EXECUTION COPY [REDACTED]

SILVER PURCHASE AGREEMENT

Among

EACH OF THE PURCHASERS FROM TIME TO TIME PARTY HERETO
as Purchasers

– and –

FALCO RESOURCES LTD.
as Seller

- and –

OSISKO GOLD ROYALTIES LTD
as Purchasers' Agent

- and –

OSISKO GOLD ROYALTIES LTD
as Collateral Agent

February 27, 2019

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THIS SILVER PURCHASE AGREEMENT dated as of February 27, 2019.

BETWEEN:

EACH OF THE PURCHASERS FROM TIME TO TIME PARTY HERETO, as Purchasers

- and -

FALCO RESOURCES LTD., a corporation existing under the laws of Canada (the "**Seller**" or "**Falco**")

- and -

OSISKO GOLD ROYALTIES LTD, in its capacity as the Purchasers' Agent (the "**Purchasers' Agent**")

- and -

OSISKO GOLD ROYALTIES LTD, in its capacity as the Collateral Agent (the "**Collateral Agent**")

WITNESSES THAT:

WHEREAS on May 30, 2016, Osisko made a loan to Falco in the aggregate principal amount of Cdn$10,000,000 pursuant to the terms of the Senior May Note (as such term is defined below);

WHEREAS on June 29, 2018, Falco issued the Secured Debenture (as such term is defined below) in the principal amount of Cdn$7,000,000 to Osisko, which Secured Debenture was subsequently converted into shares of Falco upon receipt of approval by the shareholders of Falco;

WHEREAS on September 10, 2018, Osisko made a secured loan to Falco in the aggregate principal amount of Cdn$10,000,000 pursuant to the terms of the Senior September Loan (as such term is defined below);

WHEREAS on February 22, 2019, Osisko entered into secured loan agreement with Falco in the aggregate principal amount of Cdn$10,000,000 pursuant to the terms of the Senior February Loan (as such term is defined below), with the first installment thereof in the amount of Cdn$5,000,000 having been advanced by Osisko to Falco on February 22, 2019;

WHEREAS Falco is the sole owner of the rights to Minerals related to the Horne 5 Project (except as disclosed herein), and is currently developing the Horne 5 Project on the Horne 5 Property;

AND WHEREAS Falco has agreed to sell to Purchasers, and Purchasers have agreed to purchase from Falco, an amount of Refined Silver equal to the Streamed Silver produced from the Horne 5 Project, subject to and in accordance with the terms and conditions of this Agreement;

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

ARTICLE 1
INTERPRETATION

1.1 Defined Terms

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

"**Abandonment Property**" has the meaning set out in Section 7.4.

"**Accepting Purchaser**" has the meaning set out in Section 7.2(b).

"**Additional Term**" has the meaning set out in Section 4.1(a).

"**Affiliate**" means, in relation to any person, any other person who is, directly or indirectly, through one or more intermediaries, controlling, controlled by or under common control with such first mentioned person.

"**Agreement**" means this silver purchase agreement and all attached schedules, in each case as the same may be amended, restated, amended and restated, supplemented, modified or superseded from time to time in accordance with the terms hereof.

"**AML Legislation**" means the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) and other applicable anti-money laundering, anti-terrorist financing, government sanction and "know your client" Applicable Laws, whether within Canada or, to the extent applicable to any Falco Group Entity, elsewhere, including any regulations, guidelines or orders thereunder.

"**Annual Compliance Certificate**" means a certificate signed by an authorized senior officer of Falco certifying that as of the date of such certificate:

(a) all of the Reiterating Representations and Warranties are true and accurate in all material respects (other than those representations and warranties which are subject to a materiality qualifier, which representations and warranties shall be true and accurate in all respects) as if made on and as of the date of such certificate;

(b) no Seller Event of Default or Material Adverse Effect has occurred and is continuing as of the date of such certificate; and

(c) no event which with notice or lapse of time or both would become a Seller Event of Default has occurred and is continuing as of the date of such certificate;

in each case, except as specified in such certificate, together with all material information relating to such exception, including, if applicable, any action which the Falco Group Entities have taken or propose to take with respect thereto.

"**Annual Development and Operations Report**" means a written report in relation to a fiscal year with respect to the Horne 5 Project, to be prepared by or on behalf of Falco on terms acceptable to the Purchasers' Agent (acting on the instructions of the Majority Purchasers, acting reasonably), which shall include all of the information pertaining to the construction, commissioning or operations contained in annual reports prepared and provided to the board of directors of any of the Falco Group Entities and, to the extent not contained in such reports, will also contain, for such year:

(a) the quantity and grades of Minerals mined during such year;

(b) the quantity and estimated grades of Minerals stockpiled during such year and as of the end of such year;

(c) the types, tonnes and grade of Minerals processed during such year and recoveries for gold, silver and other types of marketable Minerals;

(d) the quantity and grades of any Other Minerals stockpiled or processed during such year

(e) the quantity and grades of Minerals contained in the material processed during such year, but not delivered to an Offtaker by the end of such year;

(f) the number of ounces of gold and silver, the number of pounds of copper, lead and zinc, and other quantities of other Minerals delivered to an Offtaker;

(g) the amount and a description of development, operating and capital expenditures;

(h) a statement setting out the mineral reserves and mineral resources (by category) prepared in accordance with Regulation 43-101 (with the assumptions used, including cut-off grade, metal prices and metal recoveries);

(i) a review of the development or operating activities for the year and a report on any material issues or departures from that contemplated by the Operating Plan, as applicable as of the first day of the fiscal year;

(j) any actual or expected materially adverse impact on development or production or recovery of any Minerals, whether as to quantity or timing, together with the details of the plans to resolve or mitigate such matters;

(k) variances from projected development, operating and capital expenditures and any actual or expected adverse impact on development or production or recovery of Minerals, whether as to quantity or timing, together with the details of the plans to resolve or mitigate such matters;

(l) if applicable, the percentage completion compared to the Operating Plan of the major elements of construction and the anticipated date of Commencement of Commercial Production and the date of Completion, in each case, if it has not yet then occurred; and

(m) details of any material health or safety violations and/or material violations of any Applicable Laws, or, after its adoption, any non-compliance with the then current Anti-Corruption Policy.

The Annual Development and Operations Report shall also contain a report on any Encumbrances, other than Permitted Encumbrances, placed on the assets or properties of Falco or the Falco Entities greater than [**REDACTED: dollar amount deleted**] (in the aggregate).

"**Annual Forecast Report**" means a written report in relation to a fiscal year with respect to the Horne 5 Project, to be prepared by or on behalf of Falco on terms and with content satisfactory to the Purchasers' Agent (acting on the instructions of the Majority Purchasers), including with reasonable detail a forecast, based on the Operating Plan, for such fiscal year on a month-by-month basis and over the remaining life of the mine on a year-by-year basis, including:

(a) the amount and a description of planned development, operating and capital expenditures;

(b) types, quantities and grades of Minerals to be mined;

(c) types, quantities and grades of Minerals to be stockpiled; and

(d) with respect to the processing facilities, the types, quantities and grades of Minerals to be processed and expected recoveries for Minerals.

"**Anti-Corruption Laws**" means the Corruption of Foreign Public Officials Act (Canada) and, to the extent applicable to any Falco Group Entity, the United Kingdom Bribery Act 2010, and the United States Foreign Corrupt Practices Act of 1977, and all other laws, rules, and regulations of any jurisdiction applicable to any Falco Group Entity from time to time concerning or relating to bribery or corruption.

"**Anti-Corruption Policy**" means an anti-bribery and anti-corruption policy to be adopted by the Board on or before the Second Installment Expiry Date, as the same may be amended, revised, supplemented or replaced from time to time in accordance with Section 6.11.

"**AOI**" means all of the right, title and interests (including any rights to Minerals) of any Falco Group Entity located within a five (5) kilometer radius of the Horne 5 Deposit, as depicted in Schedule 1.1(h)(i).

"**Applicable Laws**" means any law (including common law and equity), any international or other treaty, any domestic or foreign constitution or any multinational, federal, provincial, territorial, state, municipal, county or local statute, law, ordinance, code, rule, regulation, Order (including any securities laws or requirements of stock exchanges and any consent, decree or administrative Order), or authorization of a Governmental Authority, in each case to the extent applicable to and legally binding upon or having the force of law over any specified person, property, transaction or event, or any of such person's property or assets.

"**Applicable Percentage**" has the respective meanings set out in Sections 6.5(b) and 6.5(d).

"**Approvals**" means any authorization, approval, consent, concession, exemption, license, lease, grant, permit, franchise, right (including surface and access rights, rights of way and servitudes), privilege or no-action letter (including any waiver of right of first refusal) from any Governmental Authority having jurisdiction with respect to any specified person, property, transaction or event, or with respect to any such person's property or business and affairs (including any zoning approval, mining permit, development permit or building permit) or from any other person with respect to any specified person, property, transaction or event or with respect to any such person's property, business, affairs or rights.

"**Arbitration Procedure**" has the meaning set out in Section 16.1(b).

"Asset Purchase Agreement" means the Asset Purchase Agreement dated March 28, 2011 between Glencore (as successor to Xstrata Canada Corporation) and Falco (as assignee of Alexis Minerals Corporation), as amended pursuant to a first amending agreement as of July 29, 2011.

"**Associate**" has the meaning ascribed to such term in the *Securities Act* (Quebec), as in effect on the date of this Agreement.

"**BaseCore**" means BaseCore Metals LP, together with its successors and assigns.

"**BaseCore Royalty Agreement**" means the royalty agreement dated July 29, 2011 between BaseCore (as assignee of Glencore, as successor to Xstrata Canada Corporation) and Falco (as assignee to Alexis Minerals Corporation).

"**Basecore Security**" means the Deed of Hypothec granted by Falco in favour of Basecore pursuant to a deed of hypothec dated on or about the date hereof.

"**Board**" means the board of directors of Falco.

"**Business**" means the business of the Falco Group Entities, on a consolidated basis, as described in the Public Disclosure Documents, including, without limitation, the development, construction and operation of, and extraction or Minerals from, the Horne 5 Project.

"**Business Day**" means any day other than a Saturday or Sunday or a day that is a statutory holiday under the laws of the Province of Québec.

"**Cdn$**" and "**$**" and "**Canadian Dollar**" means the lawful currency of Canada.

"**Change of Control**" of a person (the "**Subject Person**") means the consummation of any transaction, including any consolidation, arrangement, amalgamation or merger or any issue, Transfer or acquisition of voting securities, the result of which is that any person or group of persons acting jointly or in concert for purposes of such transaction (1) becomes the beneficial owner, directly or indirectly, of more than 50% of the voting securities of the Subject Person or (2) otherwise acquires control, directly or indirectly, of the Subject Person, including through the occupation of a majority of the seats on the board of directors (or comparable body) of the Subject Person by individuals who were neither (i) nominated by such board of directors (or comparable body) nor (ii) appointed, approved or endorsed by members of such board of directors (or comparable body); provided that, any voluntary Transfer to or by Osisko of voting securities in any Falco Group Entity shall not be deemed a Change of Control of any Falco Group Entity for purposes of this Agreement.

"**Claim**" means any claim or liability of any nature whatsoever, including any demand, obligation, liability, debt, cause of action, suit, proceeding, judgment, award, assessment or reassessment.

"**Closing Date**" means the date of this Agreement.

"**Collateral**" means all present and future undertaking, property and assets of any Falco Group Entity, including, without limitation, that charged and intended to be charged by the Security Documents and comprising all of the movable (personal) and immovable (real) property of any Falco Group Entity, now owned or hereafter acquired, including, but not limited to, the Falco Group Entities' property, assets, undertaking and rights in and relating to the Property, the Horne 5 Property and the Horne 5 Project, whether now owned or existing or hereafter acquired or arising, including immovable (real) property, movable (personal) property and Mineral Interests, and specifically including, but not limited to: (a) the Horne 5 Property and any property, assets or proceeds of the Horne 5 Project; (b) all Project Agreements, (c) all right, title and interest of the Falco Group Entities in the Glencore Property Documents and the Underlying Agreements, (d) all claims, accounts, instruments, chattel paper, deposit accounts, documents, intangibles, goods (including inventory, equipment and fixtures), money, letter of credit rights, supporting obligations, claims, causes of action and other legal rights, investment property and financial assets; (e) all products, proceeds (including proceeds of proceeds), rents and profits of the foregoing; (f) all books and records of the Falco Group Entities related to any of the foregoing; and (g) the Pledged Shares.

"**Collateral Agent**" means Osisko, in its capacity as initial collateral agent for the Purchasers under this Agreement, and any successor Collateral Agent appointed by the Majority Purchasers in accordance with the terms hereof.

"**Commencement of Commercial Production**" means the first day of the calendar month immediately following the first calendar month during which the Process Plant processes ore at an average rate of [**REDACTED: percentage deleted**] the whole as demonstrated to the Purchasers' Agent's satisfaction (acting on the instructions of the Majority Purchasers).

"**Commencement of Commercial Production Outside Date**" means December 31, 2023, extendible day for day for any period during which a Force Majeure is in effect, up to a maximum of 180 days in the aggregate.

"**Commitment**" means, with respect to any Purchaser, the amount of the Deposit funded or to be funded by such Purchaser, as set out beside such Purchaser's name in Schedule 1.1(a)(i), as such schedule is updated from time to time pursuant to any Purchase Assignment Agreement.

"**Completion**" means the first day of the calendar month immediately following the first period of two consecutive calendar months during which the Process Plant processes ore at an average rate of [**REDACTED: amount of nameplate capacity deleted**] of yearly nameplate capacity (as set forth in the Operating Plan), the whole as demonstrated to the Purchasers' Agent satisfaction (acting on the instructions of the Majority Purchasers).

"**Completion Outside Date**" means June 30, 2025, extendible day for day for any period during which a Force Majeure is in effect, up to a maximum of 365 days in the aggregate.

"**Confidential Information**" has the meaning set out in Section 6.6(a).

"**Considered Parties**" has the meaning set out in Section 6.6(a)(i).

"**Construction Budget and Schedule**" means (i) as of the Closing Date, and thereafter until the Purchasers' Agent receives a new construction budget and schedule in accordance with the terms of Section 5.3(b) (subject to Section 6.1(h) or Section 6.1(h), the Initial Construction Budget and Schedule, and (ii) thereafter, the most recent construction budget and schedule received by the Purchasers' Agent in accordance with the terms of Section 5.3(b) (subject to Section 6.1(h)) or Section 6.1(h).

"**Contaminant**" means any solid, liquid, gas, odor, heat, sound, vibration, radiation, or combination of any of them, that is reasonably expected to:

(a) materially impair the quality of the environment for any use that can be made of it;

(b) materially injure or damage property or plant or animal life;

(c) materially and adversely affect the health of any individual;

(d) materially impair the safety of any individual;

(e) materially render any plant or animal life unfit for use by man; or

(f) create a liability under any Environmental Law;

and includes any "contaminant" within the meaning assigned to such term in any Environmental Law.

"**Contract**" means in respect of any person, any written or oral agreement, indenture, contract, lease, sublease, deed of trust, licence, option or other legal enforceable obligation of, or in favour of the applicable person.

"**control**" (including, with correlative meanings, the terms "**controlled by**" and "**under common control with**"), as applied to any person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of that person, whether through the ownership of voting securities, by contract or otherwise.

"**Date of Delivery**" has the meaning set out in Section 2.2(c).

"**Default Notice**" has the meaning set out in Section 3.11(a).

"**Defaulted Commitment**" has the meaning set out in Section 3.11.

"**Defaulted Future Commitments**" has the meaning set out in Section 3.11.

"**Defaulting Purchaser**" has the meaning set out in Section 3.11.

"**Delivery**" has the meaning set out in Section 2.2(c).

"**Deposit**" has the meaning set out in Section 3.1.

"**Deposit Record**" has the meaning set out in Section 3.9.

"**Deposit Reduction Date**" means the date on which the Deposit is reduced to nil in accordance with this Agreement.

"**Deposit Request**" has the meaning set out in Section 3.7(a).

"**Difference**" has the meaning set out in Section 2.5.

"**Dispute**" has the meaning set out in Section 16.1(a).

"**Disqualified Equity Interests**" means any Equity Interests that, by their terms (or by the terms of any security or other Equity Interests into which they are convertible or for which they are exchangeable), or upon the happening of any event or condition (a) matures or are mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, (b) are redeemable at the option of the holder thereof, in whole or in part, (c) provide for the scheduled payments of dividends in cash, or (d) are or become convertible into or exchangeable for Indebtedness or any other Equity Interests that would constitute Disqualified Equity Interests.

"**Distribution**" means, with respect to any Falco Group Entity:

(a) the purchase, redemption, retirement, retraction, purchase or other acquisition by such Falco Group Entity of any securities of such Falco Group Entity, including, without limitation, any payment on account of, or for the purpose of setting apart any property for a sinking or other analogous fund for, the purchase, redemption, retirement, retirement or other acquisition by such Falco Group Entity of any securities of such Falco Group Entity;

(b) the declaration or payment of any dividend, return of capital or any other distribution (in cash, securities or other property or otherwise) of, on or in respect of, any securities of such Falco Group Entity;

(c) any payment, repurchase or other acquisition by such person of, or on account of, any debt of such Falco Group Entity held by any Related Party of a Falco Group Entity, including in respect of principal, interest, bonus, premium or otherwise; or

(d) any management, consulting or similar fee, or any material bonus or comparable payment, or material payment by way of gift or other gratuity, to any Related Party, unless such payment is to a director, officer or employee of any Falco Group Entity in that capacity and consists of reimbursement for reasonable and ordinary course expenses related to the business of the Falco Group Entities incurred by such director, officer or employee in accordance with the policies in effect governing such reimbursements.

"**Early Termination Amount**" means, at any time, an amount equal to (i) the Uncredited Balance at such time, plus (ii) accrued interest in respect of each Instalment to the extent forming part of the Uncredited Balance calculated based on a nominal [**REDACTED: percentage deleted**] annual rate of interest, calculated and accrued from the date on which the applicable Instalment was made to the date of payment in full.

"**Encumbrances**" means, whether or not registered or registrable or recorded or recordable, and regardless of how created or arising:

(a) any Mineral Interest or other royalty, stream, offtake or similar right, mortgage, assignment of receivable, lien, encumbrance, adverse claim, charge, levy, execution, seizure, title defect, exception, reservation, encroachment, servitude, restriction on use, right of pre-emption, right of first refusal, privilege, security interest, hypothec or pledge, whether fixed or floating, against assets or property (whether immovable (real), movable (personal), mixed, corporeal (tangible) or incorporeal (intangible)), conditional sales contract, title retention agreement, and a subordination to any right or claim of others in respect thereof;

(b) a claim, interest or estate against or in assets or property (whether immovable (real), movable (personal), mixed, corporeal (tangible) or incorporeal (intangible)), granted to or reserved or taken by any person;

(c) an option or other right to acquire, or to acquire any interest in, any assets or property (whether immovable (real), movable (personal), mixed, corporeal (tangible) or incorporeal (intangible));

(d) any other encumbrance of whatsoever nature and kind against assets or property (whether immovable (real), movable (personal), mixed, corporeal (tangible) or incorporeal (intangible)); and

(e) any contract to create, or right capable of becoming, any of the foregoing.

"**Environmental Laws**" means all Applicable Laws relating to the protection of the environment, natural resources, human health and safety, Contaminants, Hazardous Substances, the assessment of environmental and social impacts or the rehabilitation, reclamation and closure of lands used in connection with the Horne 5 Project.

"**Equity Interests**" means, with respect to a Person, all of the shares, options, or warrants (regardless of how designated) of or in such Person, whether voting or nonvoting, including capital stock (or other ownership or profit interests or units), preferred stock, or any other "equity security" (as defined in any securities laws).

"**Excluded Taxes**" means Taxes imposed on or measured by net income or net profits of any Purchaser.

"**Falco Group Entity**" means Falco and each Subsidiary of Falco.

"**Feasibility Study**" means the feasibility study with respect to the Horne 5 Deposit dated October 30, 2017.

"**Fifth Instalment**" has the meaning set out in Section 3.1(e).

"**Financial Close**" means the date on which the Falco Group Entities have demonstrated to the Purchasers' Agent, on terms and conditions acceptable to it (acting on the instructions of the Majority Purchasers, acting reasonably), that the Project Costs are fully financed, including that the Project Facility is fully committed for advance by all financiers thereof and that all conditions precedents to the first advance under the Project Facility have been satisfied other than conditions that, by their nature, can only be satisfied immediately prior to the first disbursement, in form and scope satisfactory to the Purchasers' Agent (acting on the instructions of the Majority Purchasers, in their sole discretion).

"**Financial Statements**" means the audited consolidated financial statements of Falco as at and for the year ended June 30, 2018, including the notes thereto, together with the auditor's report

thereon, the unaudited consolidated financial statements of Falco for each ensuing quarter, and the audited consolidated financial statements of Falco for each ensuing fiscal year, as applicable.

"**First Instalment**" has the meaning set out in Section 3.1(a).

"**First Nations**" means any first nations, Métis and/or indigenous and/or aboriginal person, tribe and/or band of Canada.

"**First Nations Claims**" means any written claims, assertions or demands, whether proven or unproven, made by any First Nations to any Falco Group Entity, or to a Governmental Authority and communicated by such Governmental Authority to any Falco Group Entity, in respect of asserted or proven aboriginal rights, aboriginal title, treaty rights or any other aboriginal interest in or to all or any portion of the Horne 5 Project.

"**First Nations Information**" means any documentation in the possession of any Falco Group Entity, including in electronic form, which Falco, acting in good faith, reasonably determines to be material, to any (i) First Nations Claims, (ii) First Nations making any First Nations Claims or (iii) the issuance of any Approval in relation to any First Nations Claims or First Nations groups in relation to the Horne 5 Project.

"**Fixed Silver Price**" means U.S.$6.00 per ounce of Refined Silver.

"**Force Majeure**" means any cause that is beyond the reasonable control of a person, despite reasonable commercial efforts and which could not have been avoided by steps which would reasonably have been expected to have been taken by such person, and is not caused by a default or negligence of such person and materially adversely affects the Horne 5 Project, in each case resulting from the following or events, circumstances or causes substantially similar to the following (1) acts of God; (2) civil unrest; (3) acts of war or conditions arising out of or attributable to war; (4) labor unrest or strike; (5) acts of the public enemy; (6) riots; (7) fire; (8) storm; (9) drought; (10) flood; (11) sink holes; (12) explosion; (13) government restriction; (14) shortage or inadequacy of services or equipment by contractors or subcontractors; (14) shortage of, or inability to obtain, labor, transportation, utilities or services; (16) accidents; (17) breakdown of equipment, machinery or facilities; provided that lack of funds or any other circumstance of economic hardship shall not, in any case, be an event of Force Majeure.

"**Fourth Instalment**" has the meaning set out in Section 3.1(d).

"**Fourth Instalment Expiry Date**" has the meaning set out in Section 3.1(d).

"**Glencore**" means Glencore Canada Corporation, together with its successors and permitted assigns.

"**Glencore Properties**" means the "Properties" as such term is defined in the Asset Purchase Agreement.

"**Glencore Property Documents**" means the agreements described in Schedule 1.1(b) (including, the Asset Purchase Agreement and the Glencore Security) together with any related licenses to operate, indemnities and authorizations (including any Project Approvals from Glencore) obtained, or entered into, by Falco from time to time pursuant to or in accordance with the Asset Purchase Agreement, including the Approval or agreements with Glencore listed in Schedule 1.1(g).

"**Glencore Security**" means the Deed of Hypothec granted by Falco in favour of Glencore pursuant to a deed of hypothec dated on or about the date hereof.

"**Good Industry Practice**" means, in relation to any decision or undertaking, the exercise of that degree of diligence, skill care, prudence, oversight, economy and stewardship which is commonly

observed or would reasonably be expected to be observed by international mining companies in the operation of projects similar to the Horne 5 Project in Canada.

"**Governmental Authority**" means any international, federal, state, provincial, territorial, municipal or local government, agency, department, ministry, authority, board, tribunal, commission or official, including any such entity with power to tax, or exercise regulatory or administrative functions, or any court, arbitrator (public or private), stock exchange or securities commission.

"**Guarantee**" has the meaning set out in Section 9.1.

"**Guaranteed Obligations**" means all present and future debts, liabilities and obligations of any Falco Group Entity to the Secured Parties under or in connection with this Agreement or the other Transaction Documents, including its obligations under Article 2 and to pay any amounts under this Agreement, including any Early Termination Amount, Net Present Value of the Remaining Stream and any award of the arbitrators under Section 16.1.

"**Hazardous Substances**" means (i) any substance, material or waste defined, regulated, listed or prohibited by Environmental Laws, including pollutants, Contaminants, chemicals, deleterious substances, dangerous goods, hazardous or industrial toxic wastes or substances, radioactive materials, flammable substances, explosives, petroleum and petroleum products, polychlorinated biphenyls, chlorinated solvents and asbestos, (ii) any "hazardous substances", "toxic substances", "hazardous materials", "hazardous wastes" or words of similar import under any Environmental Laws, (iii) any other chemical, material, gas or substance, the exposure or release of which is or may be prohibited, limited or regulated by any Environmental Laws, and (iv) any chemical, material, gas or substance that does or may pose a hazard to health and/or safety of Persons or the environment.

"**Hedging Exposure**" means, in relation to any person (the "**relevant party**") and any counterparty of the relevant party at any time, the net amount which would be payable by the relevant party to that counterparty, or by that counterparty to the relevant party, as the case may be, pursuant to all Hedging Transactions in effect between them at that time of determination if such transactions were to be terminated as the result of the early termination thereof.

"**Hedging Transaction**" means any transaction which is (i) a rate swap transaction, basis swap, forward rate transaction, commodity swap, commodity option, equity index swap, equity or equity index option, bond option, interest rate option, foreign exchange transaction, forward commodity transaction, credit derivative transaction, repurchase or reverse repurchase transaction, securities lending transaction, cap transaction, floor transaction, collar transaction, currency swap transaction, cross-currency rate swap transaction, currency option or any similar transaction (including any option with respect to any of these transactions) or (ii) any combination of these transactions.

"**Horne 5 Deposit**" means all of Falco's rights and interests in the minerals located below 200 meters from the surface of mining concession 156PTB located in Rouyn-Noranda, Province of Quebec, as depicted in Schedule 1.1(h)(ii).

"**Horne 5 Project**" means the Horne 5 Project located in Rouyn-Noranda, Province of Québec to be developed in respect of or in connection with the Horne 5 Property, the whole as more particularly described in the Operating Plan, and including all mining, production, processing, exploration, recovery, sale, transportation, storage, delivery and development operations, and the mines, infrastructure, equipment, inventory, processing facilities and other facilities constructed and operated at or in respect of the Horne 5 Property and/or the Horne 5 Tailing Site, including all Minerals and Approvals related thereto.

"**Horne 5 Property**" means all of the Falco Group Entities' right, title and interest, movable (personal) or immovable (real), corporeal or incorporeal, in, or in respect of, any mineral claims,

mineral leases, surface access rights and other rights, concessions and interests to the extent relating to or in respect of the Property and/or the Horne 5 Tailing Site, whether owned or leased, being as at the Closing Date as described in Schedule 1.1(h)(iv), including any extension, renewal or restaking of, or replacement or substitution for, any of the foregoing, including, but not limited to: (a) all of the Purchased Assets (as defined in the Asset Purchase Agreement), (b) certain surface rights surrounding the Quemont No. 2 shaft located on mining concession 243 (whether or not the ownership of the relevant mining concessions and leases forming part of the Controlled Properties (as defined in the Asset Purchase Agreement) remains with a third party), (c) any rights granted, renewing, replacing or complementing the Horne 5 Deposit, other minerals located below 200 meters from the surface of any Controlled Properties (as defined in the Asset Purchase Agreement), access and surface rights, (d) all future mineral rights, access rights and surface rights forming part of the foregoing, including any mining concession, mining lease or mining claims or surface leases related to any proposed tailings site, and (e) all future other mineral rights, access rights and surface rights that have the effect of increasing the size or modifying the foregoing, which any Falco Group Entity now or may hereafter own or have any right, title or interest in.

"**Horne 5 Tailing Site**" means the tailings management facility located approximately 17 kilometers northwest of the Horne 5 Deposit more fully described in Schedule 1.1(h)(iii).

"**IFRS**" means the International Financial Reporting Standards adopted by the International Accounting Standards Board from time to time.

"**Indebtedness**" means, at any time, with respect to any person, on a consolidated basis with its Subsidiaries, without duplication excluding any interest component thereof (whether actual or imputed) that is not due and payable, but including any interest that has been capitalized (including by way of original issue discount), the aggregate of all of the liabilities of that person at that time that, according to IFRS, are required to appear in that person's financial statements, including (except to the extent specified below to be excluded) the following amounts, each calculated in accordance with IFRS, without duplication:

(a) all obligations of such person, including by way of overdraft and drafts or orders accepted representing extensions of credit, that would be considered to be indebtedness for borrowed money, and all obligations, whether or not with respect to the borrowing of money, that are evidenced by bonds, debentures, notes, bills or other similar instruments;

(b) the face amount of all bankers' acceptances and similar instruments;

(c) all obligations, contingent or otherwise, relative to the face amount of all letters of credit, whether or not drawn, and bankers' acceptances issued for such person's account;

(d) all liabilities upon which interest charges are customarily paid by that person;

(e) all obligations of such person under any lease that is required to be classified and accounted for as a capital or financed lease for financial accounting purposes or under any synthetic lease, sale-leaseback, tax retention, operating lease or other lease having substantially the same economic effect as a conditional sale, title retention agreement or similar arrangement;

(f) all obligations of such person in respect of the deferred purchase price of property or services including pursuant to this Agreement or any other forward or prepaid sale of a Mineral Interest (excluding accounts payable incurred in the ordinary course of business);

(g) all obligations of such person created or arising under any conditional sale or other title retention agreement with respect to property acquired by such person (even if the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such property);

(h) the amount of all contingent liabilities in respect of letters of credit, performance bonds, surety bonds and similar instruments;

(i) all indebtedness of another person secured by (or for which the holder of such obligations has an existing right, contingent or otherwise, to be secured by) any Encumbrance, upon or in property owned by such person, even if such person has not assumed or become liable for the payment of such obligations or such obligations are limited in recourse;

(j) the aggregate amount at which any securities of such person are redeemable, retractable, defeasible or otherwise acquired for value at the option of the holder of such securities (except where the holder is such person) may be redeemed, retracted, deceased or otherwise acquired for cash, cash equivalents or other Indebtedness of such person;

(k) accounts payable and accruals that are over 60 days past due;

(l) Hedging Exposure of such person;

(m) contingent liabilities in respect of product warranties, and any other contingent liability, in each case only to the extent that the contingent liability is required by IFRS to be treated as a liability on a balance sheet of the person contingently liable;

(n) any equity, ownership or profit interests in such person within ten years from the date of issuance thereof; and

(o) all guarantees, indemnities and other obligations (contingent or otherwise) of such person in respect of Indebtedness of another person.

"**Initial Construction Budget and Schedule**" means the construction budget and schedule appended hereto as Schedule 1.1(c).

"**Initial Operating Plan**" means the development, mine and operating plan with respect to the Horne 5 Project as described in the Feasibility Study.

"**Initial Term**" has the meaning set out in Section 4.1(a).

"**Insolvency Event**" means, in relation to any person, any one or more of the following events or circumstances:

(a) it is insolvent or generally unable to pay its debts as they become due or admits in writing its inability to pay its debts generally;

(b) proceedings are commenced for the winding-up, liquidation or dissolution of it, unless it in good faith actively and diligently contests such proceedings resulting in a dismissal or stay thereof within 30 days of the commencement of such proceedings;

(c) a decree or order of a court of competent jurisdiction is entered adjudging it to be bankrupt or insolvent, or a petition seeking reorganization, arrangement or adjustment of or in respect of it is approved under Applicable Laws relating to bankruptcy, insolvency or relief of debtors;

(d) it makes an assignment for the benefit of its creditors, or petitions or applies to any court or tribunal for the appointment of a receiver or trustee for itself or any substantial part of its assets or property, or commences for itself or acquiesces in or approves or has filed or commenced against it any proceeding under any Applicable Law relating to bankruptcy, insolvency, reorganization, arrangement or readjustment of debt or any proceeding for the appointment of a receiver or trustee for itself or any substantial part of its assets or

property, or has a liquidator, administrator, receiver, trustee, conservator or similar person appointed with respect to it or any substantial portion of its property or assets unless such proceeding, assignment or appointment is involuntary and dismissed, vacated or stayed within 30 days of commencement of such proceeding; or

(e) a resolution of its board of directors is passed for any of the foregoing.

"**Instalment**" means any of the First Instalment, Second Instalment, Third Instalment, Fourth Instalment or Fifth Instalment, as applicable.

"**Intellectual Property**" means all trademarks, trade names, business names, patents, inventions, know-how, copyrights, service marks, brand names, industrial designs and all other industrial or intellectual property owned or used by any Falco Group Entity, and all applications therefor and all goodwill in connection therewith, including all licences, registered user agreements and all like rights used by or granted to any Falco Group Entity.

"**Intercreditor Agreement**" means the intercreditor agreement entered into on or about the Closing Date among Glencore, BaseCore, the Purchasers' Agent, the Collateral Agent, the Purchaser, Osisko, as lender, and Falco, substantially in the form attached as Exhibit A.

"**Judgment Currency**" has the meaning set out in Section 2.8.

"**Losses**" means any and all damages, claims, losses, diminution of value, liabilities, fines, injuries, costs, penalties and expenses (including reasonable legal fees), but excluding, for certainty, special, consequential, indirect or punitive damages, claims and losses except to the extent such losses are awarded to a third party in connection with a claim by a third party.

"**Lot**" means the applicable quantity of (i) each shipment of concentrate, or (ii) any other product containing Minerals to an Offtaker pursuant to an Offtake Agreement.

"**Majority Purchasers**" means, at any time, one or more Purchasers holding Commitments greater than [**REDACTED: percentage deleted**] of the total Commitments under this Agreement (provided that any defaulted Commitments of a Defaulting Purchaser shall be disregarded for such purposes); or if the full amount of the Deposit has been funded or the Commitments have otherwise been terminated or expired, one or more Purchasers holding a Purchaser's Share greater than [**REDACTED: percentage deleted**] in the aggregate;

"**Material Adverse Effect**" means any change, event, occurrence, circumstance, fact or effect that, when taken individually or together with all other events, occurrences, changes or effects has, or could reasonably be expected to have, a material adverse effect on:

(a) the operations, results of operations, business, affairs, properties, assets, prospects, liabilities and obligations (contingent or otherwise), capitalization or condition (financial or otherwise) of the Falco Group Entities, taken as a whole;

(b) the Horne 5 Project, including (A) the ability of (1) any Falco Group Entity to perform its obligations under any Transaction Document, as applicable, (2) Falco to develop, construct or operate the Horne 5 Project substantially in accordance with the Operating Plan (including, until Completion, the Construction Budget and Schedule), in each case in effect at the time of the occurrence of such change, event, occurrence, circumstance, fact or effect, or (3) Falco to comply with its obligations under any of the Glencore Property Documents; or (B) any material default under the Glencore Property Documents; or (C) any significant decrease to expected silver production from the Horne 5 Project based on the Operating Plan at the time of the occurrence of such change, event, occurrence, circumstance, fact or effect; or

(c) the legality, validity, binding effect or enforceability against any Falco Group Entity of any Transaction Document to which it is a party or the Secured Parties' rights and remedies under the Security Documents,

provided, in each case, that it shall not include any event, change or effect resulting exclusively from (x) the announcement of this Agreement, (y) any change in the price of the publicly listed stock of Falco; or (z) for purposes of Article 11, any change in commodity prices (it being understood that the underlying effects, events, facts or occurrences giving rise to any of (x), (y) or (z) that are not otherwise excluded by this proviso may be determined to constitute, or give rise to, a Material Adverse Effect).

"**Material Collateral**" means any Collateral with a fair market value in excess of [**REDACTED: dollar amount deleted**].

"**Material Project Governmental Approvals**" has the meaning set forth in the definition of Project Governmental Approvals.

"**Material Project Third Party Approvals**" has the meaning set forth in the definition of Project Third Party Approvals.

"**Mineral Interest**" means any royalty, stream, participation or production interest, or any agreements that are similar to a royalty, stream, participation or production interest agreement, in each case in respect of any Minerals.

"**Mineral Reserves**" means proven mineral reserves and probable mineral reserves as defined and incorporated under Regulation 43-101.

"**Minimum Delivery**" has the meaning set out in Section 2.3.

"**Minimum Delivery Date**" has the meaning set out in Section 2.3.

"**Minimum Eligible Financing**" means the issuance by Falco of Qualified Equity Interests in respect of which Falco immediately receives no less than unrestricted gross proceeds of [**REDACTED: dollar amount deleted**] (net only of commissions, fees and expenses), to be used by Falco exclusively to fund Project Costs and pay applicable commissions, fees and expenses.

"**Minerals**" means any and all marketable metal bearing material in whatever form or state that is mined, produced, extracted or otherwise recovered from the Horne 5 Property, and including any such material derived from any processing or reprocessing of any tailings, waste rock or other waste products originally derived from the Horne 5 Property, and including ore and any other products resulting from the further milling, processing or other beneficiation of Minerals, including concentrates or doré.

"**Monthly Development and Operations Report**" means a written report prepared by or on behalf of Falco in relation to the immediately preceding calendar month, which report shall include all material information pertaining to the development or operation of the Horne 5 Project, including the following information for such month:

(a) a review of the permitting, community engagement, development or operating activities for the month and a report on any material issues, departures from, or contemplated or potential changes to the Operating Plan, as applicable;

(b) a summary of the actual Project Costs incurred on a cumulative and monthly basis (including costs committed to and/or actually funded, and, if applicable, the expected time of funding);

(c) variances of actual Project Costs from projected Project Costs in the Operating Plan and any actual or expected adverse impact on the production or recovery of Reference Silver, whether as to quantity or timing, together with the details of the plans to resolve or mitigate such matters;

(d) the percentage completion of the major elements of construction compared to the Operating Plan;

(e) the anticipated date of Commencement of Commercial Production, if it has not already occurred;

(f) the anticipated date of Completion, if it has not already occurred;

(g) an update on any changes to the rights and interests comprising the Horne 5 Property, including (i) any steps taken during the period to preserve the validity of any portion of the Horne 5 Property, and (ii) a description of all licenses to operate, indemnity agreements, authorizations, agreements and other arrangements entered into with Glencore pursuant to the Glencore Property Documents (subject to the terms hereof), any defaults or non-compliance with the terms of any Glencore Property Document or other commitments to Glencore, and any disputes or issues arising thereunder, in each case during the relevant month;

(h) details of any material health or safety violations and/or material violations of any Applicable Laws, or, after its adoption, any non-compliance with the Anti-Corruption Policy; and

(i) all monthly construction reports delivered to or prepared by any Falco Group Entity.

"**Monthly Production and Sales Report**" means a written report in relation to a calendar month with respect to the Horne 5 Project that contains, for such month:

(a) the quantity and estimated grade of Minerals mined during such month;

(b) the quantity and estimated grade of Minerals stockpiled during such month (and the total stockpile at the end of such month);

(c) the quantity and grade of Minerals processed by and resulting concentrates from the processing facilities related to the Horne 5 Project, and similar information with respect to any other processing facilities, if any;

(d) the quantity and grade of Minerals processed during such month but not delivered to an Offtaker by the end of such month;

(e) a summary of deliveries made to Offtakers during such month showing, among other things, provisional Refined Silver and Reference Silver amounts and related Offtaker Settlements and any final settlement adjustments made during such month;

(f) copies of available Offtaker Settlement Sheets and other Offtaker statements, invoices or receipts;

(g) the aggregate number of ounces of Refined Silver delivered to the Purchasers under this Agreement up to the end of such month;

(h) a detailed calculation of the Uncredited Balance as of the end of such month; and

(i) such other information regarding the calculation of the amount of Refined Silver delivered to the Purchasers as the Purchasers' Agent may reasonably request.

"**National Bank Hypothec**" means the hypothec granted by Falco in favour of National Bank of Canada in connection with National Bank LC Facility.

"**National Bank LC Facility**" means the credit agreement dated as of June 27, 2017 with respect to a Cdn$5,000,000 letter of credit facility between Falco, as borrower, and National Bank of Canada, as lender.

"**Negotiation Period**" has the meaning set out in Section 7.2(c).

"**Net Present Value of the Remaining Stream**" means, at any given time, the net present value of the Purchasers' rights under this Agreement [**REDACTED: discount rate**] based on (i) the calculation methodology contained in the Operating Plan, (ii) the future production set forth in the Operating Plan, and (iii) published Selected Commodity Analysts consensus annual future prices for silver; it being understood for greater certainty that if at the relevant time as of which the calculation of the Net Present Value of the Remaining Stream is computed, the Minimum Delivery Date has not yet occurred, the net present value of the rights of the Purchasers under Section 2.3 shall be determined based on the same criteria referred to above in this definition, taking into account the deliveries of Refined Silver made by Falco to the Purchasers at that relevant time and the projected future production of Refined Silver from that relevant time until the Minimum Delivery Date as set forth in the Operating Plan.

"**Net Proceeds**" means, with respect to the receipt of proceeds under Sections 6.5(b) and 6.5(d), the aggregate amount received by the Falco Group Entities less the fees, costs and other out-of-pocket expenses (as evidenced by supporting documentation provided to the Purchasers' Agent upon request) incurred or paid to a third party by any Falco Group Entity in connection with the claim giving rise to such proceeds, without deduction for any insurance premiums or similar payments.

"**Non-Defaulting Purchasers**" has the meaning set out in Section 3.11.

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

"**Offtake Agreement**" means any agreement entered into by any Falco Group Entity with any person (including spot sales, metal trader sales or any other type of purchase by any person of Minerals from the Horne 5 Property) (i) for the sale of Minerals to such person (other than an intra-company sale between Falco Group Entities that precedes the sale of Minerals to an arm's length third party), or (ii) for the smelting, refining or other beneficiation of Minerals by such person for the benefit of any Falco Group Entity.

"**Offtaker**" means any person that enters into an Offtake Agreement.

"**Offtaker Settlement**" means (i) with respect to Minerals purchased by an Offtaker from a Falco Group Entity, the receipt by a Falco Group Entity of payment, or other consideration from the Offtaker, whether provisional or final, and (ii) with respect to Minerals refined, smelted or otherwise beneficiated by an Offtaker on behalf of a Falco Group Entity, the receipt by a Falco Group Entity of Refined Silver or other materials or payments derived from or relating to Reference Silver in accordance with the applicable Offtake Agreement.

"**Offtaker Settlement Sheets**" means the final documents from an Offtaker (or if such final documents are not available in the case of a provisional payment, the relevant documents on which such provisional payment has been determined) or such other relevant documents, in each case evidencing at least the amount of Minerals, including Reference Silver, in each Lot.

"**Operating Plan**" means (i) as of the Closing Date, and thereafter until the Purchasers' Agent receives a new Plan in accordance with the terms of Section 5.3(b) (subject to Section 6.1(h)) or Section 6.1(h), the Initial Operating Plan, and (ii) thereafter, the most recent Plan received by the

Purchasers' Agent in accordance with the terms of Section 5.3(b) (subject to Section 6.1(h)) or Section 6.1(h).

"**Order**" means, in respect of any person, any order, directive, decree, judgment, ruling, award, injunction or direction of any Governmental Authority or other decision-making authority of competent jurisdiction which is legally binding on such person.

"**Osisko**" means Osisko Gold Royalties Ltd, a corporation existing under the laws of the Province of Quebec, and any successor and assign.

"**Osisko Encumbrances**" has the meaning set out in the definition of “Permitted Encumbrances” in Section 1.1.

"**Other Minerals**" means any and all marketable metal bearing material in whatever form or state that is mined, produced, extracted or otherwise recovered from any location that is not within the Horne 5 Property, and including any such material derived from any processing or reprocessing of any tailings, waste rock or other waste products originally derived from any location that is not within the Horne 5 Property, and including ore and any other products resulting from the further milling, processing or other beneficiation of Other Minerals, including concentrates or doré.

"**Parties**" means the parties to this Agreement from time to time.

"**Payable Silver**" means during the Term the applicable percentage of Reference Silver set forth in Schedule 1.1(d) and as otherwise determined in accordance with Section 2.1(b).

"**PCMLA**" means the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada).

"**Permitted Distributions**" means (a) any Distributions between and among Falco Group Entities, (b) any payment to a Purchaser due by a Falco Group Entity pursuant to the terms hereof, (c) any payment of the Senior Notes contemplated by the terms hereof, and (d) any management, consulting or similar fee or comparable payment to Osisko or its Affiliates.

"**Permitted Encumbrances**" means any Encumbrance in respect of any property or asset of any Falco Group Entity (including any Collateral) constituted by the following:

(a) inchoate or statutory liens for Taxes not yet due or being contested in good faith by appropriate proceedings and for which adequate reserves are maintained on the books of such Person in accordance with IFRS;

(b) statutory liens incurred, or pledges or deposits made, under worker's compensation, employment insurance and other social security legislation other than in the context of a breach of laws or Project Approvals;

(c) minor discrepancies in the legal description or acreage of or associated with the Horne 5 Property, or any adjoining properties, or other matters which would be disclosed in an up to date certificate of location performed by an *arpenteur géomètre* (surveyor) in accordance with the current requirements set by the Applicable Laws of Québec, and any recorded servitudes and recorded restrictions or covenants (other than Mineral Interests) that run with the land in either case which do not materially detract from the value of, or materially impair the use of, the Horne 5 Property, for the purpose of conducting and carrying out mining operations thereon;

(d) rights of way for or reservations or rights of others for or servitudes for, sewers, water lines, gas lines, electric lines, telegraph and telephone lines, and other similar utilities, or zoning by-laws, ordinances, surface access rights or other restrictions as to the use of

the Horne 5 Property, which do not in the aggregate materially detract from the use of the Horne 5 Property, for the purpose of conducting and carrying out the Horne 5 Project;

(e) liens or other rights granted by Falco to secure performance of statutory obligations or regulatory requirements (including reclamation obligations) in connection with the Horne 5 Project, which do not in the aggregate materially detract from the use of the Horne 5 Property, for the purpose of conducting and carrying out the Horne 5 Project;

(f) a right of title retention in connection with the acquisition by a Falco Group Entity of goods in the ordinary course of business;

(g) security deposits with any Governmental Authority and utilities in the ordinary course of business of a Falco Group Entity;

(h) the Security Documents;

(i) Encumbrances and other rights in favour of Glencore under the agreements listed in Schedule 1.1(b) and Schedule 1.1(j) and the Glencore Security as in effect on the Closing Date; provided the same at all times remain subject to the terms of the Intercreditor Agreement and that any Glencore Property Documents creating such Encumbrances and other rights are entered into in compliance with the terms of this Agreement;

(j) Encumbrances in favour of BaseCore with respect to the BaseCore Royalty Agreement, including the net smelter return royalty held by BaseCore (as assignee of Glencore) on the Royalty Properties pursuant to the BaseCore Royalty Agreement, and the Basecore Security as in effect on the Closing Date; provided the same at all times remain subject to the terms of the Intercreditor Agreement;

(k) Encumbrances created by the Underlying Agreements as in effect on Closing Date;

(l) the National Bank Hypothec, provided however that such hypothec Encumbers only cash collateral held by National Bank of Canada in a segregated account and in an amount not exceeding [**REDACTED: dollar amount deleted**];

(m) the Rouyn-Noranda Hypothec;

(n) Encumbrances in favour of Osisko securing the Secured Debenture and/or the Senior Notes, or any part thereof (the "**Osisko Encumbrances**");

(o) an Encumbrance created with the Purchasers' Agent prior written consent (acting on the instructions of the Majority Purchasers), which consent may be withheld for any reason whatsoever; and

(p) Mineral Interests granted in respect of mineral rights that are not contemplated to form part of the Horne 5 Project as described in the Operating Plan and which are not Material Collateral, in all cases as in effect on the Closing Date.

"**Permitted Indebtedness**" means:

(a) Indebtedness incurred under the National Bank LC Facility;

(b) Indebtedness incurred under this Agreement or the Security Documents or secured by any Permitted Encumbrances;

(c) Indebtedness in respect of surety or completion bonds, standby letters of credit or letters of guarantee securing mine closure, asset retirement and environmental reclamation

obligations of Falco to the extent required by Applicable Laws or Governmental Authority, or to the extent required by the Glencore Property Documents provided the same at all times remain subject to the terms of the Intercreditor Agreement and that any Glencore Property Documents creating such Indebtedness is entered into in compliance with the terms of this Agreement;

(d) any unsecured liability under any agreement entered into in the ordinary course of business for the acquisition of any asset or service where payment for the asset or service is deferred for a period of not more than 90 days;

(e) Indebtedness incurred by a Falco Group Entity from another Falco Group Entity that is unsecured and is subject to a Subordination and Postponement of Claims;

(f) Indebtedness owing to Osisko under the Senior Notes and/or in respect of other accounts payable; and

(g) any other Indebtedness with the Purchasers' Agent's prior written consent (acting on the instructions of the Majority Purchasers), which consent may be withheld for any reason whatsoever.

"**Permitted Transfers**" means:

(a) sales, abandonment, or other dispositions of equipment that is substantially worn, damaged, or obsolete or no longer used or useful in the ordinary course of business;

(b) prior to the Commencement of Commercial Production, any Collateral that is not related, used or usable to the Horne 5 Project, and when aggregated with other Transfers of Collateral under this paragraph, [**REDACTED: dollar amount deleted**]; and

(c) at all times after the Commencement of Commercial Production, any Collateral that is not related, used or usable to the Horne 5 Project, and when aggregated with other Transfers of Collateral under this paragraph, [**REDACTED: dollar amount deleted**].

"**person**" or "**Person**" means and includes an individual, corporation, body corporate, limited or general partnership, joint stock company, limited liability corporation, unlimited liability company, joint venture, association, company, trust, bank, trust company, Governmental Authority or any other type of organization or entity, whether or not a legal entity.

"**Plan**" means any operating plan, mine plan, development plan or similar or comparable plan relating to the Horne 5 Property and/or the Horne 5 Project.

"**Pledged Shares**" means all of the issued and outstanding equity and voting securities of each Falco Group Entity (other than Falco; provided that in the circumstances contemplated in Section 7.3(b) or any other circumstances where Falco becomes a wholly-owned entity of an entity bound by this Agreement, the Pledged Shares shall include the issued and outstanding equity and voting securities of Falco).

"**Process Plant**" means the process plant to be completed in connection with the Horne 5 Project substantially as contemplated in the Operating Plan and used to process Minerals.

"**Project Agreements**" means all Contracts which are required for or otherwise material to: (i) the ownership, lease or use of the Horne 5 Project; (ii) the development, construction and mining operations of the Horne 5 Project; (iii) the sale or disposition of Minerals from the Horne 5 Project, including sales, royalty, streaming and off-take agreements and other similar arrangements; and (iv) any option, right of first refusal or right, title, interest, reservation, claim, rent, royalty, or payment in the nature of rent or royalty, or right capable of becoming an option, right of first refusal or right, title, interest, reservation, claim, rent, royalty, or payment in the nature of rent or

royalty, in respect of the Horne 5 Property, or the Minerals produced or proceeds therefrom, and any other Contract which is material to the Business or the Horne 5 Project, having regard to the potential consequences of the breach, loss or termination of such Contract, and which includes a Contract that involves the potential expenditure of more than [**REDACTED: dollar amount deleted**] in the aggregate, including, without limitation, the Glencore Property Documents as well as all Contracts listed in Schedule 1.1(e), as updated from time to time in accordance with Section 6.1(h).

"**Project Approvals**" means, collectively, the Project Governmental Approvals and the Project Third Party Approvals.

"**Project Costs**" means all capital expenditures incurred or to be incurred by a Falco Group Entity for the purposes of developing the Horne 5 Project, including escalation, contingencies, initial working capital, taxes, duties, expenditures for plant equipment, spares and other capital goods, inventory, capital expenditures required to maintain the Horne 5 Project at its design capacity (including repairs and replacements funded by insurance proceeds), interest during construction, financing fees and expenses and all other development costs, as from time to time set out in Construction Budget and Schedule.

"**Project Documents**" means the Construction Budget and Schedule, the Operating Plan, each of the Project Agreements, each of the Project Approvals, together with any environmental assessment report, each as updated from time to time in accordance with the terms hereof.

"**Project Governmental Approvals**" means all Approvals from any Governmental Authority which are required at any applicable time for the development, construction and ongoing commercial production in relation to the Horne 5 Project, with the Approvals anticipated by Falco as being required as of the Closing Date being listed in Schedule 1.1(f). Part 2 of Schedule 1.1(f) lists the Project Governmental Approvals that are material to the Horne 5 Project (the "**Material Project Governmental Approvals**").

"**Project Facility**" means any senior secured credit facility or credit facilities made available to the Falco Group Entities by *bona fide* lenders of not less than [**REDACTED: dollar amount deleted**] (or such greater amount as may be necessary to finance the Project Costs set out in the latest Construction Budget and Schedule reflected in the Operating Plan), the net proceeds of which are to be used solely to finance the development of the Horne 5 Project in accordance with the Construction Budget and Schedule.

"**Project Net Present Value**" means the net present value of the Horne 5 Project using [**REDACTED: percentage deleted**] discount rate based on (i) the financial and operating projections set forth in the Operating Plan, and (ii) published Selected Commodity Analysts consensus annual future prices for Minerals.

"**Project Third Party Approvals**" means all Approvals from any person (other than any Governmental Authority) which are required for the development, construction and ongoing commercial production in relation to the Horne 5 Project, including, without limitation, any Approvals from Glencore in respect of the Glencore Property Documents, with the Approvals anticipated by Falco as being required as of the Closing Date being listed in Schedule 1.1(g). Part A of Schedule 1.1(g) lists the Project Third Party Approvals that are material to the Horne 5 Project (the "**Material Project Third Party Approvals**").

"**Property**" means all immovable (real) property interests, mineral claims, mineral leases, surface access rights and other rights, concessions and interests relating to the immovable (real) property described on the map shown in Schedule 1.1(h)(i) and all buildings, structures, improvements, appurtenances and fixtures thereon or attached thereto, whether created privately or by the action of any Governmental Authority, including any AOI.

"**Proposed Parties**" has the meaning set out in Section 6.6(a)(i).

"**Public Disclosure Documents**" means, collectively, all of the documents which have been filed by or on behalf of Falco since June 30, 2016 with the relevant Securities Regulators pursuant to the requirements of Securities Laws, including all documents publicly available on Falco's SEDAR profile.

"**Purchase Assignment Agreement**" means an assignment agreement in the form attached as Exhibit B.

"**Purchasers**" means initially Osisko, and each assignee party to this Agreement at the relevant time as a Purchaser, and **"Purchaser**" means any or all of them as the context requires.

"**Purchaser Event of Default**" has the meaning set out in Section 12.1.

"**Purchaser's Share**" means, at any given time, in respect of each Purchaser, (a) at any time prior to the Purchasers' Agent (acting on the instructions of the Majority Purchasers) making a declaration or election under Section 11.2(a), the percentage of the amount of that Purchaser's Commitment as set out in Schedule 1.1(a)(i), and (b) at any time after the Purchasers' Agent making a declaration or election under Section 11.2(a) that has not been remedied or cured such that the Purchaser's Agent has withdrawn such declaration or election, the percentage of the Deposit that such Purchaser has funded, as may be updated from time to time in accordance with this Agreement; in each case, without taking into account any payment or delivery, as applicable in accordance with the terms of this Agreement, on account of any Taxes applicable to such Purchaser.

"**Purchasers' Agent**" means initially Osisko, in its capacity as administrative agent for the Purchasers under this Agreement, or any successor Purchasers' Agent appointed by the Majority Purchasers in accordance with Section 15.5.

"**Purchasers**" means the Purchasers party hereto from time to time, as set forth in Schedule 1.1(a)(i), as may be updated from time to time in accordance with this Agreement and "**Purchaser**" means any one of them, as the context so requires.

"**Qualified Equity Interests**" means and refers to any Equity Interests issued by Falco (and not by one or more of its Subsidiaries) that is not a Disqualified Equity Interest.

"**Receiving Party**" has the meaning set out in Section 6.6(a).

"**Reference Price**" means, with respect to any day, the daily per ounce LBMA Fixing Price in U.S. dollars as quoted by the London Bullion Market Association per ounce of Refined Silver on the Date of Delivery or, if such day is not a trading day, the immediately preceding trading day; provided that if, for any reason, the LBMA Fixing Price per ounce of Refined Silver is no longer confirmed, acknowledged or quoted by the London Bullion Market Association, the Reference Price shall be determined by reference to the price of Refined Silver on a commodity exchange acceptable to the Purchasers' Agent (acting on the instructions of the Majority Purchasers), acting reasonably.

"**Reference Silver**" means any and all silver in whatever form or state that is contained in any Minerals mined, produced, extracted or otherwise recovered from ore mined, produced, extracted or otherwise recovered from the Horne 5 Project from and after the Closing Date and through the end of the Term.

"**Refined Silver**" means marketable metal bearing material in the form of silver bars or coins that is refined to standards meeting or exceeding 9,995 parts per 10,000 fine silver, and otherwise conforming to the London Bullion Market Association (or a successor market, satisfactory to the Purchasers' Agent, acting on the instructions of the Majority Purchasers) specifications for good delivery.

"**Refused Purchaser's Share**" has the meaning set out in Section 7.2(b).

"**Refusing Purchaser**" has the meaning set out in Section 7.2(b).

"**Regulation 43-101**" means Regulation 43-101 respecting *Standards of Disclosure for Mineral Projects* and the companion policy thereto, as it may be amended from time to time, or any successor instrument, rule or policy.

"**Regulation 61-101**" means Regulation 61-101 respecting *Protection of Minority Security Holders in Special Transactions* and the companion policy thereto.

"**Reiterating Representations and Warranties**" means (i) as at the Closing Date and at the time of disbursement of the First Instalment, Second Instalment, Third Instalment, Fourth Instalment and Fifth Instalment, and with the delivery of each Annual Compliance Certificate prior to the Deposit Reduction Date, shall mean all representations and warranties set forth in Schedule 10.1, and (ii) at all times after the Deposit Reduction Date, shall mean all representations and warranties set forth in Schedule 10.1, except for those set forth in paragraphs (h), (i), (bb), and (kk).

"**Related Party**" means, with respect to any person (the "**first named person**"), any person that does not deal at arm's length with the first named person or is an Associate of the first named person and, in the case of Falco, means (a) any director, officer, employee or Associate of Falco or any subsidiary of Falco, (b) any person that does not deal at arm's length with Falco or any subsidiary of Falco, (c) any person that does not deal at arm's length with a director, officer, employee or Associate of Falco or any subsidiary of Falco, and (d) any person who directly or indirectly owns or exercises control or direction over more than [**REDACTED: percentage deleted**] of the issued and outstanding common shares of Falco.

"**Rouyn-Noranda Hypothec**" means the hypothec granted by Falco in favour of the town of Rouyn-Noranda pursuant to a deed of hypothec published on July 3, 2017.

"**Royalty Properties**" means the "Properties" as such term is defined in the BaseCore Royalty Agreement.

"**Royalties**" means the royalties set out in Schedule 1.1(k).

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

"**Sanctioned Person**" means (i) any Person listed in any sanctions-related list of designated Persons maintained by any Canadian Governmental Body or (ii) a Person named on the list of Specially Designated Nationals maintained by OFAC.

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

"**Second Instalment**" has the meaning set out in Section 3.1(b).

"**Second Instalment Expiry Date**" has the meaning set out in Section 3.1(b).

"**Second Instalment Project Approvals**" means all Project Approvals that must have been received by Falco on or prior to the Second Instalment as set out in Schedule 1.1(l).

"**Secured Debenture**" means the Debenture dated June 29, 2018 between Osisko (or any successor or assign thereof) and Falco, as amended, restated, supplemented or otherwise modified from time to time.

"**Secured Parties**" means, collectively, the Purchasers, the Purchasers' Agent and the Collateral Agent, and "**Secured Party**" means any one such person.

"**Securities Laws**" means all applicable securities laws and the respective regulations made thereunder, together with applicable published fee schedules, prescribed forms, policy statements, notices, orders, blanket rulings and other regulatory instruments of the Securities Regulators, and all rules and policies of the TSX Venture Exchange and any other stock exchange on which securities of Falco are traded.

"**Securities Regulators**" means, collectively, the securities regulators or other securities regulatory authorities in each province of Canada and in any other jurisdictions whose Securities Laws are applicable to Falco.

"**Security**" means the Encumbrances granted in favour of the Collateral Agent pursuant to the Security Documents.

"**Security Documents**" has the meaning set out in Section 8.1(c).

"**Security Supporting Documents**" has the meaning set out in Section 8.1(c).

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

"**Selected Commodity Analysts**" means the respective division, group or entity of each of the following, which is responsible for forecasting metal prices for silver and other applicable metals: [**REDACTED: names deleted**], provided that any of the foregoing that has not published forecasts for the applicable metal(s) prior to end of the last calendar quarter shall be excluded with respect to such metal(s) and the foregoing list may be updated by the Parties, acting reasonably, in writing from time to time in order to remove and replace any institution that ceases to publish the relevant information. Where such term is used herein, the reference to consensus prices shall be determined based on the most recent forecast published by such persons.

"**Seller Event of Default**" has the meaning set out in Section 11.1.

"**Senior February Loan**" means the senior loan agreement dated February 22, 2019 between Osisko (or any successor or assign thereof) and Falco, as amended, restated, supplemented or otherwise modified from time to time.

"**Senior May Note**" means the senior note dated May 30, 2016 between Osisko (or any successor or assign thereof) and Falco, as amended, restated, supplemented or otherwise modified from time to time.

"**Senior September Loan**" means the senior note dated September 10, 2018 between Osisko (or any successor or assign thereof) and Falco, as amended, restated, supplemented or otherwise modified from time to time.

"**Senior Notes**" means, collectively, the Senior May Note, the Senior September Loan and the Senior February Loan.

"**Senior Notes Payout Letter**" means one or more customary payout letters in connection with any or all of the Senior Notes.

"**Settled Form Acknowledgement**" has the meaning set out in Section 7.2(c).

"**Settled Form Agreement**" means the form of definitive agreement which is the subject matter of the Settled Form Acknowledgement.

"**Silver Purchase Price**" has the meaning set out in Section 2.5.

"**Spot Rate**" means the exchange rate, as calculated by the Purchasers' Agent, that is applicable to conversion of one currency into another currency, which is the spot rate of exchange for converting such first currency into such second currency or vice-versa, as the case may be, established by the Bank of Canada at approximately 4:30 p.m. (Montreal time) on the last Business Day preceding the date such determination is required.

"**Stream Percentage**" means 90% of the number of ounces of Payable Silver in respect of any Minerals for which any Falco Group Entity receives an Offtaker Settlement or, if the Unanimous Purchasers elect, in their sole discretion, to fund the Fifth Instalment, 100%.

"**Streamed Silver**" means the number of ounces of Payable Silver produced from the Horne 5 Project multiplied by the applicable Stream Percentage.

"**Subordination and Postponement of Claims**" means a subordination and postponement of claims in favour of the Purchasers' Agent in respect of Indebtedness of a Falco Group Entity owing to another Falco Group Entity pursuant to which, among other things, the holder of such Indebtedness agrees that such Indebtedness will be subordinated and postponed to the Guaranteed Obligations and that no interest or principal in respect of such Indebtedness shall be payable while any Guaranteed Obligations remain outstanding, and that no Encumbrances have been or will be taken by such holder for such Indebtedness, and which shall otherwise be in form and substance satisfactory to the Purchasers' Agent (acting on the instructions of the Majority Purchasers), acting reasonably.

"**Subsidiary**" or "**subsidiary**" means, with respect to any person, any other person which is, directly or indirectly, controlled by that person, whether through the ownership of voting securities, by contract or otherwise.

"**Taxes**" means (i) any and all federal, provincial, state, municipal, local and foreign taxes, assessments, contributions and other governmental charges, duties, mining duties, impositions and liabilities including Canada pension plan and provincial pension plan contributions, provincial health plan contributions, employment and unemployment insurance contributions, parental insurance premiums, worker's compensation and deductions at source, and including taxes based on or measured by gross receipts, income, profits, sales, capital, use, occupation, goods and services, harmonized sales, value added, *ad valorem*, transfer, franchise, withholding, customs duties, payroll, contributions, premiums, recapture, employment, excise, property taxes, (ii) all interest, penalties, fines and additions to tax or other additional amounts imposed on or with respect to amounts of the type described in paragraph (i) above, and (iii) any liability for the payment of any amounts of the type described in paragraph (i) or (ii) above as a result of any express or implied obligation to indemnify any other person or as a result of any obligations under any agreements or arrangements with any other person with respect to such amounts or as a result of being a transferee, and including any liability for Taxes of a predecessor entity.

"**Tax Returns**" means any and all returns, reports, declarations, elections, notices, forms, designations, filings, and statements (including estimated Tax returns and reports, withholding Tax returns and reports and information returns and reports) filed or required to be filed in respect of Taxes.

"**Term**" has the meaning set out in Section 4.1(a).

"**Third Instalment**" has the meaning set out in Section 3.1(c).

"**Third Instalment Expiry Date**" has the meaning set out in Section 3.1(b).

"**Third Instalment Project Approvals**" means all Project Approvals that must have been received by Falco on or prior to the Third Instalment as set out in Schedule 1.1(m).

"t**hird party**" means any person or persons other than any member of the Falco Group Entities.

"**Time of Delivery**" has the meaning set out in Section 2.2(c).

"**Transaction Documents**" means, collectively, this Agreement, the Security Documents, the Guarantees, the Intercreditor Agreement and each other agreement, document, instrument or certificate delivered for the benefit of the Purchasers pursuant to or otherwise in connection with any of this Agreement and the Security Documents.

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

"**Transfer Price**" means a cash payment per ounce of Refined Silver delivered by Falco to the Purchasers equal to the lesser of (i) 20% of the Reference Price, and (ii) U.S.$6.00.

"**Unanimous Purchasers**" means, at any time, all of the Purchasers at such time.

"**Uncredited Balance**" at any time means the uncredited balance of the Deposit as determined in accordance with this Agreement.

"**Underlying Agreements**" means those agreements listed in Schedule 1.1(n).

"**Unpaid Deposit**" has the meaning set out in Section 12.1(a).

"**U**.**S**.**$**" and "**USD**" means the lawful currency of the United States of America.

1.2 Certain Rules of Interpretation

Except as may be otherwise specifically provided in this Agreement and unless the context otherwise requires:

(a) The terms "Agreement", "this Agreement", "the Agreement", "hereto", "hereof", "herein", "hereby", "hereunder" and similar expressions refer to this Agreement in its entirety and not to any particular provision hereof.

(b) References to an "Article", "Section" or "Schedule" followed by a number or letter refer to the specified Article or Section of or Schedule to this Agreement.

(c) Headings of Articles and Sections are inserted for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

(d) Where the word "including" or "includes" is used in this Agreement, it means "including without limitation" or "includes without limitation".

(e) The language used in this Agreement is the language chosen by the Parties to express their mutual intent, and no rule of strict construction shall be applied against any Party.

(f) Unless the context otherwise requires, words importing the singular include the plural and vice versa and words importing gender include all genders.

(g) A reference to a statute includes all regulations made pursuant to and rules promulgated under such statute and, unless otherwise specified, any reference to a statute or

regulation includes the provisions of any statute or regulation which amends, supplements or supersedes any such statute or any such regulation from time to time.

(h) A reference to an agreement includes all schedules, exhibits and other appendices attached thereto and means such agreement as amended, supplemented, restated, amended and restated or replaced from time to time but only to the extent that such amendments and other modifications are not prohibited by the terms of this Agreement.

(i) Time is of the essence in the performance of the Parties' respective obligations under this Agreement.

(j) Unless specified otherwise, in this Agreement a period of days shall be deemed to begin on the first day after the event which began the period and to end at 5:00 p.m. (Montreal time) on the last day of the period. If, however, the last day of the period does not fall on a Business Day, the period shall terminate at 5:00 p.m. (Montreal time) on the next Business Day.

(k) Unless specified otherwise in this Agreement, all statements or references to dollar amounts in this Agreement are to U.S. dollars.

(l) References to an "ounce" are to a troy ounce (being equal to 31.1034768 grams).

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

Schedule 1.1(a)(i)	Purchaser Commitments
Schedule 1.1(b)	Initial Glencore Property Documents
Schedule 1.1(c)	Initial Construction Budget and Schedule
Schedule 1.1(d)	Payable Silver
Schedule 1.1(e)	Project Agreements
Schedule 1.1(f)	Project Governmental Approvals
Schedule 1.1(g)	Project Third Party Approvals
Schedule 1.1(h)(i)	Property and AOI
Schedule 1.1(h)(ii)	Horne 5 Deposit
Schedule 1.1(h)(iii)	Horne 5 Tailing Site
Schedule 1.1(h)(iv)	Horne 5 Property
Schedule 1.1(j)	Glencore Encumbrances
Schedule 1.1(k)	Royalties
Schedule 1.1(l)	Second Instalment Project Approvals
Schedule 1.1(m)	Third Instalment Project Approvals
Schedule 1.1(n)	Underlying Agreements
Schedule 3.7(a)(ii)	Deposit Reconciliation
Schedule 5.8(a)	Locations of Collateral
Schedule 6.1(j)	Offtake Agreements
Schedule 8.1(c)	Security Documents
Schedule 10.1	Falco Representations and Warranties
Schedule 10.1(c)	Existing Joint Ventures of Falco
Schedule 10.1(f)	Approvals to be Obtained
Schedule 10.1(k)	Approvals Obtained
Schedule 10.1(o)	Options
Schedule 10.1(p)	Compliance with Laws
Schedule 10.1(u)	Financial Matters
Schedule 10.1(hh)	Environmental Matters
Schedule 10.2	Purchaser Representations and Warranties
Exhibit A	Intercreditor Agreement
Exhibit B	Purchase Assignment Agreement
Exhibit C	Compliance Certificate
Exhibit D	Form of Guarantee

Exhibit E	Purchaser Details

1.3 Accounting Principles

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

1.4 This Agreement to Govern

If there is any inconsistency between the terms of this Agreement and the terms of any other Transaction Document, the provisions hereof shall prevail to the extent of the inconsistency.

ARTICLE 2
PURCHASE AND SALE

2.1 Purchase and Sale of Refined Silver

(a) Subject to and in accordance with the terms of this Agreement, during the Term, Falco hereby agrees to sell to each Purchaser, and each Purchaser hereby agrees, jointly and not solidarily, to purchase from Falco, in respect of each Lot an amount of Refined Silver equal to Purchaser's Share of the Streamed Silver, free and clear of all Encumbrances.

(b) The amount of Reference Silver shall be measured by the amount of contained silver in the Minerals received by the Offtaker as finally determined by the Offtaker Settlement Sheets. Reference Silver shall not be reduced for, and no Purchaser shall be responsible for, any refining charges, treatment charges, penalties, insurance charges, transportation charges, settlement charges, financing charges or price participation charges, or other similar charges or deductions, regardless of whether such charges or deductions are expressed as a specific metal deduction, as a recovery rate or otherwise, in any case, pursuant to the terms of the applicable Offtake Agreement or otherwise.

(c) For greater certainty, the Refined Silver delivered pursuant to this Agreement may, but need not come from silver produced by the Horne 5 Project.

2.2 Delivery Obligations

(a) Subject to Section 2.2(b), within five (5) Business Days of the date of the Offtaker Settlement with an Offtaker, Falco shall sell to each Purchaser Refined Silver in an amount equal to such Purchaser's Stream Percentage of Payable Silver in respect of the Lot to which such Offtaker Settlement relates as supported by the documentation required pursuant to Section 2.4 and the applicable Monthly Production and Sales Report (provided that, in the case of clause 2.1(b) above, for this calculation, the amount of silver in the Lot shall be based on Falco's documentation, including Offtaker Settlement Sheets assays or similar testing, included in relation to such Offtaker Settlement).

(b) Within five Business Days after the earlier of (i) the date the amount of Reference Silver in each Lot has been agreed, or deemed to be agreed, by Falco and an Offtaker in accordance with an Offtake Agreement, and (ii) the date of the final Offtaker Settlement of the Lot with the Offtaker, Falco shall sell to the Purchasers, if the Refined Silver previously delivered to the Purchasers in respect of such Lot pursuant to Section 2.2(a) is lower than the actual Stream Percentage of Payable Silver of such Purchaser, Refined Silver in an amount equal to the amount by which the actual Stream Percentage of

Payable Silver exceeds the amount of Refined Silver previously delivered to the Purchasers in respect of such Lot pursuant to Section 2.2(a), in each case as supported by the documentation required pursuant to Section 2.4 and the applicable Monthly Production and Sales Report; provided, however, if the Refined Silver previously delivered to a Purchaser in respect of such Lot pursuant to Section 2.2(a) exceeds the actual Stream Percentage of Payable Silver of such Purchaser respectively, then Falco shall be entitled to set off and compensate against and deduct such excess amount of Refined Silver, as applicable, from the next required deliveries by Falco under this Agreement until it has been fully set-off against deliveries to the Purchasers of Refined Silver, if any, pursuant to this Section 2.2(b) or, if no such further deliveries are to be made, each Purchaser shall within five Business Days pay its Purchaser's Share of the applicable Silver Purchase Price in respect of any excess Refined Silver delivered to the extent not already paid.

(c) Subject to Section 2.6, Falco shall sell and deliver to the Purchasers all Refined Silver to be sold under this Agreement by way of (i) silver credit or physical allocation to (ii) the metal account or accounts in London or such other place designated by each Purchaser (the "**Delivery**"), provided that any other place designated by a Purchaser shall not have a Material Adverse Effect on the Seller or shall not materially increase the amount payable by the Seller pursuant to the provisions of Section 2.2(e) or Section 13.2(b) (ie., an increase in excess of [**REDACTED: percentage deleted**]), with both (i) and (ii) to be specified by each Purchaser by electronic communication at least thirty (30) days prior to the first Delivery under this Agreement and thereafter, if there is any change to such information, at least 30 days in advance of any sale or Delivery of Refined Silver. Delivery of Refined Silver to any Purchaser shall be deemed to have been made at the time and on the date Refined Silver is credited or physically allocated to a designated metal account of such Purchaser (the "**Time of Delivery**" on the "**Date of Delivery**").

(d) Title to, and risk of loss of, Refined Silver shall pass from Falco to a Purchaser at the Time of Delivery.

(e) All costs and expenses pertaining to each Delivery of Refined Silver to the Purchasers shall be borne by Falco.

(f) Falco hereby represents and warrants to and covenants with the Purchasers that, immediately prior to the Time of Delivery (i) Falco will be the sole legal and beneficial owner of the Refined Silver credited or physically allocated to a metal account or accounts of the applicable Purchaser in London or such other place designated by the applicable Purchaser as contemplated by Section 2.2(c), (ii) Falco will have good, valid and marketable title to such Refined Silver, and (iii) such Refined Silver will be free and clear of all Encumbrances other than those granted to the Purchaser under this Agreement.

2.3 Minimum Delivery

Falco shall deliver at least six (6) million ounces of Refined Silver (the "**Minimum Delivery**") within the first sixty (60) months following the date of Commencement of Commercial Production (the "**Minimum Delivery Date**"). If Falco has not delivered the Minimum Delivery by the Minimum Delivery Date, Falco will owe Refined Silver in an amount equal to the difference between the Minimum Delivery and the number of ounces of Refined Silver delivered to all Purchasers hereunder since the date of Commencement of Commercial Production together with annual interest (compounded annually from the date hereof until paid in full) equal to [**REDACTED: percentage deleted**] payable in kind by delivery of Refined Silver. At least 120 days prior to the Minimum Delivery Date, Falco shall advise in writing each Purchaser whether it has met or expects to meet its obligation under this Section by no later than the Minimum Delivery Date. Falco shall provide to each Purchaser within 5 Business Days following the Minimum Delivery Date a statement of account reconciling all Deliveries made to each Purchaser as at the Minimum

Delivery Date and, to the extent it has not delivered the Minimum Delivery by the Minimum Delivery Date it shall pay to each Purchaser, in Refined Silver, any amounts owing by it under this Section by no later than the date that is ninety (90) days after the Minimum Delivery Date.

2.4 Invoicing

(a) Falco shall notify each Purchaser in writing by email (at the email address specified from time to time by such Purchaser), at least two Business Days prior to each Delivery and credit to the account of each Purchaser pursuant to Section 2.5 on the Date of Delivery the number of ounces of Refined Silver to be sold to each Purchaser and, in accordance with Section 2.6, the net number of ounces of Refined Silver to be credited or physically allocated to each Purchaser when due.

(b) Falco shall notify each Purchaser in writing by email (at the email address specified from time to time by each Purchaser), within three Business Days after each Delivery and credit to the account of each Purchaser pursuant to Section 2.2, by delivery of an invoice to each Purchaser that shall include:

(i) the calculation of the number of ounces of Refined Silver credited or physically allocated;

(ii) copies of any provisional and final assays in respect of a Lot;

(iii) the Offtaker Settlement Sheets on which the calculation is based, or if the sharing of such documentation is restricted by Applicable Law or the Delivery has been completed in advance of receipt of the Offtaker Settlement Sheets, such other information that will allow each Purchaser to verify the Delivery of Refined Silver;

(iv) the Time of Delivery;

(v) the Silver Purchase Price for Refined Silver credited or physically allocated;

(vi) reference to the Offtake Agreement under which such Delivery was made; and

(vii) such other information as may be reasonably requested by the Purchasers' Agent to allow each Purchaser to verify all aspects of the delivery of Refined Silver reflected in such invoice.

(c) To the extent that the goods and services tax levied under the *Excise Tax Act* (Canada) or other similar sales taxes is required to be collected by any Falco Group Entity from any Purchaser, the applicable Falco Group Entity shall issue invoices to such Purchaser which shall include information prescribed by the *Input Tax Credit Information Regulations* under the *Excise Tax Act* (Canada) and other similar Applicable Law.

2.5 Silver Purchase Price

Each Purchaser shall pay to Falco a purchase price for each ounce of Refined Silver sold and delivered by Falco to such Purchaser under this Agreement (the "**Silver Purchase Price**") equal to:

(a) until the Deposit Reduction Date, an amount equal to the Reference Price, payable in cash or by wire transfer; and

(b) from and after the Deposit Reduction Date, the Transfer Price.

The Deposit represents a prepayment of a portion of the Silver Purchase Price for Refined Silver sold by Falco to the Purchasers prior to the Deposit Reduction Date. Until the Deposit Reduction Date, each

Purchaser shall credit the difference between the Reference Price and the Transfer Price (the "**Difference**") in respect of any sale of Refined Silver by Falco to such Purchaser against the then Uncredited Balance, in each case to be applied first to the latest Instalment until such Instalment has been reduced to nil before being applied to an earlier Instalment made, and, in all cases, the only amount that shall be paid is the Transfer Price, subject to the terms of Section 2.6. The Difference shall be converted to Cdn$ using the Spot Rate as of 12:00pm on the Date of Delivery. For greater certainty, the only cash payment payable by any Purchaser to Falco shall be the Deposit and the Transfer Price.

2.6 Payment

(a) Payment by each Purchaser for each Delivery of Refined Silver shall be made (i) no later than five Business Days after the Date of Delivery, and (ii) to a bank account of Falco designated in accordance with Section 13.1, provided that, at least one (1) Business Day prior to any applicable Date of Delivery, any Purchaser may provide notice to Falco with respect to the forthcoming Delivery that any cash payments required to be made by the Purchaser therefor shall instead be compensated and set off against the Refined Silver otherwise to be Delivered by Falco on the applicable Date of Delivery. Any such compensation or set-offs pursuant to this Section 2.6(a) shall be made at the Reference Price on the Business Day immediately preceding the Date of Delivery.

(b) In the event that a Purchaser does not make a required payment within 10 Business Days of any such payment becoming due, then the provisions of Section 13.4 shall be applicable such that Falco shall be entitled to compensate and set-off against amounts owing against future deliveries of Refined Silver to such Purchaser.

2.7 Use of Proceeds

Any and all amounts paid to Falco under this Agreement will be used solely for the purpose of advancing dewatering, development and construction of the Horne 5 Project in accordance with the then current Construction Budget and Schedule, and for working capital requirements of the Horne 5 Project.

2.8 Judgment Currency

If for the purposes of obtaining judgment in any court, it is necessary to convert a sum due hereunder or any other Transaction Document in one currency into another currency, the rate of exchange used shall be that at which in accordance with normal banking procedures Purchasers' Agent could purchase the first currency with such other currency on the Business Day preceding that on which final judgment is given. The obligation of each Falco Group Entity in respect of any such sum due from it to any Secured Party hereunder or under the other Transaction Documents shall, notwithstanding any judgment in a currency (the "**Judgment Currency**") other than that in which such sum is denominated in accordance with the applicable provisions of this Agreement (the "**Agreement Currency**"), be discharged only to the extent that on the Business Day following receipt by the applicable Secured Party, as the case may be, of any sum adjudged to be so due in the Judgment Currency, such Secured Party, as the case may be, may in accordance with normal banking procedures purchase the Agreement Currency with the Judgment Currency. If the amount of the Agreement Currency so purchased is less than the sum originally due to the applicable Secured Party in the Agreement Currency, the applicable Falco Group Entity agrees, as a separate obligation and notwithstanding any such judgment, to indemnify the applicable Secured Party, against such loss. If the amount of the Agreement Currency so purchased is greater than the sum originally due to the applicable Secured Party in such currency, the applicable Secured Party agrees to return the amount of any excess to such Falco Group Entity (or to any other Person who may be entitled thereto under applicable law).

ARTICLE 3
DEPOSIT PAYMENT

3.1 Deposit

Subject to the other provisions of this Agreement, and in consideration for the respective promises and covenants of Falco contained herein, including the sale and delivery by Falco to the Purchasers of Refined Silver, each Purchaser hereby agrees jointly and not solidarily up to the amount of its Commitment in accordance with its Purchaser's Share only with respect to each instalment, to pay, and Falco hereby agrees to accept, in accordance with the instalments below, a cash deposit totaling in the aggregate for all Purchasers up to Cdn$180,000,000 (the "**Deposit**") against, and as a prepayment of, the Silver Purchase Price. Subject, in each case, to the conditions in Sections 3.2 through 3.7 inclusively, the Deposit shall be paid to Falco in five instalments as follows:

(a) a first instalment (the "**First Instalment**") in the amount of Cdn$25,000,000 and payable on the Closing Date to be disbursed as follows:

(i) directly to the beneficiary thereof to be applied in the following order:

(A) first, towards all reasonable fees and expenses owing by Falco to Osisko incurred or associated with the transactions contemplated by this Agreement and the other Transaction Documents;

(B) second, towards the indefeasible repayment in full of the principal amount, if any, which remains owing to Osisko under the Senior May Note in accordance with the terms of the applicable Senior Notes Payout Letter, it being understood that the obligation of Falco to pay to Osisko the accrued interest on such Senior May Note will be satisfied by the issuance of common shares in the capital of Falco to Osisko, or as otherwise agreed upon by Falco and Osisko;

(C) third, towards the payment of all accounts payable then owing to Osisko in accordance with the terms of the Senior Notes Payout Letter;

(D) fourth, towards the indefeasible repayment in full of the principal amount, if any, which remains owing to Osisko under the Senior September Loan in accordance with the terms of the applicable Senior Notes Payout Letter, it being understood that the obligation of Falco to pay to Osisko the accrued interest on such Senior September Loan will be satisfied by the issuance of common shares in the capital of Falco to Osisko, or as otherwise agreed upon by Falco and Osisko; and

(ii) the balance, if any, to Falco to be used in accordance with the terms of Section 3.8;

(b) a second instalment (the "**Second Instalment**") in the amount of Cdn$20,000,000 to be paid by no later than January 31, 2020 (the "**Second Instalment Expiry Date**") and to be disbursed as follows:

(i) directly to Osisko to be applied towards the indefeasible repayment in full of all amounts, if any, still owing under Senior February Loan in accordance with the terms of an applicable Senior Notes Payout Letter, Osisko confirming that once all amounts owing under all the Senior February Loan and all accounts payable by Falco to Osisko, have been repaid in full, Osisko shall cause any all Encumbrances related thereto to be discharged; and

(ii) the balance, if any, to be used by Falco in accordance with the terms of Section 3.8;

(c) a third instalment (the "**Third Instalment**") in the amount of Cdn$35,000,000 to be paid by no later than January 31, 2021 (the "**Third Instalment Expiry Date**") and to be used by Falco in accordance with the terms of Section 3.8.

(d) a fourth instalment (the "**Fourth Instalment**") in the amount of Cdn$60,000,000 to be paid by no later than January 31, 2022 (the "**Fourth Instalment Expiry Date**") and to be disbursed on a pro rata basis with each drawdown of the Project Facility, subject to early drawdowns by Falco for the acquisition of long-lead time items as consented to by the Purchasers' Agent (acting on the instructions of the Majority Purchasers, acting reasonably), and in each case to be used by Falco in accordance with the terms of Section 3.8; provided that, the Majority Purchasers may, in their sole and absolute discretion, elect that all or any portion of the Fourth Instalment be funded by the Purchasers at that time on a more accelerated basis than pro rata with drawdowns under the Project Facility; and

(e) a fifth instalment (the "**Fifth Instalment**") in the amount of Cdn$40,000,000 to be paid by no later than January 31, 2022 and to be disbursed on a pro rata basis with each drawdown of the Fourth Instalment, and in each case to be used by Falco in accordance with the terms of Section 3.8; provided that, the Unanimous Purchasers may, in their sole and absolute discretion, elect that all or any portion of the Fifth Instalment be funded by the Purchasers at that time on a more accelerated basis than pro rata with drawdowns under the Fourth Instalment.

No interest will be payable by Falco on or in respect of the Deposit except as contemplated by Sections 2.3 and 11.2. In the event that less than all of the Deposit is funded in accordance with the terms and conditions of this Agreement, for all purposes the term "**Deposit**" shall be deemed to mean only that portion of the Deposit that has been funded.

3.2 Conditions Precedent to First Instalment in Favour of the Purchasers

The obligations of the Purchasers to fund the First Instalment pursuant to Section 3.1(a) shall be subject to each of the following conditions being satisfied on terms or forms satisfactory to the Purchasers' Agent (acting on the instructions of the Majority Purchasers):

(a) delivery to the Purchasers' Agent and its counsel of customary corporate, enforceability and Security registration opinions with respect to Falco and a title opinion with respect to mining rights forming part of the Collateral (including the Horne 5 Property) as well as title insurance with respect to any other immovable (real) property;

(b) approval by the shareholders of Falco of the transactions contemplated by this Agreement in accordance with the rules of the TSX Venture Exchange and applicable Securities Laws, including Regulation 61-101;

(c) approval by the disinterested shareholders of Falco of the conversion of the principal amount of the Secured Debenture in accordance with the rules of the TSX Venture Exchange and, to the extent required, applicable Securities Laws including Regulation 61-101 into underlying common shares and warrants of Falco, together with the discharge of all Encumbrances related to the Secured Debenture;

(d) payment in full of all amounts owing under the Senior May Note, and payment (in that order) of all accounts payable due by Falco to Osisko secured by the same Osisko Encumbrance which secures the Senior September Loan and all amount under the Senior September Loan, in each instance as set forth in the applicable Senior Notes Payout Letter;

(e) execution of this Agreement, the Intercreditor Agreement and the other Transaction Documents to be entered into as of the Closing Date;

(f) registration of all Encumbrances in favour of the Collateral Agent over the Collateral in all applicable registries, including the opening of necessary land files (*fiches immobilières)* with respect to Falco's mineral rights forming part of the Collateral and registration against such land files, unless otherwise agreed upon in writing by the Purchaser's Agent and Falco;

(g) other than the Approvals to be obtained pursuant to Section 3.3(b), obtaining any Approvals which are necessary for the granting of any Encumbrance on the Collateral or execution and performance of any Transaction Document, including, without limitation, with respect to the assignment of the Horne 5 Property, the Glencore Property Documents and any required Approvals from Glencore (it being the intention that all required Approvals from Glencore and Basecore will be provided within the terms of the Intercreditor Agreement);

(h) payment of all reasonable fees and expenses owing by Falco to Osisko, as holder of the Senior Notes, and pursuant to Section 16.13; and

(i) such other documentation as the Purchasers' Agent and its counsel may reasonably require.

3.3 Conditions Precedent to Second Instalment in Favour of the Purchasers

The obligations of the Purchasers to fund the Second Instalment pursuant to Section 3.1(b) shall be subject to each of the following conditions being satisfied on terms or forms satisfactory to the Purchasers' Agent (acting on the instructions of the Majority Purchasers):

(a) Falco obtaining and delivering to the Purchasers' Agent each of the Second Instalment Project Approvals;

(b) obtaining any Approvals from Mineral Interests holders, if any, with respect to mineral rights that do not form part of the Horne 5 Property and which are not Material Collateral, but which are necessary for the granting of any Encumbrance on the Collateral or execution and performance of any Transaction Document;

(c) adoption by Falco and its Board of the Anti-Corruption Policy;

(d) the repayment of any balance owing under the accounts payable due by Falco to Osisko secured by the Osisko Encumbrances as well as the repayment in full of the Senior February Loan;

(e) delivery to the Purchasers' Agent and its counsel of a title opinion with respect to the rights of Falco in the Horne 5 Property, and in respect of the Controlled Properties as defined in the Asset Purchase Agreement; and

(f) the funding of the First Instalment shall have been completed.

3.4 Conditions Precedent to Third Instalment in Favour of the Purchasers

The obligations of the Purchasers to fund the Third Instalment pursuant to Section 3.1(c) shall be subject to each of the following conditions being satisfied on terms or in forms satisfactory to the Purchasers' Agent (acting on the instructions of the Majority Purchasers):

(a) Falco paying to Osisko an amount in cash of Cdn$2,000,000 in respect of the agreed capital commitment fee;

(b) delivery to the Purchasers' Agent and its counsel of a title opinion with respect to the rights of Falco in the Horne 5 Property, and in respect of the Controlled Properties as defined in the Asset Purchase Agreement;

(c) Falco obtaining and delivering to the Purchasers' Agent all Third Instalment Project Approvals;

(d) Falco's board of directors approving and announcing to the market in a press release a positive construction decision for the Horne 5 Project;

(e) Falco obtaining Minimum Eligible Financing; and

(f) the funding of the Second Instalment shall have been completed.

3.5 Conditions Precedent to Fourth Instalment in Favour of the Purchasers

The obligations of the Purchasers to fund the Fourth Instalment pursuant to Section 3.1(d) shall be subject to each of the following conditions being satisfied on terms or in forms satisfactory to the Purchasers' Agent (acting on the instructions of the Majority Purchasers):

(a) Falco achieving Financial Close in respect of the Project Facility;

(b) delivery to the Purchasers' Agent and its counsel of a title opinion with respect to the rights of Falco in the Horne 5 Property, and in respect of the Controlled Properties as defined in the Asset Purchase Agreement; and

(c) the funding of the Third Instalment shall have been completed.

3.6 Conditions Precedent to Fifth Instalment in Favour of the Purchasers

The Purchasers shall have no obligation to fund the Fifth Instalment, such Fifth Instalment being entirely discretionary. Accordingly, and notwithstanding any other term to the contrary, the Fifth Instalment shall only be funded with the prior written consent and approval of the Unanimous Purchasers, in their sole and absolute discretion.

3.7 Conditions Precedent to each Deposit Instalment in Favour of the Purchasers

The obligations of the Purchasers to fund each of the First Instalment, Second Instalment, Third Instalment, Fourth Instalment and Fifth Instalment shall, in addition to the conditions set forth in Sections 3.2 to 3.6 inclusively, as applicable, be subject to each of the following conditions being satisfied on terms or in forms satisfactory to the Purchasers' Agent (acting on the instructions of the Majority Purchasers), as applicable:

(a) a duly completed and executed written notice (a "**Deposit Request**"), in each case (other than in respect of the First Instalment) no more than 45 days and no less than 30 days prior to the requested instalment date, requesting payment of the amounts under Section 3.1(a), 3.1(b), 3.1(c), 3.1(d) or 3.1(e), as applicable, including each of the following, updated to the date of the submission of the Deposit Request and the date on which the Deposit is or will be made:

(i) schedule of works for development of the Horne 5 Project, including a reconciliation of works completed to date against the Construction Budget and Schedule;

(ii) schedule of Project Costs, including a reconciliation of Project Costs incurred to date against the Construction Budget and Schedule and a reconciliation of

previous Deposit(s) against the use of such Deposit(s) as set out in Schedule 3.7(a)(ii);

(iii) a certificate of a senior officer of Falco that, as of the date of the submission of the Deposit Request and the date on which the Deposit is or will be made:

(A) all of the Reiterating Representations and Warranties made by Falco pursuant to this Agreement, and the representations and warranties made by Falco pursuant to other Transaction Documents, are true and correct in all material respects (except for those representations which are qualified by materiality, which are true and correct in all respects), except those representations and warranties made as of a specific date which shall continue to be true and correct in all material respects as of such date;

(B) Falco has complied in all material respects with its obligations under this Agreement, including its reporting obligations under Article 5;

(C) no Material Adverse Effect has occurred since (i) June 30, 2018, in the case of the First Instalment, and (ii) the Closing Date, in the case of the Second Instalment, Third Instalment, Fourth Instalment and Fifth Instalment;

(D) no Force Majeure and no Seller Event of Default (or event which with notice or lapse of time or both would become a Seller Event of Default) has occurred and is continuing;

(E) all Project Governmental Approvals and all Project Third Party Approvals, including all Project Governmental Approvals listed as non material in Schedule 1.1(f) and all Project Third Party Approvals identified as non-material third party approvals and listed in part B of Schedule 1.1(g), which are necessary by the date of the Deposit Request and the date on which the Deposit is or will be made have been obtained in order to (i) own, operate and maintain the Horne 5 Project, (ii) commence and continue development operations on the Horne 5 Project in accordance with the Operating Plan, (iii) commence and carry out the operation of commercial production in accordance with the Operating Plan, and (iv) perform all of its obligations under the Transaction Documents to which it is a party;

(F) the development of the Horne 5 Project and the associated Project Costs (at its then current stage of completion) is, in all material respects, in compliance with all Material Project Governmental Approvals, all Material Project Third Party Approvals, Applicable Law, the Construction Budget and Schedule and the Operating Plan; and

(G) a statement as to its cash on hand;

(iv) no legal or regulatory action or proceeding shall be pending or threatened by any person which would, in the opinion of the Purchasers' Agent (acting on the instructions of the Majority Purchasers, acting reasonably), enjoin, restrict or prohibit the Horne 5 Project or the transactions contemplated hereby;

(v) receipt of all regulatory approvals, shareholder approvals (as applicable) and TSX Venture Exchange or, as applicable, TSX listing approvals (which latter approval shall be subject to customary closing conditions);

(vi) execution of any required Transaction Document not already in effect, including making any and all registrations, recordings and filings of or with respect to the Security Documents which, in the opinion of counsel to the Purchasers' Agent are necessary to render effective or enforceable against third parties or to perfect or continue the perfection of the Encumbrances intended to be created thereby (including, but subject to the terms of the Intercreditor Agreement, in any Designated Register, as defined therein) shall have been completed;

(vii) payment of all fees and expenses owing to the Purchasers, including pursuant to Section 16.13, which the Purchasers may deduct from the relevant Instalment; and

(viii) such other documentation as the Purchasers' Agent and its counsel may reasonably require.

3.8 Use of Deposit

Falco will cause the entire amount of the Deposit to be used, directly or indirectly, in accordance with the terms of Section 2.7.

3.9 Deposit Record

Falco shall, at all times, maintain a record of the Uncredited Balance (the "**Deposit Record**"), reflecting each payment of an instalment of the Deposit and each credit against the Deposit pursuant to Section 2.5(a) and the dates of such payments and credits. Falco shall, upon request of any Purchaser, provide such Purchaser with a copy of the Deposit Record.

3.10 Satisfaction of Conditions Precedent

(a) Falco shall use all commercially reasonable efforts and take all commercially reasonable action as may be necessary or advisable to satisfy and fulfill all the conditions with respect to it set forth in Sections 3.2 through 3.7 inclusively by the date provided or, if no date is provided, as promptly as reasonably practicable. The Parties shall co-operate in exchanging such information and providing such assistance as may be reasonably required in connection with the foregoing.

(b) Each of the conditions set forth in Sections 3.2 through 3.7 inclusively is for the exclusive benefit of the Purchasers, and may be waived in writing by the Purchasers' Agent, acting upon the instructions of the Majority Purchasers in their sole discretion and, with respect to the condition set forth in Section 3.6, the Unanimous Purchasers.

(c) For greater certainty, Falco acknowledges and agrees that the absence of satisfaction of any or all of the conditions set forth in Sections 3.2 through 3.7 inclusively shall not relieve Falco from its obligations under this Agreement.

3.11 Defaulting Purchaser

(a) If a Purchaser (the "**Defaulting Purchaser**") defaults in its obligation to fund its Commitment (the "**Defaulted Commitment**"), the Seller shall forthwith give notice of such default including the identity of the Defaulting Purchaser and the amount of the Defaulted Commitment to the Defaulting Purchaser, the Purchasers' Agent and the other Purchasers. If the Defaulting Purchaser has not, prior to the close of business on the 10th Business Day following the date of payment of the Deposit, paid the full amount of its Commitment to the Seller, the Defaulting Purchaser shall, as of such time cease to have any right to fund the Defaulted Commitment or any of its further Commitments ("**Defaulted Future Commitments**"). Forthwith after such time, the Seller shall give

notice (the "**Default Notice**") of such fact to the Defaulting Purchaser, the Purchasers' Agent and the other Purchasers.

(b) Upon notice to the Seller, the Defaulting Purchaser and the Purchasers' Agent given on or prior to the 30th day after a Default Notice, the Majority Purchasers (disregarding the Defaulting Purchaser and its Commitment in determining the Majority Purchasers) may require the Defaulting Purchaser to assign without recourse (in accordance with the terms hereof) all or any portion of its interests, rights and obligations under this Agreement and the other Transaction Documents in respect of the Defaulted Commitment and the Defaulted Future Commitments to the non-Defaulting Purchasers (the "**Non-Defaulting Purchasers**") or any of their Affiliates accepting such assignment (on a pro rata basis disregarding the Defaulting Purchaser and Non-Defaulting Purchasers who have not accepted such assignment) who shall assume all such interests, rights and obligations. The assignment to the Non-Defaulting Purchasers (or Affiliates) as aforementioned and the payment by such Non-Defaulting Purchasers (or Affiliates) of the Defaulted Commitment shall occur on the date specified in the Majority Purchaser notice (which shall be no later than 10 Business Days after such notice).

(c) If the Majority Purchasers have not given notice of assignment for all of the Defaulted Commitment and Defaulted Future Commitments within the applicable periods as provided herein (i) the Defaulting Purchaser's Commitment shall be adjusted downward to be an amount equal to the Defaulting Purchaser's Commitment prior to such default less the Defaulted Commitment (to the extent not assigned); (ii) the Defaulting Purchaser's right and obligation to fund the Defaulted Future Commitments shall be reinstated (to the extent not assigned); (iii) the aggregate Commitment of the Purchasers and the amount of the Deposit shall, for all purposes of this Agreement, be adjusted downward to be an amount equal to the Purchasers' aggregate Commitment prior to such default less the Defaulted Commitment (to the extent unassigned), and (iv) the Stream Percentage and Minimum Delivery Amount, but only with respect and to the extent affecting the Defaulting Purchaser (and not, for certainty any other Purchaser) shall be adjusted downward by a percentage equal to percentage that the Defaulted Commitment (to the extent not assigned) bears to that Purchaser's Commitment.

(d) Nothing in this Section 3.11 shall relieve the Defaulting Purchaser from any liability to any other Party for breach of this Agreement.

ARTICLE 4
TERM

4.1 Term

(a) The term of this Agreement shall commence on the Closing Date and, subject to Sections 4.1(b) or (c), shall continue until the date that is 40 years after the Closing Date (the "**Initial Term**") and thereafter shall automatically be extended for successive 10-year periods (each an "**Additional Term**" and, together with the Initial Term, the "**Term**").

(b) Notwithstanding Section 4.1(a), each Purchaser may terminate this Agreement with respect to itself as of the expiry of the Initial Term or current Additional Term, as applicable, by written notice to Falco within 30 days prior to the date on which the then applicable Initial Term or Additional Term is to expire. In such event, the Stream Percentage with respect to such Purchaser (and for certainty not any other Purchaser) shall be adjusted downward to be exclusive of the Purchaser's Share of such terminating Purchaser.

(c) This Agreement may also be terminated by the Parties on mutual written consent or by (i) the Majority Purchasers for a Seller Event of Default in accordance with Article 11, or (ii) Falco for a Purchaser Event of Default under Section 12.1(a) but only in respect of the

Purchaser or Purchasers that are subject to the Purchaser Event of Default in question (and not, for greater certainty, with respect to any other Purchasers).

4.2 Survival

The following provisions shall survive termination of this Agreement: Section 4.2; Section 5.7(a) (for a period of 12 months); Section 6.6; Article 9; Section 10.3 (but only until such time as any losses suffered or incurred by a Purchaser prior to such termination remains unpaid); Section 11.2; Section 12.2; Article 13; Article 14; Article 16, and such other provisions of this Agreement as are required to give effect thereto.

ARTICLE 5
REPORTING; BOOKS AND RECORDS; INSPECTIONS

5.1 Monthly Reporting

On or before the fifteenth Business Day after the end of each calendar month during the Term, Falco shall provide to each Purchaser:

(a) a Monthly Development and Operations Report; and

(b) commencing after the first commercial sale of Minerals, a Monthly Production and Sales Report.

In the Monthly Development and Operations Report, Falco shall make detailed reference to and, upon request from the Purchasers' Agent, provide, all reports and other relevant documentation or information that may reasonably have a material impact on any of the Project Documents.

5.2 Quarterly Reporting

Falco shall provide each Purchaser, no later than 45 days after the end of each of Falco's first, second and third fiscal quarters, a certificate of a senior officer of Falco and, if applicable, each other Falco Group Entity, in the form of Exhibit C, relating to the compliance or non-compliance of Falco and the other Falco Group Entities with this Agreement and attaching the Uncredited Balance calculation as at the end of such quarter.

5.3 Annual Reporting

Falco shall provide each Purchaser:

(a) no later than 60 days of each fiscal year end during the Term, an Annual Compliance Certificate and an Annual Development and Operations Report;

(b) no later than December 31 of each calendar year during the Term, but in any event subject to the terms of Section 6.1(h), an updated Operating Plan and Construction Budget and Schedule for the immediately following calendar year;

(c) no later than 45 days preceding the commencement of each calendar year during the Term, an Annual Forecast Report in respect of such upcoming calendar year;

(d) no later than 45 days preceding the commencement of each fiscal year during the Term, an up to date block model with regards to the Horne 5 Property;

(e) no later than 90 after the end of each fiscal year during the Term, a certificate of a senior officer of Falco and, if applicable, each other Falco Group Entity, in the form of Exhibit C, relating to the compliance or non-compliance of Falco and the other Falco Group Entities

with this Agreement and attaching the Uncredited Balance calculation as at the end of such year; and

(f) no later than 90 days after the end of each fiscal year during the Term, a certificate of a senior officer of Falco listing the types of insurance coverages in effect for the Falco Group Entities, including with respect to the Horne 5 Project and the Horne 5 Property, and stating the amounts of such insurance and the applicable deductibles under such insurance.

5.4 Financial Reporting

Falco shall provide each Purchaser:

(a) no later than 45 days after the end of each of Falco's first, second and third fiscal quarters, a copy of Falco's quarterly unaudited consolidated financial statements for such quarter prepared in English and French (provided that the making of documents publicly available on Falco's SEDAR profile satisfies this requirement); and

(b) no later than 90 days after the end of each of Falco's fiscal year, a copy of Falco's audited annual consolidated financial statements prepared in English and French (provided that the making of documents publicly available on Falco's SEDAR profile satisfies this requirement).

5.5 Ongoing Reporting

Falco shall deliver or furnish, or cause to be delivered or furnished, to each Purchaser:

(a) written notice of the Commencement of Commercial Production (within five Business Days of such occurrence) along with copies, for such written notice, of:

(i) any updated Regulation 43-101 technical reports or mineral reserve and mineral resource estimates produced that pertain to the Horne 5 Project (provided that the making of documents publicly available on Falco's SEDAR profile shall satisfy this requirement so long as Purchasers have been notified that such documents have been made publicly available);

(ii) any material engineering or technical studies relating to the Horne 5 Project; and

(iii) all material reports, certificates, documents and notices which are delivered to Falco or any Falco Group Entity by or on behalf of any third-party consultant.

(b) written notice of each of the following events promptly, and, in any event, no later than 5 Business Days, upon any Falco Group Entity becoming aware of or having knowledge of such event:

(i) any material damages suffered to the Horne 5 Project for which any Falco Group Entity has or plans to make any insurance claim;

(ii) all material actions, suits and proceedings before any Governmental Authority or arbitrator pending, or to Falco's knowledge threatened, against or directly affecting Falco, any Falco Group Entity or the Horne 5 Project, including any actions, suits, claims, notices of violation, hearings, investigations or proceedings pending, or to Falco's knowledge threatened, against or affecting any Falco Group Entity, or with respect to the ownership, use, maintenance and operation of the Horne 5 Project;

(iii) any material default by any party under or termination or threatened termination of any material agreement related to the Horne 5 Project or the Horne 5 Property;

(iv) the occurrence of any Seller Event of Default, or any event or circumstance which with notice or lapse of time or both would become a Seller Event of Default or upon the determination by Falco that a Seller Event of Default is pending or threatened;

(v) any material disputes or disturbances involving First Nations or any local communities or any First Nations Claims;

(vi) any threat to revoke or suspend any Project Approval;

(vii) any event, circumstance or fact that could give rise to an "event of default" (or similarly defined term) as defined under any Project Facility or any Indebtedness of any Falco Group Entity with a principal amount of [**REDACTED: dollar amount deleted**] without any amendments or waivers from the lenders thereunder; and

(viii) any other condition or event which has resulted, or that could reasonably be expected to result, in a Material Adverse Effect;

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

(c) copies of each of the following documents promptly, and, in any event, no later than 10 Business Days, upon any Falco Group Entity receiving such document:

(i) any notices or other material correspondence received from any Governmental Authority in respect of any material breach, non-compliance or alleged breach or non-compliance by any Falco Group Entity in respect of Applicable Laws or Project Approvals; and

(ii) any notices or other material correspondence received from any person (other than a Governmental Body) in respect of any material breach, non-compliance or alleged material breach or non-compliance by any Falco Group Entity of the terms and conditions of any Project Approvals;

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

(d) to the extent not otherwise required by this Agreement, copies of all reporting documents delivered to any senior financiers under any project financing (including the Project Facility) concurrent with such delivery; and

(e) all other information reasonably requested by Purchasers' Agent from time to time concerning the Falco Group Entities financial condition and the Horne 5 Project.

5.6 Provision of Reports

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

5.7 Books and Records

(a) Falco shall, and Falco shall cause the Falco Group Entities to, keep true, complete and accurate books and records of all of the Falco Group Entities' respective operations and activities with respect to the Horne 5 Project and this Agreement, including the mining and production of all Minerals and the mining, treatment, processing, milling, transportation and sale or refining of all Minerals, and all operating or capital costs.

(b) Falco shall, and Falco shall cause the Falco Group Entities to, upon reasonable notice given to Falco by the Purchasers' Agent (acting on the instructions of the Majority Purchasers), permit the Purchasers' Agent and its authorized representatives and agents to perform audits or other reviews and examinations of their books and records and other information relevant to the production, delivery and determination of Reference Silver and Payable Silver, and compliance with this Agreement including, without limitation, operational reports, Falco's annual operating budget and Falco's expense tracking, from time to time at reasonable times at the Purchaser's sole risk and expense, provided that, absent a Seller's Default, the Purchasers shall not conduct more than two (2) such audits, reviews or examinations in any fiscal year of Falco. Purchasers' Agent shall diligently complete any audit or other examination permitted hereunder.

(c) The Purchaser's Agent and its authorized representatives and agents shall, upon reasonable notice given to Falco, be entitled to one site visit to the Horne 5 Property per year, provided that, in the event of the existence of a Seller Event of Default, or a material deficiency identified during a previous audit or review, such rights may be exercised by the Purchaser's Agent not more than once during any calendar quarter until no material deficiencies are identified during four consecutive audits or reviews, at which point the Purchaser's Agent will once again be limited to one site visit to the Horne 5 Property per calendar year.

(d) If any technical report prepared in accordance with Regulation 43-101 is prepared in respect of the Horne 5 Project or otherwise with respect to the Horne 5 Property, Falco shall provide to the Purchaser's Agent an advanced draft copy (and a reasonable opportunity to comment thereon) of such technical report before the press release for its filing on SEDAR is made or is otherwise made publicly available and in any event not less than five Business Days before it is so made public.

(e) If any Purchaser or any of its Affiliates is required by Applicable Law to prepare a technical report under Regulation 43-101 (or similar report) in respect of the Horne 5 Project, as determined by such Purchaser acting reasonably, Falco shall cooperate with and allow such Purchaser and its authorized representatives to access technical information pertaining to the Horne 5 Project and complete site visits at the Horne 5 Project so as to enable such Purchaser or its Affiliates, as the case may be, to prepare the technical report (or similar report) in accordance with Regulation 43-101 (or any other applicable Canadian and/or U.S. and/or stock exchange rules and policies governing the disclosure obligations of the Purchaser or any of its Affiliates) at the sole cost and expense of such Purchaser. At reasonable times and with the prior consent of Falco (not to be unreasonably withheld or delayed, but which may be conditional upon Falco being satisfied, acting reasonably, that the Purchaser and/or its Affiliates will comply with the health and safety rules of Falco), any Purchaser and its authorized representatives shall have a right of access to all surface and subsurface portions of the Horne 5 Project, to any mill, smelter, concentrator or other processing facility owned or operated by a Falco Group Entity that is used to process Minerals and to any related operations of the Falco Group Entities for the purpose of enabling the Purchaser to comply with the obligations of any Purchaser or any of its Affiliates under Regulation 43-101 (or any other applicable Canadian and/or U.S. Securities Laws and/or stock exchange rules and policies governing the disclosure obligations of such Purchaser or any of its Affiliates). Prior to the filing by any Purchaser of any technical report on the Horne 5 Project, such

Purchaser will give Falco a reasonable opportunity to review and comment on such technical report and shall provide to Falco a final copy or advance draft copy of any such technical report before it is filed on SEDAR, and in any event, not less than five Business Days before it is filed. No Falco Group Entity shall assume any liability in connection with any disclosure by any Purchaser or any Affiliate of any Purchaser with respect to the Horne 5 Project, including in connection with any technical report (or similar report) prepared by any Purchaser or any Affiliate of any Purchaser that contains information concerning the Horne 5 Project that was disclosed to any Purchaser or any Affiliate of any Purchaser hereunder.

5.8 Changes to the Horne 5 Property and Collateral

(a) Other than in respect of Minerals in-transit which are being Transferred pursuant to an Offtake Agreement in the ordinary course of business, no Falco Group Entity shall change any location in which the Collateral is located, all as described and except as disclosed in Schedule 5.8(a) (as such Schedule 5.8(a) may be updated from time to time by notice to the Collateral Agent and only to the extent not in contravention of the terms of this Section 5.8(a)), without providing the Collateral Agent at least 30 days prior written notice, and so long as such Collateral remains in Canada (in a location in which the Collateral Agent has perfected and opposable security) and the Collateral Agent's Encumbrances are not adversely affected thereby, provided that, the foregoing shall not prevent Falco from purchasing equipment that is located outside of Canada so long as (i) no Seller Event of Default exists or would result therefrom, (ii) such purchase does not exceed [**REDACTED: dollar amount deleted**] in the aggregate (in one or a series of related transactions), (iii) such equipment is delivered to Falco in a location in Canada in which the Collateral Agent has perfected and opposable security within 30 days of purchase, and (iv) notice thereof is provided to the Collateral Agent prior to the purchase.

(b) Within 10 days of any change to the Horne 5 Property or any new immovable (real) property (including any mining claim, mining lease, surface right or otherwise) is acquired or owned by any Falco Group Entity (and in any event before any Deposit Request), a description of such property together with an updated Schedule 1.1(h)(i) shall be provided by Falco to the Collateral Agent.

(c) Within 10 days of any change to the information in Schedule 1.1(h)(i) (and in any event before any Deposit Request), an updated Schedule 1.1(h)(i) shall be provided by Falco to the Purchasers' Agent.

5.9 Form of Reports

All reports. notices and other documents required to be delivered to each of the Purchasers in this Article 5 shall be delivered in electronic format whenever and wherever possible and, if in physical format, Falco or any Falco Group Entity, as applicable, shall deliver or shall cause to be delivered, sufficient copies to each Purchaser.

ARTICLE 6
COVENANTS

6.1 Conduct of Operations

(a) Each Falco Group Entity shall operate the Horne 5 Project on a commercial basis as though it has the full economic interest in the silver produced from the Horne 5 Project and the Horne 5 Property in the absence of this Agreement and as if it was entitled to receive the Reference Price for all silver produced. Each Falco Group Entity shall ensure that (i) all cut-off grade, short term mine planning and production decisions concerning the Horne 5 Project shall be based on silver prices typical of Good Industry Practice, and (ii) all longer term planning and resource and reserve calculations concerning the Horne

5 Project shall use Mineral prices based on Good Industry Practice. Each Falco Group Entity shall ensure that all Minerals will be processed in a manner consistent with the Operating Plan. Except as otherwise provided herein, all decisions regarding the Horne 5 Project, including all decisions (i) concerning the methods, procedures and techniques of any development, construction, mining, production, processing, recovery, sale, transportation, storage and delivery operations, (ii) concerning the design, development, construction and operation of the Process Plant, and (iii) regarding spending on operating and capital expenditures, shall be made by the Falco Group Entities in their sole discretion.

(b) Each Falco Group Entity shall perform all exploration, development, and mining operations and activities pertaining to or in respect of the Horne 5 Project in accordance in all material respects with the Operating Plan and with all Applicable Laws and Project Documents and Good Industry Practice.

(c) Each Falco Group Entity shall use all commercially reasonable efforts to obtain and, once obtained, maintain all Project Governmental Approvals, all Project Third Party Approvals and all Project Agreements necessary to (i) own, operate and maintain the Horne 5 Project, (ii) commence and continue development operations on the Horne 5 Project in accordance with the Operating Plan, (iii) commence and carry out the operation of commercial production, and (iv) perform all of its obligations under the Transaction Documents to which it is a party. Upon any such Approval having been obtained, Falco shall provide to the Purchasers' Agent an updated Schedule 10.1(f) and 10.1(k).

(d) Each Falco Group Entity shall, timely and fully perform, pay and observe, or cause to be performed, paid and observed, any and all liabilities and obligations required by any Applicable Laws, the Project Documents or by any Governmental Authority for the reclamation, restoration or closure of any facility or land used in connection with the Falco Group Entities' operations or activities at, on or in respect of the Horne 5 Project or required under this Agreement.

(e) Each Falco Group Entity shall develop the Horne 5 Project in accordance, in all material respects, with the Operating Plan then in effect and Good Industry Practice.

(f) Falco shall achieve Commencement of Commercial Production by the Commencement of Commercial Production Outside Date and Completion by the Completion Outside Date.

(g) Each Falco Group Entity shall, at all times, maintain security at the Horne 5 Property and in respect of all operations of the Horne 5 Project in accordance with Good Industry Practice.

(h) [**REDACTED: Commercially sensitive information.**]

(i) No Falco Group Entity shall enter into any new Glencore Property Document related to the development, construction, operation or ownership of the Horne 5 Property or the Horne 5 Project (except to the extent immaterial in nature (such as routine licenses and indemnities) but only to the extent not adverse to the rights and benefits of the Purchasers under the Transaction Documents) or approve any amendment to any of the Glencore Property Documents, the Basecore Royalty, the BaseCore Security or, after entered into, the Project Facility, without the prior written consent of the Purchasers' Agent (acting on instructions of the Majority Purchasers), such consent not to be unreasonably withheld or delayed, it being understood that it shall not be unreasonable to withhold consent with respect to the entering into of any document or amendment that would be adverse to the interests of the Purchasers or their rights under the Transaction Documents.

(j) Except as disclosed in Schedule 6.1(j), no Falco Group Entity shall, after the Closing Date, enter into any Offtake Agreement, forward sale agreements with respect to any of the Refined Silver, any royalty agreements on any Refined Silver, or any other agreements that are similar to either an Offtake Agreement or a forward sale agreement (including stream agreements) or a royalty agreement or otherwise grant any Mineral Interest, in each case, in respect of Refined Silver, other than in accordance with the provisions of Section 6.4, upon which Falco shall provide to the Purchasers' Agent an updated Schedule 6.1(j). No Falco Group Entity shall amend, modify or vary any existing Offtake Agreement, forward sale agreements with respect to any of the Refined Silver, any royalty agreements on any Refined Silver, or any other agreements that are similar to an Offtake Agreement, a forward sale agreement (including stream agreements) or a royalty agreement in each case in respect of Refined Silver or any other Mineral Interest which would have the effect of increasing any payments or royalties (whether paid in cash or in-kind) to any parties under such agreements. For greater certainty, the foregoing restriction shall not apply to any royalties or levies imposed by any Applicable Law of general application.

6.2 Preservation of Corporate Existence and Horne 5 Project/No Encumbrances

(a) Except as otherwise permitted pursuant to Section 7.3, Falco shall, and Falco shall cause each of the Falco Group Entities to, at all times from and after the date hereof to do and cause to be done all things necessary or advisable to maintain their respective corporate existence. Falco shall not permit any Falco Group Entity to merge, amalgamate or consolidate with, or liquidate into, or sell all or substantially all of its assets to, any person, other than with or to another Falco Group Entity, provided that such Falco Group Entity is organized under the laws of Canada or a province or territory thereof and so long as any such transaction would not adversely impact the Purchasers', the Purchasers' Agent's or the Collateral Agent's rights under the Transaction Documents. Falco shall not, and shall not permit any Falco Group Entity to, change its name or the jurisdiction of its chief executive office or registered office or the jurisdiction in which any of its corporeal (tangible) assets are located, except in accordance with Section 5.8(a).

(b) Each Falco Group Entity shall at all times do or cause to be done all things necessary to maintain the Horne 5 Property and the Horne 5 Project in good standing, including paying or causing to be paid all Taxes owing in respect thereof, performing or causing to be performed all required assessment work thereon, paying or causing to be paid all claim, permit and license maintenance fees in respect thereof, paying or causing to be paid all rents and other payments in respect of leased properties forming a part thereof or otherwise payable under any purchase, option or similar agreements relating thereto and otherwise maintaining the Horne 5 Project in accordance with Applicable Laws.

(c) Falco shall not, and Falco shall not permit any Falco Group Entity to, create, assume, grant or permit to exist any Encumbrance in respect of all or any part of its property and assets, except for a Permitted Encumbrance. Falco shall, and Falco shall cause each Falco Group Entity to, take all steps to preserve and maintain the Security as a perfected and opposable first-ranking Encumbrances on the Collateral (subject only to the Permitted Encumbrances that have priority by operation of law, the National Bank Hypothec and the Osisko Encumbrances).

(d) The Purchasers' Agent (at the direction and expense of the Majority Purchasers) may undertake such investigation of the title and status of the Horne 5 Property and the Horne 5 Project as it shall deem necessary. If that investigation should reveal material defects in the title (which shall not include Permitted Encumbrances), Falco shall forthwith proceed to use commercially reasonable efforts to cause such material defects to be cured in accordance with its rights under the Glencore Property Documents or if the property is evidenced by a stand-alone mineral right or title granted by a Governmental Authority directly to Falco, to cure such title defects, in each case, to the satisfaction of the

Purchasers' Agent (acting on the instructions of the Majority Purchasers), acting reasonably, and reimburse the Purchaser's for any expense incurred from the aforementioned investigation. If any such material defects are not so cured within 30 days of such notice from the Purchasers' Agent: (i) the Purchasers' Agent (acting on the instructions of the Majority Purchasers) may proceed to cure such title defects; (ii) any costs and expenses incurred (including reasonable attorney's fees and costs) by the Purchasers' Agent in connection with curing such title defects shall be promptly reimbursed by Falco; and (iii) the Purchasers' Agent may lien such properties for such amounts until Falco reimburses any Purchasers' Agent in full. For clarity, the ownership by Falco of its rights in and to the Horne 5 Property as set forth in the legal opinion delivered and accepted pursuant to Section 3.2(a) and the tenure thereof shall not be deemed to be a material defect for purposes of this Section 6.2(d).

(e) If, at any time after the Closing Date, the value of the property covered by title insurance, as reasonably determined by the Purchasers' Agent (acting on the instructions of the Majority Purchasers) exceeds the coverage thereunder, upon reasonable request of the Purchasers' Agent (at the instruction of the Majority Purchasers), Falco shall increase the amount of coverage under title insurance substantially on the same terms as those delivered on the Closing Date and provide the Collateral Agent with increased coverage, at Falco's expense, on terms and conditions acceptable to the Purchaser's Agent, acting reasonably.

6.3 Processing/Commingling

Falco shall not process Other Minerals through the processing facilities related to the Horne 5 Project or the Horne 5 Property in priority to or in place of, or commingle Other Minerals with, Minerals which are or can be mined, produced, extracted or otherwise recovered from the Horne 5 Property.

6.4 Offtake Agreements

(a) Falco shall ensure that, when Minerals that contain Reference Silver are sold, all such Minerals are sold to an Offtaker pursuant to an Offtake Agreement. Falco shall not sell unprocessed Minerals from the Horne 5 Property.

(b) During the Term, Falco shall ensure that all Offtake Agreements to be entered into by a Falco Group Entity shall be on terms satisfactory to the Purchasers' Agent (acting on instructions of the Majority Purchasers, acting reasonably) and shall be on commercially reasonable arm's length terms and conditions for concentrates similar in make-up and quality to those derived from the Minerals, and shall include industry standard reporting and payment settlement protocols and provisions that require the delivery of Offtaker Settlement Sheets and appropriate and separate sampling and assaying so that Falco and the applicable Offtaker can determine the grade or content of Reference Silver and other metals in each delivery to an Offtaker. For greater certainty, any variances in an Offtake Agreement from the percentages used to determine Payable Silver under this Agreement shall be for the sole account of Falco and shall not affect the amount of Refined Silver to be sold and delivered to the Purchasers under this Agreement.

(c) Falco shall ensure that the Falco Group Entities deliver all Minerals that include Reference Silver to each Offtaker, in such quantity, description and amounts and at such times and places as required under and in accordance with each Offtake Agreement.

(d) With respect to any Offtake Agreements entered into after the date of this Agreement, Falco shall promptly provide to the Purchasers' Agent confirmation of the terms of any such Offtake Agreement at least 15 days prior to its execution thereof by each of the parties thereto for Purchasers' Agent's prior written approval, acting on the instructions of the Majority Purchasers, in their sole discretion. Falco shall provide to the Purchasers a final signed copy of such Offtake Agreement promptly upon its execution.

(e) Falco shall cause the Falco Group Entities to take all commercially reasonable steps to enforce their respective rights and remedies under each Offtake Agreement with respect to any breaches of the terms thereof relating to the timing and amount of Offtaker Settlements in respect of Reference Silver to be made thereunder. Falco shall notify the Purchasers' Agent in writing when any dispute in respect of a material matter arising out of or in connection with any Offtake Agreement is commenced in respect of Reference Silver and shall provide the Purchasers' Agent with timely updates of the status of any such dispute and the final decision and award of the court or arbitration panel with respect to such dispute, as the case may be.

6.5 Insurance

(a) Falco shall, and Falco shall cause the Falco Group Entities to, maintain at all times with reputable insurance companies insurance in good standing with respect to the Horne 5 Project and the operations conducted on and in respect thereof against such casualties, losses, business interruption and contingencies and of such types and in such amounts that are consistent with Good Industry Practice. All insurance policies shall include a standard mortgage clause approved by the Insurance Bureau of Canada; and the interest of the Purchasers and the Collateral Agent shall be noted on such policies [**REDACTED: commercially sensitive as to losses**] as its interest may appear; and, subject to the Intercreditor Agreement the Collateral Agent shall be named as an additional insured under such insurance policies. Falco shall, upon the request of the Collateral Agent, furnish to the Collateral Agent and the Purchasers a certificate setting forth in summary form the nature and extent of the insurance maintained pursuant to this Section.

(b) Subject to the terms of the Intercreditor Agreement, prior to the Deposit Reduction Date, where any Falco Group Entity has received payment under an insurance policy in respect of any Collateral as a result of an event that does or is reasonably likely to materially reduce the amount of Reference Silver from the Horne 5 Project in any one or more years, Falco shall cause such Falco Group Entity either (i) to use all Net Proceeds of any insurance payment received by any Falco Group Entity to rebuild or repair the Collateral, or (ii) to pay to each Purchaser such Purchaser's Share of Applicable Percentage of the Net Proceeds of any insurance payment received by any Falco Group Entity in respect thereof to the Purchasers within 10 days after receipt of such proceeds by such Falco Group Entity. In this Section 6.5(b), "**Applicable Percentage**" means the Purchasers' share of the Net Proceeds of such insurance payment received by any Falco Group Entity, the Purchasers' share of such Net Proceeds being calculated as the ratio of (i) the Net Present Value of the Remaining Stream to (ii) the Project Net Present Value. A failure to agree on the foregoing proportion is arbitrable under Section 16.1.

(c) Falco shall ensure that each Lot shipped is adequately insured in such amounts and with coverage consistent with Good Industry Practice, until the time that risk of loss and damage for such Minerals is transferred to the Offtaker.

(d) Where any Falco Group Entity has received payment under an insurance policy in respect of a shipment of a Lot that is lost or damaged after leaving the Horne 5 Property and before the risk of loss or damage is transferred to the Offtaker, Falco shall use the Applicable Percentage of the Net Proceeds of any insurance payment received by a Falco Group Entity in respect thereof to acquire Refined Silver in accordance with Section 2.1(c) and shall sell and deliver to each Purchaser such Purchaser's Share (without duplication to the extent previously sold and delivered to the Purchasers by Falco) of such amount of Refined Silver at the applicable Silver Purchase Price, as applicable. In this Section 6.5(d), "**Applicable Percentage**" means an amount equal to the percentage content of Reference Silver in the portion of such Lot that was lost or damaged based on: (i) in the case of loss or damage of a partial shipment, the dry weight determined by weighing, sampling and moisture determination on loading of the Minerals

and the agreed assays for silver on the part of the Minerals which have been delivered; and (ii) in the case of loss or damage of a complete shipment, on the dry weight determined at loading and the mine's provisional assays; in each case based on the respective market prices of the metals contained in such Lot as determined by the insurance settlement documents.

6.6 Confidentiality

(a) Each Party (a "**Receiving Party**") agrees that it shall maintain as confidential and shall not disclose, and shall cause its Affiliates, employees, officers, directors, advisors and representatives to maintain as confidential and not to disclose, the terms contained in this Agreement and all information (whether written, oral or in electronic format) received or reviewed by it as a result of or in connection with this Agreement, including any Offtake Agreement provided under Section 6.4 (collectively, the "**Confidential Information**"), provided that a Receiving Party may disclose Confidential Information in the following circumstances:

(i) to its auditor, legal counsel, lenders, underwriters and investment bankers and to other persons ("**Considered Parties**") with which it is considering or intends to enter into a transaction for which such Confidential Information would be relevant (and to advisors and representatives of any such person), provided that (i) such persons are advised of the confidential nature of the Confidential Information, undertake to maintain the confidentiality of it and are strictly limited in their use of the Confidential Information to those purposes necessary for such persons to perform the services for which they were, or are proposed to be, retained by the Receiving Party or to consider or effect the applicable transaction, as applicable and (ii) in the case of Considered Parties, such Considered Parties shall not be provided with Confidential Information other than an unredacted copy of this Agreement and any related agreements entered into in connection herewith and information regarding deliveries and payments received hereunder, without the prior written consent of Falco, as the case may be, such consent not to be unreasonably withheld;

(ii) subject to Sections 6.6(c) and 16.6, where that disclosure is necessary to comply with Applicable Laws, court order or regulatory request, provided that such disclosure is limited to only that Confidential Information so required to be disclosed and, where applicable, that the Receiving Party will have availed itself of the full benefits of any laws, rules, regulations or contractual rights as to disclosure on a confidential basis to which it may be entitled;

(iii) for the purposes of the preparation and conduct of any arbitration or court proceeding commenced under Section 16.1;

(iv) where such information is already available to the public other than by a breach of the confidentiality terms of this Agreement or is known by the Receiving Party prior to the entry into of this Agreement or obtained independently of this Agreement and the disclosure of such information would not breach any other confidentiality obligations;

(v) with the consent of the disclosing Party; and

(vi) to its Affiliates and those of its and its Affiliates' partners, limited partners, directors, officers, employees, advisors and representatives who need to have knowledge of the Confidential Information, provided that such persons are advised of the confidential nature of the Confidential Information and undertake to maintain the confidentiality of it.

(b) Each Party shall ensure that its Affiliates and its and its Affiliates' employees, directors, officers, advisors and representatives and those persons listed in Section 6.6(a)(i) are made aware of this Section 6.6 and comply with the provisions of this Section 6.6. Each Party shall be liable to the other Parties for any improper use or disclosure of such terms or information by such persons.

(c) No Party shall file this Agreement on SEDAR without reasonable prior consultation with the other Party and the Parties shall consult with each other with respect to any proposed redactions to this Agreement in compliance with Applicable Laws before it is filed on SEDAR.

6.7 Restrictions on Business

Prior to Commencement of Commercial Production, Falco shall not and shall not permit any Falco Group Entity to carry on any business other than (i) to carry out the Horne 5 Project, or (ii) the holding of Equity Interests of other Falco Group Entities (other than in Falco), and any activities incidental thereto including making of any equity investment in, any Falco Group Entity or the provision of management, administration or similar services to any Falco Group Entity or as reasonably required to perform its obligations under the Security Documents. For greater certainty, except as between and among Falco Group Entities, no Falco Group Entity shall make or own, or permit to exist, directly or indirectly, (A) any investment in, or make, hold or accrue any loans or advances of money to or Indebtedness of any other person through the direct or indirect holding of securities or otherwise, or (B) make any acquisition of a business either by way of purchase of assets or shares except after Commencement of Commercial Production not exceeding consideration of [**REDACTED: dollar amount deleted**].

6.8 Non-Arm's Length Transactions

Without limiting Section 6.4, Falco shall not, and Falco shall not permit any other Falco Group Entity to, engage in any transaction or arrangements with any Related Party, including the provision, purchase, sale or receipt of any service, asset or payment, except (i) between and among Falco Group Entities, (ii) in the ordinary course of business at prices and on terms and conditions at least as favourable to Falco or such Falco Group Entity as could be obtained on an arm's-length basis from unrelated third parties, or (iii) as otherwise expressly permitted pursuant to this Agreement.

6.9 Indebtedness

Prior to the Deposit Reduction Date, Falco shall not incur or assume or become liable for, and Falco shall not permit any other Falco Group Entity to incur or assume or become liable for, any Indebtedness, except for Permitted Indebtedness.

6.10 Distributions

Neither Falco nor any other Falco Group Entity shall make any Distribution, other than:

(a) Permitted Distributions, and

(b) Distributions made after Completion for so long as the following conditions are satisfied:

(i) no Falco Event of Default and no event that, with the giving of notice or passage of time would constitute a Falco Event of Default, has occurred and is continuing or would occur as a result of such Distribution;

(ii) all operating expenses of Falco, all other Falco Group Entities, on a consolidated basis, then due and owing have been paid in full;

(iii) all amounts then due and owing in respect of any Indebtedness of Falco, all other Falco Group Entities have been paid in full; and

(iv) after giving effect to such Distribution, Falco, all other Falco Group Entities can reasonably be expected to be able to pay all operating expenses and all amounts in respect of any third- party Indebtedness expected to come due and owing in the next 90 days;

provided that Falco or any Falco Group Entity making such Distribution, as the case may be, shall notify the Purchasers in writing at least 10 days prior to any intended Distribution to be made in accordance with this Section 6.10 with full particulars of such intended Distribution.

6.11 Certain Corporate Standards

Falco shall, and shall cause all of the Falco Group Entities to, at all times after its adoption, comply with the Anti-Corruption Policy, and shall immediately notify the Purchasers upon becoming aware of any breach or suspected breach of such policy. Falco shall not, without the prior written consent of the Purchasers' Agent (acting on the instructions of the Majority Purchasers), acting reasonably, amend, terminate, replace or otherwise vary the Anti-Corruption Policy.

ARTICLE 7
TRANSFERS OF INTERESTS

7.1 Prohibited Transfers

Except as set out in Section 7.3 or with the Purchasers' Agent prior written consent (acting on the instructions of the Majority Purchasers), Falco shall not permit, and Falco shall ensure that none of the Falco Group Entities:

(a) Transfer, in whole or in part, the Horne 5 Property, the Horne 5 Project or the Collateral, except for (i) any Permitted Transfer, and (ii) any Transfer of Minerals pursuant to an Offtake Agreement in the ordinary course of business; or

(b) agree to, or enter into any agreement, arrangement or other transaction with any person that would cause, or otherwise allow or permit to exist, a Change of Control of Falco or any Falco Group Entity.

7.2 Prohibition on Sale of Mineral Interests

(a) Except as set forth in Section 7.2(b) below, and subject to the pre-existing right of first refusal of Glencore pursuant to Section 6.02 of the Asset Purchase Agreement, Falco shall not, and Falco shall not permit any Falco Group Entity to, offer for sale a Mineral Interest relating to Minerals.

(b) If, at any time and from time to time Falco or any Falco Group Entity (each, a "**Mineral Interest Holder**") wishes to offer for sale to any third party (other than another Falco Group Entity) any Mineral Interest or, following an offer by a third party to purchase a Mineral Interest, the Mineral Interest Holder shall, by notice in writing to each Purchaser, first offer to sell, to each Purchaser such Purchaser's Share of such Mineral Interest at the price and upon substantially the terms that the Mineral Interest Holder proposes to offer to or to accept from a third party (the "**Seller Offer**"). The Seller Offer must contain all of the material terms and conditions related to the sale of the Mineral Interest. Upon receipt of a Seller Offer, each Purchaser shall have a period of up to 45 days (the "**Review Period**") in which to indicate whether it wishes to accept the Seller Offer, whereupon such Purchaser shall become an "**Accepting Purchaser**". If a Purchaser shall not provide such an indication to the Mineral Interest Holder prior to the end of the Review Period, it shall be deemed to have elected to have refused the Seller Offer with respect to the Purchaser's Share (the "**Refused Purchaser's Share**") and shall be deemed to be a "**Refusing Purchaser**". Each Accepting Purchaser shall have the right to

elect by written notice to be delivered to the Mineral Interest Holder to additionally acquire their Purchaser's Share of each Refused Purchaser's Share, such right to be exercised within a period of five days after the end of the Review Period (and during the currency of the Negotiation Period).

(c) During the Review Period, the Mineral Interest Holder shall deal exclusively with the Purchasers with respect to Seller Offer and any other potential disposition of the Mineral Interest. The Seller and each Accepting Purchaser shall have a period of 30 days after the end of the Review Period (the "**Negotiation Period**") to: (i) negotiate in good faith a definitive agreement for the purchase and sale by each such Purchaser of such Purchaser's Share of the Mineral Interest (which may include the Purchaser's Share of the Refused Purchaser's Share), substantially consistent with the terms and conditions of the Seller Offer; (ii) settle the definitive agreement; and (iii) execute and deliver an acknowledgement that the definitive agreement is in settled form (the "**Settled Form Acknowledgement"**). The Settled Form Acknowledgement shall have a copy of the Settled Form Agreement attached thereto as a Schedule. During the Review Period and the Negotiation Period, the Mineral Interest Holder shall provide to the Purchasers all information and materials that the Purchasers may reasonably require to consider the Seller Offer.

(d) Save and except as provided in this Section 7.2(d), during the Negotiation Period, the Seller's obligation to deal exclusively with the Accepting Purchasers shall continue. However, if either there are no Accepting Purchasers or if there are no Accepting Purchasers who elect to acquire their Purchaser's Share of each Refused Purchaser's Share, then during the Negotiation Period, the Mineral Interest Holder shall have the right to also deal with one or more third parties for the sale of each Refused Purchaser's Share. If there is at least one Accepting Purchaser, it is anticipated that the Settled Form Agreement shall be the same for the Accepting Purchasers and any such third party. It is understood and agreed that the terms of sale of a Mineral Interest with a third party shall be no more favourable to such third party than those offered to the Purchasers in the Seller Offer and must be consistent with the terms and conditions of the Seller Offer. The Settled Form Acknowledgement shall also include details with respect to any third party purchaser and their Settled Form Agreement.

(e) Forthwith after the same has been signed by all applicable parties (which may include Accepting Purchasers as well as third parties), the Mineral Interest Holder shall forward a signed copy of the Settled Form Acknowledgement to Glencore. Pursuant to the Glencore Property Documents, Glencore has a period of 60 days after receipt of the Settled Form Acknowledgement to advise the Mineral Interest Holder whether it shall accept the Seller Offer and enter into a definitive agreement substantially similar to the Settled Form Agreement.

(f) If Glencore refuses or is deemed to have refused to accept the Seller Offer and enter into a definitive agreement substantially similar to the Settled Form Agreement, the Mineral Interest Holder and any Accepting Purchasers or third party must execute and deliver the Settled Form Agreement and close the transactions thereunder within a period of 30 days after the date Glencore has refused or is deemed to have refused to accept the Seller Offer. If any such Settled Form Agreement is not executed and delivered within such period of 30 days or if any transaction thereunder is not completed within such period of 30 days, the provisions of Sections 7.2(a) through and including (f) shall again apply to the sale of any Mineral Interest.

(g) In addition to the foregoing, if any Settled Form Agreement does not contemplate acceptance of 100% of the Seller Offer by Accepting Purchasers and/or third parties in accordance with the terms of this Section 7.2, the provisions of Sections 7.2(a) through and including (g) shall again apply to the sale of any Mineral Interest.

(h) For the avoidance of doubt, this Section 7.2 shall not apply to (i) any Offtake Agreement, (ii) intercompany transfers among Falco Group Entities to the extent specifically permitted by the terms hereof, or (iii) any pre-payment by an Offtaker, in each case in the ordinary course of business.

7.3 Permitted Transfers and Changes of Control

After the Deposit Reduction Date, Article 7 shall not prohibit a Transfer or Change of Control, if:

Transfer of the Horne 5 Project or Collateral

(a) in the case of a Transfer of Collateral (other than to the extent already permitted by Section 7.1(a)) to a person that is not a member of the Falco Group Entity:

(i) Falco shall have provided the Purchasers with at least 30 days prior written notice of the proposed Transfer;

(ii) Falco and the Falco Group Entities, as applicable, Transfer all, but not less than all, of the Collateral (other than leased movable (personal) property that is not material to the Horne 5 Project that, by the terms of the lease, may not be transferred) to the same transferee (and its wholly owned subsidiaries);

(iii) Falco transfers and assigns all rights and obligations under this Agreement to the same transferee (and its wholly owned subsidiaries) concurrently with any such Transfer, and such transferee (and its wholly owned subsidiaries) and the persons in respect of which such transferee is a subsidiary assume in favour of the Purchasers all of Falco's and the Falco Group Entities respective obligations under this Agreement pursuant to an agreement in form and substance satisfactory to the Purchasers' Agent (acting on the instructions of the Majority Purchasers), acting reasonably;

(iv) the transferee, its Affiliates and each person in respect of which such transferee is a subsidiary or otherwise has or will have a direct or indirect interest in the Collateral grants the same charges and Encumbrances in, to and over the Collateral, and enters into the same Security, including guarantees to the extent applicable, entered into by Falco and the Falco Group Entities pursuant to Sections 8.1 and 9.2;

(v) there is no Seller Event of Default (or an event which with notice or lapse of time or both would become a Seller Event of Default) that has occurred and is continuing;

(vi) the Purchasers' Agent (acting on the instructions of the Majority Purchasers) does not reasonably expect such Transfer to have a Material Adverse Effect (where, in the definition of "Material Adverse Effect", references to "Falco", the "Seller", and " Falco Group Entity" shall instead refer to the applicable transferee entity or Affiliate of the transferee entity);

(vii) the transferee (and its wholly owned subsidiaries) have (A) sufficient financial resources to perform the obligations of the Falco Group Entities under this Agreement, (B) have either net financial assets reflected on its most recent audited balance sheet of not less than [**REDACTED: dollar amount deleted**] or a market capitalization of not less than [**REDACTED: dollar amount deleted**] immediately prior to the announcement of the Transfer, and (C) have sufficient mining, engineering, operational and technical capability to continue the development and operation of the Horne 5 Project and in a manner that provides reasonable assurance that the Horne 5 Project will be developed and operated in

a commercially reasonable manner and in accordance with Good Industry Practice, the Operating Plan and this Agreement; and

(viii) all necessary Approvals are obtained or satisfied with respect to such Transfer.

Change of Control

(b) in the case of a Change of Control of Falco or the Falco Group Entities:

(i) Falco shall have provided the Purchasers with at least 30 days prior written notice of the proposed Change of Control;

(ii) the person acquiring control of the Falco Group Entities (or if such person is controlled by another person, the persons in respect of which such person is a subsidiary) assumes in favour of the Purchasers all of the obligations of the Falco Group Entities under this Agreement, such assumption to occur by an agreement in form and substance satisfactory to the Purchasers' Agent (acting on the instructions of the Majority Purchasers), acting reasonably.

(iii) if the person is acquiring control of a Falco Group Entity, the person contemporaneously acquires, directly or indirectly, all of the Falco Group Entities;

(iv) the person acquiring control of the Falco Group Entities and each subsidiary thereof and the persons in respect of which such person acquiring control is a subsidiary, and each other person that, as a result of the Change of Control, acquires a direct or indirect interest in the Collateral, grants the same charges and Encumbrances (including priority) in, to and over the Collateral, including a pledge over the issued and outstanding equity and voting securities of Falco which shall then become Pledged Shares, and enters into the same Security Documents entered into by the Falco Group Entities pursuant to Section 8.1 and 9.1;

(v) the Security granted by the Falco Entities shall not be affected;

(vi) the person acquiring control of the Falco Group Entities complies with the conditions set forth in Sections 3.7(a)(iii);

(vii) there is no Seller Event of Default (or an event which with notice or lapse of time or both would become a Seller Event of Default) that has occurred and is continuing;

(viii) the Purchasers' Agent (acting on the instructions of the Majority Purchasers) does not reasonably expect such Change of Control to have a Material Adverse Effect (where, in the definition of "Material Adverse Effect", references to "Falco", the "Seller", and " Falco Group Entity" shall instead refer to the applicable transferee entity or Affiliate of the transferee entity);

(ix) the acquiring person shall (A) have sufficient financial resources to perform the obligations of the Falco Group Entities under this Agreement, (B) have either net financial assets reflected on its most recent audited balance sheet of not less than [**REDACTED: dollar amount deleted**] or a market capitalization of not less than [**REDACTED: dollar amount deleted**] immediately prior to the announcement of the Change of Control, and (C) have sufficient mining, engineering, operational and technical capability to continue the development and operation of the Horne 5 Project and in a manner that provides reasonable assurance that the Horne 5 Project will be developed and operated in a

commercially reasonable manner and in accordance with Good Industry Practice, the Operating Plan and this Agreement; and

(x) all necessary Approvals are obtained or satisfied with respect to such Change of Control.

Inter-corporate Transfers

(c) in the case of a direct or indirect Transfer of any Collateral to a Falco Group Entity which is wholly-owned directly or indirectly by Falco:

(i) Falco shall have provided the Purchasers with at least 30 days prior written notice of the proposed Transfer;

(ii) Falco provides a confirmation in favour of the Purchasers that its obligations under this Agreement shall continue in full force and effect despite any such Transfer;

(iii) the provisions of Section 7.3(a) are complied with mutatis mutandis, except for Section 7.3(a)(vii);

(iv) the transferee shall be in compliance with all of its obligations hereunder as a Falco Group Entity.

7.4 Abandonment

Subject to Falco's obligations under the Underlying Agreements and the Asset Purchase Agreement, if Falco or any of the Falco Group Entities intends to abandon, surrender, relinquish or let lapse any of the Horne 5 Property, including by way of ceasing to maintain Project Approvals or the validity of mineral claims, leases or exploration licenses (the "**Abandonment Property**"), the Seller shall (a) have determined, acting in a commercially reasonable manner, that it is not economical to mine minerals from the Abandonment Property, and (b) first give notice of such intention to the Purchasers' Agent at least 30 days in advance of the proposed date of abandonment. If, not later than 10 days before the proposed date of abandonment, the Seller receives from the Purchasers' Agent written notice that one or more of the Purchasers desire that the Seller conveys or causes the conveyance of the Abandonment Property to such Purchaser or Purchasers, as the case may be, or an assignee, the Seller shall, without additional consideration, convey or cause the conveyance of the Abandonment Property to such Purchaser or Purchasers, as the case may be, at the sole cost and expense of such Purchasers and shall thereafter have no further obligation to maintain the title to the Abandonment Property. If the Purchasers' Agent does not give such notice to the Seller within the prescribed period of time, the Seller may abandon the Abandonment Property and shall thereafter have no further obligation to maintain the title to the Abandonment Property; provided, however, that if any Falco Group Entity reacquires a direct or indirect interest in any of the ground covered by the Abandonment Property at any time following abandonment, the production of Minerals from such property shall be subject to this Agreement. The Seller shall give written notice to the Purchasers' Agent within ten days of any such reacquisition.

ARTICLE 8
SECURITY

8.1 Security

(a) As security for its obligations under this Agreement and under the Transaction Documents, Falco shall grant, and shall cause each of the Falco Group Entities to grant, to the Collateral Agent, for the benefit of the Secured Parties, a first priority Encumbrance on the Collateral (subject only to the Permitted Encumbrances that have priority by operation of law and the National Bank Hypothec).

(b) The Collateral Agent's first ranking Security will apply to any of the Falco Group Entity's, as the case may be, present and future rights, property and assets, including all rights to the Horne 5 Property and the Horne 5 Project, and any future rights which Falco obtains from any Governmental Authority, Glencore or otherwise, including those notified to the Collateral Agent pursuant to Section 5.8(b).

(c) Falco shall cause, and shall cause each of other Falco Group Entities, to execute and deliver, from time to time, all such further agreements, instruments and documents (including movable (personal) and immovable (real) hypothecs, security instruments and other documents as described on Schedule 8.1(c)) to be executed and delivered together with such share certificates, control agreements, transfer powers, notations, endorsements, registrations, opinions and other documents, instruments and agreements in connection therewith as the Collateral Agent may reasonably require, acting on the instructions of the Majority Purchasers ("**Security Supporting Documents**"), each in form and substance satisfactory to the Collateral Agent (acting on the instructions of the Majority Purchasers), acting reasonably, in connection therewith and things to be done as the Collateral Agent may from time to time reasonably require (acting on the instructions of the Majority Purchasers) to obtain, set-up, render opposable, perfect and maintain first ranking Encumbrances in, to and over all of the Collateral (collectively, including the instruments described in Schedule 8.1(c), the "**Security Documents**"), subject only to the Permitted Encumbrances that have priority by operation of law, the National Bank Hypothec and the Osisko Encumbrances.

(d) Falco shall not contest, and Falco shall cause each Falco Group Entity not to contest, in any manner, the effectiveness, validity, binding nature or enforceability or otherwise, the security granted in this Agreement or the other Transaction Documents.

8.2 Stockpiling

If Falco or any other Falco Group Entities intend to stockpile, store, warehouse or otherwise place Minerals off the Horne 5 Property, before doing so, Falco shall obtain from the property owner, operator or both, as applicable, where such stockpiling, storage, warehousing or other placement occurs, to provide in favour of the Collateral Agent, for the benefit of the Secured Parties, a written acknowledgement in form and substance satisfactory to the Collateral Agent (acting on the instructions of the Majority Purchasers), acting reasonably, which provides that Falco and the other Falco Group Entities', as applicable, rights to the Minerals shall be preserved and which acknowledges the Purchaser's Encumbrances thereon and provides the Collateral Agent with a right of access in the event of enforcement by the Purchaser of the Security.

ARTICLE 9
GUARANTEE

9.1 Falco and Falco Group Entity Guarantee and Indemnity

Falco shall, and shall cause any Falco Group Entity to, unconditionally and irrevocably guarantee on a solidary (joint and several) and unlimited basis, the Guaranteed Obligations and shall indemnify the Secured Parties from and against all losses arising from a breach of and agrees on written demand of the Purchasers' Agent (acting on the instructions of the Majority Purchasers) to perform or discharge any such obligations which have not been fully paid, performed or discharged at the times and in the manner provided for in this Agreement. Concurrently with the delivery of this Agreement by Falco, each of the Falco Group Entities shall execute and deliver a guarantee in favour of the Purchasers' Agent, for the benefit of the Secured Parties, in the form attached as Exhibit D (the "**Guarantees**").

9.2 Guarantor Additional Documents

(a) Falco shall cause each and any person who becomes a Falco Group Entity after the date hereof to (i) execute a Guarantee, and (ii) Security Documents and Security Supporting Documents.

(b) Falco shall, and shall cause each Falco Group Entity to whom any debt, liability or obligation is owed by a Falco Group Entity from time to time, to execute and deliver a Subordination and Postponement of Claims.

(c) Falco shall cause all such further agreements, instruments and documents to be executed and delivered and all such further acts and things to be done as the Collateral Agent, as the case may be, may from time to time reasonably require (acting on the instructions of the Majority Purchasers) to obtain, perfect and maintain first ranking prior perfected and opposable charges and Encumbrances in, to and over all of the Collateral, subject only to Permitted Encumbrances.

ARTICLE 10
REPRESENTATIONS AND WARRANTIES

10.1 Representations and Warranties of Falco

Falco hereby makes on and as of the Closing Date the representations and warranties to the Purchasers, the Purchasers' Agent and the Collateral Agent set forth in Schedule 10.1, and acknowledges that the Purchasers, the Purchasers' Agent and the Collateral Agent are entering into this Agreement in reliance thereon, and shall be entitled to rely upon such representations and warranties notwithstanding any due diligence performed by or on their behalf, or any knowledge or information that they may have with respect to the subject matter of such representations and warranties.

10.2 Representations and Warranties of Purchasers

Each Purchaser, acknowledging that Falco is entering into this Agreement in reliance thereon, hereby makes, on and as of the Closing Date, the representations and warranties to Falco set forth in Schedule 10.2.

10.3 Survival of Representations and Warranties

The representations and warranties set forth in Schedules 10.1 and 10.2 shall survive the execution and delivery of this Agreement.

10.4 Knowledge

Where any representation or warranty contained in this Agreement is expressly qualified by reference to the "knowledge" of Falco, it shall be deemed to refer to the actual knowledge of any of Falco's senior officers and any other senior officer from time to time and all information which ought to have been known by any of them after conducting a reasonable inquiry into the matters in question, whether or not any such inquiry was actually made.

ARTICLE 11
FALCO EVENTS OF DEFAULT

11.1 Falco Events of Default

Each of the following events or circumstances constitutes an event of default by Falco (each, a "**Seller Event of Default**"):

(a) Falco fails to sell and deliver the Refined Silver to the Purchasers on the terms and conditions set forth in this Agreement within ten Business Days of the date upon which sale and delivery is required hereunder;

(b) any applicable Falco Group Entity is in breach or default of its obligations under Section 8.1 or of its obligations under the Security Documents or the Intercreditor Agreement;

(c) other than as provided in Sections 11.1(a) or 11.1(b), Falco or any Falco Group Entity is in breach or default of any terms or conditions, or any of its covenants or obligations, set forth in this Agreement or any other Transaction Document in any material respect, which breach or default is not remedied within a period of 15 Business Days after the earlier of (i) delivery by the Purchasers' Agent to Falco of written notice of such breach or default, and (ii) such person becoming aware of such breach;

(d) any of the representations and warranties given by any Falco Group Entity under or in connection with the Transaction Documents is inaccurate in any material respect (or in any respect in the case of representations and warranties that are qualified by materiality) as of the date given;

(e) in respect of Indebtedness of Falco, or any Falco Group Entity in a principal amount of [**REDACTED: dollar amount deleted**] or more any (i) failure by such person to pay any such Indebtedness at the stated maturity thereof or upon the occurrence of an event as a result of which the holder of such Indebtedness has declared the principal thereof to be due and payable prior to the stated maturity thereof, or any event shall occur and shall continue after the applicable grace period (if any) specified in any agreement or instrument relating to any such Indebtedness of any such person, the effect of which is to permit the holder of such Indebtedness to declare the principal amount thereof to be due and payable prior to its stated maturity and in respect of which such holder has so declared the principal amount to be payable, or (ii) failure by any one or more of the Falco Group Entities to perform or observe any covenant or agreement to be performed or observed by it contained in any agreement or instrument evidencing any of such Indebtedness, the effect of which is to permit the holder of such Indebtedness to declare the principal amount thereof to be due and payable prior to its stated maturity and in respect of which the holder has so declared the principal amount to be payable or has sought to enforce a guarantee in respect thereof;

(f) the occurrence of any "Event of Default" as defined under any Project Facility or any Indebtedness of any Falco Group Entity without any amendments or waivers from the lenders thereunder in a principal amount of [**REDACTED: dollar amount deleted**];

(g) any breach or default under the Glencore Property Documents;

(h) any Falco Group Entity ceasing or threatening to ceasing carrying on its Business related to the Horne 5 Project;

(i) the occurrence of an Insolvency Event affecting any Falco Group Entity;

(j) the occurrence of a Material Adverse Effect;

(k) except as otherwise contemplated herein, any Security becomes invalid or unenforceable or otherwise ceases to constitute a first ranking perfected and opposable Encumbrance over the Collateral (subject only Permitted Encumbrances that have priority by operation of law, the National Bank Hypothec, the Osisko Encumbrances, or a Permitted Encumbrance in favour of Glencore entered into in compliance with this Agreement and that remains subject to the Intercreditor Agreement), and such default has not been remedied within 20 days of the earlier of (i) any of the Falco Group Entities becoming aware of such default, and (ii) receipt of notice from the Collateral Agent notifying Falco of such default;

(l) all or any Collateral is sold, Transferred, Encumbered or assigned without the consent of the Collateral Agent (other than pursuant to a disposition permitted hereunder or Permitted Encumbrance, as applicable);

(m) any Falco Group Entity is in breach of its obligations under Article 7;

(n) any Governmental Authority condemns, expropriates, seizes or appropriates any property or part thereof which when combined with any other property previously condemned, expropriated, seized or appropriated, forms a material part of the Horne 5 Project or any Material Collateral;

(o) Falco fails to obtain and maintain Material Project Third Party Approvals or Material Project Governmental Approvals required for the development, construction or operation of the Horne 5 Project in accordance with the Operating Plan by January 31, 2020 (in the case of Material Project Third Party Approvals) or by January 31, 2021 (in the case of Material Project Governmental Approvals);

(p) any Material Project Governmental Approval or Material Project Third Party Approval that has been previously obtained by Falco or any Falco Group Entity is suspended, cancelled, revoked, forfeited, surrendered, refused renewal or terminated (whether in whole or in part) or otherwise is not, or ceases to be, in full force and effect and Falco or such Falco Group Entity fails to cure such default within 60 days such default;

(q) the Horne 5 Project fails to achieve Commencement of Commercial Production by the Commencement of Commercial Production Outside Date;

(r) the Horne 5 Project fails to achieve Completion by the Completion Outside Date;

(s) the Second Instalment is not funded by the Second Instalment Expiry Date (and such funding failure does not result from a Purchaser Event of Default);

(t) the Third Instalment is not funded by the Third Instalment Expiry Date (and such funding failure does not result from a Purchaser Event of Default);

(u) the Fourth Instalment is not funded by the Fourth Instalment Expiry Date (and such funding failure does not result from a Purchaser Event of Default);

(v) (A) if, prior to Commencement of Commercial Production, Falco takes no steps toward securing the Project Facility for a continuous period of at least three months, or no material work toward development of the Horne 5 Property or the Horne 5 Project occurs for a continuous period of at least three months, (B) at any time after the disbursement of the Second Instalment, the Horne 5 Project is put on care and maintenance; or (C) following Commencement of Commercial Production, operations at the Horne 5 Property or the Horne 5 Project have been suspended for a continuous period of at least three months;

(w) upon the occurrence of a Change of Control of a Falco Group Entity or Falco, except for a Change of Control effected in compliance with Article 7;

(x) the abandonment, loss or forfeiture of any material portion of the Horne 5 Property or the Horne 5 Project;

(y) it is or becomes unlawful for Falco or any Falco Group Entity to perform any of its material obligations under any Transaction Document to which it is a party or any of the security created or expressed to be created by the Security Documents ceases to be effective or enforceable at any time at which such security is intended to be effective or enforceable;

(z) a final judgment, order, writ of execution, garnishment or attachment or similar process for an amount in excess of [**REDACTED: dollar amount deleted**] is issued or levied against any Falco Group Entity or any material portion of the Collateral;

(aa) any Falco Group Entity repudiates, rescinds or contests, or purports to repudiate, rescind or contest, in whole or in part, any Transaction Document, or any Transaction Document ceases to be in full force and effect, or is invalidated or rendered unenforceable by any act, regulation or governmental action or is determined to be invalid by a court or other judicial entity; and

(bb) any (i) Falco Group Entity, or officer of a Falco Group Entity, is charged with breaching any AML Legislation, any Anti-Corruption Laws or any Sanctions, or (ii) any director or employee of a Falco Group Entity (other than an officer) is charged with breaching any AML Legislation, any Anti- Corruption Laws or any Sanctions and the Falco Group Entity's relationship with such director or employee (other than an officer) is not terminated with 10 days of acquiring actual knowledge of such charge.

11.2 Remedies

(a) If a Seller Event of Default occurs and is continuing, the Purchasers shall have the right, upon written notice from the Purchasers' Agent (acting on the instructions of the Majority Purchasers) to Falco, at their option and in addition to and not in substitution for any other remedies available to it hereunder or at law or equity, to take any or all of the following actions:

(i) demand all amounts and deliveries owing by Falco to the Purchaser, including any amounts then owing under Section 2.3;

(ii) terminate this Agreement by written notice to Falco and, without limiting Section 11.2(a)(i), demand all losses suffered or incurred as a result of the occurrence of such Seller Event of Default and termination, including the immediate payment in cash

(A) [**REDACTED: commercially sensitive**]

(B) [**REDACTED: commercially sensitive**]

(iii) direct the Collateral Agent to enforce the Security.

Upon each occurrence of a Seller Event of Default, and for so long as such Seller Event of Default is continuing, the Purchasers shall have no further obligation to fund any unpaid portion of the Deposit.

(b) The Parties hereby acknowledge and agree that (i) the Purchasers will be damaged by a Seller Event of Default; (ii) it would be impracticable or extremely difficult to fix the actual damages resulting from a Seller Event of Default; (iii) any sums payable in accordance with Section 11.2(a)(ii) with respect to a Seller Event of Default are in the nature of liquidated damages, not a penalty, and are fair and reasonable; and (iv) the amount payable in accordance with Section 11.2(a)(ii) with respect to a Seller Event of Default represents a reasonable estimate of fair compensation for the losses that may reasonably be anticipated from such Seller Event of Default in full and final satisfaction of all amounts owed in respect of such Seller Event of Default.

(c) For greater certainty, if the Purchasers' Agent does not exercise its right under Section 11.2(a)(ii), the obligations of Falco or any successors or transferee following a realization hereunder shall continue in full force and effect.

ARTICLE 12
PURCHASER EVENTS OF DEFAULT

12.1 Purchaser Events of Default

Each of the following events or circumstances constitutes an event of default by a Purchaser (each, a "**Purchaser Event of Default**"):

(a) such Purchaser fails to pay any portion of its Purchaser's Share of the Deposit to Falco in accordance with this Agreement where all of the conditions in Article 3 have been satisfied or waived (any such unpaid portion of the Deposit, the "**Unpaid Deposit**"), and such failure continues unremedied for 10 Business Days;

(b) such Purchaser is in breach or default of any terms or conditions, or any of its covenants or obligations, set forth in this Agreement in any material respect (other than a breach or default of the covenants or obligations referenced in Section 12.1(a)), and such breach or default is not remedied within a period of 10 Business Days following delivery by Falco to such Purchaser of written notice of such breach or default, or such longer period of time as Falco may determine in its sole discretion; or

(c) any of the representations or warranties given by such Purchaser under any Transaction Document is inaccurate in any material respect (or in any respect in the case of representations and warranties that are qualified by materiality) as of the date given, and such inaccuracy is not remedied within a period of 30 days following delivery by Falco to such Purchaser of written notice of such inaccuracy, or such longer period of time as Falco may determine in its sole discretion.

12.2 Remedies

If a Purchaser Event of Default under Sections 12.1(b) or (c) (other than with respect to the payment of the amount of the Deposit set forth in Section 12.1(a) with respect to which the provisions of Section 3.11 shall apply) has occurred and is continuing, Falco shall have no right to terminate this Agreement, but shall be entitled to all other remedies available to it under this Agreement or at law or in equity.

ARTICLE 13
ADDITIONAL PAYMENT TERMS

13.1 Payments

All payments of funds due by one party to another under this Agreement shall be made in the currency in which the underlying obligation is denominated and shall be made by wire transfer in immediately available funds to the bank account or accounts designated by the receiving party in writing from time to time.

13.2 Taxes

(a) All deliveries of Refined Silver or payments made by any Falco Group Entity to the Purchasers pursuant to this Agreement shall not be reduced by any withholding or similar tax, resource tax, levy or charge incurred by Falco Group Entities. All such withholding and similar taxes shall be for the account of the applicable Falco Group Entity. If a Falco Group Entity is required to withhold or deduct any such tax from a Delivery or payment, the applicable Falco Group Entity shall make such additional Delivery or payment to the applicable Purchaser as is necessary to ensure that the net amount received by such Purchaser equals the full amount such Purchaser would have received before such withholding or deduction. Any such additional Delivery or payment shall not affect the amount of the Deposit reduction. The foregoing shall not apply to Excluded Taxes or to the extent that any withholding or deduction would not have been imposed but for the existence of any present or former connection between the Purchaser and the relevant taxing jurisdiction (including without limitation, by virtue of the Purchaser being a citizen of or resident of, incorporated in or carrying on a business, having a permanent establishment or having a place of business in such jurisdiction) other than merely acquiring the Refined Silver.

(b) All Taxes, if any, as are required by Applicable Laws to be deducted, withheld, charged, levied, collected or imposed on any person on or with respect to any such delivery or any payment or transfer made under this Agreement by any Falco Group Entity shall be paid in full by the applicable Falco Group Entity without set-off by delivering or paying to the applicable Purchaser or on its behalf, in addition to such delivery, payment or transfer, such additional delivery, payment or transfer as is necessary to ensure that the net amount received by such Purchasers (net of any such Taxes, including any Taxes required to be deducted, withheld, charged, levied, collected or imposed on any such additional amount) equals the full amount that such Purchaser would have received had no such deduction, withholding, charge, levy, collection or imposition been required.

(c) If and to the extent that any Purchaser, acting reasonably, determines that it has received a refund of any Taxes for to which it has been indemnified pursuant to this Section 13.2 (including by the payment of additional amounts pursuant to this Section 13.2), then such Purchaser shall pay to the relevant Falco Group Entity the amount of such refund, net of all out-of-pocket expenses of such Purchaser (including any Taxes imposed with respect to such refund), and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund), *provided* that the relevant Falco Group Entity, upon the request of such Purchaser, agrees to repay the amount paid over by such Purchaser (*plus* any penalties, interest or other charges imposed by the relevant Governmental Authority) to such Purchaser to the extent the such Purchaser is required to repay such refund to such Governmental Authority.

(d) The Parties agree to reasonably cooperate to ensure that no more Taxes, duties or other charges are payable than is required under Applicable Law.

(e) Following the execution and delivery of this Agreement, each of the Parties will co-operate reasonably with the other Party in implementing any proposed adjustments to the

structure or terms of this Agreement to facilitate tax planning, provided that such adjustments have no material adverse impact on the non-proposing Parties and that the costs of such adjustments shall be paid for by the proposing Party.

13.3 Overdue Payments

Any payment or delivery not made by a Party on or by any applicable payment or delivery date referred to in this Agreement shall incur interest from the due date until such payment or delivery is paid or made in full at a per annum rate equal to [**REDACTED: percentage deleted**] from and after the due date, calculated, compounded and paid monthly in arrears.

13.4 Set-Off

Any dollar amount or Refined Silver owing by a Party to any other Party under this Agreement may be set off and compensated against any dollar amount or Refined Silver owed to such Party by the other Party. Any amount of Refined Silver set off and compensated and withheld against any non-payment by a Party shall be valued at the Reference Price (with respect to amounts owing by a Falco Group Entity) and the Transfer Price (with respect to amounts owing by a Purchaser), as applicable, as of the first trading day that such amount of Refined Silver became payable to such Party and shall result in a reduction in an amount of Refined Silver otherwise to be delivered by that number of ounces equal to the dollar amount set off divided by the Reference Price (with respect to amounts owing by a Falco Group Entity) and the Transfer Price (with respect to amounts owing by a Purchaser).

ARTICLE 14
INDEMNITIES

14.1 Indemnity of Falco

Falco agrees to indemnify and save the Secured Parties, their respective Affiliates and their respective directors, officers, employees and agents harmless from and against any and all Losses suffered or incurred by any of them as a result of, in respect of, or arising as a consequence of:

(a) any breach or inaccuracy of any representation or warranty of the Falco Group Entities contained in this Agreement or the other Transaction Documents, including without limitation the representations and warranties set forth in Schedule 10.1 hereto, or in any document, instrument or agreement delivered pursuant hereto or thereto;

(b) any breach, including breach due to non-performance, by the Falco Group Entities of any covenant or agreement to be performed by any of the Falco Group Entities contained in this Agreement or the other Transaction Documents or in any document, instrument or agreement delivered pursuant hereto or thereto;

(c) the development or operation of the Horne 5 Project;

(d) any actual withdrawal by any Governmental Authority of any Project Approval, or any actual challenge by any Person to any Project Approval;

(e) the failure of any of the Falco Group Entities to comply with any Applicable Law, including any Applicable Law relating to environmental matters and reclamation obligations, with respect to the Horne 5 Project;

(f) the failure of any of the Falco Group Entities to materially comply with any of the Glencore Property Documents; or

(g) the physical environmental condition of the Horne 5 Property and the Horne 5 Project and matters of health and safety related to the Horne 5 Project or any action or claim brought with respect thereto (including conditions arising prior to the date of this Agreement),

provided that the foregoing shall not apply to any Losses to the extent they arise primarily from the gross negligence or willful misconduct or intentional fault of such indemnified persons. This clause shall survive termination of this Agreement.

14.2 Indemnity of Purchasers

Each Purchaser severally agrees to indemnify and save the Falco Group Entities and their directors, officers, employees and agents harmless from and against any and all Losses suffered or incurred by any of them as a result of, in respect of, or arising as a consequence of:

(a) any breach or inaccuracy of any representation or warranty of such Purchaser contained in this Agreement or the other Transaction Documents, including without limitation the representations and warranties set forth in Schedule 10.2 hereto, or in any document, instrument or agreement delivered pursuant hereto or thereto;

(b) any breach, including breach due to non-performance, by such Purchaser of any covenant or agreement to be performed by such Purchaser contained in this Agreement or the other Transaction Documents or in any document, instrument or agreement delivered pursuant hereto or thereto,

provided that the foregoing shall not apply to any Losses to the extent they arise primarily from the gross negligence or willful misconduct or intentional fault of such indemnified persons. This clause shall survive termination of this Agreement.

ARTICLE 15
THE PURCHASERS, THE PURCHASERS' AGENT AND THE COLLATERAL AGENT

15.1 Decision-Making

(a) Any amendment, waiver, discharge or termination with respect to this Agreement relating to the following matters shall be effective only if agreed between Falco and the Unanimous Purchasers (other than any then Defaulting Purchaser which shall be disregarded for purposes of this Section):

(i) any amendment to the definition of "Majority Purchasers" or "Unanimous Purchasers";

(ii) any amount payable or deliverable by Falco to the Purchasers, or any alteration in the currency or mode of calculation or computation of any amount payable or deliverable by Falco to the Purchasers hereunder;

(iii) any change to Article 11 or what constitutes a Falco Event of Default;

(iv) any change to Article 12 or what constitutes a Purchaser Event of Default;

(v) any extension or reduction of the time for any payments or deliveries required to be made by Falco to the Purchasers;

(vi) any extension or reduction of the notice period required in connection with any payment or delivery by Falco to the Purchasers;

(vii) any material change in the nature and scope of the Security or any release or discharge of any material portion of the Security, except that the Collateral Agent may from time to time without notice to or the consent of the Purchasers execute and deliver partial or full releases of the Security from time to time in respect of any item of the Collateral to the extent expressly permitted in this Agreement;

(viii) any provision of this Article 15; or

(ix) the reduction or elimination of any rights of any Purchaser, acting alone or together with other Purchasers, to exercise any rights or receive any information.

(b) Except for the matters described in Section 15.1(a) above or otherwise expressly provided for in this Agreement, any amendment, waiver, discharge or termination with respect to this Agreement shall only be effective if agreed between Falco and the Majority Purchasers in writing, and any such amendment, waiver, discharge or termination that is so agreed shall be final and binding upon all of the Purchasers. Subject to the other provisions of this Section 15.1, where the terms of this Agreement refer to any action to be taken by the Purchasers or to any such action that requires the consent or other determination of the Purchasers, the action taken by and the consent or other determination given or made by the Majority Purchasers shall, except to the extent that this Agreement expressly provides to the contrary, constitute the action or consent or other determination of the Purchasers.

(c) The Purchasers' Agent shall provide the other Purchasers with copies of all amendments, waivers or consents provided by the Purchasers' Agent with respect to any provisions of this Agreement or other Transaction Documents promptly upon execution thereof.

(d) [**REDACTED: commercially sensitive information**]

15.2 Purchasers' Obligations Not Solidary; No Partnership

The obligations of each Purchaser under this Agreement are joint and not solidary. No Purchaser shall be responsible for the obligations of any other Purchaser hereunder. Neither the entering into of this Agreement nor the completion of any transactions contemplated herein shall constitute the Purchasers a partnership. The failure of a Purchaser to fund its Commitment in accordance with its obligations under this Agreement shall not release any other Purchaser from its obligations. Notwithstanding anything to the contrary in this Agreement, no Purchaser shall be obligated to fund the Deposit in excess of its Commitment.

15.3 Purchasers' Agent

(a) From time to time, the Purchasers may authorize one of the Purchasers, or an Affiliate of one of the Purchasers, or a qualified third party, to act as the Purchasers' Agent for taking the actions of the Purchasers' Agent specified under the Transaction Documents. The Purchasers' Agent shall be Osisko or as otherwise designated from time to time by notice in writing from the Majority Purchasers to the other Parties. The Purchasers' Agent shall have only those duties and responsibilities which are expressly specified in this Agreement and the Transaction Documents, and it may perform such duties by or through its agents, mandataries or employees. It is expressly agreed that the Purchasers' Agent is not a fiduciary of any Purchaser nor shall it owe any fiduciary duties to any Purchaser. Any Person to whom the Purchasers' Agent may delegate duties or responsibilities as permitted hereunder shall enjoy and be bound by the same benefits, rights, protections and obligations as those provided to the Collateral Agent or to which the Purchasers' Agent is subject under this Agreement, mutatis mutandis.

(b) In exercising its duties hereunder, the Purchasers' Agent may engage and pay for the advice or services of any lawyers, accountants or other experts whose advice or services may to it seem necessary, expedient or desirable and rely upon any advice so obtained. The Purchasers' Agent may refrain from exercising any right, power or discretion vested in it under this Agreement which would or might in its opinion in its sole discretion be contrary to any Applicable Law or otherwise render it liable to any Person, and may do anything which is in its opinion in its sole discretion necessary to comply with any such Applicable Law. The Purchasers' Agent shall not be bound to disclose to any Person any

information relating to any Falco Group Entity if such disclosure would or might in its opinion in its sole discretion constitute a breach of Applicable Law or be otherwise actionable at the suit of any Person.

(c) The Purchasers' Agent shall not accept any responsibility for the accuracy and/or completeness of any information supplied in connection herewith and the Purchasers' Agent shall not be under any liability to any Purchaser as a result of taking or omitting to take any action in relation to the Transaction Documents save in the case of the Purchasers' Agent's gross negligence or wilful misconduct.

(d) Each Purchaser shall, on demand by the Purchasers' Agent, indemnify the Purchasers' Agent on a proportionate basis (based on each Purchaser's Share), against any and all costs, claims, reasonable expenses (including legal fees) and liabilities which the Purchasers' Agent may incur (and which, where applicable, have not been reimbursed by Falco) to the extent required hereunder, otherwise than by reason of its own gross negligence or wilful misconduct, in acting in its capacity as the Purchasers' Agent under the Transaction Documents.

15.4 Collateral Agent

(a) Each Purchaser hereby appoints the Collateral Agent to act as its agent in connection with this Agreement, the Security and the Security Documents, and authorizes the Collateral Agent to exercise such rights, powers and discretions as are delegated to it pursuant to this Agreement and the Transaction Documents to which it is a party together with all such rights, powers and discretions as are incidental hereto or thereto, including, without limitation, to (a) execute and deliver as Collateral Agent the Security Documents and other Transaction Documents to which it is a party, including any intercreditor or subordination agreement, and accept delivery of such Transaction Documents; (b) act as collateral agent and hypothecary representative for Purchasers for purposes of perfecting, rendering opposable and administering Encumbrances under the Security Documents and the other Transaction Documents, and for all other purposes stated therein; (c) manage, supervise or otherwise deal with Collateral; and (d) take any enforcement action or otherwise exercise any rights or remedies with respect to any Collateral in accordance with the terms of the Transaction Documents. The Collateral Agent hereby accepts such appointment and agrees to be bound by the provisions of this Agreement and the other Transaction Documents to which it is a party for so long as it is a Collateral Agent. The Collateral Agent shall have only those duties and responsibilities which are expressly specified in this Agreement and the Transaction Documents, and it may perform such duties by or through its agents, mandataries or employees. It is expressly agreed that the Collateral Agent is not a fiduciary of any Purchaser nor shall it owe any fiduciary duties to any Purchaser. Any Person to whom the Agent may delegate duties or responsibilities as permitted hereunder shall enjoy and be bound by the same benefits, rights, protections and obligations as those provided to the Collateral Agent or to which the Collateral Agent is subject under this Agreement, mutatis mutandis.

(b) Without limiting the powers of the Collateral Agent hereunder, the Seller and the Purchasers hereby acknowledge that the Collateral Agent shall, for purposes of holding any Encumbrance granted pursuant to the laws of the Province of Quebec be appointed as a hypothecary representative within the meaning of the Article 2692 of the Civil Code of Quebec for all present and future Purchasers and Purchasers' Agent.

(c) The proceeds of realization of the Security Documents or any portion thereof shall be distributed in accordance with the provisions of this Agreement and the Intercreditor Agreement, having particular regard to Section 15.8 hereof.

(d) In exercising its duties hereunder, the Collateral Agent may engage and pay for the advice or services of any lawyers, accountants or other experts whose advice or services

may to it seem necessary, expedient or desirable and rely upon any advice so obtained. The Collateral Agent may refrain from exercising any right, power or discretion vested in it under this Agreement which would or might in its opinion in its sole discretion be contrary to any Applicable Law or otherwise render it liable to any Person, and may do anything which is in its opinion in its sole discretion necessary to comply with any such Applicable Law. The Collateral Agent shall not be bound to disclose to any Person any information relating to any Falco Group Entity if such disclosure would or might in its opinion in its sole discretion constitute a breach of Applicable Law or be otherwise actionable at the suit of any Person.

(e) The Collateral Agent shall not accept any responsibility for the accuracy and/or completeness of any information supplied in connection herewith and the Collateral Agent shall not be under any liability to any Purchaser as a result of taking or omitting to take any action in relation to the Transaction Documents save in the case of the Collateral Agent's gross negligence or wilful misconduct.

(f) Each Purchaser shall, on demand by the Collateral Agent, indemnify the Collateral Agent on a proportionate basis (based on each Purchaser's Share), against any and all costs, claims, reasonable expenses (including legal fees) and liabilities which the Collateral Agent may incur (and which, where applicable, have not been reimbursed by Falco) to the extent required hereunder, otherwise than by reason of its own gross negligence or wilful misconduct, in acting in its capacity as the Collateral Agent under the Transaction Documents.

15.5 Termination of Appointment

The Majority Purchasers may terminate the Purchasers' Agent's or the Collateral Agent's appointment hereunder upon giving such Person 30 days' prior written notice to such effect. The Purchasers' Agent or the Collateral Agent may resign its appointment hereunder at any time upon giving 90 days' prior written notice to each Purchaser, without giving any reason therefor. In the event of any such termination or resignation, the Majority Purchasers shall appoint a successor Purchasers' Agent or Collateral Agent, as applicable. Within a reasonable time after the appointment of such successor Agent, the retiring Person shall assign its interest under the Transaction Documents to such successor. Upon such assignment, the retiring Person shall be discharged from any further obligation hereunder but shall remain entitled to the benefit of the provisions of this Section; and the successor and each of the other parties hereto shall have the same rights and obligations among themselves as they would have had if such successor originally had been a party hereto as the Purchasers' Agent or Collateral Agent, as the case may be. If a person ceases to be the Purchasers' Agent or Collateral Agent and an applicable successor is not appointed within such 90-day period, upon the expiry of such period such person shall receive no further compensation for acting as Purchasers' Agent or Collateral Agent and shall be released from all of its obligations in such capacity, except that until a successor Collateral Agent is appointed such person shall passively hold the Encumbrances for the Purchasers without taking any action to preserve, renew, maintain or enforce the Security; and its sole remaining obligation shall be to assign the Security to its successor if and when a successor is appointed.

15.6 Sharing of Information

The Purchasers may share among themselves any information they may have from time to time concerning Falco or any other Falco Group Entities whether or not such information is confidential, but shall have no obligation to do so, provided that any Confidential Information so shared will remain subject to the terms and conditions of Section 6.6. Falco and each Falco Group Entity authorizes the Purchasers to share among each other any information possessed by any of them regarding Falco or any Falco Group Entity, subject to obligations of the Purchasers under Section 6.6.

15.7 Amendments to this Article

The Purchasers may amend any provision in this Article 15 without prior notice to or the consent of Falco or any Falco Group Entity, and the Purchasers shall provide a copy of any such amendment to Falco and any Falco Group Entity reasonably promptly thereafter; provided, however, that if any such amendment would adversely affect any rights, entitlements, obligations or liabilities of any of Falco or any Falco Group Entity, such amendment shall not be effective until Falco or any Falco Group Entity, as the case may be, provide its written consent thereto, such consent not to be unreasonably withheld or delayed.

15.8 Adjustments Among Purchasers

(a) Each Purchaser agrees that it will at any time or from time to time, as required by any other Purchaser, purchase portions of the amounts due and owing to the other Purchasers and make any other adjustments which may be necessary or appropriate so that the amounts due and owing to each Purchaser, as adjusted under this Section, will, as nearly as possible, reflect each Purchaser's Share determined as at the date of the exercise of any such rights.

(b) For greater certainty, the Purchasers acknowledge and agree that, without limiting the generality of Section 15.8(a), those provisions will have application if and whenever any Purchaser shall obtain any payment (whether voluntary, involuntary, through the exercise of any right of set-off, realization upon any Security or otherwise) on account of any money owing or payable by Falco to it in excess of the amounts to which it would otherwise be entitled under Section 15.8(a).

(c) Falco and the Falco Group Entities agree to be bound by and to do all things necessary or appropriate to give effect to any and all purchases and other adjustments made by and between the Purchasers under this Section 15.8.

ARTICLE 16
GENERAL

16.1 Disputes and Arbitration

(a) Any dispute, controversy or claim, question or disagreement (each a "**Dispute**") arising out of or relating to this Agreement or the breach, termination or validity thereof which has not been resolved between the parties to such Dispute within the time frames specified herein (or where no time frames are specified, within 30 days of the delivery of written notice by any Party of such dispute, controversy or claim) shall be referred to the chief executive officer of Falco and the general legal counsel of each relevant Purchaser, to the extent there is one, and if not, to the Chief Executive Officer or President of any such relevant Purchaser for prompt resolution.

(b) If the Parties to any Dispute cannot resolve the Dispute within the 30 day period, a Party involved in the Dispute may refer the Dispute to arbitration pursuant to the relevant provisions of the *Code of Civil Procedure* (Québec) (the "**Arbitration Procedure**"). The arbitration shall be held in the City of Montreal and be determined by a single arbitrator. The arbitrator shall be qualified by experience and skill in the area(s) covered by the Dispute and, unless both Falco and applicable Purchasers involved in the Dispute agree in writing following full disclosure of any facts giving rise to a possible conflict, free from legal or business conflicts of interest in relation to the Parties to such Dispute. Arbitration shall be conducted in the English language.

(c) If Falco and the applicable Purchasers do not agree upon the selection of the arbitrator within 15 days following the expiration of the 30 day period referred to above, either Falco or the applicable Purchasers may apply to a judge of the Superior Court of Québec for the appointment of the arbitrator. Unless Falco and the applicable Purchasers agree to

share the costs of the arbitration, the arbitrator shall determine what portion of the costs and expenses incurred in such proceeding shall be borne by each Party participating in the arbitration. The award of the arbitrator shall be final and binding on each of the Parties hereto and shall not be subject to any appeal on any ground, including an error of law. The arbitration shall be governed by the laws of Québec and the federal laws of Canada applicable therein, and judgement upon the award rendered by the arbitrator may be entered in any court having jurisdiction. Any and all Parties to any Dispute covenant that to the extent practicable they shall conduct all aspects of such arbitration having regard at all times to expediting the final resolution of such arbitration.

(d) The provisions of this Agreement providing for the resolution of Disputes shall not operate to prevent recourse to the court by any Party as permitted by the Arbitration Procedure, as applicable, with respect to injunctions, receiving orders and orders regarding the detention, preservation and inspection of property, or whenever enforcement of an arbitration award reasonably requires access to any remedy which an arbitrator has no power to award or enforce.

(e) Notwithstanding the foregoing, this Section 16.1 shall not (i) apply to the exercise of rights and remedies by the Purchasers, the Purchasers' Agent or Collateral Agent further to an Event of Default, whether pursuant to the Security or otherwise, or to a declaration or election under Section 11.2 further to an Event of Default; or (ii) prevent a competent court from exercising its full jurisdiction under the *Bankruptcy and Insolvency Act* (Canada) or the *Companies' Creditors Arrangement Act* (Canada).

16.2 Further Assurances

Each Party shall execute at the cost and expense of Falco all such further instruments and documents and do all such further actions as may be necessary to effectuate the documents and transactions contemplated in this Agreement, in each case at the cost and expense of the Party requesting such further instrument, document or action, unless expressly indicated otherwise.

16.3 No Joint Venture

Nothing herein shall be construed to create, expressly or by implication, a joint venture, mining partnership, commercial partnership, agency relationship, fiduciary relationship, or other partnership relationship between any of the Purchasers and any Falco Group Entity.

16.4 Governing Law and Attornment

This Agreement shall be governed by and construed under the laws of the Province of Québec and the federal laws of Canada applicable therein, regardless of any conflict of law rules. The United Nations Vienna Convention on Contracts for the International Sale of Goods shall not apply to this Agreement. Subject to Section 16.1, each of the Parties irrevocably submits to the non-exclusive jurisdiction of the courts of the Province of Quebec.

16.5 Notices

Any notice, direction or other communication to be given under this Agreement shall, except as otherwise permitted, be in writing and given by delivering it or sending it by email or other similar form of recorded communication addressed:

(i) If to Falco to:

Falco Resources Ltd.
1100, avenue des Canadiens-de-Montréal, Suite 300
Montréal, Québec
H3B 2S2

Attention: Luc Lessard, President and CEO
Email: [**REDACTED: personal information redacted**]

with a copy to:

Cassels Brock & Blackwell LLP
2100 Scotia Plaza
40 King Street West
Toronto, Ontario
M5H 3C2

Attention: Jay Goldman
E-mail: [**REDACTED: personal information redacted**]

(ii) If to any Purchaser, in accordance with the details specified in Exhibit E, as amended from time to time in accordance with this Agreement

(iii) If to Purchasers' Agent, to:

Osisko Gold Royalties Ltd
1100, avenue des Canadiens-de-Montréal, Suite 300
Montréal, Québec
H3B 2S2

Attention: Joseph de la Plante, Vice President, Corporate Development
Email: [**REDACTED: personal information redacted**]

(iv) If to Collateral Agent, to:

Osisko Gold Royalties Ltd
1100, avenue des Canadiens-de-Montréal, Suite 300
Montréal, Québec
H3B 2S2

Attention: Joseph de la Plante, Vice President, Corporate Development
Email: [**REDACTED: personal information redacted**]

Any such communication shall be deemed to have been validly and effectively given if (i) personally delivered, on the date of such delivery if such date is a Business Day and such delivery was made prior to 4:00 p.m. (Montreal time), otherwise on the next Business Day, (ii) transmitted by email or similar means of recorded communication on the Business Day following the date of transmission. Any Party may change its address for service from time to time by notice given in accordance with the foregoing and any subsequent notice shall be sent to the Party at its changed address.

16.6 Press Releases

The Parties shall jointly plan and co-ordinate, and shall cause their respective Affiliates to jointly plan and coordinate, any public notices, press releases, and any other publicity concerning the entering into of this Agreement and none of the Parties or their respective Affiliates shall act in this regard without reasonable prior consultation with the other Parties, unless such disclosure is required to meet timely disclosure obligations of such Parties or their Affiliates under Applicable Laws in circumstances where prior consultation with the other Parties is not practicable, and a copy of such disclosure shall be provided to the other Parties at such time as it is made publicly available. Each Party shall act in good faith to accommodate the suggestions and requests of the other Party, and, if a press release identifies a Party, the disclosing Party shall not, and shall cause its Affiliate not to, release such press release without the consent of such non-disclosing Party, provided however, that Party and its Affiliates shall be entitled to

make such announcements and disclosures as are, in the opinion of its counsel, required by law or the rules of any stock exchange or that are not Confidential Information.

16.7 Amendments

Subject to the terms of Section 15.1, this Agreement may not be changed, amended or modified in any manner, except pursuant to an instrument in writing signed on behalf of each of the Parties.

16.8 Beneficiaries

This Agreement is for the sole benefit of the Parties and their successors and permitted assigns and nothing herein is intended to or shall confer upon any other person any legal or equitable right, benefit or remedy of any nature or kind whatsoever under or by reason of this Agreement. This Agreement shall enure to the benefit of and shall be binding on and enforceable by the Parties and their respective successors and permitted assigns.

16.9 Entire Agreement

This Agreement and the Transaction Documents together constitute the entire agreement between the Parties with respect to the subject matter hereof and cancel and supersede any prior understandings and agreements between the Parties with respect thereto. There are no representations, warranties, terms, conditions, opinions, advice, assertions of fact, matters, undertakings or collateral agreements, express, implied or statutory, with respect to the subject matter hereof and thereof by or between the Parties (or by any of their respective employees, directors, officers, representatives or agents) other than as expressly set forth in this Agreement or the Transaction Documents.

16.10 Waivers

Any waiver of, or consent to depart from, the requirements of any provision of this Agreement shall be effective only if it is in writing and signed by the Party giving it, and only in the specific instance and for the specific purpose for which it has been given. No failure on the part of any Party to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver of such right. No single or partial exercise of any such right shall preclude any other or further exercise of such right or the exercise of any other right.

16.11 Assignment

(a) Any Purchaser shall be entitled to assign, in whole or in part, any of its rights, obligations or interest under this Agreement, provided that such Purchaser shall not, without Falco's prior written consent, assign or otherwise transfer all or part of its rights, obligations or interests to any person on the *Foreign Corrupt Practices Act* list.

(b) Except as provided in Article 7 herein, Falco may not Transfer, in whole or in part, any of its rights, obligations or interests under any of the Transaction Documents, as applicable, without the prior written consent of the Majority Purchasers.

(c) An assignment by a Purchaser to any assignee acquiring any rights, obligations or interest in this Agreement pursuant to and in accordance with this Section 16.11 shall become effective when Falco, the other Purchasers and the Collateral Agent have received from the assignee an agreement (addressed to all the Parties) to be bound by this Agreement as well as the applicable Transaction Documents, including, without limitation, an executed joinder to the Intercreditor Agreement (substantially in the form appended as Schedule A to the Intercreditor Agreement), and to perform the obligations assigned to it, in substantially the form of the Purchase Assignment Agreement. Any such assignee shall be treated as a Purchaser for all purposes of this Agreement, shall be entitled to the full benefit hereof and shall be subject to the obligations of the assigning Purchaser to the same extent as if it were an original party in respect of the rights or

obligations assigned to it, and the assigning Purchaser shall (subject to the terms of Section 3.11) be released and discharged from its obligations hereunder.

16.12 Severability

If any provision of this Agreement is determined to be invalid, illegal or unenforceable in any respect, all other provisions of this Agreement shall nevertheless remain in full force and effect and the Parties shall negotiate in good faith to replace any provision that is invalid, illegal or unenforceable with such other valid provision that most closely replicates the economic effect and rights and benefits of such impugned provision.

16.13 Specific Performance

Without limiting the scope of Section 11.2 or 16.1, each of the Parties acknowledges that any breach of this Agreement may cause the other Parties irreparable harm for which damages are not an adequate remedy. The Parties agree that, in the event of any such breach, in addition to other remedies at law or in equity that a Party may have, the Party shall be entitled to seek specific performance.

16.14 Costs and Expenses

All reasonable documented out of pocket costs and expenses incurred by the Secured Parties, including in relation to due diligence and all legal fees and expenses associated with the transactions contemplated in this Agreement and the other Transaction Documents, including costs and expenses related to funding any of the instalments or for the perfection/setting up of the Security Documents or any modification of the Transaction Documents that may be required from time to time, cost of mining consultants and the Secured Parties' technical and administrative services relating to due diligence, will be for the account of Falco and shall be payable by Falco within 10 days of receiving an invoice from the applicable Secured Party or shall be deducted by the applicable Secured Party from any consideration remitted or to be remitted to Falco by such Secured Party from time to time.

16.15 Permitted Encumbrances

Any reference in any of the Transaction Documents to a Permitted Encumbrance is not intended to subordinate or postpone, and shall not be interpreted as subordinating or postponing, or as any agreement to subordinate or postpone, any Encumbrance created by any of the Transaction Documents to any Permitted Encumbrances.

16.16 Force Majeure

None of Falco nor the Falco Group Entities shall be liable to the Purchasers and none of Falco nor the Falco Group Entities shall be deemed in default under this Agreement, for any failure or delay to perform any of its covenants and agreements when such performance is prevented by Force Majeure. Any period for performance affected by an event of Force Majeure shall be extended for a period commensurate with the period of the delay, up to a maximum period of 180 days. So far as possible, Falco shall take all reasonable steps to remedy the delay caused by the event of Force Majeure and resume performance as soon as feasible; provided however, that nothing contained in this Section shall require Falco to settle any industrial dispute or to test the validity, enforceability, or unenforceability of any law. If Falco shall seek to claim Force Majeure, Falco shall promptly notify the Purchasers' Agent in writing of such event, of the steps being taken to resolve the delay and to resume performance, and of the date when the condition of Force Majeure has been alleviated.

16.17 Language

The Parties acknowledge that they have agreed that this Agreement and all related Transaction Documents and other documents and notices be drawn up in English. *Les parties reconnaissent avoir convenu que la présente Convention et tous les documents reliées à la transaction et tous les documents et avis reliés soient rédigés en anglais.*

16.18 Counterparts

This Agreement may be executed in one or more counterparts, and by the Parties in separate counterparts, each of which when executed shall be deemed to be an original, but all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Agreement by telecopy or electronic scan shall be effective as delivery of a manually executed counterpart of this Agreement.

[REMAINDER OF PAGE INTENTIONALLY BLANK]

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

OSISKO GOLD ROYALTIES LTD,
as Purchaser

Per: _____
Name: Elif Lévesque
Title: Chief Financial Officer
and Vice President Finance

Per: _____
Name: Joseph de la Plante
Title: Vice President
Corporate Development

FALCO RESOURCES LTD.,
as Seller

Per: _____
Name: Luc Lessard
Title: President and CEO

Per: _____
Name: Andre Le Bel
Title: Vice President, Legal Affairs
and Corporate Secretary

OSISKO GOLD ROYALTIES LTD,
as Purchasers' Agent

Per: _____

Name: Elif Lévesque
Title: Chief Financial Officer
and Vice President Finance

Per:

Name: Joseph de la Plante
Title: Vice President
Corporate Development

OSISKO GOLD ROYALTIES LTD,
as Collateral Agent

Per: _____

Name: Elif Lévesque
Title: Chief Financial Officer
and Vice President Finance

Per:

Name: Joseph de la Plante
Title: Vice President
Corporate Development

SCHEDULES AND EXHIBITS

Schedule 1.1(a)(i)	Purchaser Commitments
Schedule 1.1(b)	Initial Glencore Property Documents
Schedule 1.1(c)	Initial Construction Budget and Schedule
Schedule 1.1(d)	Payable Silver
Schedule 1.1(e)	Project Agreements
Schedule 1.1(f)	Project Governmental Approvals
Schedule 1.1(g)	Project Third Party Approvals
Schedule 1.1(h)(i)	Property and AOI
Schedule 1.1(h)(ii)	Horne 5 Deposit
Schedule 1.1(h)(iii)	Horne 5 Tailing Site
Schedule 1.1(h)(iv)	Horne 5 Property
Schedule 1.1(j)	Glencore Encumbrance
Schedule 1.1(k)	Royalties
Schedule 1.1(l)	Second Instalment Project Approvals
Schedule 1.1(m)	Third Instalment Project Approvals
Schedule 1.1(n)	Underlying Agreements
Schedule 3.7(a)(ii)	Deposit Reconciliation
Schedule 5.8(a)	Locations of Collateral
Schedule 6.1(j)	Offtake Agreements
Schedule 8.1(c)	Security Documents
Schedule 10.1	Falco Representations and Warranties
Schedule 10.1(c)	Existing Joint Ventures of Falco
Schedule 10.1(f)	Approval to be Obtained
Schedule 10.1(k)	Approvals Obtained
Schedule 10.1(o)	Options
Schedule 10.1(p)	Compliance with Laws
Schedule 10.1(u)	Financial Matters
Schedule 10.1(hh)	Environmental Matters
Schedule 10.2	Purchaser Representations and Warranties
Exhibit A	Intercreditor Agreement
Exhibit B	Purchase Assignment Agreement
Exhibit C	Compliance Certificate
Exhibit D	Form of Guarantee
Exhibit E	Purchaser Details

SCHEDULE 1.1(a)(i)

PURCHASERS AND RESPECTIVE COMMITMENTS

Name of Purchaser	Notice Information	First Instalment Commitment	Second Instalment Commitment	Third Instalment Commitment	Fourth Instalment Commitment	Fifth Instalment*	Commitment*
Osisko Gold Royalties Ltd	Osisko Gold Royalties Ltd 1100, av. des Canadiens-de-Montreal Suite 300 Montreal, QC, H3B 2S2 **Attention**: Joseph de la Plante, Vice President, Corporate Development **Email**: [**REDACTED: sensitive information.**] **Fax no**.: 514-940-0669	$25,000,000 (100%)	$20,000,000 (100%)	$35,000,000 (100%)	$60,000,000 (100%)	$40,000,000 (100%)	$180,000,000 (100%)

*As provided for under Section 3.6 of the Agreement, the Purchasers shall have no obligation to fund the Fifth Instalment, such Fifth Instalment being entirely discretionary. Accordingly, and notwithstanding any other term to the contrary, the Fifth Instalment shall only be funded with the prior written consent and approval of the Unanimous Purchasers, in their sole and absolute discretion.

SCHEDULE 1.1(b)

INITIAL GLENCORE PROPERTY DOCUMENTS

[**REDACTED: Commercially sensitive information.**]

SCHEDULE 1.1(c)

INITIAL CONSTRUCTION BUDGET AND SCHEDULE

[**REDACTED: Commercially sensitive information.**]

SCHEDULE 1.1(d)

PAYABLE SILVER

[**REDACTED: Commercially sensitive information.**]

SCHEDULE 1.1(e)

PROJECT AGREEMENTS

[**REDACTED: Commercially sensitive information.**]

SCHEDULE 1.1(f)

PROJECT GOVERNMENTAL APPROVALS

[**REDACTED: Commercially sensitive information.**]

Project Governmental Approvals

[**REDACTED: Commercially sensitive information.**]

SCHEDULE 1.1(g)

PROJECT THIRD PARTY APPROVALS

[**REDACTED: Commercially sensitive information.**]

SCHEDULE 1.1(h)(i)

Property

[**REDACTED: Commercially sensitive information.**]

SCHEDULE 1.1(h)(ii)

Horne 5 Deposit

[**REDACTED: Commercially sensitive information.**]

SCHEDULE 1.1(h)(iii)

Horne 5 Tailing Site

[**REDACTED: Commercially sensitive information.**]

SCHEDULE 1.1(h)(iv)

Horne 5 Property

[**REDACTED: Commercially sensitive information.**]

SCHEDULE 1.1(j)

Glencore Encumbrance

[**REDACTED: Commercially sensitive information.**]

SCHEDULE 1.1(k)

Royalties

[**REDACTED: Commercially sensitive information.**]

SCHEDULE 1.1(l)

Second Instalment Project Approvals

[**REDACTED: Commercially sensitive information.**]

SCHEDULE 1.1(m)

Third Instalment Project Approvals

[**REDACTED: Commercially sensitive information.**]

SCHEDULE 1.1(n)

Underlying Agreements

[**REDACTED: Commercially sensitive information.**]

SCHEDULE 3.7(a)(ii)

Deposit Reconciliation

[**REDACTED: Commercially sensitive information.**]

SCHEDULE 5.8(a)

Locations of Collateral

[**REDACTED: Commercially sensitive information.**]

SCHEDULE 6.1(j)

Offtake Agreements

None.

SCHEDULE 8.1(c)

Security Documents

[**REDACTED: Commercially sensitive information.**]

SCHEDULE 10.1

FALCO REPRESENTATIONS AND WARRANTIES

(a) Organization. Each of the Falco Group Entities has been duly incorporated or formed, as applicable, and is validly existing under the Applicable Laws of their existence. Each of the Falco Group Entities has the power and capacity to own and lease its property and to carry on its business as currently conducted. Each of the Falco Group Entities is duly qualified, licensed or registered to do business in each jurisdiction in which the nature of the Business or the property or assets owned or leased by it make such qualification necessary, and is not otherwise precluded from carrying on the Business or owning or leasing property or assets in such jurisdictions by any other commitment, agreement or document. No proceeding has been instituted or, to Falco's knowledge, threatened in any such jurisdiction revoking, limiting or curtailing, or seeking to revoke, limit or curtail, such power and authority or qualification. Each of the Falco Group Entities is up-to-date in all its corporate filings and is in good standing under Applicable Laws in all material respects.

(b) Books and Records. The minute books and corporate records of each of the Falco Group Entities are true and correct in all material respects and contain all minutes of all meetings and all resolutions of the shareholders or directors (or any committee thereof) of the applicable Falco Group Entity.

(c) Subsidiaries. As at the Closing Date, Falco does not and will not have any Subsidiaries. Except as set out in Schedule 10.1(c), as at the Closing Date, no Falco Group Entity is engaged in any joint purchasing arrangement, joint venture, partnership or other joint enterprise with any person.

(d) Authorization. Each relevant Falco Group Entity has the requisite power and authority to enter into each of the Transaction Documents to which it is or will become a party, and to perform its obligations thereunder. Each of the Transaction Documents to which a Falco Group Entity is or will become a party has been duly authorized, executed and delivered by such Falco Group Entity, as applicable, and each Transaction Document to which a Falco Group Entity is or will become a party is or will be a valid and binding agreement of such Falco Group Entity, as applicable, enforceable against such party in accordance with its terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar Applicable Laws affecting creditors' rights generally and subject to the qualification that equitable remedies may be granted in the discretion of a court of competent jurisdiction.

(e) No Violation. The execution and delivery by each relevant Falco Group Entity of each Transaction Document to which it is a party, and the performance by it of its obligations hereunder or thereunder does not and will not result in either:

(i) the breach or violation of any of the provisions of, or constitute a default under or conflict with or cause the acceleration of any obligation of any Falco Group Entity under, or give any person a right to terminate, cancel or modify: (A) any Contract to which any Falco Group Entity is bound, or by which any of its property or assets (including the Horne 5 Project) are bound, including the Glencore Property Documents; (B) any provision of the constating documents or any resolution of the shareholders, partners or directors (or any committee thereof) of any Falco Group Entity; (C) any applicable Laws; or (D) any Approval; or

(ii) other than as contemplated by the Transaction Documents, the creation or imposition of any Encumbrance on any property or assets (including the Horne 5 Project) a Falco Group Entity; or

(iii) the breach or violation of any of the provisions of, or constitute a default under, the Project Documents.

(f) No Restriction. None of the Falco Group Entities is subject to, or a party to, any restriction under its constating documents, any Applicable Law, any Contract, any Encumbrance or any other restrictions of any kind or character which would prevent compliance by a Falco Group Entity with the terms, conditions and provisions of the Transaction Documents or the continued operations of the Business as currently conducted or as contemplated to be conducted as disclosed in the Operating Plan and contemplated by the Transaction Documents, subject to the receipt of the Approvals set forth on Schedule 10.1(f).

(g) Consents and Approvals. There is no requirement under the Securities Laws for any of the Falco Group Entities to make any filing, give any notice, obtain any Approval or take any proceeding as a condition to the lawful consummation of the transactions contemplated by the Transaction Documents, other than the receipt of disinterested shareholder approval of Falco under the rules of the TSXV and Regulation 61-101 which occurred prior to the Closing Date. Other than for the Approvals set forth in Schedules 10.1(f) or 10.1(k), there is no requirement under any Contract of any of the Falco Group Entities to give any notice to, or to obtain any Approval of, any party to such Contract in respect of the Transaction Documents or the transactions contemplated hereunder and thereunder.

(h) Project Documents. The Project Documents are all of the material documents related to the development, and mining operation relating to the Horne 5 Project as of the date of the making of this representation and warranty.

(i) Regulatory Matters.

(i) Falco is a "reporting issuer" (or the equivalent) in all of the Provinces of Canada and is not included in a list of defaulting reporting issuers maintained by the Securities Regulators. Falco has not taken any action to cease to be a reporting issuer in any jurisdiction in which it is a reporting issuer, and has not received any notification from a Securities Regulator seeking to revoke Falco's reporting issuer status. All material filings and fees required to be made and paid by Falco pursuant to Securities Laws and general corporate law have been made and paid.

(ii) As of their respective filing dates, each of the Public Disclosure Documents complied with the requirements of applicable Securities Laws in all material respects and none of the Public Disclosure Documents contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances in which they were made, not misleading. There is no material change relating to Falco which has occurred and with respect to which the requisite material change report has not been filed with the Securities Regulators. Falco has not filed any confidential material change report or other confidential report with any Securities Regulator or other Governmental Authority which at the date hereof remains confidential. All material agreements required to be filed with the Securities Regulators by Falco pursuant to Securities Laws have been filed.

(iii) The Operating Plan and the Public Disclosure Documents comply in all material respects with the provisions of Regulation 43-101. The estimates in the Operating Plan and the Public Disclosure Documents of Falco's mineral resources and mineral reserves have been prepared and disclosed in accordance with Regulation 43-101 and the information prepared by Falco upon which such estimates were based was, at the time of delivery thereof, complete

and accurate and, except as otherwise noted in the Public Disclosure Documents, there have been no material changes to such information since the date of delivery or preparation thereof.

(j) TSX Venture Exchange. Falco is currently in compliance in all material respects with the rules and regulations of the TSX Venture Exchange.

(k) Project Approvals.

(i) Except as has been disclosed to the Purchasers' Agent in writing as of the date of this Agreement, Schedule 10.1(k) describes each Project Approval held by or granted to Falco as of the date of the representation, the applicable permit number (as applicable), the dates of grant and of expiry and any applicable renewal rights. Each Project Approval held by or granted to Falco is validly subsisting and in good standing and Falco is not in default or breach of any such Project Approval in any material respect and no proceeding is pending or, to the knowledge of Falco, threatened to revoke or limit any such Project Approval. To the knowledge of the Falco Group Entities, there are no grounds, facts or circumstances that could reasonably be expected to prevent the renewal of any Project Approval held by or granted to Falco. Falco has made available to the Purchasers a true and complete copy of each Project Approval held by or granted to Falco and all amendments thereto.

(ii) Other than the Approvals set out in Schedule 10.1(k) (as updated from time to time in accordance with Section 6.1(c)) and the Approvals to be obtained set out in Schedule 10.1(f) (as updated from time to time in accordance with Section 6.1(c), there are no Approvals necessary to carry on the Horne 5 Project, including as contemplated by Falco and disclosed in the Public Disclosure Documents and contemplated in the Transaction Documents, or as currently contemplated to be conducted as set out in the Operating Plan.

(iii) To the knowledge of Falco, there are no facts or circumstances that could reasonably be expected to prevent Falco from acquiring the Approvals set forth on Schedules 10.1(f) in a timely fashion.

(l) Horne 5 Property and Collateral.

(i) As at the Closing Date, the description of the Property attached as Schedule 1.1(h)(i), the description of the Horne 5 Tailing Site attached as Schedule 1.1(h)(iii) and the description of the Horne 5 Property attached as Schedule 1.1(h)(iv) are true and correct in all respects.

(ii) Other than as disclosed in Schedules 1.1(h)(i), 1.1(h)(iii) and 1.1(h)(iv), and save and except for Permitted Encumbrances and such concessions made available to Falco under the Asset Purchase Agreement, the Falco Group Entities have valid contractual rights and title to all rights included within the Horne 5 Property.

(iii) Other than as disclosed in Schedules 1.1(h)(i), 1.1(h)(iii) and 1.1(h)(iv) and save and except for Permitted Encumbrances, the Falco Group Entities have good and marketable title to such other immovable (real) property interests that are included within the Horne 5 Property and are not otherwise included under part (i) of this paragraph.

(iv) The Horne 5 Property constitutes all immovable (real) property, mineral, surface interests and ancillary rights necessary for the development, construction and mining operations of the Horne 5 Project as currently operated. In order to develop and operate the Horne 5 Project substantially in accordance with the

Operating Plan, save and except for the Project Government Approvals and the Project Third Party Approvals Falco need not acquire any additional immovable (real) property, mineral, surface interests or ancillary rights.

(v) Save and except for the Royalties, the Glencore Property Documents or the Underlying Agreements, none of the Horne 5 Project or any Minerals produced therefrom are subject to an option, right of first refusal or right, title, interest, reservation, claim, rent, royalty, or payment in the nature of rent or royalty, or right capable of becoming an agreement, option, right of first refusal or right, title, interest, reservation, claim, rent, royalty, or payment in the nature of rent or royalty.

(vi) Save and except for this Agreement, the Royalties, the Glencore Property Documents, the Underlying Agreements and Applicable Laws, there are no restrictions on the ability of any Falco Group Entity to exploit the Horne 5 Project or any Material Collateral.

(vii) Save and except for Permitted Encumbrances and except as disclosed in Schedule 5.8(a), no Falco Group Entity holds any ownership or other immovable (real) property interests or rights (including licences from landholders permitting the use of land, leases, rights of way, servitudes, occupancy rights, surface rights and easements).

(viii) Save and except for Permitted Encumbrances, Falco has good and valid title to such properties and assets, which are not immovable property interests, and which are included in the Collateral.

(ix) Save and except for Permitted Encumbrances, there are no Encumbrances upon or with respect to any of the properties and assets included in the Collateral.

(x) Save and except for counterparties to the Glencore Property Documents or the Underlying Agreements, no person other than the Falco Group Entities has any rights to participate in or operate the Horne 5 Project.

(m) Title to Personal and Other Property. The location of all of the movable (personal) property that the Falco Group Entities own, lease or use in connection with the Horne 5 Project are set out in Schedule 5.8(a). All of the movable (personal) property and assets that the Falco Group Entities own, lease or use in connection with the Horne 5 Project are in good operating condition, having regard to the use and age thereof, except only for reasonable wear and tear.

(n) Expropriation. No property or asset (including the Collateral) of any of the Falco Group Entities has been taken or expropriated by any Governmental Authority or person nor has any notice or proceeding in respect thereof been given or commenced nor, to the knowledge of Falco, is there any intent or proposal to give any such notice or commence any such proceeding.

(o) No Options, Etc. Other than as disclosed in Schedule 10.1(o) and this Agreement or as permitted by this Agreement, no person has any Contract or any right or privilege capable of becoming a Contract to acquire (whether or not subject to conditions) from any of the Falco Group Entities any of its material property (or any interest therein) or assets relating to Material Collateral or any interest therein, including the Horne 5 Project.

(p) Compliance with Laws.

(i) Except as set out in Schedule 10.1(p) or has been disclosed to the Purchasers' Agent in writing as of the date of this Agreement, none of the Falco Group

Entities has been or is in breach or violation of: (A) any of the terms, conditions or provisions of its constating documents or resolutions of its shareholders or directors (or any committee thereof) in any material respect; (B) any outstanding Approval; or (C) any Applicable Laws relating to, or any Order of any Governmental Authority having jurisdiction over, any Falco Group Entity or their respective property or assets in any material respect.

(ii) Except as set out in Schedule 10.1(p), to the knowledge of Falco, there is no Applicable Law, or proposed Applicable Law, which will have or could reasonably be expected to have a Material Adverse Effect.

(iii) All mining operations and all exploration activities in respect of the Mineral Rights have been conducted in accordance with good mining and engineering practices and all workers' compensation and health and safety regulations applicable to Falco or any of the Falco Group Entities have been complied with in all material respects.

(q) Project Documents. All existing Project Documents (other than the Construction Budget and Schedule, the Operating Plan and the Project Approvals) are set out in Schedule 1.1(e), and true and complete copies thereof have been made available to the Purchasers. None of the Falco Group Entities or, to Falco's knowledge, any other person, is in default in any material respect in the observance or performance of any term, covenant or obligation to be performed by Falco, the Falco Group Entities or such other person under any Project Document to which Falco or a Falco Group Entity is a party or by which it is otherwise bound. Each Project Document is in good standing. Each Project Agreement constitutes a valid and binding agreement of the Falco Group Entities party thereto and, to Falco's knowledge, each of the other parties thereto, is in full force and effect and is enforceable against each of the Falco Group Entities party thereto and, to Falco's knowledge, each of the other parties thereto, in accordance with its terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar Applicable Laws affecting creditors' rights generally and subject to the qualification that equitable remedies may be granted in the discretion of a court of competent jurisdiction, and no event has occurred which, with notice or lapse of time or both, would constitute such a default by any of the Falco Group Entities or, to Falco's knowledge, any other person. Falco has no knowledge of the invalidity of or grounds for rescission, avoidance or repudiation of any Project Document and none of Falco or any of the Falco Group Entities has received notice of any intention to terminate any Project Document or repudiate or disclaim any transaction contemplated thereby. Other than the Transaction Documents and the transactions contemplated hereunder and thereunder and except as set forth in Schedule 10.1(c), none of Falco Group Entities has any agreements of any nature whatsoever to acquire, merge or enter into any business combination or joint venture agreement with any other entity, or to acquire any other business operations or to enter into any off-take arrangement.

(r) Debt Instruments. Except in respect of the Transaction Documents and as disclosed in the Public Disclosure Documents, and other for any Permitted Indebtedness, none of the Falco Group Entities is party to or bound by or subject to: (i) any bond, debenture, promissory note, credit facility or other Contract evidencing Indebtedness or potential Indebtedness; or (ii) any Contract, whether written or oral, to create, assume or issue any of the foregoing.

(s) No Liabilities. Except in respect of the Transaction Documents and as disclosed in the Public Disclosure Documents, none of Falco nor any of the Falco Group Entities has any material liabilities, direct or indirect, contingent or otherwise. Without limiting the generality of the foregoing, none of Falco or any of the Falco Group Entities has any material obligation except in respect of the Transaction Documents, as disclosed in the Public Disclosure Documents or those arising in the ordinary course of business.

(t) Litigation. As at the Closing Date, there are no Orders which remain unsatisfied against any of the Falco Group Entities or consent decrees or injunctions to which any of the Falco Group Entities is subject. There are no investigations, actions, suits or proceedings at Law or in equity or by or before any Governmental Authority now pending or affecting or, to the knowledge of Falco, threatened against any of the Falco Group Entities (or their respective properties or assets) or otherwise impacting the ability of the Falco Group Entities to access, process or mine the Horne 5 Property and, to the knowledge of Falco, there is no ground on which any such action, suit or proceeding would reasonably be expected to be commenced.

(u) Financial Matters. The Financial Statements have been prepared in accordance with IFRS applied on a consistent basis throughout and complied, as of their date of filing, with the applicable published rules and regulations of the TSX Venture Exchange and Securities Laws, and other than as set forth in Schedule 10.1(u), the Financial Statements, together with the applicable certifications filed by Falco in connection with the Financial Statements in accordance with NI 52-109, present fairly, in all material respects, the financial condition of Falco and its subsidiaries, on a consolidated basis, for the period then ended. Falco does not intend to correct or restate, nor, to the knowledge of Falco, is there any basis for any correction or restatement of, any aspect of the Financial Statements.

(v) Off-Balance Sheet Financing. There are no off-balance sheet transactions, arrangements, obligations (including contingent obligations) or other relationships of any of the Falco Group Entities with unconsolidated entities or other persons.

(w) Independence of Auditors. PricewaterhouseCoopers LLP (or any successor to PricewaterhouseCoopers LLP appointed in accordance with Securities Laws) is the auditor of Falco and is "independent" as required under Securities Laws. Since June 30, 2016, there has not been a "reportable event" (within the meaning of NI 51-102) with the present or any former auditor of Falco.

(x) Related Party Transactions. Except as disclosed in the Public Disclosure Documents, since June 30, 2016, none of the Falco Group Entities has: (i) made any payment or loan to, or borrowed any moneys from or otherwise been indebted to, any Related Party of Falco; (ii) been a party to any Contract with any Related Party of Falco, other than employment, independent contractor or indemnification agreements entered into with employees, officers or directors of any of the Falco Group Entities in respect of services provided to the Falco Group Entities in their respective capacities as officers and directors; and (iii) to the knowledge of Falco, no officer or director of any of the Falco Group Entities and no entity which is a Related Party of one or more of such individuals:

(i) owns, directly or indirectly, any interest in (except for shares representing less than 10% of the outstanding shares of any class or series of any publicly traded company), or is an officer, director or employee of or consultant to, any person which is, or is engaged in business as, a competitor of the Business, any Falco Group Entity or a lessor, lessee, supplier, distributor, agent or customer of the Business or any Falco Group Entity;

(ii) owns, directly or indirectly, in whole or in part, any property that any Falco Group Entity uses or intends to use in the operation of the Business; or

(iii) has any cause of action or other Claim whatsoever against, or owes any amount to, any Falco Group Entity, except for any liabilities reflected in the Financial Statements and claims in the ordinary course of business for accrued expense reimbursement, accrued vacation pay and accrued benefits.

(y) Residence for Tax Purpose. Each of the Falco Group Entities is a resident of Canada (and no other jurisdiction) for tax purposes.

(z) Solvency. None of the Falco Group Entities is insolvent within the meaning of Applicable Laws.

(aa) Absence of Change. Except as disclosed in the Public Disclosure Documents, there has been no event, change or effect that individually or in the aggregate has had, or could reasonably be expected to have, a Material Adverse Effect.

(bb) Taxes.

(i) All material Taxes due and payable by the Falco Group Entities (whether or not shown due on any Tax Returns and whether or not assessed (or reassessed) by the appropriate Governmental Authority) have been timely paid. All assessments and reassessments received by Falco in respect of Taxes have been paid.

(ii) All Tax Returns required by Applicable Law to be filed by or with respect to any of the Falco Group Entities have been properly prepared and timely filed and all such Tax Returns (including information provided therewith or with respect thereto) are true, complete and correct in all material respects, and no material fact or facts have been omitted therefrom which would make any such Tax Returns misleading. Since the date of the Financial Statements, none of the Falco Group Entities has incurred any liability, whether actual or contingent, for Taxes or engaged in any transaction or event that would result in any liability, whether actual or contingent, for Taxes, other than in the ordinary course of business.

(iii) No audit or other proceeding by any Governmental Authority is pending or, to the knowledge of Falco, threatened with respect to any Taxes due from or with respect to any of the Falco Group Entities, and no Governmental Authority has given written notice of any intention to assert any deficiency or claim for additional Taxes against any of the Falco Group Entities. There are no matters under discussion, audit or appeal or in dispute with any Governmental Authority relating to Taxes. No Governmental Authority of a jurisdiction in which any of the Falco Group Entities do not file Tax Returns has made any written claim that any of the Falco Group Entities are or may be subject to taxation by such jurisdiction. To the knowledge of Falco, there is no basis for a claim that any of the Falco Group Entities are subject to Tax in a jurisdiction in which it or any of the Falco Group Entities do not file Tax Returns.

(iv) There are no reassessments of Taxes for any of the Falco Group Entities that have been issued and are under dispute, and none of the Falco Group Entities has received any communication from any Governmental Authority that an assessment or reassessment is proposed in respect of any Taxes.

(v) There are no outstanding agreements, waivers, objections or arrangements extending the statutory period of limitations applicable to any claim for Taxes due from or with respect to any of the Falco Group Entities for any taxable period, nor has any such agreement, waiver, objection or arrangement been requested. None of the Falco Group Entities are bound by any tax sharing, allocation or indemnification or similar agreement.

(vi) Each of the Falco Group Entities has withheld or collected any Taxes that are required by Applicable Law to be withheld or collected and has paid or remitted, on a timely basis, the full amount of any Taxes that have been withheld or collected, and are due, to the applicable Governmental Authority.

(vii) None of the Falco Group Entities has, and has never been deemed to have for purposes of the Tax Act, acquired or had the use of property for proceeds greater than the fair market value thereof from, or disposed of property for proceeds less than the fair market value thereof to, or received or performed services for other than the fair market value from or to, or paid or received interest or any other amount other than at a fair market value rate to or from, any person with whom it does not deal at arm's length within the meaning of the Tax Act.

(viii) There are no circumstances existing, or which have existed which could result, or have resulted in the application to a Falco Group entity of sections 17 and 78 to 80.04 of the Tax Act or any analogous provision of any comparable Applicable Law of any province or territory of Canada.

(ix) All investment tax credits and other tax credits ("**Tax Credits**") were claimed by the Falco Group entities in accordance with the Tax Act and the relevant provincial Applicable Laws and the Falco Group Entities satisfied at all times the relevant criteria and conditions entitling it to such Tax Credits. All refunds of Tax Credits received or receivable by the Falco Group Entities in any taxation year were claimed in accordance with the Tax Act and the relevant provincial Applicable Laws and the Falco Group Entities satisfied at all times the relevant criteria and conditions entitling it to claim a refund of such Tax Credits.

(cc) Foreign Corrupt Practices. None of the Falco Group Entities, nor, to the knowledge of Falco, any director, officer, agent, employee or other person acting on behalf of any of the Falco Group Entities has, in the course of his, her or its actions: (i) used, or authorized the use of, any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expenses relating to political activity; (ii) made, or authorized the making of, any direct or indirect unlawful payments to any Canadian or foreign government official or employee from corporate funds; (iii) violated or is in violation of any provision of the *Corruption of Foreign Public Officials Act* (Canada), the U.S. *Foreign Corrupt Practices Act*, the U.K. *Bribery Act 2010* or any similar act under any Laws that any of the Falco Group Entities is subject to; or (iv) made, or authorized the making of, any unlawful bribe, rebate, payoff, influence payment, kickback or other unlawful payment to any foreign or domestic government official or employee.

(dd) AML Legislation. Without limiting the generality of paragraph (p), the Falco Group Entities are in compliance with, and have not been charged under, AML Legislation.

(ee) Anti-Corruption and Sanctions. Without limiting the generality of paragraph (dd), the Falco Group Entities and, to the knowledge of the Falco, their respective directors, officers and employees are in compliance with, and have not been charged under, Anti-Corruption Laws and applicable Sanctions and are not knowingly engaged in any activity that would reasonably be expected to result in any Falco Group Entity being designated as a Sanctioned Person or Sanctioned Entity. None of the Falco Group Entities or, to the knowledge of Falco any of their respective directors, officers or employees, (i) has, in violation of Applicable Law, used, or authorized the use of, any funds of any Falco Group Entity for any contribution, gift, entertainment or other expenses relating to political activity, (ii) has, in violation of Applicable Law, made, or authorized the making of, any direct or indirect bribe, rebate, payoff, influence payment, kickback or other payment to any domestic or foreign government official or employee, or (iii) is a Sanctioned Person or a Sanctioned Entity. The transactions contemplated by this Agreement will not violate Anti-Corruption Laws or applicable Sanctions.

(ff) Labour and Employee Matters. As at the Closing Date, none of the Falco Group Entities is a party to any collective bargaining agreement or subject to any application for certification or threatened or apparent union-organizing campaign and there are no current, pending or threatened strikes, lockouts or other labour disputes or disruptions

involving any of the Falco Group Entities. Each of the Falco Group Entities is in material compliance with all Applicable Laws respecting employment and employment practices, terms and conditions of employment, pay equity and wages and have not and are not engaged in any unfair labour practice.

(gg) Security. Each of the Falco Group Entities have implemented security practices and procedures at the Horne 5 Project consistent with Applicable Laws and Good Industry Practice.

(hh) Environmental.

(i) The Falco Group Entities, the Business, the Horne 5 Project and all operations thereon by any Falco Group Entity have been and are in compliance with Environmental Laws in all material respects.

(ii) The Approvals set out in Schedules 10.1(f) and 10.1(k) include all material Approvals required under Environmental Laws to carry on the Business including to explore, develop, exploit, operate, and to the knowledge of Falco, close, reclaim and rehabilitate the Horne 5 Project in the manner contemplated by the Operating Plan.

(iii) Falco and the Falco Group Entities have not used or permitted to be used, except in compliance with all Environmental Laws, any of the Horne 5 Property to release, dispose, recycle, generate, manufacture, process, distribute, use, treat, store, transport or handle any Hazardous Substance.

(iv) Except as set out in Schedule 10.1(hh), to the knowledge of Falco, there is no presence of any Hazardous Substance on, in or under any of the Horne 5 Project or any formerly owned, leased, managed or otherwise controlled real property interests or rights. No Hazardous Substances are expected to be generated from the Horne 5 Project (including as a result of the conduct of operations of the Horne 5 Project) other than those described in the Operating Plan or in Schedule 10.1(hh).

(v) None of the Falco Group Entities, the Business, the Horne 5 Project nor any of the Falco Group Entities' other property or assets is subject to any current, or, to the knowledge of Falco, any pending or threatened:

(A) material Claim, notice, complaint, allegation, investigation, application, Order, requirement or directive that relates to environmental, natural resources, Hazardous Substances, human health or safety matters, and which could reasonably be expected to require or result in any work, repairs, rehabilitation, reclamation, remediation, construction, obligations, liabilities or expenditures (and, to the knowledge of Falco, there is no basis for such a Claim, notice, complaint, allegation, investigation, application, Order, requirement or directive); or

(B) material allegation, demand, direction, Order, notice or prosecution with respect to any Environmental Law applicable thereto including any Laws respecting the use, storage, treatment, transportation, rehabilitation, reclamation, remediation or disposition of any Hazardous Substance (including without limitation tailings, waste rock, sediment from erosion, wastewater and surface water run-off) from the Business, the Mineral Rights, the Horne 5 Property or any of the Falco Group Entities' other property or assets and none of the Falco Group Entities have settled any allegation of non-compliance with Environmental Laws prior to prosecution.

(vi) Falco has made available to the Purchasers a true and complete copy of each environmental audit, assessment, study or test of which it is aware as of the date of this Agreement relating to the Business, the Horne 5 Project or any of the Falco Group Entities' other property or assets, including any environmental and social impact assessment study reports.

(ii) First Nation Matters. All of the Falco Group Entities have disclosed all First Nations Information to the Purchasers, and no Falco Group Entity has entered into any written or oral agreements with First Nations to provide benefits, pecuniary or otherwise, with respect to the Horne 5 Project at any stage of development.

(jj) Insurance. The property and assets of the Falco Group Entities and their respective businesses and operations are insured in amounts and against loss or damage, including property damage and public liability, with financially sound and reputable insurance companies on a basis consistent with insurance obtained by reasonably prudent participants in comparable businesses in the relevant jurisdictions, and such coverage is in full force and effect, and none of the Falco Group Entities has breached the terms of any policies in respect thereof nor failed to promptly give any notice or present any material claim thereunder. There are no material claims by any of the Falco Group Entities under any such policy as to which any insurance company is denying liability or defending under a reservation of rights clause. To the knowledge of Falco, each of the Falco Group Entities will be able: (i) to renew existing insurance coverage as and when such policies expire; or (ii) to obtain comparable coverage from similar institutions as may be necessary or appropriate to conduct the Business and at a reasonable cost.

(kk) Intellectual Property.The Falco Group Entities own or possess the right to use all material Intellectual Property and Falco is not aware of any Claim to the contrary or any challenge by any other person to the rights of the Falco Group Entities with respect to the foregoing. To Falco's knowledge, the Business as now conducted does not, and as currently proposed to be conducted, will not, infringe or conflict with, in any material respect, patents, trademarks, service marks, trade names, copyrights, trade secrets, licenses or other intellectual property or franchise right of any person. No Claim has been made against Falco alleging the infringement by the Falco Group Entities of any patent, trademark, service mark, trade name, copyright, trade secret, license in or other intellectual property right or franchise right of any person.

(ll) No Misrepresentation. All information which has been prepared by or on behalf of Falco relating to the Falco Group Entities, the Business and their respective properties and assets (including the Collateral) and publicly disclosed or made available to the Purchasers including all financial, marketing, sales and operational information provided to the Purchasers and all Public Disclosure Documents is, as of the date of such information, true and correct in all material respects, and no fact or facts have been omitted therefrom which would make such information materially misleading as of the date of such information or documents. The forecasts and budgets which have been prepared by or on behalf of Falco relating to the Falco Group Entities, the Business and their respective properties and assets (including Collateral) have been prepared in good faith using methods and based on assumptions considered by Falco to be reasonable at the time of their preparation; it being recognized by the Purchasers that such projections as to future events are not to be viewed as facts and that actual results during the period or periods covered by such projections may differ from projected (at the date the representation is made) results of or the prospects for the business of Falco Group Entities.

SCHEDULE 10.1(c)

Joint Venture Interest

[**REDACTED: Commercially sensitive information.**]

SCHEDULE 10.1(f)

Approvals to be Obtained

[**REDACTED: Commercially sensitive information.**]

SCHEDULE 10.1(k)

Approvals Obtained

[**REDACTED: Commercially sensitive information.**]

SCHEDULE 10.1(o)

Options

N/A

SCHEDULE 10.1(p)

Compliance with Laws

[**REDACTED: Commercially sensitive information.**]

SCHEDULE 10.1(u)

Financial Matters

No exceptions to disclose.

SCHEDULE 10.1(hh)

Environmental Matters

[**REDACTED: Commercially sensitive information.**]

SCHEDULE 10.2

PURCHASER REPRESENTATIONS AND WARRANTIES

(a) Organization. The applicable Purchaser has been duly formed and is validly existing under the Laws of its formation.

(b) Authorization. The applicable Purchaser has the requisite power and authority to enter into each of the Transaction Documents to which it is a party and to perform its obligations hereunder and thereunder, as applicable. Each of the Transaction Documents to which such Purchaser is a party has been duly authorized, executed and delivered by such Purchaser and each Transaction Document to which such Purchaser is a party is or will be a valid and binding agreement of such Purchaser enforceable against it in accordance with its terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar Laws affecting creditors' rights generally and subject to the qualification that equitable remedies may be granted in the discretion of a court of competent jurisdiction.

(c) No Violation. The execution and delivery by the applicable Purchaser of each Transaction Document to which it is a party, and the performance by it of its obligations hereunder and thereunder, as applicable, does not and will not result in the breach or violation of any of the provisions of, or constitute a default under or conflict with any provision of the constating documents or any resolution of the shareholders, partners or directors (or any committee thereof) of such Purchaser or any applicable Laws.

(d) Money Laundering. The funds representing the Deposit which will be advanced by the applicable Purchaser to Falco hereunder will not represent proceeds of crime for the purposes of PCMLA and such Purchaser acknowledges that Falco may in the future be required by law to disclose such Purchaser's name and other information relating to Transaction Documents, on a confidential basis, pursuant to the PCMLA. To the applicable Purchaser's knowledge, none of the funds representing the Deposit to be provided by such Purchaser: (i) have been or will be derived from or related to any activity that is deemed criminal under the Laws of Canada, the United States or any other jurisdiction; or (ii) are being tendered on behalf of a person or entity who has not been identified to such Purchaser; and such Purchaser shall promptly notify Falco if it discovers that any of such representations ceases to be true, and will provide Falco with appropriate information in connection therewith.

Exhibits A and E

[**REDACTED: Commerial agreements – Commercially sensitive**]