fide and not for the purpose of “washing off” the resale restrictions imposed because the securities are “restricted securities” (as that term is defined in Rule 144(a)(3) under the U.S. Securities Act); (5) the seller does not intend to replace such securities with fungible unrestricted securities; and (6) the contemplated sale is not a transaction, or part of a series of transactions, which, although in technical compliance with Regulation S under the U.S. Securities Act, is part of a plan or scheme to evade the registration provisions of the U.S. Securities Act. Terms used herein have the meanings given to them by Regulation S under the U.S. Securities Act.

DATED this _____, 20____.

X _____
Signature of individual (if Holder is an individual)

X _____
Authorized Signatory (if Holder is not an individual)

Name of Holder (please print)

Name of Authorized signatory (please print)

Official Capacity of authorized signatory (please print)