

MAGNA MINING INC.

as Issuer

- and -

**COMPUTERSHARE TRUST
COMPANY OF CANADA**

as Indenture Trustee

DEBENTURE INDENTURE

Dated as of March 5, 2025

**providing for the issue of \$23,967,000 principal amount of 10.0%
Convertible Unsecured Debentures**

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THIS INDENTURE dated as of March 5, 2025

BETWEEN:

MAGNA MINING INC., a corporation existing under the federal laws of Canada

(the "**Corporation**")

AND:

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

(the "**Indenture Trustee**")

WHEREAS:

- A. the Corporation desires to provide for the creation and issue of unsecured convertible debentures with the designation of "10.0% Unsecured Convertible Debentures" (the "**Debentures**"), all upon the terms and subject to the conditions set forth in this Indenture (as hereinafter defined);
- B. all necessary acts and proceedings have been done and taken and all necessary resolutions have been passed to authorize the execution and delivery of this Indenture by the Corporation, to make the same effective and binding upon the Corporation, and to make the Debentures, when certified by the Indenture Trustee and issued as provided in this Indenture, valid, binding and legal obligations of the Corporation with the benefit and subject to the terms of this Indenture;
- C. all necessary acts and proceedings have been done and taken and all necessary resolutions have been passed to authorize the issuance of the Common Shares (as hereinafter defined) that may be issued pursuant to this Indenture; and
- D. the foregoing recitals are made as representations and statements of fact by the Corporation and not by the Indenture Trustee;

NOW, THEREFORE, THIS INDENTURE WITNESSES, and it is hereby agreed and declared, as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

In this Indenture and in the Debentures, unless there is something in the subject matter or context inconsistent therewith, the following expressions shall have the following meanings:

"**1933 Act**" means the *United States Securities Act of 1933*, as amended from time to time;

"**1934 Act**" means the United States Securities Exchange Act of 1934 and the rules and regulations promulgated thereunder;

"**90% Redemption Right**" has the meaning ascribed thereto in section 3.2(b);

"90% Redemption Right Notice" has the meaning ascribed thereto in section 3.2(b);

"Acceptance Notice" has the meaning ascribed thereto in section 3.2(a)(ii)(C);

"Act" or **"Act of Holder(s)"**, when used with respect to any Holder(s), shall have the meaning specified in section 1.12(a);

"Affiliate" has the meaning ascribed thereto in National Instrument 45-106 *Prospectus Exemptions*;

"Agent" means a Person appointed to act on behalf of another Person;

"Applicable Law" means, at any time, with respect to any Person, property, transaction, event or other matter, as applicable, all laws, rules, statutes, regulations, treaties, orders, judgments and decrees, and all official requests, directives, rules, guidelines, orders, policies, practices and other requirements of any Governmental Authority relating or applicable at such time to such Person, property, transaction, event or other matter, and shall also include any interpretation thereof by any Person having jurisdiction over it or charged with its administration or interpretation;

"Applicable Securities Law" means any Applicable Law in any jurisdiction regulating, or regulating disclosure with respect to any sale or distribution of securities in, or to, residents of such jurisdiction, and includes the rules and policies of any stock exchange or securities market to which the Corporation is subject;

"Applicants" has the meaning ascribed thereto in section 2.22(b);

"Beneficial Holder" means a Person being the beneficial owner of a Debenture, as shown on a list maintained by a Participant or the Depository;

"Board" means either the board of directors of the Corporation, or any committee thereof, duly authorized to make a decision on the matter in question;

"Book-Based Only Debentures" means Debentures issued under this Indenture pursuant to the Book-Based System of the Depository;

"Book-Based System" means the clearing, record entry, transfer and pledge systems and services established and operated by or on behalf of the Depository for the Debentures (including, where applicable, pursuant to one or more agreements between such Depository and its Participants establishing the rules and procedures for such systems and services) or any successor systems or services; **"Business Day"** means any day of the week, other than Saturday, Sunday or a statutory or civic holiday in the Province of Ontario and the Province of British Columbia, on which banking institutions are open for business in the City of Toronto, Province of Ontario and the City of Vancouver, Province of British Columbia;

"Capital Reorganization" has the meaning ascribed thereto in section 6.1(g);

"CDS" means CDS Clearing and Depository Services Inc., together with its successors from time to time;

"Certificated Debentures" means Debentures in the form of individual certificates in definitive fully registered form issued pursuant to section 2.2 and substantially in the form of Schedule "A";

"Change of Control" means (a) the acquisition by any Person, or group of Persons acting jointly or in concert within the meaning of the *Securities Act* (Ontario), of voting control or direction over Common

Shares carrying in aggregate more than 50% of the voting rights attached to all outstanding shares in the capital of the Corporation (other than an internal reorganization), or (b) the sale or other transfer of all or substantially all of the assets of the Corporation on a consolidated basis; but a Change of Control shall not include a sale, merger, reorganization, arrangement, combination or other similar transaction if the holders of the Common Shares immediately prior to the completion of the transaction hold or have direction over at least 50% of the voting control or direction in such merged, reorganized, arranged, combined or other continuing entity (and in the case of a sale of all or substantially all of the assets, in the entity that has acquired such assets) immediately following the completion of such transaction;

"Common Share Reorganization" has the meaning ascribed thereto in section 6.1(a);

"Common Shares" means the Common Shares in the capital of the Corporation having the rights, privileges, restrictions and conditions set out in the Corporation's articles;

"Consolidated Working Capital" at any date, means the difference between:

- (i) all amounts that would, in conformity with IFRS, be classified on a consolidated balance sheet of the Corporation as current assets of the Corporation and its Subsidiaries on such date; and
- (ii) all (i) Indebtedness of the Corporation that, by its terms, is payable on demand or matures within one year after the date of determination (excluding any Indebtedness renewable or extendible, at the option of the Corporation, to a date more than one year from such date or arising under a revolving credit or similar agreement that obligates the lender or lenders to extend credit during a period of more than one year from such date), and (ii) other items that, in accordance with IFRS, would be classified on the balance sheet of such person as current liabilities of such person, in each case calculated on a consolidated basis.

"Conversion Date" has the meaning ascribed thereto in section 4.1(c);

"Conversion Notice" has the meaning ascribed thereto in section 4.1(b);

"Conversion Number" means, as of the applicable Conversion Date or Forced Conversion Date, the number obtained when dividing the principal amount per Debenture by the Conversion Price;

"Conversion Price" means \$2.00 per Common Share, subject to adjustment from time to time pursuant to Article 6;

"Corporate Trust Office" means the principal office or offices of the Indenture Trustee in the City of Vancouver, Province of British Columbia, at which at any particular time its corporate trust business shall be administered;

"Corporation" means Magna Mining Inc., a corporation existing under the federal laws of Canada, and includes its successors and permitted assigns;

"Counsel" means, in the case of Counsel to the Indenture Trustee, any barrister, solicitor or other lawyer or firm of barristers, solicitors or other lawyers retained or employed by the Indenture Trustee (who may, except as otherwise expressly provided in this Indenture, also be Counsel to the Corporation) and, in the case of Counsel to the Corporation, means Bennett Jones LLP or any other barrister, solicitor or other lawyer or firm of barristers, solicitors or other lawyers retained or employed by the Corporation and acceptable to the Indenture Trustee, acting reasonably;

"Current Market Price" means, (i) if the Corporation is listed on the TSXV, the VWAP for the 20 consecutive trading days ending on the fifth trading day preceding the applicable date, (ii) if the Common Shares are not listed on the TSXV but are listed on another securities exchange or market, the "Current Market Price" shall be the VWAP for the 20 consecutive trading days ending on the fifth trading day preceding the applicable date on the securities exchange or market on which the Corporation has the greatest trading volume, and (iii) if the Corporation is not listed or quoted on any other securities exchange or market, the "Current Market Price" shall be the fair value of a Common Share as reasonably determined by the Board;

"Debentureholder(s)" or "Holder(s)" means the registered holder(s) of Debentures at the applicable time, and including, for greater certainty, in the case of any Global Debenture, the Depository or its nominee in whose name such Global Debenture is registered, as the case may be;

"Debentures" has the meaning ascribed thereto in the recitals hereto;

"Defeased Debentures" has the meaning ascribed thereto in Section 9.5(b);

"Depository" means CDS and includes any successor corporation or any other depository subsequently appointed by the Corporation as the depository in accordance with this Indenture;

"Dividends Paid in the Ordinary Course" means dividends paid on the Common Shares, whether in (a) cash, (b) shares of the Corporation, or (c) rights, options or warrants to purchase any shares, property or other assets of the Corporation, in each case to the extent that the amount or value of such dividends does not exceed \$0.01 per Common Share per calendar quarter (or the equivalent thereof if the Corporation changes the frequency of payment of its dividends) subject to adjustment from time to time pursuant to Article 6; and for the purpose of the foregoing where any dividend is paid otherwise than in cash, any securities so distributed by way of dividend shall be valued at the Fair Market Value of such securities;

"Event of Default" means any of the events identified in section 8.1 as being an Event of Default;

"Expiration Date" has the meaning ascribed thereto in section 6.1(e);

"Expiration Time" has the meaning ascribed thereto in section 6.1(e);

"Expiry Time" has the meaning ascribed thereto in section 3.2(a)(ii)(B);

"Exercise Price" has the meaning ascribed thereto in section 6.1(h);

"Extraordinary Resolution" means a resolution at a meeting of Debentureholders duly convened and held in accordance with the provisions of Article 11 passed by the favourable votes of the Holders of not less than 66⅔% of the principal amount of outstanding Debentures represented in person or by proxy at such meeting or a written resolution signed in the manner contemplated by section 11.8;

"Fair Market Value" means the fair market value as determined by the Board, subject to the approval of the TSXV and any other stock exchange on which the Common Shares are listed, if applicable, which determination shall be conclusive, absent manifest error;

"Forced Conversion Date" has the meaning ascribed thereto in section 4.2(e);

"Forced Conversion Notice" has the meaning ascribed thereto in section 4.2(c);

"Forced Conversion Right" has the meaning ascribed thereto in section 4.2(c);

"Global Debenture(s)" means a Debenture that is issued to and registered in the name of the Depository, or its nominee, pursuant to Section 2.11 for the purpose of being held by or on behalf of the Depository as custodian for participants in the Depository's book-entry only registration system or non-certificated inventory system;

"Governmental Authority" means, when used with respect to any Person, property, transaction, event or other matter, any government, parliament, legislature, regulatory authority, agency, tribunal, department, commission, board, instrumentality, court, arbitration board or arbitrator or other law, regulation or rule-making entity (including a Minister of the Crown, any central bank, Superintendent of Financial Institutions, stock exchange or other securities market, or other comparable authority or agency) having or purporting to have jurisdiction on behalf of, or pursuant to the laws of, Canada or any country to which such Person, property, transaction, event or other matter, is subject, or any province, territory, state, municipality, district or political subdivision of any such country or of any such province, territory or state of such country;

"IFRS" means, at any given date, International Financial Reporting Standards, which include standards and interpretations adopted by the International Accounting Standards Board, applied on a consistent basis;

"Indebtedness" means, with respect to any Person: (a) the principal amount of any indebtedness of such Person, whether or not contingent: (i) in respect of borrowed money, (ii) evidenced by bonds, notes, debentures or similar instruments or letters of credit or letters of guarantee (or, without duplication, reimbursement obligations or indemnification obligations in respect thereof), (iii) representing the deferred and unpaid purchase price of any property (including purchase money mortgages), or (iv) in respect of operating lease obligations, capital lease obligations and right of use liabilities, and (v) all renewals, extensions and refinancing of the foregoing; (b) to the extent not otherwise included in clause (a) of this definition, any obligation of such Person to be liable for, to purchase, to assume, or to pay, as obligor, guarantor or otherwise, on the Indebtedness of another Person (other than by endorsement of negotiable instruments for collection in the ordinary course of business); and (c) to the extent not otherwise included, in clause (a) or (b) of this definition, Indebtedness specified in clause (a) or (b) of this definition of another Person secured by a Security on any asset owned by such Person (whether or not such Indebtedness is assumed by such Person); provided, however, that the amount of such Indebtedness will be the lesser of (i) the Fair Market Value of such asset at such applicable date and (ii) the amount of such Indebtedness of such other Person; provided, further, that any obligation of the Corporation in respect of account credits or participants under any employee, director or officer compensation plan will be deemed not to constitute Indebtedness), provided that "Indebtedness" does not include trade accounts payable and accrued liabilities (including contract loans and income taxes payable) incurred in the ordinary course of business;

"Indenture" means or refers to this indenture as amended or supplemented by any indenture, deed or instrument supplemental or ancillary thereto;

"Indenture Trustee" means Computershare Trust Company of Canada until a successor Indenture Trustee shall have become such pursuant to the applicable provisions of this Indenture, and thereafter, **"Indenture Trustee"** shall mean or include each Person who is then an Indenture Trustee hereunder;

"Interest Obligation" means the obligation of the Corporation to pay interest on the Debentures, as and when the same becomes due;

"Interest Payment Date" means the last day of March, June, September and December in each year until all interest has been paid, the first Interest Payment Date being March 31, 2025;

"Interest Period" has the meaning ascribed thereto in section 2.3;

"Internal Procedures" means in respect of the making of any one or more entries to, changes in or deletions of any one or more entries in the register of Debentureholders at any time (including without limitation, original issuance or registration of transfer of ownership) the minimum number of the Indenture Trustee's internal procedures customary at such time for the entry, change or deletion made to be complete under the operating procedures followed at the time by the Indenture Trustee, it being understood that neither preparation and issuance shall constitute part of such procedures for any purpose of this definition;

"Issue Date" means the date on which the Debentures are issued by the Corporation pursuant to this Indenture;

"Maturity Date" means the date that is forty eight (48) months from the Issue Date or such other date on which the Debentures become due and payable;

"NI 62-104" means National Instrument 62-104 *Take-Over Bids and Issuer Bids*;

"Notice" means any notice, document or other communication required or permitted to be given under this Indenture;

"Offer Price" has the meaning ascribed thereto in section 3.2(a)(i);

"Offer to Purchase" has the meaning ascribed thereto in section 3.2(a)(i);

"Officer's Certificate" means a written certificate signed by a senior officer of the Corporation;

"Participant" means, in relation to a Depository, a broker, dealer, bank or other financial institution or other Person on whose behalf such Depository or its nominee holds Debentures pursuant to a Book-Based System operated by such Depository;

"Payment Date" has the meaning ascribed thereto in section 3.2(a)(ii)(E);

"Permitted Debt"

- (a) Indebtedness under this Indenture and any Debenture;
- (b) the balance of sale or earn out payments (to the extent such earn out payment is due and payable); provided that for the avoidance of doubt, this clause (b) shall include any payments (deferred, contingent or otherwise) payable under, pursuant to or in accordance with the Share Purchase Agreement;
- (c) any Indebtedness under, in respect of or relating to any facility for letters of credit, letters of guarantee, surety bonds, performance bonds, bid bonds, appeal bonds, reclamation bond and similar instruments which assure performance by the relevant obligor of any action related to the operation or maintenance of the Corporation's or any of its Subsidiary's mineral properties;
- (d) any operating lease obligations;
- (e) any capital lease obligations and any Indebtedness secured by purchase money security interests on capital equipment financed in respect of or in connection with the Corporation's or any of its Subsidiary's mineral properties or operations or maintenance thereof;

- (f) any Indebtedness owing to any Subsidiary of the Corporation;
- (g) any guarantee of any Indebtedness of a Subsidiary of the Corporation and other guarantee obligations incurred in connection with the operations of any of the Corporation's Subsidiaries;
- (h) any Indebtedness under, in respect of or relating to any hedge arrangements;
- (i) any obligations under, in respect of or relating to any Indebtedness under factoring agreements, receivables purchase agreements or similar agreements, to the extent constituting Indebtedness;
- (j) obligations under royalty or streaming agreements in connection with the operations of the Corporation or any of its Subsidiaries, to the extent constituting Indebtedness;
- (k) any cash management obligations;
- (l) any other Indebtedness permitted in writing by the Indenture Trustee, at the direction of the Debentureholders holding at least 50% of the principal amount of Debentures then outstanding; and
- (m) any extension, renewal or replacement of any of the foregoing,

provided that the aggregate principal amount of the Indebtedness permitted by clauses (c) to (k) above shall not exceed \$30,000,000 at any time outstanding.

"Person" means any natural person, corporation, firm, partnership, joint venture, trustee, executor, liquidator of a succession, administrator, legal representative or other unincorporated association, trust, unincorporated organization, government or Governmental Authority and pronouns relating thereto have a similar extended meaning;

"Place of Payment" shall mean the place or places where the principal of, premium, if any, interest and other amounts on Debentures are payable;

"Proceeding" shall mean any suit, action or other judicial or administrative proceeding;

"Property" shall mean any asset, revenue or any other property or property right or interest, whether tangible or intangible, real or personal, including, without limitation, any right to receive income;

"Purchased Common Shares" has the meaning ascribed thereto in section 6.1(e);

"Regular Interest Record Date" means, with respect to an Interest Payment Date, the date determined as the record date for the determination of the Holders to which interest on Debentures is payable on such Interest Payment Date, which date shall be the 7th Business Day preceding the Interest Payment Date;

"Restricted Debenture" means a Debenture that bears the U.S. Legend;

"Rights Period" and **"Rights Offering"** have the meanings ascribed thereto in section 6.1(b);

"Security" means any mortgage, pledge, hypothec, lien, security interest, charge or other encumbrance of any kind;

"**SEDAR+**" means the System for Electronic Data Analysis and Retrieval +;

"**Share Purchase Agreement**" means the share purchase agreement dated September 11, 2024, among KGHM International Ltd., the Corporation, FNX Mining Company Inc. and Project Nikolas;

"**Special Distribution**" has the meaning ascribed thereto in section 6.1(d);

"**Stated Maturity**" shall mean, with respect to any principal of or accrued interest on a Debenture, the fixed date or dates specified on which such principal or interest is due and payable;

"**Subsidiary**" has the meaning ascribed thereto in National Instrument 45-106 *Prospectus Exemptions*;

"**Successor Corporation**" shall have the meaning ascribed thereto in section 12.1(a);

"**Supplemental Indenture**" shall have the meaning ascribed thereto in section 15.1(a);

"**Tax Act**" means the *Income Tax Act* (Canada) and the regulations promulgated thereunder, as amended from time to time;

"**Taxes**" means any tax, duty, levy, impost, assessment or other governmental charge imposed or levied by or on behalf of any Governmental Authority;

"**Trading Period**" has the meaning ascribed thereto in Section 4.2(c);

"**Transfer Agent**" shall mean Computershare Investor Services Inc. or other Person or Persons appointed as the transfer agent for the Common Shares and the Debentures, in such capacity, together with such Person's or Persons' successor from time to time in such capacity;

"**TSXV**" means the TSX Venture Exchange;

"**Uncertificated Debenture**" means any Debenture which is not issued as part of a Certificated Debenture;

"**Unrestricted Debenture**" means a Debenture that does not bear a U.S. Legend;

"**U.S. Purchaser**" means an original purchaser of Debentures who was, at the time of purchase: (1)(i) a person purchasing the Debentures in the United States or a U.S. Person; (ii) a person purchasing Debentures on behalf of, or for the account or benefit of, any person in the United States or a U.S. Person; (iii) a person that received an offer to purchase the Debentures while in the United States; or (iv) a person that was in the United States at the time such person's buy order was made or the subscription for the Debentures was executed or delivered; and (2) was an "accredited investor" meeting one or more of the criteria in Rule 501(a) of Regulation D under the 1933 Act and completed Schedule "D" - Annex 2 to the Subscription Agreement for the Debentures;

"**U.S. Legend**" has the meaning ascribed thereto in Section 2.24;

"**United States**" has the meaning ascribed thereto in Regulation S under the 1933 Act;

"**VWAP**" means the volume weighted average trading price of the Common Shares for the applicable period (which must be calculated utilizing days in which the Common Shares actually trade) on the TSXV (or if the Common Shares are no longer traded on the TSXV, on such other securities exchange or market on which the Corporation has the greatest trading volume); and

"Written Order" or **"Written Request and Direction"** means a written order or request, respectively, signed in the name of the Corporation by a senior officer of the Corporation;

and all other terms which are used herein but not otherwise defined herein, and that are defined in the *Securities Act* (Ontario), either directly or by reference therein, shall have the meanings assigned to them therein.

1.2 Meaning of "outstanding"

Every Debenture authenticated and delivered or electronically deposited by the Indenture Trustee shall be deemed to be outstanding until it is cancelled, converted or redeemed or delivered to the Indenture Trustee for cancellation, conversion or redemption for monies and/or Common Shares, as the case may be, or the payment thereof shall have been set aside under Section 9.1, provided that:

- (a) Debentures which have been partially redeemed, purchased or converted shall be deemed to be outstanding only to the extent of the unredeemed, unpurchased or unconverted part of the principal amount thereof;
- (b) when a new Debenture has been issued in substitution for a Debenture which has been lost, stolen or destroyed, only one of such Debentures shall be counted for the purpose of determining the aggregate principal amount of Debentures outstanding; and
- (c) for the purposes of any provision of this Indenture entitling holders of outstanding Debentures to vote, sign consents, requisitions or other instruments or take any other action under this Indenture, or to constitute a quorum of any meeting of Debentureholders, Debentures owned directly or indirectly, legally or equitably, by the Corporation or a Subsidiary of the Corporation shall be disregarded except that:
 - (i) for the purpose of determining whether the Indenture Trustee shall be protected in relying on any such vote, consent, requisition or other instrument or action, or on the holders of Debentures present or represented at any meeting of Debentureholders, only the Debentures which the Indenture Trustee knows are so owned shall be so disregarded; and
 - (ii) Debentures so owned which have been pledged in good faith other than to the Corporation or a Subsidiary of the Corporation shall not be so disregarded if the pledgee shall establish to the satisfaction of the Indenture Trustee the pledgee's right to vote such Debentures, sign consents, requisitions or other instruments or take such other actions in his discretion free from the control of the Corporation or a Subsidiary of the Corporation.

1.3 Interpretation

- (a) Words importing the singular number shall include the plural and vice versa and words importing gender shall include the masculine, feminine and neuter genders.
- (b) The words "hereto", "herein", "hereof", "hereby", "hereunder", and other words of similar import refer to this Indenture as a whole and not to any particular article, section, subsection, paragraph, clause or other part of this Indenture.

- (c) Except as otherwise provided herein, any reference in this Indenture to any act, statute, regulation, policy statement, instrument, agreement, or section thereof shall be deemed to be a reference to such act, statute, regulation, policy statement, instrument, agreement or section thereof as amended, re-enacted or replaced from time to time.

1.4 Accounting Terms

As used in this Indenture and in any certificate or other document made or delivered pursuant to this Indenture, accounting terms not defined in this Indenture, or in any such certificate or other document, and accounting terms partly defined in this Indenture or in any such certificate or other document to the extent not defined, shall have the respective meanings given to them under IFRS. To the extent that the definitions of accounting terms in this Indenture, or in any such certificate or other document are inconsistent with the meanings of such terms under IFRS, the definitions contained in this Indenture, or in any such certificate or other document shall prevail.

1.5 Headings and Table of Contents

The division of this Indenture, or any related document, into articles, sections, subsections, paragraphs, clauses and other subdivisions, the provision of a table of contents and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Indenture or any such related document.

1.6 Section and Schedule References

Unless something in the subject matter or context is inconsistent therewith, references in this Indenture to articles, sections, subsections, paragraphs, clauses, other subdivisions, exhibits, appendices or schedules are to articles, sections, subsections, paragraphs, clauses, other subdivisions, exhibits, appendices or schedules of or to this Indenture.

1.7 Governing Law

This Indenture and each Debenture issued hereunder shall be governed by, and construed in accordance with, the laws of the Province of Ontario and the federal laws of Canada applicable therein and shall be treated in all respects as Ontario contracts.

1.8 Currency

Unless expressly provided to the contrary in this Indenture or in any Debenture, (a) all payments to be made under this Indenture shall be made in the lawful money of Canada; and (b) all dollar amounts referred to in this Indenture (including the Schedules to this Indenture) are stated and expressed in the lawful money of Canada.

1.9 Non-Business Days

Unless expressly provided to the contrary in this Indenture or in any Debenture, whenever any payment shall be due, any period of time shall begin or end, any calculation is to be made or any other action is to be taken on, or as of, or from a period beginning or ending on, a day other than a Business Day, such payment shall be made, such period of time shall begin or end, such calculation shall be made and such other actions shall be taken, as the case may be, on, or as of, or from a period beginning or ending on, the next succeeding Business Day.

1.10 Time

Unless otherwise expressly stated in this Indenture or in any Debenture, all references to a time will mean Vancouver Time. Time shall be of the essence in this Indenture.

1.11 Independence of Covenants

Each covenant contained in this Indenture shall be construed (absent an express provision to the contrary) as being independent of each other covenant, so that compliance with any one covenant shall not (absent such an express contrary provision) be deemed to excuse compliance with any other covenant.

1.12 Acts of Holders

- (a) Any request, demand, authorization, direction, notice, consent, waiver or other action provided by this Indenture to be given or taken by Holders may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such Holders in person or by agents duly appointed in writing. Any request, demand, authorization, direction, notice, consent, waiver or other action provided by this Indenture to be given or taken by Holders may, alternatively, be embodied in and evidenced by the record of Debentureholders voting in favour thereof, either in person or by proxies duly appointed in writing, at any meeting of Debentureholders duly called and held in accordance with the provisions of Article 11, or a combination of such instruments and any such record. Except as herein otherwise expressly provided, such action shall become effective when such requisite instrument or instruments or records of such meeting are delivered to the Indenture Trustee and, where it is hereby expressly required, to the Corporation. Such instrument or instruments or records of such meeting (and the action embodied therein and evidenced thereby) are herein sometimes referred to as the "**Act of Holders**" or the "**Act**" of the Holders signing such instrument or instruments or voting in favour thereof. Proof of execution of any such instrument or of a writing appointing any such agent shall be sufficient for any purpose of this Indenture and, subject to section 10.1, conclusive in favour of the Indenture Trustee and the Corporation, if made in the manner provided in this section 1.12. The record of any meeting of Debentureholders shall be provided in the manner specified in section 11.7.
- (b) (i) The fact and date of the execution by any Person of any such instrument or writing may be proved by the affidavit of a witness of such execution or by a certificate of a notary public or other officer authorized by law to take acknowledgements of deeds, certifying that the individual signing such instrument or writing acknowledged to such notary public or other officer the execution thereof. Where such execution is by a signer acting in a capacity, other than such signer's individual capacity, such certificate or affidavit shall also constitute sufficient proof of such signer's authority. The fact and date of the execution of any such instrument or writing, or the authority of the Person executing the same, may also be proved in any manner that the Indenture Trustee deems sufficient. (ii) Where the position is held through CDS the CDS participant broker would sign as their name appears on the CDS participants' list on the date of the conversion request. The Indenture Trustee will order a CDS participants list as of the date of the conversion and confirm the signing participant broker holds a position and the amount is within the position held on the participants' list by the broker. The beneficial holder would pay the Indenture Trustee for the cost of ordering CDS participant's list at the time the list is ordered.

- (c) If the Corporation or the Indenture Trustee shall solicit from the Debentureholders any Act, the Corporation or the Indenture Trustee, as the case may be, may, at its option, fix in advance a record date for the determination of Debentureholders entitled to take such Act, but the Corporation or the Indenture Trustee, as the case may be, shall have no obligation to do so. Any such record date shall be fixed at the Corporation's discretion, provided that such record date shall be fixed on a date not more than 60 days prior to the Act. If such a record date is fixed, such Act may be sought or taken before or after the record date, but only the Debentureholders of record at the close of business on such record date shall be deemed to be Debentureholders for the purpose of determining whether Holders of the requisite proportion of Debentures outstanding have authorized or agreed or consented to such Act, and for that purpose the Debentures outstanding shall be computed as of such record date.
- (d) Any Act of the Holder of any Debenture shall bind every future holder of the same Debenture and the Holder of every Debenture issued upon the registration of transfer thereof or in exchange therefor or in lieu thereof in respect of anything done, suffered or omitted by the Indenture Trustee or the Corporation in reliance thereon, whether or not notation of such action is made upon such Debenture.

1.13 Interest Payments and Calculations

- (a) All interest payments to be made under this Indenture or any Debenture shall be paid without allowance or deduction for deemed re-investment or otherwise, both before and after the Maturity Date and before and after default and/or judgment, if any, until payment of the amount on which such interest is accruing, and, to the extent permitted by Applicable Law, interest will accrue on overdue interest. For the avoidance of doubt, interest on the Debentures shall be calculated as simple interest and shall not compound (other than on overdue interest).
- (b) For the purposes of the *Interest Act* (Canada), if in this Indenture or in any Debenture a rate of interest is or is to be calculated on the basis of a period which is less than a full calendar year, the yearly rate of interest to which such rate is equivalent is such rate multiplied by the actual number of days in the calendar year for which such calculation is made and divided by 360 days or 365 days, as the case may be.
- (c) The rate of interest stipulated in this Indenture or in any Debenture will be calculated using the nominal rate method of calculation, and will not be calculated using the effective rate method of calculation or on any other basis that gives effect to the principle of deemed re-investment of interest.
- (d) In calculating interest under this Indenture or under a Debenture for any period, unless otherwise specifically stated, the first day of such period shall be included and the last day of such period shall be excluded.

1.14 English Language

The Corporation, the Indenture Trustee and, by their acceptance of Debentures and the benefits of this Indenture, the Holders acknowledge that this Indenture, each Debenture and each document related hereto and thereto has been drawn up in English at the express will of such Persons.

1.15 Successors and Assigns

All covenants and agreements in this Indenture by the Corporation shall bind its successors and assigns, whether expressed or not.

1.16 Severability Clause

If any provision in this Indenture or in the Debentures shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

1.17 Benefits of Indenture

Nothing in this Indenture and in the Debentures, express or implied, shall give to any Person, other than the parties hereto and their successors hereunder, any paying agent, any Person maintaining the record of the Debentureholders pursuant to section 2.15, Transfer Agent and the Holders, any benefit or any legal or equitable right, remedy or claim under this Indenture.

1.18 Schedules

The following Schedules form part of this Indenture:

Schedule "A" - Form of Debenture

Schedule "B" - Form of Conversion Notice

Schedule "C" - Form of Declaration for Removal of Legend

1.19 Benefits of Indenture through Indenture Trustee

For greater certainty, this Indenture is being entered into with the Indenture Trustee for the benefit of the Holders and the Indenture Trustee declares that it holds all rights, benefits and interests of this Indenture on behalf of and as the Person holding the power of attorney of, the Holders and each such Person who becomes a Holder of the Debentures from time to time.

ARTICLE 2 THE DEBENTURES

2.1 Limit of Issue and Designation of Debentures

The Debentures authorized to be issued hereunder shall consist of, and be limited to, \$23,967,000 aggregate principal amount and shall be designated as "10.0% Unsecured Convertible Debentures".

2.2 Form and Terms of Debentures

- (a) The Debentures shall be dated as of the Issue Date and shall mature on the Maturity Date. Except with respect to the first Interest Payment Date, the Debentures shall bear interest from and including the Issue Date at the rate of 10.0% per annum (after as well as before the Maturity Date, default and judgment, with interest on overdue interest at the said rate), payable in equal quarterly instalments in arrears on each Interest Payment Date subject to section 2.3; provided that, in the event of an Event of Default, interest shall accrue at a rate of 12.50% per annum.

- (b) The principal of the Debentures will be payable on the Maturity Date in lawful money of Canada against surrender thereof by the Holder at the Corporate Trust Office or at such place or places as may be designated by the Corporation for that purpose.
- (c) The Debentures shall be issued as Certificated Debentures (including as a Global Debenture, if applicable) or Uncertificated Debentures, in denominations of \$1,000 and integral multiples of \$1,000 and shall be convertible as provided for in Article 4.
- (d) The Debentures and the certificate of the Indenture Trustee endorsed thereon shall be substantially in the form set forth in Schedule "A" hereto, provided that if a Debenture is issued as a Global Debenture in accordance with section 2.11, it shall have appended thereto a principal amount grid in the form of Exhibit "A" to the form of Debenture attached as Schedule "A" hereto, which shall be appropriately adjusted at such times as Debentures are converted, redeemed or repurchased in accordance with the terms hereof.

2.3 Interest

Each Debenture issued hereunder, whether issued originally or in exchange for another Debenture, shall bear interest from and including the Issue Date or from and including the last Interest Payment Date on which interest shall have been paid or made available for payment on the Debentures then outstanding, whichever shall be the later, to but excluding the earlier of:

- (a) the following Interest Payment Date;
- (b) if purchased in accordance with section 3.1, the date of payment;
- (c) if repurchased in accordance with section 3.2, the Payment Date;
- (d) if converted in accordance with section 4.1, the Conversion Date;
- (e) if converted in accordance with section 4.2, the Forced Conversion Date; and
- (f) the Maturity Date,

as the case may be (the "**Interest Period**"); upon due presentation and surrender thereof for payment on or after the appropriate date. The first Interest Payment Date shall be March 31, 2025, such that the interest payment payable on the first Interest Payment Date will amount to \$7.22 per \$1,000 principal amount of Debenture. Each subsequent payment on an Interest Payment Date will amount to \$25 per \$1,000 principal amount of Debenture. The interest payable per \$1,000 principal amount of Debenture in respect of an Interest Period shall be calculated by multiplying \$1,000 by the interest rate of 10.0% per annum, dividing the product so obtained by 360 days consisting of twelve 30 day months and multiplying the quotient by the actual number of days in the said Interest Period.

2.4 Prescription

The right of the Debentureholders to exercise their rights under this Indenture shall become void unless the Debentures are presented for payment within a period of three years from the Maturity Date, after which time, payment thereof shall be governed by the provisions of Article 9 hereof. The Corporation shall have satisfied its obligations under the Debentures upon remittance to the Indenture Trustee for the account of the Debentureholders, upon conversion of any and all consideration due hereunder in cash or by the delivery of Common Shares, subject to and in accordance with the provisions of this Indenture, and such remittance

shall for all purposes be deemed a payment to the Debentureholders, and thereafter, such Debentures shall not be considered as outstanding and the Debentureholders shall have no right, except to receive payment out of the moneys so paid and deposited or Common Shares deposited upon surrender of their Debentures.

2.5 Issue of Debentures

Debentures in such aggregate principal amounts as the Board shall determine and in lawful money of Canada shall be executed by the Corporation from time to time and, forthwith after such execution, shall be delivered to the Indenture Trustee and shall be certified by the Indenture Trustee and delivered to the Corporation in accordance with the terms of section 2.7. Other than as contemplated by section 2.8(b), the Indenture Trustee shall receive no consideration for the certification of Debentures.

2.6 Execution

- (a) The Debentures shall be executed on behalf of the Corporation by any one senior officer or director of the Corporation who holds such office at the time of execution. The signature of any of these officers or directors on the Debentures may be done manually, by facsimile or comparable electronic means. Debentures bearing the manual, facsimile or electronic signatures of individuals who were at the time the proper officers of the Corporation shall bind the Corporation, notwithstanding that such individuals or any of them have ceased to hold such offices prior to the certification and delivery of such Debentures.
- (b) If Debentures are issued as Certificated Debentures, the Corporation shall provide to the Indenture Trustee a supply of certificates to evidence such Certificated Debentures in such form, in such amounts, bearing such distinguishing letters and numbers, and as at such times as are necessary to enable the Indenture Trustee to fulfil its responsibilities under this Indenture.

2.7 Certification by Indenture Trustee

- (a) At any time and from time to time after the execution and delivery of this Indenture and in accordance with the terms hereof, the Corporation may deliver Debentures executed on behalf of the Corporation to the Indenture Trustee for certification, pursuant to a Written Order applicable thereto and evidence of compliance, if requested by the Indenture Trustee, in accordance with section 7.3 and Applicable Law. Upon receipt by the Indenture Trustee of a Written Order applicable to such Debentures and such evidence of compliance, the Indenture Trustee shall certify and deliver such Debentures in the manner specified in such Written Order, without receiving any consideration for such certification and delivery (other than as contemplated by section 2.8(b)).
- (b) No Holder shall be entitled to any right or benefit under this Indenture with respect to a Debenture, and such Debenture shall not be valid or binding for any purpose, unless such Debenture has been certified by the Indenture Trustee, as evidenced by the manual signature of an authorized officer of the Indenture Trustee or authenticated by the Indenture Trustee in respect of any Uncertificated Debentures. Such certification upon any Debenture and the authentication of any Uncertificated Debentures shall be conclusive evidence, and the only evidence, that such Debenture has been issued under this Indenture.
- (c) Debentures bearing the manual signature of an individual who was, at the time that such signature was affixed, an authorized signing officer of the Indenture Trustee, shall be valid

and binding on the Indenture Trustee notwithstanding that such individual ceased to be an authorized signing officer of the Indenture Trustee prior to the delivery of such Debentures.

- (d) The Indenture Trustee shall certify Uncertificated Debentures (whether upon original issuance, exchange, registration of transfer or otherwise) by completing its Internal Procedures and the Corporation shall, and hereby acknowledges that it shall, thereupon be deemed to have duly and validly issued such Uncertificated Debentures have been duly issued hereunder and that the holder or holders are entitled to the benefits of this Indenture. The register shall be final and conclusive evidence as to all matters relating to Uncertificated Debentures with respect to which this Indenture requires the Indenture Trustee to maintain records or accounts. In case of differences between the register at any time and any other time the register at the later time shall be controlling, absent manifest error and such Uncertificated Debentures are binding on the Corporation.
- (e) The certificate of the Indenture Trustee signed on the Debentures and the authentication of Uncertificated Debentures, shall not be construed as a representation or warranty by the Indenture Trustee as to the validity of this Indenture or of the Debentures or as to the issuance of the Debentures and the Indenture Trustee shall in no respect be liable or answerable for the use made of the Debentures or any of them or the proceeds thereof. The certificate of the Indenture Trustee on the Debentures and the authentication of Uncertificated Debentures, shall, however, be a representation and warranty by the Indenture Trustee that the Debentures have been duly certified by or on behalf of the Indenture Trustee pursuant to the provisions of this Indenture.

2.8 Registration of Exchanges

- (a) Debentures may be exchanged for one or more Debentures in an equal aggregate principal amount upon surrender of the Debentures to be exchanged at the specified office of the Indenture Trustee; provided, however, that each Debenture issued in exchange for such original Debenture shall have a principal amount in an authorized denomination as provided for herein.
- (b) The Indenture Trustee may make a charge to reimburse itself for any stamp Taxes or governmental charges required to be paid and a reasonable charge for their services in connection therewith and a reasonable sum per Debenture created and issued upon any exchange or transfer of Debentures effected by them. Payment of such charges will be made by the Person requesting the exchange or transfer as a condition precedent to such exchange or transfer.

2.9 Persons Entitled to Payment

- (a) Prior to due presentment for registration of transfer of any Debenture, the Corporation, the Indenture Trustee and any other Person, as the case may be, may treat the Person, as the case may be, in whose name any Debenture is registered in the applicable register (including in the case of a Global Debenture, the Depository or the nominee of such Depository in whose name such Global Debenture is registered) as the absolute and sole owner of such Debenture for all purposes including receiving payment of the principal of, premium, if any, interest or other amount on such Debenture, receiving any notice to be given to the Holder of such Debenture, and taking any Act of Holders with respect to such Debenture, whether or not any payment with respect to such Debenture shall be overdue,

and none of the Corporation, the Indenture Trustee or any other Person, as the case may be, shall be affected by notice to the contrary.

- (b) Delivery of a Debenture to the Indenture Trustee by or on behalf of the Holder thereof shall, upon payment of such Debenture, be a valid discharge to the Corporation of all obligations evidenced by such Debenture. None of the Corporation, the Indenture Trustee or any other Person shall be bound to inquire into the title of any such Holder.
- (c) In the case of the death of one or more joint registered Holders of a Debenture, the principal of, premium, if any, interest and any other amounts on such Debenture may be paid to the survivor or survivors of such registered Holders whose receipt of such payment, accompanied by the delivery of such Debenture together with such other documents as the Corporation and the Indenture Trustee may require, shall constitute a valid discharge to the Corporation and the Indenture Trustee.

2.10 Payment of Principal and Interest on Certificated Debenture

- (a) **Holders entitled to Interest Payment on Interest Payment Date or at Maturity:** Subject to the repurchase or conversion pursuant to the terms hereof, as payments in respect of interest on the Debentures represented by the Certificated Debentures become due, interest payable on the Certificated Debentures on an Interest Payment Date will be payable by the Corporation to the Holders thereof in whose names the Debentures are registered at the close of business on the Regular Interest Record Date with respect to the applicable Interest Payment Date.
- (b) **Manner of Funding by the Corporation to the Indenture Trustee:** The Corporation shall, as applicable:
 - (i) where interest is payable by wire transfer, deliver or cause to be delivered to the office of the Indenture Trustee at the Corporate Trust Office at or before 11:00 a.m. three Business Days before such Interest Payment Date, a wire transfer for the amount of such payment payable on such Interest Payment Date to the order of the Indenture Trustee,
 - (ii) where interest is payable by cheque, deliver or cause to be delivered to the office of the Indenture Trustee at the Corporate Trust Office at or before 11:00 a.m. at least 5 Business Days prior to any Interest Payment Date, wire transfer for the amount of such payment payable on such Interest Payment Date to the order of the Indenture Trustee, and
 - (iii) where the maturity payment is payable by wire transfer, deliver or cause to be delivered to the office of the Indenture Trustee at the Corporate Trust Office at or before 11:00 a.m. on the Business Day before the Maturity Date, wire transfer for the amount of such payment payable on the Maturity Date to the order of the Indenture Trustee, and
 - (iv) where the maturity payment is payable by cheque, deliver or cause to be delivered to the office of the Indenture Trustee at the Corporate Trust Office at or before 11:00 a.m. at least 5 Business Days prior to the Maturity Date, a wire transfer for the amount of such payment payable on such Maturity Date to the order of the Indenture Trustee,

for all amounts due in respect of such principal and/or interest on the Debentures represented by the Certificated Debentures.

- (c) **Manner of Payment of Interest or Principal:** Subject to the Indenture Trustee being fully funded and the presentation and surrender of the Certificated Debenture in the case of any payment of principal, the Indenture Trustee shall forward or cause to be forwarded, by prepaid post on the Interest Payment Date or Maturity Date, as the case may be, a cheque for such principal and/or interest (less any withholding or other Tax required by Applicable Law to be deducted) payable to the order of such Holder or Holders and negotiable at par, at his last address appearing on the relevant register, or in the case of joint Holders, to any (or all) Holder(s) whose name(s) appear(s) on such register,. The forwarding of such funds by the Corporation to the Indenture Trustee shall satisfy and discharge the Corporation's liability for payment of the principal and/or interest, as the case may be, on the Debentures to the extent of the sums represented thereby, plus the amount of any withholding or other Tax deducted as aforesaid, unless such cheque is not paid at par on presentation; provided that in the event of the non-receipt of such cheque by the Holder, or the loss or destruction thereof, the Indenture Trustee on being furnished with reasonable evidence of such non-receipt, loss or destruction and indemnity reasonably satisfactory to it shall issue to such Holder a replacement cheque for the amount of such cheque. Notwithstanding the foregoing, if the Corporation is prevented by circumstances beyond its control (including, without limitation, any interruption in mail service) from making payment of any principal and/or interest due on each Debenture in the manner provided above, the Corporation may make payment of such principal and/or interest or make such principal and/or interest available for payment in any other manner acceptable to the Indenture Trustee with the same effect as though payment had been made in the manner provided above. The Corporation shall provide evidence of such payment having been made to the Indenture Trustee as soon as practicable thereafter.
- (d) If a Debenture or a portion thereof is called or presented for repurchase or conversion and the Payment Date, Conversion Date or Forced Conversion Date, as the case may be, is subsequent to a Regular Interest Record Date but prior to the related Interest Payment Date, interest accrued on such Debenture will be paid upon presentation and surrender of such Debenture to the Corporate Trust Office up to but excluding the Payment Date, the Conversion Date or the Forced Conversion Date, as the case may be.
- (e) Subject to the foregoing provisions of this section, each Debenture delivered upon the transfer of or in exchange for or in lieu of any other Debenture shall carry the rights to interest accrued and unpaid, and to accrue, that were carried by such other Debenture.

2.11 Issue of Global Debentures

- (a) The Corporation may specify that the Debentures are to be issued in whole or in part as one or more Global Debentures, that may or may not be Book-Based Only Debentures, registered in the name of a Depository, or its nominee, designated in accordance with the Corporation's written instructions delivered to the Indenture Trustee at the time of issue of such Debentures, and in such event the Corporation shall execute and the Indenture Trustee shall certify and deliver one or more Global Debentures that are not Book-Based Only Debentures that shall:
 - (i) represent an aggregate amount equal to the principal amount of the outstanding Debentures to be represented by one or more Global Debentures;

- (ii) be released by the Indenture Trustee as instructed by the Corporation for further delivery to such Depository or pursuant to such Depository's instructions; and
- (iii) bear a legend in substantially the following form subject to modification as required by the Depository:

"UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF CDS CLEARING AND DEPOSITORY SERVICES INC. ("CDS") TO MAGNA MINING INC. (THE "ISSUER") OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IN RESPECT THEREOF IS REGISTERED IN THE NAME OF CDS & CO., OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF CDS (AND ANY PAYMENT IS MADE TO CDS & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF CDS), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED HOLDER HEREOF, CDS & CO., HAS A PROPERTY INTEREST IN THE SECURITIES REPRESENTED BY THIS CERTIFICATE HEREIN AND IT IS A VIOLATION OF ITS RIGHTS FOR ANOTHER PERSON TO HOLD, TRANSFER OR DEAL WITH THIS CERTIFICATE."

2.12 Payments of Principal and Interest for Uncertificated Debentures

- (a) Subject to section 3.2 and Article 5, as payments in respect of interest on the Debentures represented by Uncertificated Debentures become due, interest payable on the Uncertificated Debentures on an Interest Payment Date will be payable by the Corporation to the Holder(s) thereof in whose names the Debentures are registered at the close of business on the Regular Interest Record Date with respect to the applicable Interest Payment Date. The Corporation shall, as applicable:
 - (i) deliver or cause to be delivered to the office of the Indenture Trustee at the Corporate Trust Office at or before 12:00 p.m. 3 Business Days before such Interest Payment Date, a certified cheque negotiable at par or wire transfer for the amount of such payment payable on such Interest Payment Date to the order of the Indenture Trustee, and
 - (ii) deliver or cause to be delivered to the office of the Indenture Trustee at the Corporate Trust Office at or before 12:00 p.m. on the Business Day before the Maturity Date, a certified cheque negotiable at par or wire transfer for the amount of such payment payable on the Maturity Date to the order of the Indenture Trustee,

for all amounts due in respect of such principal and/or interest on the Debentures represented by the Uncertificated Debentures to enable the Indenture Trustee, subject to the presentation and surrender of the Uncertificated Debentures in the case of any payment of principal, to forward or cause to be forwarded such funds to the Depository for credit by the Depository to Participants' accounts. Neither the Corporation nor the Indenture Trustee for any Debenture issued as an Uncertificated Debentures will be liable or responsible to any Person for any aspect of the records related to or payments made on account of beneficial interests in any Uncertificated Debentures or for maintaining, reviewing or supervising any records relating to such beneficial interests.

2.13 Non-Certificated Deposit

- (a) Subject to the provisions hereof, the Debentures may be issued and registered in the name of CDS or its nominee and:
 - (i) the deposit of which may be confirmed electronically by the Indenture Trustee to a particular Participant through CDS; and
 - (ii) shall be identified by a specific CUSIP/ISIN as requested by the Corporation from CDS to identify the Debentures being registered and deposited with CDS.
- (b) If the Corporation issues Debentures in a non-certificated format, Beneficial Holders of such Debentures registered and deposited with CDS shall not receive Certificated Debentures and shall not be considered owners or holders thereof under this Indenture or any supplemental indenture. Beneficial interests in Debentures registered and deposited with CDS will be represented only through the non-certificated inventory system administered by CDS. Transfers of Debentures registered and deposited with CDS between Participants shall occur in accordance with the rules and procedures of CDS. Neither the Corporation nor the Indenture Trustee shall have any responsibility or liability for any aspects of the records relating to or payments made by CDS or its nominee, on account of the beneficial interests in Debentures registered and deposited with CDS. Nothing herein shall prevent the Beneficial Holders of Debentures registered and deposited with CDS from voting such Debentures using duly executed proxies or voting instruction forms.
- (c) All references herein to actions by, notices given or payments made to Debentures shall, where Debentures are held through CDS, refer to actions taken by, or notices given or payments made to, CDS upon instruction from the Participants in accordance with its rules and procedures. For the purposes of any provision hereof requiring or permitting actions with the consent of or the direction of Debentureholders evidencing a specified percentage of the aggregate Debentures outstanding, such direction or consent may be given by Beneficial Holders acting through CDS and the Participants owning Debentures evidencing the requisite percentage of the Debentures. The rights of a Beneficial Holder whose Debentures are held in CDS through Participants shall be established by law and agreements between such holders and CDS and the Participants upon instructions from the Participants. Each of the Indenture Trustee and the Corporation may deal with CDS for all purposes (including the making of payments) as the authorized representative of the respective Debentures and such dealing with CDS shall constitute satisfaction or performance, as applicable, of their respective obligations hereunder.
- (d) For so long as Debentures are held through CDS, if any notice or other communication is required to be given to Debentureholders, the Indenture Trustee will give such notices and communications to CDS, provided such notices are furnished to the Indenture Trustee by the Corporation.
- (e) If CDS resigns or is removed from its responsibility as Depository and the Indenture Trustee is unable or does not wish to locate a qualified successor, CDS shall provide the Indenture Trustee with instructions for registration of the Debentures in the names and in the amounts specified by CDS and the Corporation shall issue and the Indenture Trustee shall certify and deliver the aggregate number of Debentures then outstanding in the form of Certificated Debentures representing such Debentures.

- (f) The rights of Beneficial Holders who hold securities entitlements in respect of the Debentures through non-certificated inventory system administered by CDS shall be limited to those established by applicable law and agreements between the Depository and the Participants and between such Participants and the Beneficial Holders who hold securities entitlements in respect of the Debentures through the non-certificated inventory system administered by CDS, and such rights must be exercised through a Participant in accordance with the rules and procedures of the Depository.
- (g) Notwithstanding anything herein to the contrary, none of the Corporation nor the Indenture Trustee nor any agent thereof shall have any responsibility or liability for:
 - (i) the electronic records maintained by the Depository relating to any ownership interests or other interests in the Debentures or the depository system maintained by the Depository, or payments made on account of any ownership interest or any other interest of any Person in any Debenture represented by an electronic position in the non-certificated inventory system administered by CDS (other than the Depository or its nominee);
 - (ii) for maintaining, supervising or reviewing any records of the Depository or any Participant relating to any such interest; or
 - (iii) any advice or representation made or given by the Depository or those contained herein that relate to the rules and regulations of the Depository or any action to be taken by the Depository on its own direction or at the direction of any Participant.

2.14 Rank and Subordination

The Debentures will be direct unsecured obligations of the Corporation. The Debentures will rank equally and *pari passu* with each other and, subject to statutory preferred exceptions, with all other present and future unsubordinated and unsecured Indebtedness of the Corporation.

2.15 Register and Transfer

- (a) The Corporation shall cause to be kept by and at the principal office of the Indenture Trustee in the City of Vancouver, Province of British Columbia, a register, and in such other place or places by the Indenture Trustee, if any, as the Corporation with the approval of the Indenture Trustee may designate, branch registers, in which shall be entered the names and latest known addresses of the Debentureholders and the other particulars prescribed by Applicable Law of the Debentures held by them respectively and all transfers of Debentures. Such registration shall be noted on the Debentures by the Indenture Trustee. No transfer of a Debenture shall be effective as against the Corporation unless made on one of the appropriate registers by the registered Holder or his executors or administrators or other legal representatives or his or their attorney duly appointed by an instrument in writing in form and execution satisfactory to the Indenture Trustee, upon compliance with such requirements as the Indenture Trustee may prescribe, and unless such transfer shall have been duly noted on such Debenture by the Indenture Trustee.
- (b) With respect to the Debentures issuable in whole or in part as one or more Global Debentures and/or as Book-Based Only Debentures, the Corporation shall cause to be kept by and at the principal offices of the Indenture Trustee in Vancouver, British Columbia and by the Indenture Trustee or such other registrar as the Corporation, with the approval of

the Indenture Trustee, may appoint at such other place or places, if any, as the Corporation may designate with the approval of the Indenture Trustee, a register in which shall be entered the name and address of the holder of each such Global Debenture and/or Book-Based Only Debenture as holder thereof and particulars of the Global Debenture and/or Book-Based Only Debenture held by it, and of all transfers thereof. If any Debentures are at any time not Global Debentures or Book-Based Only Debentures, the provisions of Section 2.16 shall govern with respect to registrations and transfers of such Debentures.

- (c) Notwithstanding any other provision of this Indenture, a Global Debenture or Book-Based Only Debenture may not be transferred by the registered holder thereof and accordingly, no definitive certificates shall be issued to Beneficial Holders except in the following circumstances or as otherwise specified in a resolution of the Board or a Written Order:
- (i) the Global Debenture or Book-Based Only Debentures may be transferred by a Depository to a nominee of such Depository or by a nominee of a Depository to such Depository or to another nominee of such Depository or by a Depository or its nominee to a successor Depository or its nominee;
 - (ii) the Global Debenture or Book-Based Only Debentures may be transferred at any time after the Depository for such Global Debenture (1) has notified the Corporation that it is unwilling or unable to continue as Depository for such Global Debenture or Book-Based Only Debentures, or (2) ceases to be eligible to be a Depository provided that at the time of such transfer the Corporation has not appointed a successor Depository for such Global Debenture or Book-Based Only Debentures;
 - (iii) the Global Debenture or Book-Based Only Debentures may be transferred at any time after the Corporation has determined, in its sole discretion, to terminate the Book-Based System in respect of such Global Debentures or Book-Based Only Debentures and has communicated such determination to the Indenture Trustee in writing;
 - (iv) the Global Debentures or Book-Based Only Debentures may be transferred at any time after the Indenture Trustee has determined that an Event of Default has occurred and is continuing with respect to the Debentures issued as a Global Debenture or Book-Based Only Debenture, provided that Participants having received instructions from the Beneficial Holders holding not less than 25% of the aggregate principal amount of the outstanding Debentures advise the Depository in writing that the continuation of the Book-Based System for the Debentures is no longer in the best interest of such Beneficial Holders and also provided that at the time of such transfer the Event of Default has not been waived pursuant to section 8.3;
 - (v) the Global Debentures or Book-Based Only Debentures may be transferred if required by Applicable Law;
 - (vi) the Global Debentures or Book-Based Only Debentures may be transferred if the Book-Based System ceases to exist; or
 - (vii) upon the request of a Beneficial Holder to withdraw its Debentures from the Book-Based System.

- (d) With respect to the Global Debentures, unless and until definitive certificates have been issued to Beneficial Holders of the Debentures pursuant to Section 2.15(c):
 - (i) the Corporation and the Indenture Trustee may deal with the Depository for all purposes (including paying interest on the Debentures) as the sole holder of the Debentures and the authorized representative of the Beneficial Holders;
 - (ii) the rights of the Beneficial Holders of the Debentures shall be exercised only through the Depository and shall be limited to those established by law and agreements between such Beneficial Holders and the Depository or the Depository Participants;
 - (iii) the Depository will make book-entry or book based, as applicable, transfers among the Depository Participants; and
 - (iv) whenever this Indenture requires or permits actions to be taken based upon instructions or directions of Debentureholders evidencing a specified percentage of the outstanding Debentures, the Depository shall be deemed to be counted in that percentage only to the extent that it has received instructions to such effect
 - (v) from the Beneficial Holders of the Debentures or the Depository Participants, and has delivered such instructions to the Indenture Trustee.
- (e) Whenever a notice or other communication is required to be provided to Debentureholders, unless and until definitive certificate(s) have been issued to Beneficial Holders of the Debentures pursuant to this Section 2.15, the Indenture Trustee shall provide all such notices and communications to the Depository for forwarding by the Depository to such Beneficial Holders in accordance with Applicable Securities Laws. Upon the termination of the book- entry only registration system or book-based entry, as applicable, on the occurrence of one of the conditions specified in Section 2.15(b) with respect to the Debentures issued hereunder, the Indenture Trustee shall notify the Depository of the availability of definitive Debenture certificates. Upon surrender by the Depository of the certificate(s) representing the Global Debentures and receipt of new registration instructions from the Depository, the Indenture Trustee shall deliver the definitive Debenture certificates for such Debentures to the holders thereof in accordance with the new registration instructions and thereafter, the registration and transfer of such Debentures will be governed by Section 2.16 and the provisions of this Indenture, as applicable.
- (f) Notwithstanding any other provisions of this Indenture or the Debentures, transfers and exchanges of Debentures and beneficial interests in Global Debentures shall be made in accordance the applicable rules and guidelines of the Securities Transfer Association of Canada.
- (g) Notwithstanding any provisions made in this Indenture for the issuance, certification and authentication of Debentures in physical form as Debentures or Global Debentures, the Debentures issued under the terms of this Indenture may also be issued to the Depository in book based only form, non-certificated and appearing on the register of the Indenture Trustee as a book-based entry. In the absence of any physical securities being created for certification by the Corporation and authentication by the Indenture Trustee both at the initial issuance of the Debentures and at the time of any subsequent additional issuance of Debentures pursuant to the terms of a supplemental indenture, confirmation of the due

issuance and validity of any Debentures shall be based upon the comparison of the Debentures in quantity and description appearing under the relevant broker's instant deposit request identification number to the quantity and description of Debentures as detailed in the Written Order of the Corporation addressed to the Indenture Trustee and to the broker upon whose posting of the Book-Based Only Debentures to the book entry records of the Depository on a non-certificated basis on which both the Corporation and the Indenture Trustee shall depend. It is the responsibility of the Corporation to make the necessary arrangements with its broker or brokers to obtain, in a timely manner, the necessary instant deposit request identification number to facilitate the issuance of non-certificated Book-Based Only Debentures.

- (h) In the establishment and maintenance of a non-certificated Book-Based Only Debenture issue, the Indenture Trustee shall maintain such a record on its register for Debentures in book-based form only. Transfers of Debentures appearing on the register of the Depository shall otherwise occur as provided for in this Indenture. The parties hereto further recognize that, notwithstanding the issuance of Book-Based Only Debentures, conversions of Debentures shall occur as contemplated by the terms of this Indenture but the Indenture Trustee is permitted to employ whatever reasonable means it may from time to time require in order to guarantee the unhindered (but subject to the terms and conditions hereof) conversion of such Debentures appearing on the register for Debentures in book based only form by making whatever arrangements are deemed necessary by it with the Depository.
- (i) At the time of the execution of this Indenture, the parties hereto understand that, other than any Conversion Notice required to be delivered in accordance with this Indenture, no declarations or other paper certificates or documentation will be required in order to effect conversions of Debentures held by Persons in the United States. If at any time subsequent to the initial issuance of Debentures it is determined by the Depository, the Indenture Trustee, the Corporation or legal counsel that physical declarations or other paper documentation are required for conversions or otherwise, the parties hereto and the Debentureholders acknowledge that the Indenture Trustee may be obliged to require the Debentures held by such Persons converting their Debentures to be certificated rather than held in book-based form.

2.16 Registry of Debentures

- (a) The Indenture Trustee shall cause to be kept at its principal office in Vancouver, British Columbia or Toronto, Ontario a register in which shall be entered the names and addresses of the registered holders of Debentures and particulars of the Debentures held by them respectively and of all transfers of Debentures. Such registration shall be noted on the Debentures by the Indenture Trustee a new Debenture shall be issued upon such transfer.
- (b) No transfer of a registered Debenture shall be valid unless made on such register referred to in subsection 2.16(a) by the registered holder or such holder's executors, administrators or other legal representatives or an attorney duly appointed by an instrument in writing in form and executed in a manner satisfactory to the Indenture Trustee upon surrender of the Debentures together with a duly executed form of transfer in the form of assignment as attached to the Certificated Debenture or such other form acceptable to the Indenture Trustee and upon compliance with such other reasonable requirements as the Indenture Trustee or other registrar may prescribe, or unless the name of the transferee shall have been noted on the Debenture by the Indenture Trustee or other registrar.

2.17 Transferee Entitled to Registration

The transferee of a Debenture shall be entitled, after the appropriate form of transfer is lodged with the Indenture Trustee or other registrar and upon compliance with all other conditions in that behalf required by this Indenture or by law, to be entered on the register as the owner of such Debenture free from all equities or rights of set-off or counterclaim between the Corporation and the transferor or any previous holder of such Debenture, save in respect of equities of which the Corporation is required to take notice by statute or by order of a court of competent jurisdiction. Upon surrender for registration of transfer of Debentures, the Corporation shall issue and thereupon the Indenture Trustee shall certify and deliver a new Certificated Debenture or confirm the electronic deposit of Uncertificated Debentures of like tenor in the name of the designated transferee and register such transfer in accordance with Section 2.16. If less than all the Debentures evidenced by the Certificated Debentures or Uncertificated Debentures so surrendered are transferred, the transferor shall be entitled to receive, in the same manner, a new Certificated Debenture or electronically deposited Uncertificated Debentures registered in his name evidencing the Debentures not transferred.

2.18 Exchanges of Debentures

- (a) Subject to Section 2.15, 2.16, 2.17 and 2.23, Debentures in any authorized form or denomination, other than Uncertificated Debentures, may be exchanged for Debentures in any other authorized form or denomination, of the same date of maturity, bearing the same interest rate and of the same aggregate principal amount as the Debentures so exchanged.
- (b) In respect of exchanges of Debentures permitted by subsection 2.18(a), Debentures may be exchanged only at the principal offices of the Indenture Trustee in the city of Vancouver, British Columbia or at such other place or places, if any, as may be specified in the Debentures and at such other place or places as may from time to time be designated by the Corporation with the approval of the Indenture Trustee. Any Debentures tendered for exchange shall be surrendered to the Indenture Trustee. The Corporation shall execute and the Indenture Trustee shall certify all Debentures necessary to carry out exchanges as aforesaid. All Debentures surrendered for exchange shall be cancelled.
- (c) Debentures issued in exchange for Debentures which at the time of such issue have been selected or called for redemption at a later date shall be deemed to have been selected or called for redemption in the same manner and shall have noted thereon a statement to that effect.

2.19 Withholdings

- (a) Any payments made by or on behalf of the Corporation under or with respect to the Debentures will be made free and clear of and without withholding or deduction for or on account of any present or future Taxes, unless the Corporation or any other payor is required to withhold or deduct Taxes by Applicable Law or by the interpretation or administration thereof by the relevant Governmental Authority. If the Corporation is so required to withhold or deduct any amount for or on account of Taxes from any payment made under or with respect to the Debentures, the Indenture Trustee, on behalf of the Corporation, will make such withholding or deduction as instructed by the Corporation and will remit on behalf of the Corporation the full amount withheld or deducted to the relevant Governmental Authority as and when required by Applicable Law and shall transfer the balance of the cash proceeds, if any, to the applicable Holder. For greater certainty, there

is no obligation on the Corporation to gross-up or pay any additional amounts to a Holder in respect of such deductions or withholdings.

- (b) Within 90 days after the date the payment of any Taxes is due pursuant to Applicable Law, the Corporation will furnish to the Indenture Trustee copies of tax receipts evidencing such payment by the Indenture Trustee on behalf of the Corporation.
- (c) Where the Corporation is required by Applicable Law to withhold or deduct Taxes from any payment made on a conversion of the Debentures with Common Shares or in any other circumstance where the Corporation is not making a cash payment to a Holder sufficient to satisfy the withholding required, the Indenture Trustee, on the Written Request and Direction of the Corporation but for the account of the Holder, shall facilitate the delivery of the number of Common Shares indicated in such Written Request and Direction to the investment banks, brokers or dealers selected by the Corporation, out of the Common Shares issued by the Corporation to the applicable Holder, such number of Common Shares that is sufficient to yield net proceeds (after payment of all costs) to cover the amount of Taxes required to be withheld, and shall remit same on behalf of the Corporation to the relevant Governmental Authority as and when required by Applicable Law and shall transfer the balance of the cash proceeds, if any, to the applicable Holder.
- (d) Unless the Corporation provides the Indenture Trustee with an Officer's Certificate that specifies that a non-Canadian resident Holder does not deal at arm's length with the Corporation for the purposes of the Tax Act, the Indenture Trustee shall be entitled to assume that all non-Canadian resident Holders deal at arm's length with the Corporation for the purposes of the Tax Act.

2.20 Cancellation of Debentures

- (a) All Debentures surrendered for payment of the final amount required to be paid thereon, that have been redeemed as contemplated by Article 3, that have been converted as contemplated by Article 4 or that have been surrendered to the Indenture Trustee for registration of exchange or transfer, shall be promptly cancelled by the Indenture Trustee on receipt and may not be reissued or resold. The Indenture Trustee shall, upon a Written Request and Direction from the Corporation, give prompt written notice to the Corporation of the particulars of any Debentures cancelled by it.
- (b) The Corporation shall deliver to the Indenture Trustee for cancellation any Debentures which the Corporation has purchased as provided for in this Indenture, and all such Debentures so delivered shall be cancelled by the Indenture Trustee.
- (c) All Debentures which have been cancelled by the Indenture Trustee shall be retained by the Indenture Trustee in accordance with its standard practices, and the Indenture Trustee shall, upon a Written Request and Direction from the Corporation, furnish to the Corporation a cancellation certificate setting forth the numbers and denominations of the Debentures so destroyed.

2.21 Mutilated, Lost, Stolen or Destroyed Debentures

- (a) If any Debenture has been mutilated or defaced or has or has been alleged to have been lost, stolen or destroyed, then, on application by the applicable Holder to the Indenture Trustee, the Corporation may, in its discretion, execute, and upon such execution the

Indenture Trustee shall certify and deliver, a new Debenture of the same date and amount as the defaced, mutilated, lost, stolen or destroyed Debenture in exchange for and in place of the defaced or mutilated Debenture, and in lieu of and in substitution for the lost, stolen or destroyed Debenture. Notwithstanding the foregoing, no Debenture shall be delivered as a replacement for any Debenture which has been mutilated or defaced otherwise than upon surrender of the mutilated or defaced Debenture, and no Debenture shall be delivered as a replacement for any Debenture which has been lost, stolen or destroyed unless the applicant for the replacement Debenture has furnished to the Corporation and the Indenture Trustee evidence, satisfactory in form and substance to the Corporation and the Indenture Trustee, of its ownership of, and of such loss, theft or destruction of, such Debenture and has provided such a surety bond and indemnity to the Corporation and the Indenture Trustee in amount, form and substance satisfactory to each of them. Any instructions by the Corporation to the Indenture Trustee under this section shall include such indemnity for the protection of the Indenture Trustee as the Indenture Trustee may reasonably require.

- (b) If any mutilated, defaced, lost, stolen or destroyed Debenture has become or is about to become due and payable, the Corporation, in its discretion, may, instead of executing a replacement Debenture, pay to the Holder thereof the full amount outstanding on such mutilated, defaced, lost, stolen or destroyed Debenture. The Corporation will provide necessary indemnity to the Indenture Trustee or other documentation as the Indenture Trustee may otherwise require to allow it payout without due presentation of the original Certificated Debentures or otherwise in accordance with industry practice.
- (c) Upon the issuance of a replacement Debenture, the Corporation may require the applicant for such replacement Debenture to pay a sum sufficient to cover any Tax or other governmental charge that may be imposed in relation to such issuance and any other reasonable expenses (including the fees and expenses of the Indenture Trustee and the Corporation) connected with such issuance.
- (d) Each replacement Debenture shall bear a unique serial number and be in a form otherwise identical to the Debenture it replaces and shall be entitled to the benefits of this Indenture to the same extent and in the same manner as the Debenture it replaces.
- (e) Unless the Corporation instructs otherwise, the Indenture Trustee shall, in accordance with its practice, retain each mutilated or defaced Debenture surrendered to and cancelled by it and in respect of which a replacement Debenture has been delivered or moneys have been paid and shall, upon Written Request and Direction, furnish to the Corporation a certificate as to such cancellation specifying in numerical sequence the serial numbers of the Debentures so cancelled.

2.22 Access to Lists of Holders

- (a) The register of Debentureholders maintained by the Indenture Trustee will, during the regular business hours of the Indenture Trustee, be open for inspection by the Corporation.
- (b) If any Beneficial Holder or group of Beneficial Holders, or such one or more Holders (in each case, the "**Applicants**") apply to the Indenture Trustee (with a copy to the Corporation), then the Indenture Trustee, after having been funded and indemnified to its reasonable satisfaction by such Applicants for its related costs and expenses and having been provided the requisite documentation in accordance with Applicable Law, shall afford or shall cause the Corporation to afford the Applicants access during normal business hours

to the most recent list of Debentureholders within 10 Business Days after the receipt of such application by the Indenture Trustee. Such list shall be as of a date no more than 10 days (or such other date as may be mandated by Applicable Law) prior to the date of receipt of the Applicants' request.

2.23 Closing of Registers

Neither the Corporation nor the Indenture Trustee nor any registrar shall be required to:

- (a) make transfers or exchanges of any Debentures or convert any Debentures on any Interest Payment Date for such Debentures or during the five preceding Business Days;
- (b) make transfers or exchanges of, or convert any Debentures on the day of any selection by the Corporation of Debentures to be redeemed or during the 15 preceding Business Days; or
- (c) make exchanges of any Debentures which will have been selected or called for redemption.

2.24 U.S. Legend on Debentures

- (a) The Debentures and the Common Shares issuable upon conversion thereof have not been and will not be registered under the 1933 Act. All Debentures and the Common Shares issuable upon conversion thereof issued and sold in the United States to U.S. Purchasers in reliance on Section 4(a)(2) and/or Section 506(b) under the 1933 Act, as well as all Debentures and the Common Shares issuable upon conversion thereof issued in exchange for or in substitution of the foregoing securities, shall bear, unless otherwise directed by Corporation, the following legend (the "**U.S. Legend**"):

"THE SECURITIES REPRESENTED HEREBY [ADD FOR DEBENTURES: AND THE SECURITIES ISSUABLE UPON CONVERSION HEREOF] HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), OR U.S. STATE SECURITIES LAWS. THE HOLDER HEREOF, BY PURCHASING THESE SECURITIES, AGREES FOR THE BENEFIT OF MAGNA MINING INC. THAT SUCH SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY: (A) TO MAGNA MINING INC., (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT ("REGULATION S"), (C) IN ACCORDANCE WITH (1) RULE 144, IF AVAILABLE, OR (2) RULE 144A THEREUNDER, IF AVAILABLE, AND IN COMPLIANCE WITH APPLICABLE STATE SECURITIES LAWS OR (D) PURSUANT TO ANOTHER EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT AND, IN EACH CASE, IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS AFTER, IN THE CASE OF TRANSFERS PURSUANT TO CLAUSE (C)(1) OR (D) ABOVE, THE HOLDER HAS FURNISHED AN OPINION OF COUNSEL OF RECOGNIZED STANDING OR OTHER EVIDENCE REASONABLY SATISFACTORY TO MAGNA MINING INC. TO SUCH EFFECT. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE "GOOD DELIVERY" IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA."

provided, that if the Debentures are being sold under clause (B) above, and provided that such securities are being sold pursuant to Rule 904 of the 1933 Act, the U.S. Legend may

be removed by providing a declaration to the Indenture Trustee as set forth in Schedule "C" hereto (or as the Corporation may prescribe from time to time); and provided, further, that, if any such securities are being sold pursuant to Rule 144 of the 1933 Act, the U.S. Legend may be removed by delivery to the Indenture Trustee of an opinion of counsel, of recognized standing reasonably satisfactory to the Corporation, that the U.S. Legend is no longer required under applicable requirements of the 1933 Act or state securities laws. Provided that the Indenture Trustee obtains confirmation from the Corporation that such counsel is satisfactory to it, the Indenture Trustee shall be entitled to rely on such opinion of counsel without further inquiry.

- (b) Prior to the issuance of the Debentures, the Corporation shall notify the Indenture Trustee, in writing, concerning which Debentures are to bear the U.S. Legend. The Indenture Trustee will thereafter maintain a list of all such U.S. registered holders from time to time of legended Debentures.

2.25 Legend on Debentures

The Debentures and any Common Shares issuable upon conversion thereof (and issued in substitution therefor) prior to the date that is four months and one day after the date hereof, whether in the form of a certificate, book entry system customer confirmation, direct registration system advice or otherwise, shall bear or be deemed to bear the following legend or such variations thereof as the Corporation may prescribe from time to time:

"UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE JULY 6, 2025"

and, if required by the policies of the TSXV, the following legend:

"WITHOUT PRIOR WRITTEN APPROVAL OF TSX VENTURE EXCHANGE AND COMPLIANCE WITH ALL APPLICABLE SECURITIES LEGISLATION, THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY NOT BE SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE TRADED ON OR THROUGH THE FACILITIES OF THE TSX VENTURE EXCHANGE OR OTHERWISE IN CANADA OR THE BENEFIT OF A CANADIAN RESIDENT BEFORE JULY 6, 2025"

2.26 Transfer and Exchange of Restricted Debentures

- a) A Restricted Debenture may be exchanged by the holder thereof for an Unrestricted Debenture or transferred to a Person who takes delivery thereof in the form of an Unrestricted Debenture if the Indenture Trustee receives a certificate from such holder in the form of Form of Assignment, including the certification in item (B) or (C)(1), and an opinion of counsel (or, if applicable, other evidence of exemption) in form reasonably satisfactory to the Corporation and the Indenture Trustee which provides for the removal of the U.S. Legend.
- b) A Restricted Debenture may be exchanged by the holder thereof for a Restricted Debenture or transferred to a Person who takes delivery thereof in the form of a Restricted Debenture if the Indenture Trustee receives a certificate from such holder in the form of Form of Assignment, and an opinion of counsel or other evidence of exemption in form reasonably satisfactory to the Corporation and Indenture Trustee which does not provide for the removal of the U.S. Legend.

ARTICLE 3

REPURCHASE AND CANCELLATION OF DEBENTURES

3.1 Purchase of Debentures

- (a) Provided that no Event of Default has occurred and is continuing, the Corporation may purchase all or any of the Debentures in the open market (which shall include purchase from or through an investment dealer or a firm holding membership on the TSXV (or such other securities exchange or market on which the Common Shares are then listed)), or by tender or by private contract at any price, subject to compliance with Applicable Securities Laws. If an Event of Default has occurred and is continuing, the Corporation may purchase all or any of the Debentures as aforesaid with the exception of by private contract.
- (b) If, upon an invitation for tenders, more Debentures are tendered at the same lowest price than the Corporation is prepared to accept, the Debentures to be purchased by the Corporation will be selected by the Indenture Trustee on a *pro rata* basis or in such other manner consented to by the TSXV (or any other stock exchange on which the Common Shares may be listed, if any) which the Indenture Trustee considers appropriate, from the Debentures tendered by each tendering Debentureholder who tendered at such lowest price. The Holder of any Debenture of which a part only is purchased, upon surrender of such Debenture for payment, shall be entitled to receive, without expense to such Holder, a replacement Debenture for and evidencing the same obligation as the unpurchased part of the Debenture so surrendered and the Indenture Trustee shall certify and deliver such replacement Debenture upon receipt of the Debenture so surrendered or, with respect to an Uncertificated Debenture, the Depository shall electronically deposit the unpurchased part so surrendered. With respect to any Global Debentures, the Indenture Trustee shall make notations on the Global Debenture of the principal amount so purchased.

3.2 Repurchase of Debentures upon a Change of Control

- (a) Within 30 days following the occurrence of a Change of Control, and subject to the provisions and conditions of this section 3.2, the Corporation shall be obligated to offer to purchase all the Debentures then outstanding. The terms and conditions of such obligation are set forth as follows:
 - (i) within 30 days following the occurrence of a Change of Control, the Corporation shall deliver to the Indenture Trustee a notice in writing stating that there has been a Change of Control and specifying the date on which such Change of Control occurred and the circumstances or events giving rise to such Change of Control (a "**Change of Control Notice**") together with an offer in writing (the "**Offer to Purchase**") to purchase all of the Debentures then outstanding from the Holders thereof at a price per Debenture equal to 104% of the principal amount thereof together with accrued and unpaid interest thereon (if any) up to but excluding the Payment Date (the "**Offer Price**"). The Indenture Trustee will promptly thereafter deliver the Offer to Purchase to the Holders of all Debentures then outstanding at their addresses appearing in the registers of Holders maintained by the Indenture Trustee.
 - (ii) The Offer to Purchase shall specify:
 - (A) the Offer Price for the Debentures;

- (B) the date (the "**Expiry Date**") and time (the "**Expiry Time**") on which the Offer to Purchase shall expire, which date and time shall, unless otherwise required by Applicable Securities Law, be the close of business on the 30th day following the date on which the Offer to Purchase is delivered or mailed by the Corporation to the Indenture Trustee;
- (C) that the Offer to Purchase may be accepted by the Debentureholders by tendering the Debentures so held by them to the Indenture Trustee at the Corporate Trust Office or such other address specified in the Offer to Purchase prior to the Expiry Time together with the acceptance notice (the "**Acceptance Notice**") in form and substance acceptable to the Corporation and the Indenture Trustee;
- (D) that Debentureholders may accept the Offer to Purchase in respect of all or a portion (in a minimum amount of \$1,000 principal amount and multiples thereof) of their Debentures;
- (E) a date (the "**Payment Date**") no later than the third Business Day following the Expiry Date on which the Corporation shall take up and pay for all the Debentures duly tendered in acceptance of the Offer to Purchase; and
- (F) that Holders will be entitled to withdraw their election if the Indenture Trustee receives, not later than the Expiry Time, a letter setting forth the name of such Holder, the principal amount of Debentures delivered for purchase and a statement that such Holder is withdrawing his election to have such Debentures purchased.

If any of the Debentures are in the form of Global Debentures or Book-Based Only Debentures, then the Corporation shall modify such notice to the extent necessary to accord with the applicable procedures of the Book-Based System relating to the purchase of the Global Debentures or Book-Based Only Debentures.

- (iii) The Corporation shall deposit with the Indenture Trustee by wire transfer, on or before 12:00 p.m. (Toronto time) one Business Day prior to the Payment Date, an amount of money sufficient to pay the aggregate Offer Price in respect of all Debentures duly tendered to the Offer to Purchase (less any Taxes required to be withheld or deducted in accordance with Applicable Law). On the Payment Date, the Corporation shall (A) accept for payment Debentures or portions thereof duly tendered pursuant to the Offer to Purchase, and (B) deliver, or cause to be delivered, to the Indenture Trustee an Officer's Certificate specifying the Debentures or portions thereof accepted for payment by the Corporation. The Indenture Trustee will pay the Offer Price to the Holders of the Debentures in the respective amounts to which they are entitled in accordance with the Offer to Purchase as aforesaid.
- (b) If Holders of 90% or more of the aggregate principal amount of Debentures outstanding on the date the Corporation delivers the Offer to Purchase to the Indenture Trustee accept the Offer to Purchase, the Corporation shall have the right (the "**90% Redemption Right**"), upon written notice (the "**90% Redemption Right Notice**") provided to the Indenture Trustee within 10 days following the Payment Date, to elect to redeem all the Debentures

remaining outstanding at the Offer Price and on the other terms and conditions provided herein. Upon receipt of such notice by the Indenture Trustee, the Indenture Trustee shall promptly provide written notice to each Holder of Debentures then outstanding (other than those that have accepted the Offer to Purchase) that:

- (i) the Corporation has exercised the 90% Redemption Right and is purchasing all outstanding Debentures effective as at the Payment Date at the Offer Price;
- (ii) such Holder must surrender its Debentures to the Indenture Trustee within 10 days after the sending of such notice; and
- (iii) the rights of such Holder under the terms of the Debentures and this Indenture shall cease effective as of the Payment Date provided the Corporation has, before the date on which the Corporation delivers the 90% Redemption Notice to the Indenture Trustee, paid the aggregate Offer Price in respect of all Debentures to be redeemed pursuant to the 90% Redemption Right (less any Taxes required to be withheld or deducted in accordance with Applicable Law) to, or to the order of, the Indenture Trustee and thereafter such Holder's Debentures shall not be considered to be outstanding and such Holder shall not have any rights hereunder except to receive such Offer Price to which such Holder is entitled upon surrender and delivery of such Holder's Debentures in accordance with the Indenture.

The Corporation shall, on or before 12:00 p.m. (Toronto time) on the Business Day immediately prior to the date the Corporation delivers the 90% Redemption Right Notice, pay to the Indenture Trustee by wire transfer or such other means as may be acceptable to the Indenture Trustee, an amount of money sufficient to pay the aggregate Offer Price in respect of all Debentures to be redeemed pursuant to the 90% Redemption Right (less any Taxes required to be withheld or deducted in accordance with Applicable Law). The Indenture Trustee, on behalf of the Corporation, will pay the Offer Price to the Holders of Debentures in the respective amounts to which they are entitled in accordance with the exercise of the 90% Redemption Right as aforesaid upon surrender and delivery of such Holders' Debentures.

- (c) The Debentures in respect of which the Corporation has made payment to the Indenture Trustee in accordance with the terms of sections 3.2(a) and 3.2(b) (or the portion thereof tendered in acceptance of the Offer to Purchase) shall thereafter no longer be considered to be outstanding under this Indenture. The Corporation shall also deposit with the Indenture Trustee a sum of money sufficient to pay any charges or expenses which may be incurred by the Indenture Trustee in connection with the Offer to Purchase and the exercise of the 90% Redemption Right if applicable. All Debentures in respect of which payment of the Offer Price has been so made shall be cancelled by the Indenture Trustee.
- (d) In the event only a portion of the principal amount of a Debenture is tendered by a Holder thereof in acceptance of the Offer to Purchase, the Corporation shall execute and deliver to the Indenture Trustee and the Indenture Trustee shall certify and deliver to the Holder, without charge to such Holder, certificate(s) or other evidence of ownership representing the principal amount of the Debenture not so tendered in acceptance of the Offer to Purchase.
- (e) The Corporation will comply with all Applicable Securities Laws in the event that the Corporation is required to repurchase the Debentures pursuant to an Offer to Purchase in

connection with a Change of Control and the Corporation's obligations hereunder shall be subject to the requirements of all Applicable Securities Laws.

3.3 Cancellation of Redeemed, Purchased or Repurchased Debentures

All Debentures redeemed, purchased or repurchased in whole or in part pursuant to this Article 3 shall be forthwith delivered to and cancelled by the Indenture Trustee and may not be reissued or resold and no Debentures shall be issued in substitution therefor.

ARTICLE 4 CONVERSION

4.1 Conversion Right

- (a) Each Holder shall have the right, at any time after the Issue Date and prior to the close of business on the earliest of (i) the Business Day immediately preceding the Maturity Date, (ii) if called for repurchase pursuant to section 3.2, the Business Day immediately preceding the Payment Date, or (iii) if a Forced Conversion is elected by the Corporation, the Business Day immediately preceding the Forced Conversion Date as set out in section 4.2(e), to elect to convert the principal amount of each of their outstanding Debentures, into that number of Common Shares equal to the Conversion Number, all on the terms and subject to the conditions provided in this Article 4.
- (b) The Holder of a Debenture desiring to convert such Debenture in whole or in part into Common Shares shall surrender such Debenture to the Indenture Trustee at its principal office in the City of Vancouver, British Columbia together with the conversion notice in the form attached hereto as Schedule "C" (the "**Conversion Notice**") (with a copy to the Corporation) duly completed and executed by the Holder or his executors or administrators or other legal representatives or his or their attorney duly appointed by an instrument in writing in form and executed in a manner satisfactory to the Indenture Trustee, exercising his right to convert such Debenture in accordance with the provisions of this Article 4; provided that (i) with respect to an Uncertificated Debenture, registration and surrender of interests in the Debentures will be made only through the Depository's non-certificated system, and (ii) with respect to a Global Debenture, the obligation to surrender a Debenture to the Indenture Trustee shall be satisfied if the Indenture Trustee makes notation on the Global Debenture of the principal amount thereof so converted and the Indenture Trustee is provided with all other documentation which it may reasonably request. Thereupon, such Debentureholder or, subject to payment of all applicable stamp or security transfer Taxes or other governmental charges and compliance with all reasonable requirements of the Indenture Trustee, his nominee(s) or assignee(s) shall be entitled to be entered in the books of the Corporation immediately after the close of business on the Conversion Date (or such later date as is specified in section 4.1(c)) as the holder of the number of Common Shares into which such Debenture is convertible in accordance with the provisions of this Article 4, for clarity this shall be the date the conversion documents are received in good order without error. The Corporation shall deliver or cause to be delivered to such Debentureholder or, subject as aforesaid, his nominee(s) or assignee(s), as soon as practicable after the Conversion Date, certificate(s) or other evidence of ownership representing such Common Shares (including by way of a deposit through the Depository's non-certificated system) and, make or cause to be made any payment of interest to which such Holder is entitled in accordance with section 4.1(f) hereof.

- (c) For the purposes of this Article 4, a Debenture shall be deemed to be surrendered for conversion on the date (the "**Conversion Date**") on which it is so surrendered in good order in accordance with the provisions of this Article or, in the case of an Uncertificated Debenture or a Global Debenture, on the date on which the Indenture Trustee received notice of and all necessary documentation in good order in respect of the exercise of the conversion rights and, in the case of a Debenture so surrendered by post or other means of transmission, on the date on which it is received by the Indenture Trustee at its principal office in the City of Vancouver, Province of British Columbia.
- (d) Any part, being \$1,000 or an integral multiple thereof, of a Debenture in a denomination in excess of \$1,000 may be converted as provided in this Article and all references in this Indenture to conversion of Debentures shall be deemed to include conversion of such part.
- (e) Upon a Holder of any Debenture exercising the right of conversion in respect of only a part of the Debenture and surrendering such Debenture to the Indenture Trustee in accordance with section 4.1(b), the Indenture Trustee shall cancel the same and shall without charge forthwith certify and deliver to the Holder a new Debenture or Debentures in an aggregate principal amount equal to the unconverted part of the principal amount of the Debenture so surrendered or, with respect to an Uncertificated Debenture, registration and surrender of interests in the Debentures will be made only through the Depository's non-certificated system. With respect to a Global Debenture, the Indenture Trustee shall make notations on the Global Debenture of the principal amount so converted.
- (f) The Holder of a Debenture surrendered for conversion in accordance with this section 4.1 shall be entitled to receive accrued and unpaid interest in respect thereof from and including the most recent Interest Payment Date to which interest has been paid to, but not including, the Conversion Date of such Debenture (less applicable withholding Taxes, if any). The Common Shares issued upon such conversion shall rank only in respect of distributions or dividends declared in favour of shareholders of record on and after the close of business on the Conversion Date or such later date as such holder shall become the holder of record of such Common Shares, from which applicable date they will for all purposes be and be deemed to be issued and outstanding as fully paid and non-assessable Common Shares.
- (g) Notwithstanding any other provision of this section 4.1, the Holder of a Debenture shall not have the right to deliver a Conversion Notice to the extent that the issuance of Common Shares in accordance with the provisions of Article 4, when added to the aggregate number of Common Shares beneficially owned, controlled or directed by such Debentureholder, together with each person or company acting in concert by virtue of an agreement, arrangement, commitment or understanding with such Debentureholder on the Business Day preceding the Conversion Date, would result in such Debentureholder, together with each person or company acting in concert by virtue of an agreement, arrangement, commitment or understanding with such Debentureholder beneficially owning, controlling or directing Common Shares representing more than 19.9% of the total issued and outstanding Common Shares on the Business Day preceding the Conversion Date; provided that at on the Business Day preceding the Conversion Date such Debentureholder did not already beneficially own, control or direct Common Shares representing more than 20% of the total issued and outstanding Common Shares on the Business Day preceding the Conversion Date.
- (h) The Indenture Trustee shall not be responsible for determining whether a conversion is prohibited pursuant to section 4.1(g).

4.2 Forced Conversion

- (a) At any time following the second anniversary of the Issue Date and prior to the Maturity Date, provided that the conditions in section 4.2(c) are satisfied, the Corporation may force the conversion of all but not less than all of the principal amount (less any tax required by law to be deducted or withheld) of the Debentures at the Conversion Price (the "**Forced Conversion Right**"), upon giving the Debentureholders advance written notice by way of a news release and concurrently providing written notice to the Indenture Trustee in accordance with Section 14.3 (the "**Forced Conversion Notice**").
- (b) The Holder of a Debenture converted in accordance with this section 4.2 shall be entitled to receive accrued and unpaid interest in respect thereof from and including the most recent Interest Payment Date to which interest has been paid to, but not including, the Forced Conversion Date (less applicable withholding Taxes, if any). The Common Shares issued upon such conversion shall rank only in respect of distributions or dividends declared in favour of shareholders of record on and after the close of business on the Forced Conversion Date or such later date as such holder shall become the holder of record of such Common Shares, from which applicable date they will for all purposes be and be deemed to be issued and outstanding as fully paid and non-assessable Common Shares.
- (c) The Corporation may only exercise the Forced Conversion Right if: (i) the VWAP of the Common Shares for a period of 20 consecutive trading days exceeds 150% of the Conversion Price (the "**Trading Period**"), (ii) the Corporation is not in default of its obligation to pay interest on, or repay the principal amount of, the Debentures, and (iii) the Forced Conversion Notice is provided to the Indenture Trustee within three trading days after such Trading Period.
- (d) Concurrently with providing the Forced Conversion Notice, the Corporation shall provide the Indenture Trustee with an Officer's Certificate setting forth the details of the exercise of the Forced Conversion Right pursuant to this section 4.2 (including the interest calculations and that no default or Event of Default exists or will result from the exercise of the Forced Conversion Right) which the Indenture Trustee may rely upon without any independent obligation to verify the accuracy of information set out therein.
- (e) In the event that the Corporation exercises its Forced Conversion Right pursuant to this Section 4.2, the effective date for the forced conversion (the "**Forced Conversion Date**") shall be: (i) the date stipulated in the Forced Conversion Notice (which, for the avoidance of doubt shall be no less than 15 days following the date of such Forced Conversion Notice); or (ii) if no date is so stipulated in the Forced Conversion Notice, the date that is 30 days following the date of such Forced Conversion Notice, and upon such Forced Conversion Date: (A) the outstanding principal amount (less any tax required by law to be deducted or withheld) of each Debenture shall be deemed to be converted into that number of Common Shares equal to the Conversion Number; and (B) the Debentureholders shall be entered in the books of the Corporation as at the Forced Conversion Date as the holder of the number of Common Shares, as applicable, into which the Debentures held by them are convertible.
- (f) Upon the surrender of the certificate representing the Global Debenture to the Indenture Trustee at its principal office in the City of Vancouver, British Columbia, by the Debentureholders, or, with respect to an Uncertificated Debenture, upon the registration and surrender of interests in the Debentures through the Depository's non-certificated

system, the Corporation shall deliver to the Debentureholders the Common Shares into which the Debentures have been converted in the form of certificate(s) or other evidence of ownership representing such Common Shares (including by way of a deposit through the Depository's non-certificated system). With respect to a Global Debenture, the Indenture Trustee shall make notations on the Global Debenture of the principal amount so converted.

- (g) In the event that the delivery of a Forced Conversion Notice in accordance with this section 4.2 would result in the issuance of Common Shares to any Debentureholder that, when added to the aggregate number of Common Shares beneficially owned, controlled or directed by any Debentureholder, together with each person or company acting in concert by virtue of an agreement, arrangement, commitment or understanding with such Debentureholder on the Business Day preceding the Forced Conversion Date, would result in such Debentureholder, together with each person or company acting in concert by virtue of an agreement, arrangement, commitment or understanding with such Debentureholder beneficially owning, controlling or directing Common Shares representing more than 19.9% of the total issued and outstanding Common Shares immediately after the forced conversion, the Debentures held by such Debentureholder will be excluded from the forced conversion and will remain outstanding; provided that at on the Business Day preceding the Forced Conversion Date such Debentureholder did not already beneficially own, control or direct Common Shares representing more than 20% of the total issued and outstanding Common Shares on the Business Day preceding the Forced Conversion Date. In the event any such Debentures are excluded from the forced conversion in accordance with this section 4.2(g), the Corporation will instead pay to the Debentureholders all the principal amount of such excluded Debentures in cash.
- (h) For the avoidance of doubt, nothing herein shall prevent the Corporation from completing the forced conversion of any Debentures that are excluded from the initial forced conversion in accordance with section 4.2(g) at a later date in the event that the number of Common Shares issued upon the conversion of the Debentures to such Debentureholder, when added to the aggregate number of Common Shares beneficially owned, controlled or directed by such Debentureholder, together with each person or company acting in concert by virtue of an agreement, arrangement, commitment or understanding with such Debentureholder, would result in such Debentureholder beneficially owning, controlling or directing Common Shares representing less than 19.9% of the total issued and outstanding Common Shares immediately after the forced conversion and the provisions of this Section 4.2 shall apply *mutatis mutandis* to such subsequent forced conversion.
- (i) The Indenture Trustee shall not be responsible for determining whether a conversion is prohibited pursuant to sections 4.2(g) and 4.2(h).

4.3 Fractional Shares

No fractional Common Shares shall be delivered upon the conversion of Debentures. In the event that the conversion of any Debentures would result in the issuance of a fractional Common Share, the number of Common Shares so issued in connection with such conversion shall be rounded down to the nearest whole number of Common Shares and the Holder shall not be entitled to any additional consideration in respect of such fractional Common Share.

4.4 Relating to the Issue of Common Shares

- (a) Subject to Article 4, a Holder shall be treated as the shareholder of record of the Common Shares issued on due conversion of his Debentures and the issuance of Common Shares shall be deemed to have occurred, for all purposes, effective immediately after the close of business on the Conversion Date or the Forced Conversion Date, as applicable; such Holder shall be entitled to all substitutions therefor, all income earned thereon or accretions thereto and all dividends or distributions (including stock dividends and dividends or distributions in kind) thereon and arising thereafter and in the event that the Indenture Trustee receives the same, it shall hold the same under gratuitous deposit for the benefit of such Holder.
- (b) The Corporation shall at all times reserve and keep available out of its authorized Common Shares (if the number thereof is or becomes limited) solely for the purpose of issue and delivery upon the conversion of Debentures, and shall issue to Debentureholders who may exercise their conversion rights hereunder such number of Common Shares as shall be issuable in such events.
- (c) Any conversion of Debentures into Common Shares will be subject to all Applicable Securities Laws regulating the issue and delivery of Common Shares upon conversion of Debentures and the Corporation shall obtain any stock exchange or regulatory approval in respect thereof as may be required pursuant to Applicable Securities Laws.

ARTICLE 5 MATURITY

5.1 Payment of Principal and Interest at Maturity

On the Maturity Date, the Corporation shall pay to the Debentureholders all the principal of the Debentures and all accrued and unpaid interest thereon, up to but excluding the Maturity Date. Payment of principal and accrued and unpaid interest shall be made in cash, by cheque or wire transfer to the Holders in the manner contemplated by section 2.10 or 2.12, as the case may be.

ARTICLE 6 ADJUSTMENTS

6.1 Adjustment of Conversion Price

The Conversion Price in effect at any date will be subject to adjustment from time to time without duplication in the events and in the manner provided as follows.

- (a) If and whenever at any time after the date hereof and prior to the Maturity Date, the Corporation:
 - (i) subdivides its outstanding Common Shares into a greater number of Common Shares; or
 - (ii) reduces, combines or consolidates its outstanding Common Shares into a smaller number of Common Shares; or
 - (iii) issues Common Shares to the holders of all or substantially all of the outstanding Common Shares as a dividend, distribution or otherwise (other than an issue of

Common Shares in lieu of Dividends Paid in the Ordinary Course in the form of cash);

(any of such events in clauses (i), (ii) and (iii), being called a "**Common Share Reorganization**"), then the Conversion Price will be adjusted, effective on the effective date or record date for the happening of a Common Share Reorganization, as the case may be, at which the holders of Common Shares are determined for the purpose of the Common Share Reorganization, so that it shall equal the price determined by multiplying the Conversion Price in effect immediately prior to such effective date or record date by a fraction:

- (A) the numerator of which will be the total number of Common Shares outstanding on such effective date or record date before giving effect to such Common Share Reorganization, and
- (B) the denominator of which will be the total number of Common Shares outstanding immediately after giving effect to such Common Share Reorganization.

- (b) If and whenever at any time after the date hereof and prior to the Maturity Date, the Corporation fixes a record date for the issue of rights, options or warrants (other than in lieu of Dividends Paid in the Ordinary Course in the form of cash) to the holders of all or substantially all of the outstanding Common Shares under which such holders are entitled, during a period expiring not more than 45 days after the record date for such issue (the "**Rights Period**"), to subscribe for or purchase Common Shares or securities exchangeable for or convertible into Common Shares at a price per share to the holder (or at an exchange price or conversion price per share to the holder in the case of securities exchangeable for or convertible into Common Shares) which is less than 95% of the Current Market Price for the Common Shares on such record date (any of such events being called a "**Rights Offering**"), then the Conversion Price will be adjusted effective immediately after the end of the Rights Period so that it shall equal the price determined by multiplying the Conversion Price in effect on the record date for the commencement of the Rights Offering by a fraction:

- (i) the numerator of which will be the aggregate of:
 - (A) the total number of Common Shares outstanding as of the record date for the commencement of the Rights Offering, and
 - (B) a number determined by dividing (1) either, as the case may be, (x) the product of the number of Common Shares issued or subscribed for during the Rights Period upon the exercise of the rights, warrants or options under the Rights Offering and the price at which such Common Shares are offered for such issue or subscription, or the product of the price or conversion price of such securities exchangeable for or convertible into Common Shares (together with the exercise price of the rights, options or warrants) and the number of Common Shares for or into which the exchangeable or convertible securities that are issued or subscribed for during the Rights Period may be exchanged or converted, by (2) the Current Market Price of the Common Shares as of the record date for the commencement of the Rights Offering, and

- (ii) the denominator of which will be the number of Common Shares outstanding on the record date for the commencement of the Rights Offering plus, as the case may be, (x) the number of Common Shares actually issued or subscribed for during the Rights Period upon exercise of the rights, warrants or options under the Rights Offering, or (y) the number of Common Shares issuable pursuant to such securities that are exchangeable for or convertible into Common Shares, which exchangeable or convertible securities are actually issued or subscribed for during the Rights Period upon exercise of the rights, warrants or options under the Rights Offering.
- (c) If any Debentureholder exercises the right to convert to Common Shares or the Corporation exercises its Forced Conversion Right in accordance with Article 4 during the period beginning immediately after the record date for a Rights Offering and ending on the last day of the Rights Period for the Rights Offering, in addition to the Common Shares to which any Holder would otherwise be entitled upon such conversion immediately prior to the record date, be entitled to that number of additional Common Shares represented by the difference between (x) the number of Common Shares receivable based on the Conversion Price determined at the end of the Rights Period pursuant to section 6.1(b), and (y) the number of Common Shares receivable based on the Conversion Price applicable immediately prior to the record date for the Rights Offering; provided that the provisions of section 4.2 will be applicable to any fractional interest in a Common Share to which any such Holder might otherwise be entitled under the foregoing provisions of this section 6.1(c). Such additional Common Shares will be deemed to have been issued to the Debentureholder immediately following the end of the Rights Period and certificate(s) or other evidence of ownership representing such additional Common Shares will be delivered to such Holder within 15 Business Days following the end of the Rights Period.
- (d) If and whenever at any time after the date hereof and prior to the Maturity Date, the Corporation fixes a record date for the issue or the distribution to the holders of all or substantially all of the outstanding Common Shares of (i) securities of the Corporation, including rights, options or warrants to acquire securities of the Corporation or any of its property or assets, including cash and evidences of Indebtedness; or (ii) any other property or assets, including cash and evidences of Indebtedness, and if such issuance or distribution does not constitute a Dividend Paid in the Ordinary Course, a Common Share Reorganization, a Rights Offering or a distribution contemplated by section 6.1(f) (any of such non-excluded events being called a "**Special Distribution**"), then the Conversion Price will be adjusted effective immediately after such record date so that it shall equal the price determined by multiplying the Conversion Price in effect on such record date by a fraction:
 - (i) the numerator of which will be:
 - (A) the product of the number of Common Shares outstanding on such record date and the Current Market Price of the Common Shares on such record date; less
 - (B) the Fair Market Value (which Fair Market Value will be evidenced by an Officer's Certificate delivered to the Indenture Trustee), to the holders of Common Shares of such securities or property or other assets so issued or distributed in the Special Distribution; and

- (ii) the denominator of which will be the product of the number of Common Shares outstanding on such record date and the Current Market Price of the Common Shares on such record date.

To the extent that any Special Distribution is not so made, the Conversion Price will be readjusted effective immediately to the Conversion Price which would then be in effect based upon such securities or property or other assets as actually distributed.

- (e) If any issuer bid (other than an issuer bid made through the facilities of the TSX) made by the Corporation for all or any portion of Common Shares shall expire, then, if the issuer bid shall require the payment to shareholders of consideration per Common Share having a Fair Market Value which exceeds the Current Market Price per Common Share on the last date (the "**Expiration Date**") tenders could have been made pursuant to such issuer bid (as it may be amended) (the last time at which such tenders could have been made on the Expiration Date is hereinafter sometimes called the "**Expiration Time**"), then the Conversion Price will be adjusted effective immediately preceding the opening of business on the day following the Expiration Date so that it shall equal the amount determined by multiplying the Conversion Price in effect immediately preceding the close of business on the Expiration Date by a fraction:
 - (i) the numerator of which will be the product of the number of Common Shares outstanding (including Purchased Common Shares (as defined below) but excluding (without duplication) any Common Shares held in the treasury of the Corporation or any Subsidiary thereof) at the Expiration Time multiplied by the Current Market Price per Common Share on the Expiration Date; and
 - (ii) the denominator of which will be the sum of:
 - (A) the Fair Market Value of the aggregate consideration (which Fair Market Value shall be evidenced by an Officer's Certificate delivered to the Indenture Trustee) payable to shareholders based on the acceptance (up to any maximum specified in the terms of the issuer bid) of all Common Shares validly tendered and not withdrawn as of the Expiration Time (the Common Shares deemed so accepted, up to any such maximum, being referred to as the "**Purchased Common Shares**"); and
 - (B) the product of the number of Common Shares outstanding (less any Purchased Common Shares and excluding (without duplication) any Common Shares held in the treasury of the Corporation or any Subsidiary thereof) at the Expiration Time and the Current Market Price per Common Share on the Expiration Date.

In the event that the Corporation is obligated to purchase Common Shares pursuant to any such issuer bid, but to the extent the Corporation is prevented by Applicable Law from effecting any or all such purchases or to the extent any or all such purchases are rescinded, the Conversion Price shall again be adjusted to be the Conversion Price which would have been in effect based upon the number of Common Shares actually purchased, if any. If the application of this section 6.1(e) to any issuer bid would result in a decrease in the Conversion Price, no adjustment shall be made for such issuer bid under this section 6.1(e).

For purposes of this section 6.1(e), the term "issuer bid" shall mean an issuer bid (other than an issuer bid which is exempt from the requirements of Part 2 of NI 62-104) under Applicable Securities Law or a take-over bid (other than a take-over bid which is exempt from the requirements of Part 2 of the NI 62-104) under Applicable Securities Law by a Subsidiary of the Corporation for the Common Shares and all references to "purchases" of Common Shares in issuer bids (and all similar references) shall mean and include the purchase of Common Shares in issuer bids and all references to "tendered Common Shares" (and all similar references) shall mean and include Common Shares tendered in issuer bids.

- (f) If and whenever at any time after the date hereof and prior to the Maturity Date, the Corporation shall fix a record date for the payment of a cash dividend or distribution to the holders of all or substantially all of the outstanding Common Shares in excess of the Dividends Paid in the Ordinary Course, then the Conversion Price will be adjusted immediately after such record date so that it shall equal the price determined by multiplying the Conversion Price in effect on such record date by a fraction:
- (i) the numerator of which will be the Current Market Price per Common Share on such record date minus the amount in cash per Common Share distributed to holders of Common Shares in excess of the Dividends Paid in the Ordinary Course; and
 - (ii) the denominator of which will be the Current Market Price per Common Share on such record date.

Such adjustment shall be made successively whenever such a record date is fixed. To the extent that any such cash dividend or distribution is not paid, the Conversion Price shall be re-adjusted to the Conversion Price which would then be in effect if such record date had not been fixed.

Dividends Paid in the Ordinary Course will be adjusted in the same manner as the Conversion Price set forth under section 6.1 hereof, provided that no adjustment will be made to the amount of the Dividends Paid in the Ordinary Course for any adjustment made to the Conversion Price under this section 6.1(f).

- (g) If and whenever at any time after the date hereof and prior to the Maturity Date, there is a reclassification of the Common Shares at any time outstanding or change of the Common Shares into other shares or into other securities or other capital reorganization (other than a Common Share Reorganization), or a consolidation, amalgamation or merger of, or an arrangement involving, the Corporation with or into any other corporation or other entity (other than a vertical amalgamation with one or more of its wholly-owned Subsidiaries pursuant to the *Canada Business Corporations Act*), or a sale or conveyance of the undertaking or assets of the Corporation as an entirety or substantially as an entirety to another corporation or other entity as a result of which the holders of Common Shares are entitled to receive shares, other securities or other property, or a liquidation, dissolution or winding-up of the Corporation (any of such events being called a "**Capital Reorganization**"), any Holder who exercises the right to convert Debentures into Common Shares pursuant to Debentures then held after the effective date of such Capital Reorganization will be entitled to receive, and will accept in lieu of the number of Common Shares to which such Holder would otherwise have been entitled upon such conversion, the aggregate number of shares, other securities or other property which such Holder would have been entitled to receive as a result of such Capital Reorganization if, on the effective

date thereof, the Holder had been the holder of the number of Common Shares to which such Holder would otherwise have been entitled upon conversion. Appropriate adjustments will be made as a result of any such Capital Reorganization in the application of the provisions set forth in this Article 6 with respect to the rights and interests thereafter of Debentureholders to the end that the provisions set forth in this Article 6 will thereafter correspondingly be made applicable as nearly as may reasonably be in relation to any shares, other securities or other property thereafter deliverable upon the conversion of any Debenture. Prior to or concurrent with effecting a Capital Reorganization, the Corporation or any such successor, purchasing or transferee corporation or entity, as the case may be, will enter into an indenture supplemental hereto approved by action of the Board and by the Indenture Trustee, which will set forth an appropriate adjustment to give effect to this section 6.1(g), in which event such adjustment will for all purposes be conclusively deemed to be an appropriate adjustment, subject to the prior written consent (to the extent required) of the TSXV or such other securities exchange or market on which the Common Shares are then listed.

- (h) If the exercise, purchase or conversion price provided for in any rights, options, warrants or other securities exchangeable for or convertible into Common Shares (the "**Exercise Price**") referred to in sections 6.1(b) or 6.1(d) is decreased, the Conversion Price will forthwith be changed so as to decrease the Conversion Price to the Conversion Price that would have been obtained if the adjustment to the Conversion Price made under sections 6.1(b) or 6.1(d), as the case may be, with respect to such rights, options, warrants or other securities exchangeable for or convertible into Common Shares had been made on the basis of the Exercise Price as so decreased, provided that the terms of this section 6.1(h) will not apply to any decrease in the Exercise Price resulting from terms in any such rights, options, warrants or convertible securities designed to prevent dilution except to the extent that the resulting decrease in the Conversion Price under this section 6.1(h) would be greater than the decrease, if any, in the Conversion Price to be made under the terms of this Article 6 by virtue of the occurrence of the event giving rise to such decrease in the Exercise Price.
- (i) In any case in which this section 6.1 shall require that an adjustment shall become effective immediately after a record date for an event referred to herein, the Corporation may defer, until the occurrence of such event, issuing to the Holder of any Debenture converted after such record date and before the occurrence of such event the additional Common Shares issuable upon such conversion by reason of the adjustment required by such event, provided, however, that the Corporation shall deliver to such Holder an appropriate instrument evidencing such Holder's right to receive such additional Common Shares upon the occurrence of such event and the right to receive any distributions made on such additional Common Shares declared in favour of holders of record of Common Shares on and after the date of conversion or such later date on which such Holder would, but for the provisions of this section 6.1(i), have become the holder of record of such additional Common Shares.

6.2 Other Adjustment of Conversion Price

If the Corporation shall take any action affecting the Common Shares, other than an action described in sections 6.1(a), 6.1(b), 6.1(d), 6.1(e), 6.1(f) or 6.1(h) but including an action under section 6.1(g), which results in a Holder being unable, for any period of time, to exercise conversion privileges that it would otherwise be permitted to exercise due to requirements necessary to ensure that the Debentures will be and will remain exempt from Canadian withholding Taxes, the Conversion Price may be adjusted in such manner and at such time, or such other adjustment to the conversion privilege may be made, as the Board

determines to be equitable in the circumstances, subject to the prior written consent (to the extent required) of TSXV or such other securities exchange or market on which the Common Shares are then listed. Failure of the Board to take any such action shall be conclusive evidence that the Board has determined that it is equitable to make no adjustment in the circumstances.

6.3 Rules Regarding Calculation of Adjustment of Conversion Price

For the purposes of sections 6.1 and 6.2:

- (a) The adjustments are cumulative and will be computed to the nearest one-tenth of one cent and will be made successively (without duplication) whenever an event referred to therein occurs, subject to the following paragraphs of this section 6.3.
- (b) No adjustment in the Conversion Price will be required unless the cumulative effect of such adjustment would result in a change of at least 1% in the prevailing Conversion Price; provided, however, that any adjustments which, except for the provisions of this section 6.3(b) would otherwise have been required to be made, will be carried forward and taken into account in any subsequent adjustment.
- (c) No adjustment in the Conversion Price will be required upon the issuance from time to time of Common Shares upon conversion of the Debentures or pursuant to the Corporation's past, existing or future stock option plans, restricted share unit plan, long term incentive plan, deferred share unit plan, share purchase plan or other securities based compensation plan, or any dividend reinvestment plan, or any similar plan, if any, as such plans may be replaced, supplemented or further amended from time to time. In addition, for greater certainty, no adjustment in the Conversion Price will be required upon the distribution from time to time of Common Shares by way of private placement to investors on a prospectus exempt basis, or by way of a prospectus which is made to the public in general.
- (d) No adjustment in the Conversion Price will be made in respect of sections 6.1(a)(iii), 6.1(b), 6.1(d), 6.1(e) or 6.1(f) if Debentureholders are entitled to participate in such event on the same terms, *mutatis mutandis*, as if they had converted their Debentures prior to or on the effective date or record date of such event. Any such participation will be subject to any required prior consent of TSXV or such other securities exchange or market on which the Common Shares are then listed.
- (e) If at any time a dispute arises with respect to adjustments provided for in section 6.1, such dispute will be conclusively determined, subject to any required consent of TSXV (or such other securities exchange or market on which the Common Shares are then listed), by the Corporation's auditors, or if they are unable or unwilling to act, by such other firm of independent chartered accountants as may be reasonably selected by action of the Board and any such determination will be binding upon the Corporation, the Indenture Trustee, the Debentureholders and shareholders of the Corporation; such auditors or accountants will be given access to all necessary records of the Corporation. If any such determination is made, the Corporation will deliver an Officer's Certificate to the Indenture Trustee describing such determination, and the Indenture Trustee shall be entitled to act and rely upon such Officer's Certificate.
- (f) If the Corporation sets a record date to determine the holders of Common Shares for the purpose of entitling them to receive any dividend or distribution or sets a record date to

take any other action and thereafter and before the distribution to such shareholders of any such dividend or distribution or the taking of any other action, legally abandons its plan to pay or deliver such dividend or distribution or take such other action, then no adjustment in the Conversion Price shall be made.

- (g) In the absence of a resolution of the Board fixing a record date for a Special Distribution or Rights Offering, the Corporation will be deemed to have fixed as the record date therefor the date on which the Special Distribution or Rights Offering is effected.
- (h) For greater certainty, Debentureholders shall have no right to convert Debentures into any security other than Common Shares unless an appropriate adjustment is made by and set forth in an indenture supplemental hereto.

6.4 Certificate as to Adjustment

The Corporation shall, from time to time, immediately after the occurrence of any event which requires an adjustment or readjustment as provided in section 6.1 and 6.2, deliver an Officer's Certificate to the Indenture Trustee specifying the nature of the event requiring the same and the amount of the adjustment or readjustment necessitated thereby and setting forth in reasonable detail the method of calculation and the facts upon which such calculation is based, and the Indenture Trustee shall be entitled to act and rely upon such Officer's Certificate. Such Officer's Certificate and the amount of the adjustment specified therein shall be conclusive and binding on all parties in interest. Until such Officer's Certificate is received by the Indenture Trustee, the Indenture Trustee may act and be protected in acting on the presumption that no adjustment has been made or is required. Except in respect of any subdivision, reduction, combination or consolidation of the Common Shares contemplated by sections 6.1(a)(i) and (ii), the Corporation shall forthwith give notice to the Debentureholders specifying the event requiring such adjustment or readjustment and the amount thereof, including the resulting Conversion Price; provided that if the Corporation has given notice under section 6.5 covering all the relevant facts in respect of such event, no such notice need be given under this section 6.4.

6.5 Notice of Special Matters

The Corporation covenants that, so long as any Debentures remain outstanding, it will give notice to the Indenture Trustee on account for the Debentureholders of its intention to fix a record date for any event referred to in sections 6.1(a), (b), (d) or (f) (other than the subdivision, reduction, combination or consolidation of Common Shares contemplated by sections 6.1(a)(i) and 6.1(a)(ii)) which may give rise to an adjustment in the Conversion Price, or other adjustment, and such notice shall specify the particulars of such event and the record date and the effective date for such event; provided that the Corporation shall only be required to specify in such notice such particulars of such event as shall have been fixed and determined on the date on which such notice is given. Such notice shall be given not less than 14 days prior to the applicable record date in the case of the events referred to in sections 6.1(a)(iii), 6.1(b), 6.1(d) and 6.1(f), at least 30 days prior to the effective date of any transaction referred to in section 6.1(g) and at least 30 days prior to the expiration of an issuer bid referred to in section 6.1(e) (other than a normal course issuer bid).

6.6 Protection of Indenture Trustee

The Indenture Trustee shall not at any time be under any duty or responsibility to any Debentureholder to determine whether any facts exist which may require any adjustment in the Conversion Price, or with respect to the nature or extent of any such adjustment when made, or with respect to the method or calculations employed in making the same; and shall not be accountable with respect to the validity or value

(or the kind or amount) of any Common Shares or of any shares or other securities or other property which may at any time be issued or delivered upon the conversion of any Debenture; and the Indenture Trustee shall not be responsible for any failure of the Corporation to make any cash payment or to issue, transfer or deliver Common Shares or share certificates upon the surrender of any Debenture for the purpose of conversion, or to comply with any of the covenants contained in this Article 6 and shall be entitled to act and rely on any adjustment calculation of the Corporation.

ARTICLE 7 COVENANTS OF THE CORPORATION

7.1 Payment of Principal, Premium and Interest

The Corporation covenants and agrees with the Indenture Trustee and for the benefit of the Holders of each Debenture that it will duly and punctually pay the principal of, premium, if any, and interest on the Debentures in accordance with their terms and this Indenture.

7.2 Corporate Existence; Books of Account

The Corporation covenants and agrees with the Indenture Trustee for the benefit of each Holder that:

- (a) it will, subject to Article 12, at all times maintain its corporate existence; and
- (b) it (or any Successor Corporation) will keep or cause to be kept proper books of account in accordance with IFRS.

7.3 Compliance Certificate

The Corporation shall deliver to the Indenture Trustee within 140 days after the end of each fiscal year of the Corporation (and at any other reasonable time upon demand by the Indenture Trustee) an Officer's Certificate stating that the Corporation has complied with all covenants of the Corporation contained in this Indenture that, if not complied with, would, with the giving of notice, lapse of time, or otherwise, constitute an Event of Default. If an Event of Default shall have occurred and is continuing, the Officer's Certificate shall describe the nature and particulars of the Event of Default that is continuing and its current status and steps taken or proposed to be taken to eliminate such circumstances and remedy such Event of Default, as the case may be.

7.4 Notice of Default

The Corporation will promptly notify the Indenture Trustee in writing upon becoming aware of the occurrence of any Event of Default that is continuing.

7.5 Securities Laws

- (a) The Corporation covenants and agrees with the Indenture Trustee for the benefit of the Holders that it will use reasonable commercial efforts to maintain the listing of the Common Shares on the TSXV (or such other recognized securities exchange in Canada) and to maintain the Corporation's status as a "reporting issuer" not in default of the requirements of Applicable Securities Laws, provided that the foregoing covenant shall not prevent or restrict the Corporation from carrying out a transaction to which section 3.2 or Article 12 would apply if carried out in compliance with section 3.2 or Article 12, respectively, even if as a result of such transaction the Common Shares cease to be listed

on the TSXV or another stock exchange or the Corporation ceases to be a "reporting issuer".

- (b) The Indenture Trustee shall have no obligation to verify information relating to the Corporation's compliance with this section 7.5 and may act and rely upon all information provided by the Corporation with respect to such compliance, without independent inquiry.

7.6 Financial Covenants

The Corporation agrees with the Indenture Trustee and for the benefit of the Holders that while any Debentures remain outstanding hereunder:

- (a) the Corporation shall ensure that its Consolidated Working Capital is not less than \$5,000,000, at the end of each fiscal quarter, including as at the date of its most recent annual audited consolidated financial statements; and
- (b) the Corporation shall not take on or issue any additional Indebtedness, other than Permitted Debt.

7.7 Reporting

The Corporation shall provide the Indenture Trustee and the Holders with copies of documents that must be sent to its shareholders pursuant to Applicable Securities Laws in the provinces and territories of Canada in which the Corporation is a "reporting issuer" (as such term is defined in such Applicable Securities Laws) within the time prescribed by such Applicable Securities Laws for delivery to its shareholders, which copies shall be deemed to have been provided to the Indenture Trustee and the Holders once filed on the SEDAR+ website. The Indenture Trustee shall have no duty to analyze any such documents.

7.8 Performance of Covenants by Indenture Trustee

If the Corporation fails to perform any of its covenants contained in this Indenture, the Indenture Trustee may itself perform any of such covenants capable of being performed by it, but will be under no obligation to do so. All sums expended or advanced by the Indenture Trustee for such purpose will be repayable as provided in section 7.9 of the Indenture. No such performance or advance by the Indenture Trustee shall relieve the Corporation of any default hereunder or its continuing obligations hereunder.

7.9 Payment of Indenture Trustee's Remuneration

The Corporation will pay the Indenture Trustee's reasonable remuneration for its services as Indenture Trustee hereunder (including reimbursement for reasonable legal fees and expenses) and will repay to the Indenture Trustee on demand all moneys which shall have been paid by the Indenture Trustee out of its own funds in and about the execution of the trusts hereby created. Any moneys owed to the Indenture Trustee which remain unpaid for a period of 30 days or more from the issue date of the Indenture Trustee's invoice for such moneys owed shall bear interest at the rate charged by the Indenture Trustee from time to time to its corporate trust customers until the date of payment. All such moneys shall be paid by the Corporation immediately upon receipt of such invoice by the Corporation. The said remuneration shall continue to be payable until the trusts hereof are finally wound up and whether or not the trusts of this Indenture shall be in course of administration by or under the direction of the court. This section 7.9 shall survive the resignation of the Indenture Trustee or the termination of this Indenture.

ARTICLE 8 EVENTS OF DEFAULT AND REMEDIES

8.1 Events of Default and Enforcement

If and when any one or more of the following events (herein called an "**Event of Default**") shall happen with respect to the Debentures and be continuing, namely:

- (a) a default in payment of principal (and premium, if any) on any Debentures when due, whether at the Maturity Date, upon redemption, by declaration or otherwise;
- (b) a default in payment of interest on any Debentures when due and payable and such default continues unremedied for 30 days;
- (c) a default in performing or observing any of the other covenants, agreements or obligations of the Corporation as described herein and such default continues unremedied for 60 days after written notice to the Corporation by the Indenture Trustee or by the Holders of not less than 25% in principal amount of outstanding Debentures requiring the same to be remedied, or such longer period of time as the Indenture Trustee (having regard to the subject matter of neglect or non- observance) shall agree to;
- (d) the failure to make an Offer to Purchase upon a Change of Control in accordance with section 3.2 hereof;
- (e) a decree, judgment, or order by a court having jurisdiction in the premises shall have been entered adjudging the Corporation bankrupt or insolvent or approving as properly filed a petition seeking reorganization, readjustment, arrangement, composition or similar relief for the Corporation, under the *Bankruptcy and Insolvency Act* (Canada) or any other bankruptcy, insolvency or analogous applicable law of Canada or any province or territory thereof, or a decree, judgment or order of a court having jurisdiction in the premises for the appointment of a receiver or liquidator or trustee or assignee in bankruptcy or insolvency of the Corporation or of a substantial part of its property, or for the winding up or liquidation of its affairs, shall, in the case of any of the foregoing, have remained in force for a period of 60 consecutive days; or any substantial part of the property of the Corporation shall be sequestered or attached and shall not be returned to the possession of the Corporation or released from such attachment, as the case may be, whether by filing of a bond, or stay or otherwise, within 60 consecutive days thereafter; or
- (f) the Corporation shall institute proceedings to be adjudicated a voluntary bankrupt, or shall consent to the filing of a bankruptcy proceeding against it, or shall file a petition or answer or consent seeking reorganization, readjustment, arrangement, composition or similar relief under the *Bankruptcy and Insolvency Act* (Canada) or any other bankruptcy, insolvency or analogous applicable law of Canada or any province or territory thereof or shall consent to the filing of any such petition, or shall consent to the appointment of a receiver or liquidator or trustee or assignee in bankruptcy or insolvency for it or of a substantial part of its property, or shall make an assignment for the benefit of creditors, or shall be unable, or admit in writing its inability, to pay its debts generally as they become due, or corporate action shall be taken by the Corporation in furtherance of any of the aforesaid actions;

then, and in each and every such case which has happened and is continuing, the Indenture Trustee may, and shall, upon the written request of the Holders of not less than 25% in principal amount of the outstanding

Debentures at such time and having been funded and indemnified to its reasonable satisfaction against any costs, expenses and liability to be incurred (or, if there is a Global Debenture or Uncertificated Debenture outstanding, a written request of the Participants, through CDS, having received instructions from the Beneficial Holders holding at least 25% of the outstanding Debentures), declare the principal of, premium, if any, together with accrued interest on all such Debentures to be due and payable immediately, by a Notice in writing to the Corporation (and to the Indenture Trustee if given by the Holders), and upon any such declaration such principal amount and premium, if any, together with accrued interest thereon, shall become immediately due and payable.

8.2 Notice of Event of Default

The Indenture Trustee shall give to the Holders within five days after the Indenture Trustee becomes aware by way of written Notice of the occurrence of an Event of Default, Notice of every Event of Default so occurring and continuing at the time the Notice is given, unless the Indenture Trustee reasonably and in good faith determines that the withholding of such Notice is in the best interests of the Holders and gives written Notice of such determination to the Corporation. When a Notice of the occurrence of an Event of Default is given by the Indenture Trustee pursuant to this section 8.2 and the Event of Default is thereafter cured or waived, the Indenture Trustee shall give Notice that the Event of Default is no longer outstanding to all Holders to whom Notice of the occurrence of the Event of Default was given within five days after the Indenture Trustee becomes aware, by written Notice given by the Corporation to the Indenture Trustee, that the Event of Default has been cured or waived and is no longer outstanding.

8.3 Waiver

Upon the happening of any Event of Default hereunder:

- (a) the Holders of the Debentures shall have the power by requisition in writing by the Holders of more than 50% of the principal amount of Debentures then outstanding (or by Extraordinary Resolution), to instruct the Indenture Trustee to waive any Event of Default and to cancel any declaration made by the Indenture Trustee pursuant to section 8.1 and the Indenture Trustee shall thereupon waive the Event of Default and cancel such declaration upon such terms and conditions as shall be prescribed in such requisition (or such Extraordinary Resolution), provided that in the case of any Event of Default (i) resulting from (x) a failure to pay interest in respect of the Debentures or (y) a failure to pay the principal (and premium, if any) in respect of the Debentures which have become due otherwise than solely as a result of such declaration of acceleration, or (ii) in respect of a covenant or provision hereof that under Article 15 cannot be modified or amended without an Extraordinary Resolution passed by the Holders, such powers may be exercisable only by Extraordinary Resolution; and
- (b) the Indenture Trustee, so long as it has not become bound to declare the principal and interest on the Debentures then outstanding to be due and payable, or to obtain or enforce payment of the same, shall have power to waive any Event of Default if, in the Indenture Trustee's opinion, the same shall have been cured or adequate satisfaction made therefor, and in such event to cancel any such declaration theretofore made by the Indenture Trustee in the exercise of its discretion, upon such terms and conditions as the Indenture Trustee may deem advisable.

Upon any such waiver, such Event of Default shall cease to exist and be deemed to have been cured for every purpose of this Indenture. No such waiver by the Holders or the Indenture Trustee shall extend to or

be taken in any manner whatsoever to affect any subsequent or other Event of Default or impair any right consequent thereon.

8.4 Other Remedies

- (a) If an Event of Default occurs and is continuing, the Indenture Trustee, having received written instructions from the requisite holders and having been funded and indemnified to its reasonable satisfaction against any costs that may be incurred from doing so, may pursue any available remedy to collect the payment of principal of, premium, if any, or interest on Debentures or to enforce the performance of any term of the Debentures or this Indenture.
- (b) The Indenture Trustee may maintain a Proceeding even if it does not possess any Debentures or does not produce any of them in the Proceeding. A delay or omission by the Indenture Trustee or any Holder in exercising any right or remedy accruing upon an Event of Default shall not impair the right or remedy or constitute a waiver of or acquiescence in the Event of Default.

8.5 Application of Money Collected

Any money collected by the Indenture Trustee pursuant to this Article in respect of Debentures shall (subject to any claims having priority under Applicable Law) be applied in the following order, at the dates fixed by the Indenture Trustee and, in case of the distribution of such money on account of principal of, premium, if any, or interest, upon presentation of Debentures and the notation thereon of the payment (if only partially paid) and upon surrender thereof (if fully paid):

- (a) first, to the payment of all amounts due to the Indenture Trustee under this Indenture with respect to such Debentures;
- (b) second, to the payment of accrued and unpaid interest on such Debentures;
- (c) third, to the payment of the principal of, and premium, if any, on such Debentures;
- (d) fourth, to the payment of any other amounts with respect to such Debentures; and
- (e) fifth, to whomever may be lawfully entitled to receive the balance of such money.

8.6 Control by Holders

The Holders of at least 25% in principal amount of the outstanding Debentures may:

- (a) direct the time, method and place in the Province of Ontario of conducting any Proceeding for any remedy available to the Indenture Trustee or exercising any trust or power conferred on it with respect to the Debentures; and
- (b) take any other action authorized to be taken by or on behalf of the Holders of any specified aggregate principal amount of Debentures under any provisions of this Indenture or under Applicable Law.

The Indenture Trustee may refuse, however, to follow any direction that conflicts with Applicable Law or this Indenture.

8.7 Limitation on Suits

- (a) No Holder of any Debenture will have any right to pursue any remedy (including any action, suit or proceeding authorized or permitted by this Indenture or pursuant to Applicable Law) with respect to this Indenture or the Debentures unless: (i) the Holder gives to the Indenture Trustee notice of a continuing Event of Default; (ii) the Holders of at least 25% in principal amount of the then outstanding Debentures make a request in writing to the Indenture Trustee to institute proceedings in respect of such Event of Default; (iii) such Holder or Holders offer or provide to the Indenture Trustee security, funds and indemnity in form satisfactory to the Indenture Trustee against any costs, loss, liability or expense; (iv) the Indenture Trustee does not comply with the request within 30 days after receipt of such request and indemnity; and (v) during such 30 day period the Holders of a majority in principal amount of outstanding Debentures do not give the Indenture Trustee a direction inconsistent with the request.
- (b) Holders may not use this Indenture to prejudice the rights of another Holder or to obtain a preference or priority over another Holder.

8.8 Collection Suit by Indenture Trustee

If an Event of Default specified in clause (a), (b) or (c) of section 8.1 occurs and is continuing, the Indenture Trustee may recover judgment in its own name and as trustee against the Corporation for the whole amount of principal and premium, if any, together with interest remaining unpaid.

8.9 Indenture Trustee May File Proofs of Claim

The Indenture Trustee may file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Indenture Trustee and the Holders lodged or allowed in any Proceedings relative to the Corporation, its creditors or its property.

8.10 Undertaking for Costs

In any suit for the enforcement of any right or remedy under this Indenture or in any suit against the Indenture Trustee for any action taken or omitted by it as Indenture Trustee, a court in its discretion may require the filing by any party litigant in the suit of an undertaking to pay the costs of the suit, and the court in its discretion may assess reasonable costs, including reasonable attorneys' fees, against any party litigant in the suit, having due regard to the merits and good faith of the claims or defences made by the party litigant. This section 8.10 does not apply to a suit by the Indenture Trustee, a suit by a Holder pursuant to section 8.7, or a suit by any Holder or group of Holders of not less than 50% in principal amount of the outstanding Debentures and shall not be deemed to authorize any court to require such an undertaking or to make such an assessment in any suit instituted by the Corporation of the Indenture Trustee.

8.11 Delay or Omission Not Waiver

No delay or omission of the Indenture Trustee or of any Holder of any Debenture to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right and remedy given by this Article or by law to the Indenture Trustee or to the Holders may be exercised from time to time, and as often as may be deemed expedient, by the Indenture Trustee or by the Holders, as the case may be.

8.12 Remedies Cumulative

No remedy herein conferred upon or reserved to the Indenture Trustee or upon or to the Holders is intended to be exclusive of any other remedy, but each remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now existing or hereafter to exist by law or statute.

8.13 Judgment Against the Corporation

The Corporation covenants and agrees with the Indenture Trustee that, in case of any Proceeding to obtain judgment for payment of the principal of, premium, if any, or interest, if any, on the Debentures, judgment may be rendered against it in favour of the Holders or in favour of the Indenture Trustee, as holder of a power of attorney for the Holders, for the amount which may remain due in respect of the Debentures and the interest and premium, if any, thereon.

ARTICLE 9 SATISFACTION AND DISCHARGE

9.1 Non-Presentation of Debentures

If any Debentureholder fails to present any Debentures for payment on the date on which the principal of, premium, if any, or interest thereon, becomes payable, whether on a Payment Date, Maturity Date or any other payment date, or shall not accept payment on account thereof and give such receipt therefor, if any, as the Indenture Trustee may require:

- (a) the Corporation shall thereafter be entitled to pay or deliver to the Indenture Trustee and direct the Indenture Trustee to set aside;
- (b) in respect of moneys or Common Shares in the hands of the Indenture Trustee which may or should be applied to the payment of the Debentures, the Corporation shall thereafter be entitled to direct the Indenture Trustee to set aside; or
- (c) if the redemption was made pursuant to any Notice given by the Indenture Trustee, the Indenture Trustee may itself thereafter set aside,

the principal of, premium, if any, and interest on such Holder's Debentures, in trust to be paid to such Debentureholder upon due presentation or surrender of such Debentures in accordance with the provisions of this Indenture; and thereupon the principal of, premium, if any, and interest payable on each Debenture in respect whereof such moneys and, if permitted hereunder, Common Shares have been set aside shall be deemed to have been paid and the Holder thereof shall thereafter have no right in respect thereof except to receive delivery and payment of the moneys or Common Shares, if applicable, so set aside by the Indenture Trustee upon due presentation and surrender thereof, subject to the provisions of section 2.4. For greater certainty, the provisions of Article 6 shall not prevent the application of moneys received by the Indenture Trustee pursuant to this section 9.1 to the payment of principal, premium, if any, and interest on such Holder's Debentures.

9.2 Repayment of Unclaimed Moneys or Common Shares

Subject to any Applicable Laws regarding unclaimed property, any moneys or Common Shares, if applicable, set aside under section 9.1 and not claimed by and paid to the Holders as provided in section 9.1 within three years after the date of such setting aside shall be repaid and delivered to the Corporation by the Indenture Trustee on demand and thereupon the Indenture Trustee shall be released from all further

liability with respect to such moneys or Common Shares, if applicable, and thereafter the Holders of the Debentures in respect of which such moneys or Common Shares, if applicable, were so repaid to the Corporation shall have no rights in respect thereof except to obtain payment and delivery of the moneys or Common Shares, if applicable, due thereon from the Corporation up to such time as the right to proceed against the Corporation for recovery of such moneys or Common Shares, if applicable, has become statute barred under the laws of the Province of Ontario.

9.3 Discharge

The Indenture Trustee shall at the Written Request and Direction of the Corporation release and discharge this Indenture and execute and deliver such instruments as it shall be advised by Counsel are requisite for that purpose and release the Corporation from its covenants herein contained (other than the provisions relating to the indemnification of the Indenture Trustee), upon proof being given to the reasonable satisfaction of the Indenture Trustee that the principal of, premium, if any, and interest (including interest on amounts in default, if any) on all of the Debentures and all other moneys payable hereunder have been paid or satisfied or that, all of the Debentures having matured or having been duly called for redemption, payment of the principal of, premium, if any, and interest (including interest on amounts in default, if any) on such Debentures and all other moneys payable hereunder have been duly and effectually provided for in accordance with the provisions hereof.

9.4 Satisfaction

- (a) Subject to sections 9.4(b) and 9.5, the Corporation shall be deemed to have fully paid, satisfied and discharged all of the outstanding Debentures and the Indenture Trustee, at the expense of the Corporation, shall execute and deliver proper instruments acknowledging the full payment, satisfaction and discharge of such Debentures, when, with respect to all of the outstanding Debentures:
 - (i) the Corporation has deposited or caused to be deposited with the Indenture Trustee as trust funds or property in trust for the purpose of making payment on such Debentures, an amount in money or Common Shares, if applicable, sufficient to pay, satisfy and discharge the entire amount of principal, premium, if any, and interest, if any, to maturity or any repayment date or any Payment Date or upon conversion or otherwise, as the case may be, of such Debentures; or
 - (ii) the Corporation has deposited or caused to be deposited with the Indenture Trustee, as trust property in trust for the purpose of making payment on such Debentures, such amount of direct obligations of, or obligations the principal and interest of which are guaranteed by, the Government of Canada or Common Shares, if applicable, as will, together with the income to accrue thereon and reinvestment thereof, be sufficient to pay and discharge the entire amount of principal and accrued and unpaid interest to maturity or any repayment date, as the case may be, of all such Debentures; or
 - (iii) all Debentures certified and delivered (other than (A) Debentures which have been destroyed, lost or stolen and which have been replaced or paid as provided in section 2.21, and (B) Debentures for whose payment has been deposited in trust and thereafter repaid to the Corporation as provided in section 9.2) have been delivered to the Indenture Trustee for cancellation;

so long as in any such event:

- (iv) the Corporation has paid, caused to be paid or made provisions to the satisfaction of the Indenture Trustee for the payment of all other sums payable or which may be payable with respect to all of such Debentures (together with all applicable expenses of the Indenture Trustee in connection with the payment of such Debentures)
- (v) in respect of (i) and (ii) above, the Corporation has delivered to the Indenture Trustee a legal opinion of Counsel reasonably acceptable to the Indenture Trustee and qualified to practice in Canada to the effect that Holders of outstanding Debentures will not recognize income, gain or loss for Canadian federal, provincial or territorial income or other tax purposes as a result of this section 9.4 and will only be subject to Canadian federal, provincial or territorial income or other taxes on the same amounts, in the same manner and at the same times as would have been the case if this section 9.4 had not applied; and
- (vi) the Corporation has delivered to the Indenture Trustee an Officer's Certificate stating that all conditions precedent herein provided relating to the payment, satisfaction and discharge of all such Debentures have been complied with.

Any deposits with the Indenture Trustee referred to in this section 9.4 shall be irrevocable, subject to section 9.5, and shall be made under the terms of an escrow and/or trust agreement in form and substance satisfactory to the Indenture Trustee and the Corporation and which provides for the due and punctual payment of the principal of, premium, if any, and interest on the Debentures being satisfied.

- (b) Upon the satisfaction of the conditions set forth in this section 9.4 with respect to all the outstanding Debentures, the terms and conditions of the Debentures, including the terms and conditions with respect thereto set forth in this Indenture (other than those contained in Article 2, Article 4, section 7.9, Article 9, section 10.12(h) and the other provisions of this Indenture pertaining to the foregoing provisions) shall no longer be binding upon or applicable to the Corporation.
- (c) Any funds or obligations deposited with the Indenture Trustee pursuant to this section 9.4 shall be denominated in the currency or denomination of the Debentures in respect of which such deposit is made.
- (d) If the Indenture Trustee is unable to apply any money or securities in accordance with this section 9.4 by reason of any legal proceeding or any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, the Corporation's obligations under this Indenture and the affected Debentures shall be revived and reinstated as though no money or securities had been deposited pursuant to this section 9.4 until such time as the Indenture Trustee is permitted to apply all such money or securities in accordance with this section 9.4, provided that if the Corporation has made any payment in respect of principal, premium, if any, or interest on Debentures or, as applicable, other amounts because of the reinstatement of its obligations, the Corporation shall be subrogated to the rights of the holders of such Debentures to receive such payment from the money or securities held by the Indenture Trustee.

9.5 Continuance of Rights, Duties and Obligations

- (a) Where trust funds or trust property have been deposited pursuant to section 9.4, the Holders of Debentures and the Corporation shall continue to have and be subject to their respective rights, duties and obligations under Article 2, Article 4, section 7.9, Article 9, section 10.12(c), section 10.12(h) and the other provisions of this Indenture pertaining to the foregoing provisions.
- (b) In the event that, after the deposit of trust funds or trust property pursuant to section 9.4 in respect all of the outstanding Debentures (the "**Defeased Debentures**"), any holder of any of the Defeased Debentures from time to time converts its Debentures to Common Shares or other securities of the Corporation in accordance with Article 4 or any other provision of this Indenture, the Indenture Trustee shall, upon receipt of a Written Request and Direction of the Corporation, return to the Corporation from time to time the proportionate amount of the trust funds or other trust property deposited with the Indenture Trustee pursuant to section 9.4 in respect of the Defeased Debentures which is applicable to the Defeased Debentures so converted (which amount shall be based on the applicable principal amount of the Defeased Debentures being converted in relation to the aggregate outstanding principal amount of all of the Defeased Debentures).
- (c) In the event that, after the deposit of trust funds or trust property pursuant to section 9.4, the Corporation is required to make an Offer to Purchase to purchase any outstanding Debentures pursuant to section 3.2, the Corporation shall be entitled to use any trust money or trust property deposited with the Indenture Trustee pursuant to section 9.4 for the purpose of paying to any holders of Defeased Debentures who have accepted any such offer of the Corporation the Offer Price payable to such holders in respect of such Offer to Purchase. Upon receipt of a Written Request and Direction from the Corporation, the Indenture Trustee shall be entitled to pay to such holder from such trust money or trust property deposited with the Indenture Trustee pursuant to section 9.4 in respect of the Defeased Debentures which is applicable to the Defeased Debentures held by such holders who have accepted any such offer from the Corporation (which amount shall be based on the applicable principal amount of the Defeased Debentures held by holders that accept any such offer in relation to the aggregate outstanding principal amount of all the Defeased Debentures).

ARTICLE 10 THE INDENTURE TRUSTEE

10.1 Duties of Indenture Trustee

In the exercise of its rights, duties and obligations prescribed or conferred by this Indenture, the Indenture Trustee shall act honestly and in good faith and shall exercise that degree of care, diligence and skill that a reasonably prudent indenture trustee would exercise in comparable circumstances. No provision of this Indenture shall be construed to relieve the Indenture Trustee from liability for an act or failure to act arising from or in connection with the wilful misconduct or gross negligence by the Indenture Trustee. The Indenture Trustee shall not be liable for any act or default on the part of any agent employed by it or for permitting any agent or co-trustee to receive and retain any moneys payable to the Indenture Trustee under this Indenture, except as aforesaid.

10.2 Employ Agents

The Indenture Trustee may employ or retain (at the expense of the Corporation) such counsel, agents, auditors, valuer, engineer, appraiser, experts, advisors and other assistants (the "**Agents**") as it may reasonably require for the proper determination and discharge of its duties under this Indenture, and shall not be liable for acting or refusing to act, in good faith on any such opinion or advice, provided, however, that the Indenture Trustee shall be liable for any losses resulting from the gross negligence, fraud, bad faith or willful misconduct of the Indenture Trustee in carrying out its duties hereunder. The Indenture Trustee may pay reasonable remuneration for all services performed for it with respect to this Indenture, and shall be entitled to receive reimbursement for all reasonable disbursements, costs, liabilities and expenses made or incurred by it with respect to this Indenture. All such disbursements, costs, liabilities and expenses in relation to this Indenture and all expenses incidental to the preparation, execution, creation and issuance of the Debentures, whether done or incurred at the request of the Indenture Trustee or the Corporation, shall bear interest at the annual rate of interest charged by the Indenture Trustee from time to time to its corporate trust customers from the date which is 30 days following the issuance of the invoice from the Indenture Trustee with respect to such expenses until the date of reimbursement and shall (together with such interest) be paid by the Corporation immediately upon receipt of such invoice.

10.3 Reliance on Evidence of Compliance

In the exercise of its rights, duties and obligations under this Indenture, the Indenture Trustee may, if it is acting in good faith, conclusively act and rely, as to the truth of the statements and the accuracy of the opinions expressed therein, upon statutory declarations, legal opinions, reports, directions, orders, certificates and Officer's Certificates required by the Indenture Trustee to be furnished to it in the exercise of its rights, duties and obligations under this Indenture, where they comply with the requirements of this Indenture and if the Indenture Trustee examines such statutory declarations, legal opinions, reports, directions, orders, certificates or Officer's Certificates and determines that they indicate compliance with the applicable requirements of this Indenture and are believed by it to be signed by the proper party or parties. The Indenture Trustee shall not be bound to make any investigation into the facts or matters of, and shall be fully protected in acting or relying or refraining from acting upon, any resolution, certificate, statement, statutory declaration, instrument, legal opinions, report, notice request, direction, consent, order, bond, debenture, note or other evidence of indebtedness or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties, and which is furnished to the Indenture Trustee pursuant to the requirements of this Indenture. However, the Indenture Trustee need not confirm or investigate the accuracy of mathematical calculations or other facts stated therein, and shall be entitled to seek advice from counsel and experts or advisors in relation thereto as set out in Section 10.2.

10.4 Provision of Evidence of Compliance to Indenture Trustee

In addition to any other provisions of this Indenture, the Indenture Trustee may, at any time any action is taken which relates to any of paragraphs (a) through (c) below, and acting in good faith, require evidence of compliance with the conditions precedent provided for in this Indenture relating to:

- (a) the certification pursuant to section 2.7 and delivery of Debentures;
- (b) the satisfaction and discharge of this Indenture by the Corporation; or
- (c) the taking of any other action or step to be taken by the Indenture Trustee at the request, or on the application, of the Corporation.

10.5 Contents of Evidence of Compliance

Evidence of compliance required by section 7.3 shall consist of:

- (a) an Officer's Certificate that the conditions precedent referred to in such Officer's Certificate have been complied with in accordance with the terms of this Indenture;
- (b) in the case of conditions precedent compliance with which are, pursuant to this Indenture, made subject to review or examination by Counsel, a legal opinion to the Corporation that such conditions precedent have been complied with in accordance with the terms of this Indenture; and
- (c) in the case of conditions precedent compliance with which are subject to the review or examination by auditors or appraisers, an opinion or report of a chartered accountant or appraiser, as the case may be, approved by the Indenture Trustee acting reasonably, that such conditions precedent have been complied with in accordance with the terms of this Indenture.

Whenever such evidence relates to a matter other than the certification and delivery of Debentures and the satisfaction and discharge of this Indenture, and except as otherwise specifically provided herein, such evidence may consist of a report or opinion of any solicitor, auditor, accountant, engineer or appraiser or any other person whose qualifications give authority to a statement made by it, provided that if such report or opinion is furnished by a trustee, officer or employee of the Corporation it shall be in the form of a statutory declaration. Such evidence shall be, so far as appropriate, in accordance with the immediately preceding paragraph of this Section.

Each statutory declaration, certificate, opinion or report with respect to compliance with a condition precedent provided for in the Indenture shall include (a) a statement by the person giving the evidence that he or she has read and is familiar with those provisions of this Indenture relating to the condition precedent in question, (b) a brief statement of the nature and scope of the examination or investigation upon which the statements or opinions contained in such evidence are based, (c) a statement that, in the belief of the person giving such evidence, he or she has made such examination or investigation as is necessary to enable him or her to make the statements or give the opinions contained or expressed therein, and (d) a statement whether in the opinion of such person the conditions precedent in question have been complied with or satisfied.

The Corporation shall furnish to the Indenture Trustee at any time if the Indenture Trustee reasonably so requires, its certificate that the Corporation has complied with all covenants, conditions or other requirements contained in this Indenture, the non-compliance with which would, with the giving of notice or the lapse of time, or both, or otherwise, constitute an Event of Default, or if such is not the case, specifying the covenant, condition or other requirement which has not been complied with and giving particulars of such non-compliance. The Corporation shall, whenever the Indenture Trustee so requires, furnish the Indenture Trustee with evidence by way of statutory declaration, opinion, report or certificate as specified by the Indenture Trustee as to any action or step required or permitted to be taken by the Corporation or as a result of any obligation imposed by this Indenture.

10.6 Advice of Experts

The Indenture Trustee may act or not act and rely or not rely, and shall be protected in acting or not acting and relying or not relying in good faith, on the opinion, advice or information (including in the opinion of Counsel) obtained from any counsel, auditor, valuer, engineer, surveyor or other expert, whether obtained

by the Indenture Trustee or by the Corporation, and, if acting in good faith, may rely as to the truth of the statements and the accuracy of the opinions expressed in any report or opinion furnished by such Person and may obtain such assistance as may be necessary to the proper determination and discharge of its duties and may pay proper and reasonable compensation for all such legal and other advice or assistance as aforesaid, including the disbursements of any legal or other advisor or assistants, and all reasonable costs and out-of-pocket expenses arising from the securing of such opinion, advice or assistance shall become and form part of the Indenture Trustee's remuneration hereunder.

10.7 Indenture Trustee May Deal in Debentures

In its personal capacity or any other capacity, the Indenture Trustee, and each Affiliate of the Indenture Trustee, may buy, sell, lend upon, become a pledgee of and deal in the Debentures and generally contract and enter into financial transactions with the Corporation and any Affiliate of the Corporation without being liable to account for any profits made thereby.

10.8 Conditions Precedent to Indenture Trustee's Obligation to Act

- (a) The Indenture Trustee shall not be bound to give any notice, or to do, observe or perform or see to the observance or performance by the Corporation of any of the obligations imposed under the Indenture or to supervise or interfere with any of the activities of the Corporation, or to do or take any act, action or Proceeding by virtue of the powers conferred on it by this Indenture, unless and until it shall have been required to do so under the terms of this Indenture; nor shall the Indenture Trustee be required to take notice of any default or Event of Default, other than in payment of any moneys required by this Indenture to be paid to the Indenture Trustee, unless and until notified in writing of such default or Event of Default by the Corporation or by any Holder, which notice shall distinctly specify the default or Event of Default, and in the absence of any such notice the Indenture Trustee may conclusively assume that no default or Event of Default has occurred. Any such notice or requisition shall in no way limit any discretion given to the Indenture Trustee in this Indenture to determine whether or not to take action with respect to any default or Event of Default or with respect to any such requisition.
- (b) The obligation of the Indenture Trustee to do any of the actions referred to in section 10.8(a), including to commence or to continue any Proceeding or assert any right of the Indenture Trustee or the Holders, shall be conditional upon the Holders furnishing, when required by notice in writing by the Indenture Trustee, sufficient funds to commence or continue such action or assert such right and an indemnity satisfactory to the Indenture Trustee to protect and hold harmless the Indenture Trustee against the costs, charges, expenses and liabilities which may result from such action and any loss and damage the Indenture Trustee may suffer by reason of such action.
- (c) Before commencing or at any time during the continuance of any Proceeding, the Indenture Trustee may require the Holders on whose behalf it is acting to deposit with the Indenture Trustee the Debentures held by them, and the Indenture Trustee shall issue receipts for such Debentures.

10.9 Indenture Trustee Not Required to Give Security

The Indenture Trustee shall not be required to give Security for its conduct or administration under this Indenture.

10.10 Resignation or Removal of Indenture Trustee; Conflict of Interest

- (a) The Indenture Trustee represents and warrants to the Corporation that to the best of its knowledge and belief at the time of the execution and delivery of this Indenture no material conflict of interest exists within the meaning of any trust indenture legislation.
- (b) The Indenture Trustee may resign as trustee hereunder by giving not less than 60 days' notice in writing to the Corporation or such shorter notice as the Corporation may accept as sufficient. The Indenture Trustee shall resign if a material conflict of interest arises with respect to its role as trustee under this Indenture that is not eliminated within 60 days after the Indenture Trustee becomes aware of such conflict of interest. Immediately after the Indenture Trustee becomes aware that it has a material conflict of interest it shall provide the Corporation with written notice of the nature of that conflict. Upon any such resignation, the Indenture Trustee shall be discharged from all further duties and liabilities under this Indenture. None of the validity and enforceability of this Indenture or the Debentures shall be affected in any manner whatsoever by reason only of the existence of a material conflict of interest on the part of the Indenture Trustee (whether arising prior to or after the date of this Indenture). If the Indenture Trustee does not comply with this section, any Holder or the Corporation may apply to the Ontario Superior Court of Justice in the judicial district of Toronto for an order that the Indenture Trustee be replaced as trustee under this Indenture.
- (c) In the event of the Indenture Trustee resigning or being removed by the Holders by Extraordinary Resolution or by the Corporation or being dissolved, becoming insolvent or bankrupt, going into liquidation or otherwise becoming incapable of acting as trustee under this Indenture, the Corporation shall immediately appoint a successor Indenture Trustee unless a successor Indenture Trustee has already been appointed by the Holders; failing such appointment by the Corporation, the retiring Indenture Trustee or any Holder may apply to a judge of the Ontario Superior Court of Justice in the judicial district of Toronto, on such notice as such judge may direct, for the appointment of a successor Indenture Trustee. The successor Indenture Trustee so appointed by the Corporation or by such court shall be subject to removal by the Holders by way of an Act of Holders. Any successor Indenture Trustee appointed under any provision of this section shall be a corporation authorized to carry on the business of a trust corporation in Canada or the Province of Ontario. The expenses of all acts, documents and Proceedings required under this section will be paid by the Corporation in the same manner as if the amount thereof were fees payable to the Indenture Trustee under this Indenture.
- (d) Any successor Indenture Trustee shall, immediately upon appointment, become vested with all the estates, properties, rights, powers and trusts of its predecessor in the trusts under this Indenture, with like effect as if originally named as Indenture Trustee hereunder. Nevertheless, upon the written request of the successor Indenture Trustee or of the Corporation and upon payment of all outstanding fees and expenses, including those owed to the Indenture Trustee ceasing to act, the Indenture Trustee ceasing to act shall execute and deliver a document assigning and transferring to such successor Indenture Trustee, upon the trusts expressed in this Indenture, all the rights, powers and trusts of the Indenture Trustee so ceasing to act, and shall duly assign, transfer and deliver all property (including money) held by such Indenture Trustee to the successor Indenture Trustee in its place. Should any deed, conveyance or other document in writing from the Corporation be required by any successor Indenture Trustee for more fully and certainly vesting in and confirming to it such estates, properties, rights, powers and trusts, then any and all such

deeds, conveyances and other documents in writing shall, on the request of the successor Indenture Trustee, be made, executed, acknowledged and delivered by the Corporation.

- (e) Any corporation into which the Indenture Trustee is amalgamated or with which it is consolidated or to which all or substantially all of its corporate trust business is sold or is otherwise transferred or any corporation resulting from any consolidation or amalgamation to which the Indenture Trustee is a party shall become the successor Indenture Trustee under this Indenture, without the execution of any document or any further act; provided that such successor Indenture Trustee is a corporation qualified to carry on the business of a trust corporation in Canada or the Province of Ontario and shall not have a material conflict of interest in its role as a fiduciary under this Indenture.

10.11 Authority to Carry on Business; Resignation

The Indenture Trustee represents and warrants to the Corporation that to the best of its knowledge and belief at the date of execution and delivery by it of this Indenture it is authorized to carry on the business of a trust corporation in Canada. If the Indenture Trustee ceases to be so authorized to carry on business, the validity and enforceability of this Indenture and the Debentures issued hereunder shall not be affected in any manner by reason only of such event but the Indenture Trustee shall, within 60 days after ceasing to be authorized to carry on the business of a trust corporation in Canada, either become so authorized (or become authorized to carry on the business of a trust corporation in the Province of Ontario) or resign in the manner and with the effect specified in section 10.10.

10.12 Protection of Indenture Trustee

By way of supplement to any Applicable Law from time to time relating to trustees and in addition to any other provision of this Indenture for the relief of the Indenture Trustee, it is expressly agreed that:

- (a) the Indenture Trustee shall not be liable for or by reason of any statements of fact or recitals in this Indenture or in the Debentures (except the representations and warranties contained in sections 2.7(d), 10.10(a) and 10.11 which are being given by the Indenture Trustee) or required to verify the same, but all such statements or recitals are and shall be deemed to be made by the Corporation;
- (b) the Indenture Trustee shall not be bound to give to any Person notice of the execution of this Indenture unless and until an Event of Default and a declaration of acceleration has occurred, and the Indenture Trustee has determined or become obliged to enforce the same;
- (c) no provision of this Indenture shall require the Indenture Trustee or expend or risk its own funds or otherwise incur liability in the performance of any of its duties hereunder;
- (d) the Indenture Trustee shall not be liable for any interest on any money received by it except as the Indenture Trustee may agree in writing with the Corporation;
- (e) money held by the Indenture Trustee need not be segregated from other funds except to the extent required by law;
- (f) the Indenture Trustee shall not be deemed to have notice or actual knowledge of any matter, including defaults or Events of Default, unless written notice thereof is received by it in accordance with the terms of this Indenture and such notice clearly references the Debentures, the Corporation or this Indenture and specifies the default desired to be

brought to the attention of the Indenture Trustee. In the absence of such notice, the Indenture Trustee may, for all purposes of the Indenture conclusively assume that no default has been made;

- (g) the Indenture Trustee shall not incur any liability or be in any way responsible for the consequence of any breach on the part of the Corporation of any of the covenants contained in this Indenture or of any acts of the agents or servants of the Corporation;
- (h) the Corporation indemnifies and saves harmless the Indenture Trustee and its officers, directors and employees and agents from and against any and all liabilities, losses, costs, claims, actions, penalties, taxes, liabilities, causes of action, charges, damages, expenses (including legal fees and disbursements on a solicitor and client basis, and costs and expenses incurred in connection with the enforcement of this indemnity) or demands whatsoever which may be brought against the Indenture Trustee or which it may suffer or incur, whether in law or in equity, in any way caused by or arising, directly or indirectly, in respect of any act, deed, matter or thing whatsoever made, done, acquiesced in or omitted in or about or in relation to the execution of its duties as Indenture Trustee, save only in the event of the gross negligence or the wilful misconduct, bad faith or fraud of the Indenture Trustee. It is understood and agreed that this indemnification shall survive the termination or discharge of this Indenture and the resignation or removal of the Indenture Trustee;
- (i) without limiting the generality of section 10.12(g), the Corporation will indemnify and hold harmless the Indenture Trustee and upon written request reimburse the Indenture Trustee for the amount of (i) any Taxes levied or imposed and paid by the Indenture Trustee as a result of payments made under or with respect to the Debentures, (ii) any liability (including penalties and interest) arising therefrom or with respect thereto paid by the Indenture Trustee as a result of payments made under or with respect to the Debentures, and (iii) any Taxes levied or imposed and paid by the Indenture Trustee with respect to reimbursement under (i), (ii) and (iii) above, but excluding any Taxes on the Indenture Trustee's net income arising from fees for acting as the trustee hereunder or in respect of the Indenture Trustee's capital;
- (j) the Indenture Trustee shall not be liable by reason of the statements or implications of fact or law contained in or arising out of anything contained in any offering document or be required to verify the same, but all statements or implications shall be deemed to have been made by the Corporation only;
- (k) the Indenture Trustee may, in the exercise of all or any of the trusts, powers and discretion vested in it under this Indenture, act by delegation to the responsible officers of the Indenture Trustee; the Indenture Trustee may delegate to any Person the performance of any of the trusts and powers vested in it by this Indenture, and any delegation may be made upon such terms and conditions and subject to such regulations as the Indenture Trustee may determine to be in the best interest of the Holders;
- (l) the Indenture Trustee shall not be required to take notice or be deemed to have notice or actual knowledge of any matter under this Indenture, unless the Indenture Trustee shall have received from the Corporation or a Holder written notice stating the matter in respect of which the Indenture Trustee should have notice or actual knowledge;

- (m) the Indenture Trustee shall not be bound to act in accordance with any direction or request of the Corporation until an executed copy of the document containing the direction or request has been delivered to the Indenture Trustee, and the Indenture Trustee shall be fully empowered to act and shall be fully protected from all liability in acting upon any document purporting to be a Debenture and believed by the Indenture Trustee to be genuine;
- (n) the Indenture Trustee shall not be responsible for any error made or act done by it resulting from reliance upon the signature of any Person on behalf of the Corporation or of any Person on whose signature the Indenture Trustee may be called upon to act or refrain from acting under this Indenture; and
- (o) no duty shall rest with the Indenture Trustee to determine compliance of the transferor or transferee of Debentures with Applicable Securities Laws. The Indenture Trustee shall be entitled to assume that all such transfers are legal and proper.

10.13 Indenture Trustee Not Bound to Act

The Indenture Trustee shall retain the right not to act and shall not be liable for refusing to act if, due to a lack of information or for any other reason whatsoever, the Indenture Trustee, in its sole judgment, determines that such act might cause it to be in non-compliance with any applicable anti-money laundering or anti-terrorist legislation, regulation or guideline. Further, should the Indenture Trustee, in its sole judgment, determine at any time that its acting under this Indenture has resulted in its being in non-compliance with any applicable anti-money laundering or anti-terrorist legislation, regulation or guideline, then it shall have the right to resign on 10 days' written notice to the Corporation provided: (a) that the Indenture Trustee's written notice shall describe the circumstances of such non-compliance; and (b) that if such circumstances are rectified to the Indenture Trustee's satisfaction within such 10 day period, then such resignation shall not be effective.

10.14 Merger, Amalgamation, Conversion, Consolidation or Succession to Business

Any Person into which the Indenture Trustee may be merged, arranged, amalgamated or converted or with which it may be consolidated, or any Person resulting from any merger, arrangement, amalgamation, conversion or consolidation to which the Indenture Trustee may be a party, or any Person succeeding to all or substantially all the corporate trust business of the Indenture Trustee, shall be the successor of the Indenture Trustee hereunder, provided that such Person shall be otherwise qualified and eligible under this Article 10, without execution or filing of any paper or any further act on the part of any of the parties hereto. In case any Debentures shall have been authenticated but not delivered by the Indenture Trustee then in office, any successor by merger, arrangement, amalgamation, conversion or consolidation to such authenticating Indenture Trustee shall be deemed to have adopted such authentication and shall deliver the Debentures so authenticated with the same effect as if such successor Indenture Trustee had itself authenticated such Debentures without the execution or filing of any paper or any further act on the part of any of the parties hereto.

10.15 Compliance with Privacy Laws

The parties acknowledge that federal and/or provincial legislation that addresses the protection of individuals' personal information (collectively, the "**Privacy Laws**") applies to obligations and activities under this Indenture. Despite any other provision of this Indenture, neither party shall take or direct any action that would contravene, or cause the other to contravene, applicable Privacy Laws. The Corporation shall, prior to transferring or causing to be transferred personal information to the Indenture Trustee, obtain and retain required consents of the relevant individuals to the collection, use and disclosure of their personal

information, or shall have determined that such consents either have previously been given upon which the parties can rely or are not required under the Privacy Laws. The Indenture Trustee shall use commercially reasonable efforts to ensure that its services hereunder comply with Privacy Laws. Specifically, the Indenture Trustee agrees: (a) to have a designated chief privacy officer; (b) to maintain policies and procedures to protect personal information and to receive and respond to any privacy complaint or inquiry; (c) to use personal information solely for the purposes of providing its services under or ancillary to this Indenture and not to use it for any other purpose except with the consent of or direction from the Corporation or the individual involved; (d) not to sell or otherwise improperly disclose personal information to any third party; and (e) to employ administrative, physical and technological safeguards to reasonably secure and protect personal information against loss, theft, or unauthorized access, use or modification.

ARTICLE 11

MEETINGS OF DEBENTUREHOLDERS

11.1 Purposes for Which Meetings May be Called

A meeting of Debentureholders may be called at any time and from time to time pursuant to this Article to make, give or take any Act provided by this Indenture to be made, given or taken by Debentureholders.

11.2 Call, Notice and Place of Meetings

- (a) The Indenture Trustee may at any time and from time to time, and shall, on receipt of a Written Request and Direction of the Corporation or a requisition in writing made by one or more Holders holding individually or in the aggregate at least 5% in principal amount of the then outstanding Debentures and upon being indemnified and funded to its reasonable satisfaction by the Corporation or upon being funded and indemnified to its reasonable satisfaction by the Holders making such requisition, as the case may be, against the costs which may be incurred in connection with the calling and holding of such meeting, call a meeting of Debentureholders for any purpose specified in section 11.1, to be held at such time and at such place in the City of Toronto, Province of Ontario, as the Indenture Trustee shall determine. Notice of every meeting of Debentureholders, setting forth the time and place of such meeting and in general terms the action proposed to be taken at such meeting, shall be given, in the manner provided in section 14.2, not less than 21 or more than 60 days prior to the date fixed for the meeting.
- (b) If at any time the Corporation pursuant to a resolution of the Board, or one or more Holders holding individually or in the aggregate at least 5% in principal amount of the then outstanding Debentures shall have requested the Indenture Trustee to call a meeting of the Debentureholders for any purpose specified in section 11.1, by written request setting forth in reasonable detail the action proposed to be taken at the meeting, and the Indenture Trustee shall not have made the first publication, or mailing, as the case may be, of the notice of such meeting within 30 days after receipt of such request, funding and indemnity or shall not thereafter proceed to cause the meeting to be held as provided herein, then the Corporation or the Debentureholder or Debentureholders in the amount above specified, as the case may be, may determine the time and the place in the City of Toronto, Province of Ontario, for such meeting and may call such meeting for such purposes by giving notice thereof as provided in section 11.2(a).

11.3 Proxies

A Debentureholder may be present and vote at any meeting of Debentureholders by an authorized representative. The Corporation (in case it makes a Written Request and Direction for the meeting or convenes the meeting) or the Indenture Trustee (in any other case) may, from time to time, make and vary regulations as it shall think fit providing for and governing any or all the following matters for the purpose of enabling the Debentureholders to vote at any such meeting by proxy:

- (a) the form of the instrument appointing a proxy, which shall be in writing, and the manner in which the same shall be executed and the production of the authority of any person signing on behalf of a Debentureholder;
- (b) the deposit of instruments appointing proxies at such place as the Indenture Trustee, the Corporation or the Debentureholder convening the meeting, as the case may be, may in the notice convening the meeting, direct and the time, if before the holding of the meeting or any adjournment thereof by which the same must be deposited; and
- (c) the deposit of instruments appointing proxies at some approved place or places other than the place at which the meeting is to be held and enabling particulars of such instruments appointing proxies to be mailed, faxed, or sent by other electronic communication before the meeting to the Corporation or to the Indenture Trustee at the place where the same is to be held and for the voting of proxies so deposited as though the instruments themselves were produced at the meeting.

11.4 Persons Entitled to Vote at Meetings

To be entitled to vote at any meeting of Debentureholders, a Person shall be: (a) a Holder of one or more outstanding Debentures; or (b) a Person appointed by an instrument in writing as proxy for a Holder or Holders of one or more outstanding Debentures by such Holder or Holders. The only persons who shall be entitled to be present or to speak at any meeting of Debentureholders shall be the Persons entitled to vote at such meeting and their counsel, any representatives of the Indenture Trustee and its counsel and any representatives of the Corporation and its Counsel.

11.5 Quorum; Action

- (a) Persons entitled to vote 25% in principal amount of outstanding Debentures shall constitute a quorum for a meeting of Debentureholders. In the absence of a quorum within 30 minutes of the time appointed for any such meeting, the meeting shall, if convened at the request of Debentureholders, be dissolved. In the absence of a quorum in any other case the meeting may be adjourned for a period of not less than 10 days as determined by the chairman of the meeting prior to the adjournment of such meeting. In the absence of a quorum at any such adjourned meeting, the Debentureholders present or represented at such adjourned meeting shall constitute the quorum and the business for which the meeting was adjourned may be transacted. Notice of the reconvening of any adjourned meeting shall be given as provided in section 11.2(a), except that such notice need be given only once not less than five days prior to the date on which the meeting is scheduled to be reconvened.
- (b) Except as limited by section 15.1(b), any resolution presented to a meeting or adjourned meeting duly reconvened at which a quorum is present as aforesaid may be adopted only by the affirmative vote of Holders of a majority in principal amount of the Debentures

present or represented by proxy at such meeting or adjourned meeting; provided, however, that, except as limited by section 15.1(b), any resolution with respect to any Act that this Indenture expressly provides may be made, given or taken by the Holders of a specified percentage, which is less than a majority, in principal amount of outstanding Debentures may be adopted at a meeting or an adjourned meeting duly reconvened and at which a quorum is present as aforesaid by the affirmative vote of the Holders of such specified percentage in principal amount of outstanding Debentures.

- (c) Any resolution passed or decision taken at any meeting of Debentureholders duly held in accordance with this section 11.1 will be binding on all Debentureholders, whether or not present or represented at the meeting.

11.6 Determination of Voting Rights; Chairman; Conduct and Adjournment of Meetings

- (a) Notwithstanding any other provisions of this Indenture, the Indenture Trustee or the Corporation, with the approval of the Indenture Trustee, may make, and from time to time may vary, such reasonable regulations as it may deem advisable for any meeting of Debentureholders in regard to proof of the holding of Debentures and the appointment of proxies and in regard to the appointment and duties of scrutineers of votes, the submission and examination of proxies, certificates and other evidence of the right to vote, and such other matters concerning the conduct of the meeting as it shall deem appropriate. Except as otherwise permitted by any such regulations, the holding of Debentures shall be proved in the manner specified in section 1.12 and the appointment of any proxy shall be proved in the manner specified in section 1.12. Such regulations may provide that written instruments appointing proxies, regular on their face, may be presumed valid and genuine without the proof specified in section 1.12 or other proof.
- (b) The Indenture Trustee shall, by an instrument in writing, appoint a chairman and secretary of the meeting, unless the meeting shall have been called by the Corporation or by a Debentureholder or Debentureholders as provided in section 11.2(b), in which case the Corporation or the Debentureholder or Debentureholders calling the meeting, as the case may be, shall in like manner appoint a chairman and secretary.
- (c) At any meeting of Debentureholders, each Holder of a Debenture or proxy shall be entitled to one vote for each \$1,000 principal amount of Debentures held or represented by such Holder; provided, however, that no vote shall be cast or counted at any meeting in respect of any Debenture challenged as not outstanding and ruled by the chairman of the meeting to be not outstanding. The chairman of the meeting shall have no right to vote, except as a Holder of a Debenture or proxy.
- (d) Any meeting of Debentureholders duly called pursuant to section 11.2(b) at which a quorum is present may be adjourned from time to time by Persons entitled to vote a majority in principal amount of outstanding Debentures represented at the meeting; and the meeting may be held as so adjourned without further notice.

11.7 Counting Votes and Recording Action of Meetings

The vote upon any resolution submitted to any meeting of Debentureholders shall be by written ballots on which shall be inscribed the signatures of the Debentureholders or of their representatives by proxy and the principal amounts and serial numbers of outstanding Debentures held or represented by them. The chairman of the meeting shall appoint two scrutineers of votes who shall count all votes cast at the meeting for or

against any resolution and who shall make and file with the secretary of the meeting their verified written reports in triplicate of all votes cast at the meeting. A record, at least in triplicate, of the proceedings of each meeting of Debentureholders shall be prepared by the secretary of the meeting and there shall be attached to said record the original reports of the scrutineers of votes on any vote by ballot taken thereat and affidavits by one or more persons having knowledge of the facts setting forth a copy of the notice of the meeting and showing that said notice was given as provided in section 11.2 and, if applicable, section 11.5. Each copy shall be signed and verified by the affidavits of the chairman and secretary of the meeting and one such copy shall be delivered to the Corporation, and another to the Indenture Trustee to be preserved by the Indenture Trustee, the latter to have attached thereto the ballots voted at the meeting. Any record so signed and verified shall be conclusive evidence of the matters therein stated.

11.8 Instruments in Writing

All actions which may be taken and all powers which may be exercised by the Holders at a meeting held as hereinbefore in this Article 11 may also be taken and exercised (a) by the Holders of a majority in principal amount of outstanding Debentures by an instrument in writing signed in one or more counterparts by such Holders or their duly appointed proxies or agents with respect to resolutions which are not Extraordinary Resolutions, and (b) by the Holders of not less than 66⅔% in principal amount of outstanding Debentures by an instrument in writing signed in one or more counterparts by such Holders or their duly appointed proxies or agents with respect to resolutions which are Extraordinary Resolutions and the expression "Extraordinary Resolution" when used in this Indenture shall include an instrument so signed.

11.9 Holdings by the Corporation Disregarded

In determining whether Holders holding Debentures evidencing the required number of Debentures are present at a meeting of Holders for the purpose of determining a quorum or for the purpose of determining whether Holders have concurred in any consent, waiver, resolution or other action under this Indenture, the Debentures owned legally or beneficially by the Corporation shall be disregarded.

11.10 Powers Cumulative

Any one or more powers in this Indenture stated to be exercisable by the Holders by Extraordinary Resolution or otherwise may be exercised from time to time and the exercise of any one or more of such powers from time to time shall not be deemed to exhaust the rights of the Holders to exercise the same or any such power or powers thereafter from time to time.

11.11 No Consent

Notwithstanding anything to the contrary contained herein but subject to compliance by the Corporation with Article 12 hereof to the extent required therein, no consent, waiver, resolution or other action of the Debentureholders will be required in connection with a reclassification, capital reorganization, consolidation, amalgamation, arrangement, merger, sale, conveyance, liquidation, dissolution or winding-up of the Corporation and the Debentureholders will have no voting or other approval rights with respect to any such transaction.

ARTICLE 12

AMALGAMATION, CONSOLIDATION, CONVEYANCE, TRANSFER OR LEASE

12.1 Amalgamation and Consolidations of Corporation and Conveyances Permitted Subject to Certain Conditions

The Corporation will not consolidate, amalgamate, arrange or merge with any other corporation (other than with a directly or indirectly wholly-owned Subsidiary of the Corporation) or enter into any reorganization with another Person (other than with a directly or indirectly wholly-owned Subsidiary of the Corporation) or effect any conveyance, sale, transfer or lease of all or substantially all of its assets to another Person (other than to a directly or indirectly wholly-owned Subsidiary of the Corporation), unless in any such case:

- (a) either the Corporation shall be the continuing corporation, or the successor corporation (or the Person that leases or that acquires by conveyance, sale or transfer all or substantially all of the Corporation's assets) (such corporation or Person being referred to as the "**Successor Corporation**") shall expressly assume the due and punctual payment of the principal of, the premium, if any, and interest on all outstanding Debentures, according to their tenor, and the due and punctual performance and observance of all the covenants and conditions of this Indenture to be performed by the Corporation by supplemental indenture satisfactory to the Indenture Trustee, executed and delivered to the Indenture Trustee by such Successor Corporation;
- (b) the Debentures will be valid and binding obligations of the Successor Corporation entitling the Holders thereof, as against the Successor Corporation, to all the rights of Debentureholders under this Indenture;
- (c) after giving effect to such transaction, no Event of Default, and no event which, after notice or lapse of time or both, would become an Event of Default, shall have occurred and be continuing; and
- (d) in the case of a Successor Corporation constituted or organized under the laws of a province, territory, state or jurisdiction other than the laws of the Province of Ontario, such Successor Corporation shall attorn to the jurisdiction of the courts of the Province of Ontario in the event of any dispute, conflict or litigation relating to, arising out of or based on this Indenture or the Debentures.

12.2 Rights and Duties of Successor Corporation

- (a) In case of any such consolidation, amalgamation, reorganization, conveyance, sale, transfer or lease and upon any such assumption by the Successor Corporation, such Successor Corporation shall agree to be bound by the terms of this Indenture, with the same effect as if it had been named herein as a principal obligor. Such Successor Corporation thereupon may cause to be signed, and may issue in its own name, any or all Debentures which theretofore shall not have been signed by the Corporation and delivered to the Indenture Trustee. All Debentures so issued shall in all respects have the same legal rank and benefit under this Indenture as Debentures theretofore or thereafter issued in accordance with the terms of this Indenture as though all of such Debentures have been issued at the date of the execution hereof.

- (b) In the case of any such consolidation, amalgamation, reorganization, arrangement, conveyance, sale, transfer or lease, such changes in phraseology and form (but not in substance) may be made in Debentures thereafter to be issued as may be appropriate.

12.3 Officer's Certificate

The Indenture Trustee must receive an Officer's Certificate (as to factual matters) as conclusive evidence that any such consolidation, amalgamation, reorganization, lease, transfer, sale or conveyance, and any such assumption, comply with the provisions of this Article 12.

ARTICLE 13 COMPULSORY ACQUISITION

13.1 Definitions

In this Article:

- (a) "**Associate**" shall have the meaning set forth in the *Securities Act* (Ontario);
- (b) "**Dissenting Debentureholders**" means a Debentureholder who does not accept an Offer referred to in section 13.2 and includes any assignee of the Debenture of the Debentureholder who did not accept the Offer, whether or not such assignee is recognized under this Indenture;
- (c) "**Offer**" means an offer to acquire outstanding Debentures where, as of the date of the offer to acquire, the Debentures that are subject to the offer to acquire, together with the Offerer's Debentures, constitute in the aggregate 20% or more of the principal amount of the outstanding Debentures;
- (d) "**offer to acquire**" includes an acceptance of an offer to sell;
- (e) "**Offerer**" means a Person, or two or more Persons acting jointly or in concert, who make an Offer to acquire Debentures;
- (f) "**Offerer's Debentures**" means Debentures beneficially owned, or over which control or direction is exercised, on the date of an Offer by the Offerer, any Affiliate or Associate of the Offerer or any Person or company acting jointly or in concert with the Offerer; and
- (g) "**Offerer's Notice**" means the notice described in section 13.3.

13.2 Offer for Debentures

If an Offer for all of the outstanding Debentures (other than Debentures held by or on behalf of the Offerer or an Affiliate or Associate of the Offerer) is made and:

- (a) within the time provided in the Offer for its acceptance or within 45 days after the date the Offer is made, whichever period is the shorter, the Offer is accepted by Debentureholders holding at least 90% of the principal amount of the outstanding Debentures, other than the Offerer's Debentures;

- (b) the Offerer has taken up and paid for the Debentures of the Debentureholders who accepted the Offer; and
- (c) the Offerer complies with sections 13.3 and 13.5;

the Offerer is entitled to acquire, and the Dissenting Debentureholders are required to sell to the Offerer, the Debentures held by the Dissenting Debentureholders for the same consideration per Debenture payable or paid, as the case may be, under the Offer.

13.3 Offerer's Notice to Dissenting Debentureholders

Where an Offerer is entitled to acquire Debentures held by Dissenting Debentureholders pursuant to section 13.2 and the Offerer wishes to exercise such right, the Offerer shall send by registered mail within 30 days after the date of termination of the Offer a notice (the "**Offerer's Notice**") to each Dissenting Debentureholder stating that:

- (a) Debentureholders holding at least 90% of the principal amount of the outstanding Debentures, other than Offerer's Debentures, have accepted the Offer;
- (b) the Offerer is bound to take up and pay for, or has taken up and paid for, the Debentures of the Debentureholders who accepted the Offer;
- (c) Dissenting Debentureholders must transfer their respective Debentures to the Offerer on the terms on which the Offerer acquired the Debentures of the Debentureholders who accepted the Offer within 21 days after the date of the sending of the Offerer's Notice; and
- (d) Dissenting Debentureholders must send their respective Debenture certificate(s) to the Indenture Trustee or such other documents as the Indenture Trustee or such other Person may require in lieu thereof within 21 days after the date of the sending of the Offerer's Notice.

13.4 Delivery of Certificated Debentures

A Dissenting Debentureholder to whom an Offerer's Notice is sent pursuant to section 13.3 shall, within 21 days after the sending of the Offerer's Notice, send his Debenture certificate(s) to the Indenture Trustee duly endorsed for transfer or such other documents as the Indenture Trustee or such other Person may require in lieu thereof.

13.5 Payment of Consideration to Indenture Trustee

Within 21 days after the Offerer sends an Offerer's Notice pursuant to section 13.3, the Offerer shall pay or transfer to the Indenture Trustee, or to such other Person as the Indenture Trustee may direct, the cash or other consideration that is payable to Dissenting Debentureholders pursuant to section 13.2. The acquisition by the Offerer of all Debentures held by all Dissenting Debentureholders shall be effective as of the time of such payment or transfer.

13.6 Consideration to be held in Trust

The Indenture Trustee, or the Person directed by the Indenture Trustee, shall hold in trust for the Dissenting Debentureholders the cash or other consideration they or it receives under section 13.5. The Indenture Trustee, or such Persons, shall deposit cash in a separate account in a Canadian chartered bank, or other

body corporate, any of whose deposits are insured by the Canada Deposit Insurance Corporation, and shall place other consideration in the custody of a Canadian chartered bank or such other body corporate.

13.7 Completion of Transfer of Debentures to Offerer

Within 30 days after the date of the sending of an Offerer's Notice pursuant to section 13.3, the Indenture Trustee, if the Offerer has complied with section 13.5, shall:

- (a) do all acts and things and execute and cause to be executed all instruments as in the Indenture Trustee's opinion (relying on a legal opinion of Counsel) may be necessary or desirable to cause the transfer of the Debentures of the Dissenting Debentureholders to the Offerer;
- (b) send to each Dissenting Debentureholder who has complied with section 13.4 the consideration to which such Dissenting Debentureholder is entitled under this Article 13; and
- (c) send to each Dissenting Debentureholder who has not complied with section 13.4 a notice (such notice to be provided by the Offerer) stating that:
 - (i) his Debentures have been transferred to the Offerer;
 - (ii) the Indenture Trustee or some other Person designated in such notice are holding in trust the consideration for such Debentures; and
 - (iii) the Indenture Trustee, or such other Person, will send the consideration to such Dissenting Debentureholder as soon as possible after receiving such Dissenting Debentureholder's Debenture certificate(s) or such other documents as the Indenture Trustee or such other Person may require in lieu thereof;

and the Indenture Trustee is hereby appointed the agent and attorney of the Dissenting Debentureholders for the purposes of giving effect to the foregoing provisions.

13.8 Communication of Offer to the Corporation

An Offerer cannot make an Offer for Debentures unless, concurrent with the communication of the Offer to any Debentureholder, a copy of the Offer is provided to the Corporation and the Indenture Trustee.

ARTICLE 14 NOTICES

14.1 Notice to Corporation

Any Notice to the Corporation shall be in writing and shall be valid and effective if delivered, sent by facsimile transmission (with receipt confirmed), or mailed to the Corporation, at:

Magna Mining Inc.
1300 Kelly Lake Road
Sudbury, Ontario P3E 5P4
Canada

Attention: Jason Jessup
Email: [Redacted – Personal Information]

and such Notice shall be deemed to have been received by the Corporation, where given by delivery, on the day of delivery, where sent by facsimile transmission (with receipt confirmed), on the day of transmittal of such Notice if sent before 5:00 p.m. on a Business Day and on the next succeeding Business Day if not sent before 5:00 p.m. on a Business Day, and, where mailed, on the fifth Business Day following the mailing date, but only if sent by first class mail from a destination within Canada, or only airmail, postage prepaid, if sent from a destination outside Canada. The Corporation may from time to time notify the Indenture Trustee of a change in address or facsimile number by Notice given as provided in section 14.3.

14.2 Notice to Holders

- (a) Any Notice to holders of Certificated Debentures and the Depository may be effectively given if, (i) sent by mail, in each case to the post office address appearing in the relevant register and such Notice shall be deemed to have been received by a Holder, on the fifth Business Day following mailing, but only if sent by first class mail to a destination within Canada, or by airmail, postage prepaid, if sent to a destination outside of Canada; (ii) delivered by hand, shall be deemed to have been received by a Holder on the day of delivery; (iii) sent to the Depository by email transmission (with receipt confirmed) on the day of transmittal of such Notice if sent before 5:00 p.m. on a Business Day.
- (b) If the regular mail service is suspended or for any other reason it shall be impracticable to give Notice to Debentureholders by mail, then such notification to Debentureholders may be given by the publication of the Notice once in a daily newspaper with national circulation in Canada or in any other manner approved by the Indenture Trustee, and it shall constitute sufficient Notice to such Holders for every purpose hereunder. In any case where Notice to Debentureholders is given by mail, neither the failure to mail such Notice nor any defect in any Notice so mailed to any particular Holder shall affect the sufficiency of such Notice with respect to other Debentureholders.
- (c) Any Notice sent to the Debentureholders as provided above shall be effective notwithstanding that any such Notice has accidentally or inadvertently not been delivered or mailed to one or more such Holders.

14.3 Notice to Indenture Trustee

Any Notice to the Indenture Trustee shall be in writing and shall be valid and effective if delivered, sent by registered letter, postage prepaid or emailed to the Indenture Trustee, at:

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

and such Notice shall be deemed to have been received by the Indenture Trustee, where given by delivery, on the day of delivery, where sent by facsimile transmission (with receipt confirmed), on the day of transmittal of such Notice if sent before 5:00 p.m. on a Business Day and on the next succeeding Business Day if not sent before 5:00 p.m. on a Business Day, and, where mailed, on the fifth Business Day following the mailing date, but only if sent by first class mail from a destination within Canada, or only by airmail,

postage prepaid, if sent from a destination outside Canada. The Indenture Trustee may from time to time notify the Corporation of a change in address or facsimile number by Notice given as provided in section 14.1.

ARTICLE 15

SUPPLEMENTAL INDENTURES AND AMENDMENTS

15.1 Supplemental Indentures

- (a) Without the consent of any Holders, the Corporation, when authorized by a resolution of the Board, and the Indenture Trustee may, subject to the provisions of this Indenture, and the Indenture Trustee shall, upon the receipt of a Written Request and Direction or when so directed by this Indenture, make, execute, acknowledge and deliver deeds or indentures supplemental to this Indenture (each such deed or indenture a "**Supplemental Indenture**") for any one or more of the following purposes:
 - (i) adding to the covenants of the Corporation contained in this Indenture for the benefit of the Holders or surrendering any right or power herein conferred upon the Corporation;
 - (ii) changing or eliminating any restrictions on the payment of principal or the premium, if any, of Debentures provided that Counsel to the Indenture Trustee shall be of the opinion that such provisions do not in the aggregate adversely affect the interests of the Holders;
 - (iii) giving effect to any Extraordinary Resolution in accordance with this Indenture;
 - (iv) making such provisions, not substantially inconsistent with this Indenture, as may be necessary or desirable with respect to matters arising under this Indenture which are expedient to make; provided that Counsel to the Indenture Trustee shall be of the opinion that such provisions do not in the aggregate adversely affect the interests of the Holders or the Indenture Trustee;
 - (v) without limiting Article 12, evidencing the succession, or successive successions, of any Successor Corporation to the Corporation and the covenants and obligations of the Corporation under this Indenture assumed by any such Successor Corporation in accordance with the terms of this Indenture;
 - (vi) providing for altering this Indenture in respect of the exchange or transfer of Debentures, provided that any such action shall not adversely affect the interests of the Debentureholders;
 - (vii) making any addition to, or modification, amendment or elimination of any of the terms of, this Indenture which, in the opinion of Counsel, is necessary or advisable in order to incorporate, reflect or comply with any Applicable Law or requirement of any Governmental Authority (including the TSXV or such other securities exchange or market on which the Common Shares are then listed), the provisions of which apply to the Corporation, the Indenture Trustee or this Indenture;
 - (viii) making any changes or corrections in this Indenture which Counsel shall have advised the Corporation and the Indenture Trustee are non-substantive corrections

or changes or are required for the purpose of curing or correcting any ambiguity or defective or inconsistent provisions or any clerical omission or mistake or manifest error contained in this Indenture or in any deed, or indenture supplemental hereto or thereto;

- (ix) evidencing and providing for the acceptance of appointment hereunder by a successor trustee with respect to the Debentures, and adding to or changing any of the provisions of this Indenture as shall be necessary to provide for or facilitate the administration of the trusts hereunder by more than one Indenture Trustee; and
 - (x) any other purposes considered appropriate by the Indenture Trustee which, in the opinion of the Indenture Trustee (relying on the opinion of Counsel), do not in the aggregate adversely affect the interests of the Holders.
- (b) With the consent of the Holders of not less than a majority in principal amount of outstanding Debentures, by Act of Holders delivered to the Corporation and the Indenture Trustee, the Corporation, when authorized by a resolution of the Board, and the Indenture Trustee may enter into an indenture or indentures supplemental hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Indenture or of modifying in any manner the rights of the said Holders under this Indenture of such Debentures provided, however, that no such Supplemental Indenture shall be entered into by the Indenture Trustee in connection with the following, without an Extraordinary Resolution passed by the Debentureholders:
 - (i) change the Stated Maturity of the principal of, or any instalment of interest on, any Debenture, or reduce the principal amount thereof or the interest thereon or any premium payable in respect thereof, or change the currency in which any Debenture or interest thereon is payable, or impair the right to institute suit for the enforcement of any such payment on or after the Stated Maturity thereof;
 - (ii) reduce the percentage in principal amount of the outstanding Debentures, the consent of whose Holders is required for any such supplemental indenture, or the consent of whose Holders is required for any waiver of compliance with certain provisions of this Indenture or certain defaults hereunder and their consequences provided for in this Indenture, or reduce the requirements of section 11.5 for quorum or sections 11.6(a) to 11.6(d) for voting;
 - (iii) change the Conversion Price under this Indenture; or
 - (iv) modify any of the provisions of this section 15.1, or section 8.3(a), except to increase any such percentage or to provide that certain other provisions of this Indenture cannot be modified or waived without the consent of the Debentureholders expressed by Extraordinary Resolution.
- (c) It shall not be necessary for any Act of Holders under section 15.1(b) to approve the particular form of any proposed Supplemental Indenture, but it shall be sufficient if such Act of Holders shall approve the substance thereof.
- (d) The obligations, responsibilities, functions, immunities and remuneration of the Indenture Trustee cannot be changed by supplemental indenture, amendment or any other method

without the express written permission and assent of the Indenture Trustee to any such change.

15.2 Execution of Supplemental Indentures

In executing, or accepting the additional trusts created by, any Supplemental Indenture permitted by this Article 15 or the modifications thereby of the trusts created by this Indenture, the Indenture Trustee shall be entitled to receive, and subject to section 10.1, shall be fully protected in acting and relying upon, an opinion of Counsel stating that (i) the execution of such Supplemental Indenture is authorized or permitted by this Indenture, is a valid and binding obligation of the Corporation, enforceable in accordance with its terms, subject to enforceability being limited by bankruptcy, insolvency or other laws affecting the enforcement of creditor's rights generally and equitable remedies including the remedies of specific performance and injunction being granted only in the discretion of a court of competent jurisdiction and, in connection with a Supplemental Indenture executed pursuant to this section 15.2, (ii) the Indenture Trustee is authorized to execute and deliver such Supplemental Indenture without the consent of the Holders; and, (iii) in connection with a Supplemental Indenture executed pursuant to section 15.1(b), that the requisite consents of the Holders have been validly obtained in accordance with section 15.1(b) hereof. The Indenture Trustee may, but shall not be obligated to, enter into any such Supplemental Indenture that affects the Indenture Trustee's own rights, duties or immunities under this Indenture or otherwise.

15.3 Effect of Supplemental Indentures

Upon the execution of any Supplemental Indenture under this Article 15, this Indenture shall be modified in accordance therewith, and such Supplemental Indenture shall form a part of this Indenture for all purposes, unless otherwise so specified; and every Debenture theretofore or thereafter certified and delivered under this Indenture shall be bound by the Supplemental Indenture.

15.4 Reference in Debentures to Supplemental Indentures

Debentures certified and delivered after the execution of any Supplemental Indenture pursuant to this Article 15 may, and shall if required by the Indenture Trustee, bear a notation in form approved by the Indenture Trustee as to any matter provided for in such Supplemental Indenture. If the Corporation shall so determine, new Debentures so modified as to conform, to any such Supplemental Indenture may be prepared and executed by the Corporation and certified and delivered by the Indenture Trustee in exchange for outstanding Debentures.

15.5 Prior Approval of Recognized Stock Exchange

Notwithstanding anything to the contrary in this Indenture, no supplement or amendment to the terms of the Debentures or to this Indenture may be made without the prior consent of TSXV or such other securities exchange or market on which the Common Shares are then listed, if required.

ARTICLE 16 MISCELLANEOUS PROVISIONS

16.1 Acceptance of Trusts

The Corporation and the Indenture Trustee hereby specifically acknowledge and agree that the Indenture Trustee is acting hereunder in its capacity as the Person holding the power of attorney of the Holders for the purposes of this Indenture and in conformity with and subject to the terms and conditions of this Indenture. Each Holder, by its acceptance of a Debenture, accepts and confirms the appointment of the

Indenture Trustee as the Person holding the power of attorney of such Holder for the purposes of this Indenture and in conformity with and subject to the terms and conditions of this Indenture.

16.2 Force Majeure

No party shall be liable to the other, or held in breach of this Indenture, if prevented, hindered, or delayed in the performance or observance of any provision contained herein by reason of act of God, riots, terrorism, acts of war, epidemics, governmental action or judicial order, earthquakes, or any other similar causes (including, but not limited to, mechanical, electronic or communication interruptions, disruptions or failures). Performance times under this Indenture shall be extended for a period of time equivalent to the time lost because of any delay that is excusable under this section 16.2.

16.3 Currently not Filing

The Corporation confirms that, as of the date hereof, it does not have a class of securities registered pursuant to Section 12 of the 1934 Act nor does it have a reporting obligation pursuant to Section 15(d) of the 1934 Act. The Corporation covenants that in the event that: (i) any class of its securities shall become registered pursuant to Section 12 of the 1934 Act or the Corporation shall incur a reporting obligation pursuant to Section 15(d) of the 1934 Act, or (ii) any such registration or reporting obligation shall be terminated by the Corporation in accordance with the 1934 Act, the Corporation shall promptly deliver to the Indenture Trustee a certificate signed by an officer of the Corporation (in a form provided by the Indenture Trustee) notifying the Indenture Trustee of such registration or termination. The Corporation acknowledges that the Indenture Trustee is relying upon the foregoing representation and covenants in order to comply with certain requirements of the United States Securities and Exchange Commission.

16.4 Declaration re: Third Party Interest

In respect of the account(s) being opened by, or interest to be held by, the Indenture Trustee in connection with this Indenture, in the name of or to the credit of the Corporation, is not intended to be used by or on behalf of a third party.

16.5 Counterparts and Formal Date

This Indenture may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all of which shall together constitute one and the same instrument and notwithstanding their date of execution shall be deemed to bear a date as of the date hereof.

[Remainder of page intentionally left blank. Signature page follows.]

IN WITNESS WHEREOF, the parties hereto have caused this Indenture to be duly executed, and their respective corporate seals to be hereunto affixed and attested by their duly authorized officers, as of the day and year first above written.

MAGNA MINING INC.

Per: (signed) "Jason Jessup"
Name: Jason Jessup
Title: Chief Executive Officer

**COMPUTERSHARE TRUST COMPANY
OF CANADA**

Per: (signed) "Rubio Ni"
Name: Rubio Ni
Title: Corporate Trust Officer

Per: (signed) "Rubio Ni"
Name: Winny Lee
Title: Professional Corporate Trust

SCHEDULE "A"

FORM OF DEBENTURE

[UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE JULY 6, 2025]

[WITHOUT PRIOR WRITTEN APPROVAL OF TSX VENTURE EXCHANGE AND COMPLIANCE WITH ALL APPLICABLE SECURITIES LEGISLATION, THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY NOT BE SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE TRADED ON OR THROUGH THE FACILITIES OF THE TSX VENTURE EXCHANGE OR OTHERWISE IN CANADA OR THE BENEFIT OF A CANADIAN RESIDENT BEFORE JULY 6, 2025]

[THE SECURITIES REPRESENTED HEREBY AND THE SECURITIES ISSUABLE UPON CONVERSION HEREOF HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), OR U.S. STATE SECURITIES LAWS. THE HOLDER HEREOF, BY PURCHASING THESE SECURITIES, AGREES FOR THE BENEFIT OF MAGNA MINING INC. THAT SUCH SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY: (A) TO MAGNA MINING INC., (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT ("REGULATION S"), (C) IN ACCORDANCE WITH (1) RULE 144, IF AVAILABLE, OR (2) RULE 144A THEREUNDER, IF AVAILABLE, AND IN COMPLIANCE WITH APPLICABLE STATE SECURITIES LAWS OR (D) PURSUANT TO ANOTHER EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT AND, IN EACH CASE, IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS AFTER, IN THE CASE OF TRANSFERS PURSUANT TO CLAUSE (C)(1) OR (D) ABOVE, THE HOLDER HAS FURNISHED AN OPINION OF COUNSEL OF RECOGNIZED STANDING OR OTHER EVIDENCE REASONABLY SATISFACTORY TO MAGNA MINING INC. TO SUCH EFFECT. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE "GOOD DELIVERY" IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA.]

THE FOLLOWING INFORMATION IS SUPPLIED SOLELY FOR U.S. FEDERAL INCOME TAX PURPOSES. THIS DEBENTURE (DEFINED BELOW) HAS BEEN ISSUED WITH ORIGINAL ISSUE DISCOUNT ("OID") WITHIN THE MEANING OF SECTION 1273 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE"), AND THIS LEGEND IS REQUIRED BY TREASURY REGULATIONS PROMULGATED UNDER SECTION 1275(c) OF THE CODE. PURSUANT TO TREASURY REGULATION §1.1275-3(b)(1), THE CHIEF FINANCIAL OFFICER OF THE COMPANY HEREOF WILL, BEGINNING NO LATER THAN TEN DAYS AFTER THE ISSUANCE DATE OF THIS DEBENTURE, PROMPTLY MAKE AVAILABLE TO THE HOLDER UPON REQUEST THE INFORMATION DESCRIBED IN TREASURY REGULATION §1.1275-3(b)(1)(i). THE CHIEF FINANCIAL OFFICER MAY BE REACHED AT TELEPHONE NUMBER 705-482-9667.

No. ●

CUSIP [●]

ISIN [●]

MAGNA MINING INC.

(A corporation incorporated pursuant to the federal laws of Canada)

10.0% Unsecured Convertible Debentures

Date of Issue: [●], 2025

Registered Holder: [●]

Magna Mining Inc. (the "**Corporation**" or the "**Issuer**") for value received hereby acknowledges itself indebted and, subject to the provisions of a debenture indenture (the "**Indenture**") dated as of March 5, 2025, among the Corporation and Computershare Trust Company of Canada (the "**Indenture Trustee**"), promises to pay to the registered holder hereof on March 5, 2029, or on such earlier date as the principal amount hereof may become due in accordance with the provisions of the Indenture (any such date, the "**Maturity Date**") the principal sum of [●] dollars (\$●) in lawful money of Canada on presentation and surrender of this Debenture at the main branch of the Indenture Trustee in Vancouver, British Columbia in accordance with the terms of the Indenture. All capitalized terms used herein have the meaning ascribed thereto in the Indenture unless otherwise indicated.

Except with respect to the first interest payment, the Debentures shall bear interest at the rate of 10.0% per annum (provided that, in the event of an Event of Default, interest shall accrue at a rate of 12.50% per annum) from the most recent Interest Payment Date (as defined below) to which interest has been paid or made available for payment on the Debentures then outstanding, and such interest shall be paid in like money in equal quarterly installments of \$25 per \$1,000 principal amount of Debentures in arrears on each Interest Payment Date commencing March 31, 2025 with overdue interest, if any, at the same rate after as well as before maturity and after as well as before default in payment of principal or interest. The first interest payment will represent accrued interest from March 5, 2025 to but excluding March 31, 2025 and will be paid at the rate of \$7.22 per \$1,000 principal amount of Debentures.

As interest on this Debenture becomes due, the Corporation (subject to the repurchase or conversion pursuant to the terms of the Indenture) shall deliver to the Indenture Trustee, which shall forward or cause to be forwarded by prepaid post to the registered address of the registered Holder of the Debenture for the time being, or in the case of joint Holders to the registered address of one of such joint Holders, or in accordance with the procedures established by CDS if this is a Book-Based Only Debenture, a cheque or electronic funds transfer for such interest, payable to the order of such Holder or Holders. The forwarding of such cheque or electronic funds transfer shall satisfy and discharge the liability for interest on this Debenture to the extent of the sum represented thereby, unless such cheque, if any, be not paid on presentation.

This Debenture is one of the 10.0% Unsecured Convertible Debentures (the "**Debentures**") in the aggregate principal amount of up to \$[●] in lawful money of Canada created and issued under the Indenture. Reference is hereby made to the Indenture for a description of the rights of the Holders of the Debentures, the Corporation and the Indenture Trustee and of the terms and conditions upon which the Debentures are issued and held, all to the same effect as if the provisions of the Indenture were herein set forth, to all of which provisions the Holder of this Debenture, by acceptance hereof, agrees. To the extent that the terms and conditions stated in this Debenture conflict with the terms and conditions of the Indenture, the Indenture shall prevail.

The Debentures are issuable as fully registered Debentures in denominations of \$1,000 and integral multiples of \$1,000. The Debentures of any authorized denomination may be exchanged, as provided in the Indenture, for Debentures in equal aggregate principal amount.

This Debenture and all other Debentures certified and issued under the Indenture rank *pari passu* with one another, in accordance to their tenor without discrimination, preference or priority. The Debentures will

rank equally and *pari passu* with each other and, subject to statutory preferred exceptions, with all other present and future unsubordinated and unsecured Indebtedness of the Corporation. Other than pursuant to Section 7.6, the Indenture does not contain any financial covenants or restrictions on the Corporation's ability to incur Indebtedness or issue or repurchase securities.

Subject to the closing of the registers provided in section 2.23 of the Indenture, the outstanding principal amount of each Debenture is convertible at any time and from time to time after the Issue Date and prior to the close of business on (i) the Business Day immediately preceding the Maturity Date or (ii) if called for repurchase, the Business Day immediately preceding the Payment Date, at the option of the Holder, into that number of Common Shares equal to the Conversion Number, all on the terms and subject to the conditions provided in this Article 4.

Subject to the provisions in the Indenture and without further action on the part of the Holder, if at any time following the second anniversary of the Issue Date and prior to the Maturity Date, (i) the VWAP of the Common Shares for a period of 20 consecutive trading days exceeds 150% of the Conversion Price (the "**Trading Period**"), (ii) the Corporation is not in default of its obligation to pay interest on, or repay the principal amount of, the Debentures, and (iii) the Forced Conversion Notice is provided to the Indenture Trustee within three trading days after such Trading Period, the Corporation may exercise its right to force the conversion of all but not less than all of the principal amount (less any tax required to be deducted or withheld). The Corporation shall pay all accrued and unpaid interest (less any tax required by law to be deducted or withheld) in cash. In the event that the Corporation exercises its Forced Conversion right, the effective date for the forced conversion (the "**Forced Conversion Date**") shall be: (i) the date stipulated in the Forced Conversion Notice (which, for the avoidance of doubt shall be no less than 15 days following the date of such Forced Conversion Notice); or (ii) if no date is so stipulated in the Forced Conversion Notice, the date that is 30 days following the date of such Forced Conversion Notice, and upon such Forced Conversion Date: (A) each \$1,000 of the principal amount (less any tax required by law to be deducted or withheld) of the Debentures shall be deemed to be converted into that number of Common Shares equal to the Conversion Number; and (B) the Debentureholders shall be entered in the books of the Corporation as at the Forced Conversion Date as the holder of the number of Common Shares, as applicable, into which the Debentures held by them are convertible.

No fractional Common Shares shall be delivered upon the conversion of Debentures or any Interest Obligation. In the event that the conversion of any Debentures or Interest Obligations would result in the issuance of a fractional Common Share, the number of Common Shares so issued in connection with such conversion shall be rounded down to the nearest whole number of Common Shares and the Holder shall not be entitled to any additional consideration therefor.

Upon the occurrence of an Event of Default in accordance with the Indenture, the Debentures will in certain circumstances become immediately due and payable.

The Corporation must commence, within 30 days of the occurrence of a Change of Control, an Offer to Purchase for all Debentures then outstanding. The Offer to Purchase shall be made at a purchase price equal to 104% of the principal amount thereof, plus accrued and unpaid interest thereon, if any, up to but excluding the Payment Date. The Corporation shall be required to accept for purchase and pay for all Debentures properly tendered on the Payment Date. If Holders of 90% or more of the aggregate principal amount of the outstanding Debentures accept the Offer to Purchase, the Corporation shall have the right to elect to redeem the remaining Debentures at the same price.

Any payments made by or on behalf of the Corporation under or with respect to the Debentures will be made free and clear of and without withholding or deduction for or on account of any Taxes, unless the Corporation or any other payor is required to withhold or deduct Taxes by Applicable Law or by the

interpretation or administration thereof by the relevant Governmental Authority. If the Corporation is so required to withhold or deduct any amount for or on account of Taxes from any payment made under or with respect to the Debentures, the Corporation will cause the Indenture Trustee to make such withholding or deduction and will remit the full amount withheld or deducted to the relevant Governmental Authority as and when required by Applicable Law.

The Indenture contains provisions for the holding of meetings of Debentureholders and rendering certain resolutions passed at such meetings by, or by instruments in writing signed by, the Debentureholders which will be binding upon all Debentureholders, subject to the provisions of the Indenture.

This Debenture, if in the form of a Certificated Debenture, may only be transferred upon compliance with the conditions precedent in the Indenture on the register kept at the principal office of the Indenture Trustee and at such other place or places, if any, and/or by such other registrar or registrars, if any, as the Corporation with the approval of the Indenture Trustee may designate, and may be exchanged at any such place, by the Holder hereof or his executors or administrators or other legal representatives or his or their attorney duly appointed by an instrument in writing in form and execution satisfactory to the Indenture Trustee, and upon compliance with such reasonable requirements as the Indenture Trustee and/or registrar may prescribe, and such transfer shall be duly noted thereon by the Indenture Trustee or other registrar.

This Debenture shall not become obligatory for any purpose until it shall have been certified by the Indenture Trustee for the time being under the Indenture.

This Debenture shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable thereto.

The Holder of this Debenture, by receiving and holding same, hereby accepts and agrees to be bound by the terms, and to be entitled to the benefits of this Debenture and of the Indenture and confirms the appointment of the Indenture Trustee and of the acceptance of the Indenture, the whole in accordance with and subject to the respective provisions thereof.

These Debentures and the Common Shares underlying these Debentures have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act") or under the securities laws of any state of the United States. Such securities may not be offered, sold, pledged or otherwise transferred in the United States or to U.S. Persons except in limited circumstances contemplated in the Indenture. If the certificate representing these Debentures contains a U.S. restrictive legend, then the certificates representing the Common Shares underlying these Debentures shall bear the same U.S. restrictive legend on such certificates.

IN WITNESS WHEREOF Magna Mining Inc. has caused this Debenture to be signed by its duly authorized officers.

DATED as of the ____ day of _____, 2025.

MAGNA MINING INC.

Per:

Name: Jason Jessup

Title: Chief Executive Officer

TRUSTEE'S CERTIFICATE

This Debenture is one of the 10.0% Convertible Unsecured Debentures due on the Maturity Date (within the meaning of the Indenture).

**COMPUTERSHARE TRUST COMPANY
OF CANADA**, as Indenture Trustee

Per:

Authorized Signatory

Date of Certification:

EXHIBIT "A"

[For the purposes of a Global Debenture only:]

TO THE GLOBAL DEBENTURE No. 001

10.0% Convertible Unsecured Debentures

CUSIP: [●]/ISIN: [●]

Principal Amount: \$●

Authorization:

**COMPUTERSHARE TRUST COMPANY
OF CANADA**, as Indenture Trustee

Per: _____
Authorized Signatory

Date	Amount of Increase	Amount of Decrease	New Principal Amount	Authorization

FORM OF ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto _____, whose address and social insurance number, if applicable, are set forth below, this Debenture (or \$_____ principal amount hereof*) of Magna Mining Inc. (the "**Corporation**") standing in the name(s) of the undersigned in the register maintained by the registrar appointed by the Corporation with respect to such Debenture and does hereby irrevocably authorize and direct the Indenture Trustee to transfer such Debenture in such register, with full power of substitution in the premises.

Dated: _____

Address of
Transferee _____

(Street Address, City, Province and Postal Code)

Social Insurance Number of Transferee, if
applicable:

*If less than the full principal amount of the within Debenture is to be transferred, indicate in the space provided above the principal amount (which must be \$1,000 or an integral multiple thereof) to be transferred.

1. In the case of Restricted Debentures, the undersigned hereby represents, warrants and certifies that (one (only) of the following must be checked):

- ☐ (A) the transfer is being made to the Corporation;
- ☐ (B) the transfer is being made outside the United States in accordance with Rule 904 of Regulation S under the U.S. Securities Act and in compliance with any applicable local securities laws and regulations, and the holder has provided herewith a certificate in the form of **Error! Reference source not found.** to the Indenture,
- ☐ (C) the transfer is being made pursuant to the exemption from the registration requirements of the U.S. Securities Exchange Act provided by (1) Rule 144 or (2) Rule 144A under the U.S. Securities Act, if available, and in accordance with applicable state securities laws, or
- ☐ (D) the transfer is being made in another transaction that does not require registration under the U.S. Securities Act or any applicable state securities laws.

2. In the case of a transfer in accordance with (C)(2) or (D) above, the Indenture Trustee and the Corporation shall first have received an opinion of counsel of recognized standing or other evidence in form and substance reasonably satisfactory to the Corporation and to such effect.

3. The registered holder of these Debentures is responsible for the payment of any documentary, stamp or other transfer taxes that may be payable in respect of the transfer of these Debentures.

4. In the case of Unrestricted Debentures, if the proposed transfer is to, or for the account or benefit of a U.S. Person or to a person in the United States, the undersigned hereby represents, warrants and certifies that the transfer of such securities is being completed pursuant to an exemption from the registration requirements of the U.S. Securities Act and any applicable state securities laws, in which case the undersigned has furnished to the Corporation and the Indenture Trustee an opinion of counsel of recognized standing or other evidence in form and substance reasonably satisfactory to the Corporation to such effect. If such Debenture is transferred to, or for the account or benefit of, a U.S. Person or a person in the United States, the certificate representing these Debentures will bear a U.S. restrictive legend restricting the transfer of such securities under applicable U.S. federal and state securities laws.

☐ If transfer is to a U.S. Person or a person in the United States, check this box.

The signature(s) to this assignment must correspond with the name(s) as written upon the face of this Debenture in every particular without alteration or any change whatsoever. The signature(s) on this form must be guaranteed by one of the following methods:

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

Canada: A Signature Guarantee obtained from a major Canadian Schedule I chartered bank. The Guarantor must affix a stamp bearing the actual words "Signature Guaranteed". Signature Guarantees are not accepted from Treasury Branches, Credit Unions or Caisses Populaires unless they are members of a Medallion Signature Guarantee Program.

Outside North America: For holders located outside North America, present the certificate(s) and/or document(s) that require a guarantee to a local financial institution that has a corresponding Canadian or American affiliate which is a member of an acceptable Medallion Signature Guarantee Program. The corresponding affiliate will arrange for the signature to be over-guaranteed.

The registered Holder of this Debenture is responsible for the payment of any documentary, stamp or other transfer Taxes that may be payable in respect of the transfer of this Debenture.

Signature of Guarantor:

Authorized Officer

Signature of transferring registered Holder

Name of Institution

SCHEDULE "B"

FORM OF CONVERSION NOTICE

TO: **Magna Mining Inc.**
1300 Kelly Lake Road
Sudbury, Ontario P3E 5P4
Canada

Attention: Jason Jessup, Chief Executive Officer

Computershare Trust Company of Canada
8th floor, 100 University Ave.,
Toronto, ON
M5J 2Y1

Attention: Manager, Corporate Trust
Facsimile No.: 416 981-9777

Note: All capitalized terms used herein have the meaning ascribed thereto in the Indenture mentioned below, unless otherwise indicated.

Notice is hereby given pursuant to Section 4.1 of the Indenture dated as of March 5, 2025 (the "**Indenture**") made between Magna Mining Inc. (the "**Corporation**") and Computershare Trust Company of Canada, as trustee (the "**Indenture Trustee**") that the undersigned registered holder of 10.0% Convertible Unsecured Debentures irrevocably elects to convert such Debentures (or \$1,000 principal amount thereof) to Common Shares in accordance with the terms of the Indenture referred to in such Debentures and tenders herewith the Debentures, and, if applicable, directs that the Common Shares of Magna Mining Inc. issuable upon such conversion be issued and delivered to the person indicated below. (If Common Shares are to be issued in the name of a person other than the holder, all requisite transfer taxes must be tendered by the undersigned).

The undersigned registered holder of the within Debenture will accept cash in lieu of Common Shares in respect of up to a maximum of \$_____ (indicate \$0 if you do not wish to receive any cash) of the principal amount being converted if the Corporation elects to pay cash.

Dated

(Signature of Registered Holder)

* If less than the full principal amount of the Debenture, indicate in the space provided below the principal amount (which must be \$1,000 or integral multiples thereof) to be converted.

Principal amount to be converted \$_____ (must be \$1,000 or integral multiples thereof)

☐ By checking this box, the undersigned confirms to the Indenture Trustee that it is entitled to deliver this Conversion Notice and that following the conversion, the issuance of Common Shares, when added to the aggregate number of Common Shares beneficially owned, controlled or directed by such Debentureholder, together with each person or company acting in concert by virtue of an agreement, arrangement, commitment or understanding with such Debentureholder on the Business Day preceding the Conversion Date, would **NOT** result in such Debentureholder, together with each person or company acting in concert by virtue of an agreement, arrangement, commitment or understanding with such Debentureholder beneficially owning, controlling or directing Common Shares representing more than 19.9% of the total issued and outstanding Common Shares on the Business Day preceding the Conversion Date. The undersigned understands that the Indenture Trustee is relying on this confirmation as it relates to this Conversion Notice.

Date of conversion: _____ (which date shall not be earlier than the date of delivery or receipt by the Corporation and the Indenture Trustee of this Conversion Notice and shall not be later than the close of business on the Business Day immediately preceding the Maturity Date, as the case may be).

(Print name in which Common Shares are to be issued, delivered and registered)

Name _____

(Address, City, Province and Postal Code)

Name of guarantor: _____

Authorized signature: _____

Notes: If Common Shares are to be issued in the name of a Person other than the Holder, the signature must be guaranteed by a Canadian Schedule I chartered bank or by a medallion signature guarantee from a member of a recognized medallion signature guarantee program.

If the certificate representing these Debentures contains a U.S. restrictive legend, then the certificates representing the Common Shares underlying these Debentures shall bear the same U.S. restrictive legend on such certificates.

SCHEDULE "C"

FORM OF DECLARATION FOR REMOVAL OF LEGEND

TO: Computershare Trust Company of Canada, as trustee and registrar of the 10.0% Convertible Unsecured Debentures of Magna Mining Inc.

The undersigned (i) acknowledges that the sale of the securities of Magna Mining Inc. to which this declaration relates is being made in reliance on Rule 904 of Regulation S ("**Regulation S**") under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**") and (ii) certifies that: (A) it is not an affiliate (as defined in Rule 405 under the U.S. Securities Act) of Magna Mining Inc. (except for any officer or director who is an affiliate solely by virtue of holding such position); (B) the offer of the securities was not made to a person in the United States and either (1) at the time the buy order was originated, the buyer was outside the United States, or the seller and any person acting on its behalf reasonably believe that the buyer was outside the United States, or (2) the transaction was executed on or through the facilities of the TSX Venture Exchange, and neither the seller nor any person acting on its behalf knows that the transaction has been prearranged with a buyer in the United States; (C) neither the seller nor any affiliate of the seller nor any person acting on any of their behalf has engaged or will engage in any "directed selling efforts" (as such term is defined in Regulation S) in the United States in connection with the offer and sale of the securities; (D) the sale is bona fide and not for the purpose of "washing off" the resale restrictions imposed because the securities are "restricted securities" (as that term is defined in Rule 144(a)(3) under the U.S. Securities Act); (E) the seller does not intend to replace the securities sold in reliance on Rule 904 of Regulation S with fungible unrestricted securities; and (F) the contemplated sale is not a transaction, or part of a series of transactions which, although in technical compliance with Regulation S, is part of a plan or scheme to evade the registration provisions of the U.S. Securities Act." Terms used herein have the meanings given to them by Regulation S.

Terms used herein have the meanings given to them by Regulation S.

Dated

(Signature of Registered Holder)

Name

Title