

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THE SECURITY REPRESENTED HEREBY, AND THE SECURITIES INTO WHICH SUCH SECURITY IS CONVERTIBLE, MUST NOT TRADE SUCH SECURITIES BEFORE JANUARY 14, 2024.

THE SECURITIES REPRESENTED HEREBY AND THE SECURITIES ISSUABLE UPON CONVERSION HEREOF HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT") OR ANY U.S. STATE SECURITIES LAWS. THESE SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, ONLY: (A) TO THE COMPANY; (B) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH APPLICABLE LOCAL LAWS AND REGULATIONS; (C) IN COMPLIANCE WITH THE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT PROVIDED BY (i) RULE 144 THEREUNDER, IF AVAILABLE, OR (ii) RULE 144A THEREUNDER, IF AVAILABLE, AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS; OR (D) IN ANOTHER TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE LAWS, AND THE HOLDER HAS, PRIOR TO ANY TRANSFER OR SALE CONTEMPLATED IN (C) OR (D) ABOVE, FURNISHED TO THE COMPANY AND ANY TRANSFER AGENT AN OPINION OF COUNSEL OR OTHER EVIDENCE OF EXEMPTION, IN EITHER CASE REASONABLY SATISFACTORY TO THE COMPANY, TO SUCH EFFECT. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE 'GOOD DELIVERY' IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA.

NORTHSTAR CLEAN TECHNOLOGIES INC.

Incorporated under the *Business Corporations Act* (British Columbia)

SECURED CONVERTIBLE ROYALTY DEBENTURE

Issue Date: September 13, 2024

CAD\$14,000,000

CONVERTIBLE ROYALTY DEBENTURE AGREEMENT

FOR VALUE RECEIVED, NORTHSTAR CLEAN TECHNOLOGIES INC. (the "**Company**") promises to pay to CVW CLEANTECH INC. (the "**Holder**"), the principal sum of **\$14,000,000** in lawful currency of Canada (the "**Principal Amount**") (less any applicable withholding tax) on or before the Maturity Date (as defined herein), without penalty or prepayment premium, subject to the terms and conditions hereof. This Debenture will bear interest calculated per annum at the Interest Rate (as defined herein).

NOW THEREFORE this Convertible Royalty Debenture Agreement witnesses that in consideration of the terms and conditions herein and any other agreements provided for herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby covenant and agree as follows:

1. Definitions

1.1 For the purposes hereof, in addition to the terms defined elsewhere in this Debenture: (i) capitalized terms not otherwise defined herein have the meanings given to such terms in the Subscription Agreement (as defined herein), and (ii) the following terms will have the following meanings:

- (a) "**Affiliate**" means, with respect to any Person, any other Person that controls or is controlled by or is under common control with such Person.

- (b) **"BDC Intercreditor Agreement"** means the means the subordination agreement dated September 13, among the First Lien Holder, the Holder, the Company, Empower Environmental Solutions Calgary Ltd., and Empower Environmental Solutions Ltd.;
- (c) **"Business Day"** means any day except Saturday, Sunday and any day which will be a statutory holiday in Vancouver, Calgary or Toronto or a day on which banking institutions in any of such cities are authorized or required by law or other government action to close;
- (d) [REDACTED]
- (e) **"Control"** has the meaning given to that term in the Royalty Agreement;
- (f) **"Change of Control"** has the meaning given to that term in the Royalty Agreement;
- (g) **"Change of Control Notice"** has the meaning set forth in Section 7.10(a); [Commercially sensitive information redacted.]
- (h) [REDACTED]
- (i) **"Conversion Period"** means the period of time commencing on the Issue Date and concluding on the third anniversary of the Issue Date which may be extended for successive periods of 6 months until the Maturity Date, at the option of the Holder in its sole discretion by providing 20 Business Days advance written notice to the Company;
- (j) **"Debenture"** means this secured convertible royalty debenture agreement as the same may be amended, modified, extended, renewed, replaced, restated or supplemented from time to time;
- (k) **"Distributions"** means (i) the payment or declaration of any dividend (or distribution in case of a partnership or trust); (ii) the purchase, redemption or other acquisition or retirement of any capital stock (including the premium paid); (iii) the change in subordinated loans or advances from the shareholders, partners, directors, or other related entities; and (iv) the change in loans or advances to the shareholders, partners, directors, or other related entities;
- (l) **"Empower 2"** means the asphalt shingle recovery and reprocessing facility in Calgary owned and operated by Empower Environmental Solutions Calgary Ltd.;
- (m) **"Empower 3"** means the first Facility, other than Empower 2, to achieve the Volumes Milestone and operate at the Revenue Threshold;
- (n) **"Empower 4"** means the second Facility, other than Empower 2, to achieve the Volumes Milestone and operate at the Revenue Threshold;
- (o) **"Exchange"** means the TSX Venture Exchange;
- (p) **"Event of Default"** has the meaning set forth in Section 11.1;
- (q) **"Facility"** means, as applicable, an asphalt shingle recovery and reprocessing facility to be owned and operated by the Company or its Affiliates and any subsequent asphalt shingle reprocessing facility proposed to be developed by the Company or its Affiliates;

- (r) **"First Lien Holder"** has the meaning specified in the BDC Intercreditor Agreement;
- (s) **"First Lien Obligations"** has the meaning specified in the BDC Intercreditor Agreement;
- (t) **"Governmental Entity"** means:
 - (i) any international, multinational, national, federal, provincial, state, municipal, local or other governmental or public department, central bank, court, commission, board, bureau, agency or instrumentality, domestic or foreign;
 - (ii) any subdivision or authority of any of the above;
 - (iii) any stock exchange; and
 - (iv) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the above.
- (u) **"Intercreditor Documents"** means the BDC Intercreditor Agreement and any Subsequent Intercreditor Agreement;
- (v) **"Interest"** means any accrued but unpaid interest with respect to the Principal Amount;
- (w) **"Interest Rate"** means 10% per annum;
- (x) **"Issue Date"** means September 13, 2024;
- (y) **"Laws"** means applicable:
 - (i) laws, constitutions, treaties, statutes, codes, ordinances, principles of common and civil law and equity, orders, decrees, rules, regulations and municipal by-laws, whether domestic, foreign or international;
 - (ii) judicial, arbitral, administrative, ministerial, departmental and regulatory judgments, orders, writs, injunctions, decisions, rulings, decrees and awards of any Governmental Entity; and
 - (iii) policies, practices and guidelines of, or contracts with, any Governmental Entity, which, although not actually having the force of law, are considered by such Governmental Entity as requiring compliance as if having the force of law, in each case binding on or affecting the Person, or the assets of the Person, referred to in the context in which such word is used.
- (z) **"Lien"** means any mortgage, charge, pledge, hypothecation, security interest, assignment, encumbrance, lien (statutory or otherwise), charge, title retention agreement or arrangement, restrictive covenant or other encumbrance of any nature or any other arrangement or condition that in substance secures payment or performance of an obligation.
- (aa) **"Material Adverse Effect"** means from and after the date of this Debenture a material adverse effect on, or a material adverse change to:
 - (i) the financial condition of the Company taken as a whole;

- (ii) the Company's ability to perform its obligations under this Debenture or any other material agreement or contract to which the Company is a party or subject, or the validity or enforceability of a material provision of this Debenture or any other material agreement or contract to which the Company is a party or subject; or
 - (iii) the property, business, operations, liabilities or prospects of the Company taken as a whole.
- (bb) "**Material Subsidiary**" or "**Material Subsidiaries**" has the meaning set forth in the Subscription Agreement;
- (cc) "**Maturity Date**" means the fifth anniversary of the Issue Date;
- (dd) "**McAsphalt Pricing Formula**" means the formula for calculating pricing per metric tonne of product generated at Empower 2, as set forth and described in Schedule D;
- (ee) "**Notice of Acceptance**" has the meaning set forth in Section 10.2;
- (ff) "**Obligations**" means all monies now or at any time and from time to time hereafter owing or payable by the Company to the Holder and all liabilities and obligations (whether now existing, presently arising or created in the future) of the Company in favour of the Holder, and whether direct or indirect, absolute or contingent, matured or not, arising in connection with this Debenture.
- (gg) "**Party**" means the Company and the Holder and in each case includes their respective successors and permitted assigns, and "**Parties**" means, collectively, all the parties to this Debenture.
- (hh) "**Permitted Liens**" means, in respect of any Person, any one or more of the following:
 - (i) inchoate or statutory Liens for taxes, assessments or governmental charges or levies which are not delinquent or the validity of which is being contested at the time by the Person in good faith by proper legal proceedings if adequate provision has been made for their payment;
 - (ii) inchoate or statutory Liens of contractors, subcontractors, mechanics, workers, suppliers, materialmen, carriers and others in respect of construction, maintenance, repair or operation of assets of the Person, provided that such Liens are related to obligations not due or delinquent, are not registered against title to any assets of the Person and in respect of which adequate holdbacks are being maintained as required by applicable law or such Liens are being contested in good faith by appropriate proceedings and in respect of which there has been set aside a reserve (segregated to the extent required by GAAP) in an adequate amount and provided further that such Liens do not reduce the value of the asset against which such Liens have arisen or materially interfere with the use of such assets in the operation of the business of the Person;
 - (iii) easements, rights-of-way, servitudes, restrictions and similar rights in real property comprised in the assets of the Person or interests therein granted or reserved to other Persons, provided that such rights do not reduce the value of the assets against which such rights have been granted or reserved or materially interfere with the use of such assets in the operation of the business of the Person;

- (iv) title defects or irregularities which are of a minor nature and which do not reduce the value of the assets of the Person or materially interfere with their use in the operation of the business of the Person;
 - (v) Liens securing appeal bonds and other similar Liens arising in connection with court proceedings (including, without limitation, surety bonds, security for costs of litigation where required by law and letters of credit) or any other instruments serving a similar purpose;
 - (vi) attachments, judgments and other similar Liens arising in connection with court proceedings; provided, however, that the Liens are in existence for less than 10 days after their creation or the execution or other enforcement of the Liens is effectively stayed;
 - (vii) the reservations, limitations, provisos and conditions, if any, expressed in any original grant from the Crown of any real property or any interest therein or in any comparable grant in jurisdictions other than Canada, provided they do not reduce the value of the real property against which they are registered or materially interfere with the use of such real property in the operation of the business of the Person;
 - (viii) Liens given to a public utility or any municipality or governmental or other public authority when required by such utility or other authority in connection with the operation of the business or the ownership of the assets of the Person, provided that such Liens do not reduce the value of any asset of the Person or materially interfere with the use of any such asset in the operation of the business of the Person;
 - (ix) servicing agreements, development agreements, site plan agreements, and other agreements with Governmental Entities pertaining to the use or development of any of the real property of the Person, provided same are complied with and do not reduce the value of the subject real property or materially interfere with the use of the real property in the operation of the business of the Person including, without limitation, any obligations to deliver letters of credit and other security as required;
 - (x) applicable municipal and other governmental restrictions, including municipal by-laws and regulations, affecting the use of land or the nature of any structures which may be erected thereon, provided such restrictions have been complied with and do not reduce the value of any real property of the Person or materially interfere with the use of the real property in the operation of the business of the Person;
 - (xi) the right reserved to or vested in any Governmental Entity by any statutory provision or by the terms of any lease, licence, franchise, grant or permit of the Person, to terminate any such lease, licence, franchise, grant or permit, or to require annual or other payments as a condition to the continuance thereof;
 - (xii) Liens securing payment of Senior Indebtedness; and
 - (xiii) any Lien from time to time disclosed by the Company to the Holder and which is consented to in writing by the Holder.
- (ii) **“Person”** means a corporation, association, partnership, organization, business, individual, government or political subdivision thereof;

- (jj) **"Principal Amount"** means \$14,000,000 as of the Issue Date and thereafter means the principal amount and any capitalized interest pursuant to Section 3.2 as may be owing by the Company to the Holder from time to time under this Debenture;
- (kk) **"Proposed Royalty Agreement"** has the meaning set forth in Section 10.1;
- (ll) [Redacted]
- (mm) **"ROFN Offer"** has the meaning set forth in Section 10.10 [Commercially sensitive information redacted.]
- (nn) **"ROFN Period"** has the meaning set forth in Section 10.9;
- (oo) **"Royalty Agreement"** means a royalty agreement substantially in the form attached hereto as Schedule A;
- (pp) **"Royalty Conversion Ratio"** means 1.7143% for every \$1,000,000 of Principal Amount that is reduced pursuant to a conversion in Section 6 and, by way of illustration, conversion of \$7,000,000 of Principal Amount would result in a Royalty Interest of 12.0000%;
- (qq) **"Royalty Interest"** has the meaning set forth in the form of Royalty Agreement;
- (rr) **"Royalty Notice"** has the meaning set forth in Section 10.1;
- (ss) **"Security"** has the meaning specified in Section 5.1;
- (tt) **"Senior Lender"** means:
- (i) In respect of Empower 2, the First Lien Holder;
 - (ii) In respect of Empower 3 or 4, the senior secured project lender providing financing in respect of at least 30% of the aggregate cost in respect of each Facility;
- (uu) **"Senior Indebtedness"** means all obligations, liabilities and indebtedness under or in respect of:
- (i) In respect of Empower 2, the First Lien Obligations and any renewals, extensions or refunding of the First Lien Obligations to the extent permitted by the BDC Intercreditor Agreement;
 - (ii) in respect of Empower 3 and Empower 4, the Senior Lenders for each such Facility; and
 - (iii) finance leases or purchase money security interests,
- unless in any case it is provided by the terms of the instrument creating or evidencing such indebtedness or pursuant to which such indebtedness is outstanding that such indebtedness: (A) does not rank in priority in right of payment to this Debenture; or (B) is subordinated in right of payment to this Debenture;
- (vv) [Redacted]

- (ww) **"Subscription Agreement"** means the subscription agreement, dated August 7, 2024, to which the Company and the Holder are parties and pursuant to which the Holder agreed to purchase this Debenture;
- (xx) **"Subsequent Intercreditor Agreement"** means in an intercreditor agreement, substantially in the form attached hereto as Schedule C, entered into after the date hereof between, Holder, Company and a Senior Lender in respect of Empower 3, Empower 4 or any other subsequent Facility;
- (yy) **"Third Party"** means a Person other than a Party or an Affiliate of a Party;
- (zz) **"Third Party Transaction"** has the meaning set forth in Section 10.9; and
- (aaa) **"Volumes Milestone"** means the date on which a Facility with a minimum throughput capacity of 40,000 tonnes achieves an annualized throughput of not less than 32,000 tonnes of asphalt shingles over a 60-day period.

1.2 Unless otherwise provided, all dollar amounts referred to in this Debenture are in lawful money of Canada.

1.3 The following Schedules are attached hereto, incorporated into and made a part of this Agreement:

Schedule "A": Form of Royalty Agreement

[REDACTED]

[REDACTED]

Schedule "C": Form of Subsequent Intercreditor Agreement

Schedule "D": McAsphalt Pricing Formula

2. Subscription Agreement

2.1 This Debenture has been issued pursuant to the Subscription Agreement, is subject in all respects to the terms of the Subscription Agreement and incorporates the terms of the Subscription Agreement to the extent that they do not conflict with the terms of this Debenture, which shall be paramount. This Debenture may not be exchanged without the prior written consent of the Company and then only in compliance with applicable securities laws and regulations.

3. Interest

3.1 The Principal Amount will bear simple Interest calculated on the basis of a year of 360 days composed of twelve (12) thirty (30) day months and will be payable, in cash (subject to Section 3.2), semi-annually in arrears until the earlier of (a) the Maturity Date, [REDACTED] and (c) the date of conversion in full of the Principal Amount, subject to Article 7, will be payable together with the Principal Amount on the Maturity Date.

3.2 During the period between the issue date and concluding on the third anniversary of the Issue Date the Company may, at its option by providing the Holder with written notice two Business Days prior, forego making a semi-annual payment of Interest, and in such event, (i) the amount of such semi-annual payment of Interest shall be added to the Principal Amount and shall accrue Interest at the Interest Rate, and (ii) despite any other provision hereunder, such non-payment of Interest pursuant to this Section shall not be an Event of Default.

[Commercially sensitive information redacted.]

4. Prepayments

- 4.1 The Company may not repay this Debenture in whole or in part without the consent of the Holder prior to the Maturity Date. All payments shall be applied first to accrued interest, and thereafter to the Principal Amount.

5. Security

- 5.1 As security for the Obligations, the Company hereby creates a continuing security interest in, and grants, assigns, conveys, mortgages and charges as and by way of a fixed and floating charge over, to and in favour of the Holder, all the Company's present and after-acquired property (whether personal or real and whether legal or equitable), of whatsoever nature and kind now owned or hereafter acquired by the Company (the "Security").
- 5.2 At any and all times while there is not outstanding any uncured Event of Default, the Company may (provided that to do so is not contrary to any of the covenants, terms and provisions hereof) transfer, assign, sell, lease or otherwise dispose of the property subject to the Security, but only in the ordinary course of business as presently conducted, and for the purpose of carrying on and extending the same.
- 5.3 The Company hereby acknowledges and agrees that value has been given for the granting of the Security and that there is no agreement between the Company and the Holder, express or implied, to postpone the attachment of the security interests except in respect of after-acquired property forming part of the Security, with respect to which the security interests shall attach at the same time as the Company acquires rights therein or thereto.
- 5.4 Notwithstanding Section 5.2, the Company shall not, and to the extent permitted by Law, shall not have the power or capacity to create, assume, suffer to exist or otherwise have outstanding any security interest on the Security which ranks or purports to rank (or is capable of being enforced) in priority to, or *pari passu* with the Lien created by this Debenture, other than the Permitted Liens and the security interests granted by the Company in respect of the Senior Indebtedness, subject to the provisions of Section 8.1.
- 5.5 The Company acknowledges and agrees that, in the event that it amalgamates with any other corporation or corporations, it is the intention of the Company and the Holder that the term the "Company" when used herein shall apply to each of the amalgamating corporations and to the amalgamated corporation, such that the Security shall secure the indebtedness of each of the amalgamating corporations and the amalgamated corporation to the Holder at the time of amalgamation and any indebtedness of the amalgamated corporation to the Holder thereafter arising. The Security shall attach to all of the property (personal and real) owned by each corporation amalgamating with the Company, and by the amalgamated corporation, at the time of amalgamation, and shall attach to any property (personal and real) thereafter owned or acquired by the amalgamated corporation when such becomes owned or is acquired.
- 5.6 Upon payment by the Company to the Holder of the Obligations secured by this Debenture and provided the Security hereby constituted shall not have become enforceable, the Holder shall, upon the written request of the Company, deliver up this Debenture to the Company and shall, at the expense of the Company, release and discharge the Security hereby constituted and execute and deliver to the Company such deeds or other documents as shall be requisite to release and discharge this Debenture and the Security afforded hereby.
- 5.7 Promptly upon the request of the Company, the Holder covenants and agrees to enter into a Subsequent Intercreditor Agreement to evidence the terms upon which the Security shall be subordinated to the rights of a Senior Lender in respect of Empower 3 and Empower 4 or any other subsequent Facility.

6. Covenants

6.1 So long as the Debenture remains outstanding, the Company shall:

- (a) pay or cause to be paid all Obligations and other amounts payable under this Debenture punctually when due;
- (b) preserve and maintain its corporate existence in good standing;
- (c) observe and perform all of its obligations under, and comply in all respects with, this Debenture and all other material agreements to which it is a party, except to the extent that the failure to do so would not reasonably be expected to result in a Material Adverse Effect;
- (d) carry on and conduct its business and undertake the development of Empower 3 and Empower 4 in a lawful, efficient, diligent and businesslike manner and in accordance with good business practices;
- (e) keep proper books of record and account, in which full and correct entries of all transactions in relation to its business are made in accordance with GAAP, including without limitation progress towards the Volumes Milestone and, subject to the confidentiality provisions of this Debenture, allow Holder and its authorized representatives upon written request at Holder's sole expense at any reasonable time to enter the premises of the Company in order to examine the books and records of the Company and make extracts therefrom, and permit Holder or such representatives prompt access to such other persons as is reasonably necessary or desirable for the purposes of inspecting or verifying any matters relating to the books and records of the Company;
- (f) report regularly, and in any event not less than once per calendar quarter, to the Holder to keep it informed as to the development of each Facility and the status of progress towards the Volumes Milestone at each of Empower 3 and Empower 4;
- (g) comply in all material respects with the requirements of all applicable Laws, judgments, orders, decisions and awards and maintain all permits, licenses, consents and approvals necessary to the ownership of its property and to the conduct of its business in each jurisdiction where it carries on material business or owns material property and necessary in order for the Company to comply with its obligations to the Holder, including those issued or granted by Governmental Entities, in each case except to the extent failure to do so would not reasonably be expected to have a Material Adverse Effect;
- (h) do all things necessary to defend, protect and maintain its property, from all material adverse claims where the failure to do so would reasonably be expected to have a Material Adverse Effect;
- (i) duly file on a timely basis all Tax returns required to be filed by it, and duly and punctually pay all Taxes and other governmental charges that are due and payable by it whether or not assessed by the appropriate Governmental Entity, unless such payment is disputed in good faith and appropriate reserves have been made in respect thereof in accordance with GAAP;
- (j) promptly advise the Holder upon becoming aware of any Event of Default (as hereinafter defined), specify in such notice the nature of the event and the steps taken or proposed to be taken to remedy the same;
- (k) maintain adequate insurance in respect of its property, including all property, plants and equipment, as is customary in the case of businesses of established reputation engaged in the

same or similar businesses and the Company will provide such Holder with copies of all insurance policies relating thereto if so requested;

- (l) promptly upon becoming aware thereof, give written notice together with a detailed explanation to the Holder of all claims or proceedings pending or threatened against the Company which may give rise to liability (whether insured or otherwise) which would reasonably be expected to have a Material Adverse Effect;
- (m) make all capital expenditures substantially in accordance with the Company's annual budgets, as may be revised and updated during the financial year, which annual budgets will be delivered to the Holder if so requested; and
- (n) provide the Holder:
 - (i) within 120 days of the Company's year-end, audited consolidated comparative annual financial statements, including management's discussion and analysis, prepared in accordance with GAAP; and
 - (ii) within 60 days of the end of each calendar quarter, unaudited consolidated comparative interim financial statements, including management's discussion and analysis, prepared in accordance with GAAP.

6.2 So long as the Debenture remains outstanding, the Company shall not, without the prior written consent of the Holder, not to be unreasonably withheld or delayed:

- (a) incur any indebtedness other than the Senior Indebtedness unless expressly subordinated to this Debenture;
- (b) create, incur, grant, assume or suffer to exist any Lien, mortgage, charge or security interest over any of the assets or property of the Company or its subsidiaries other than Permitted Liens;
- (c) make any material change in the nature of the Company's business as presently carried on;
- (d) engage in any transactions with Persons not dealing at arm's length (as defined in the *Income Tax Act* (Canada)) with the Company except in the ordinary course of, and pursuant to the reasonable requirements of, business and at prices and on terms not less favourable to the Company than could be obtained in a comparable arm's length transaction with another Person;
- (e) declare, make, pay or commit to any Distributions;
- (f) create or grant any royalty interest or analogous interest in Empower 2, Empower 3 or Empower 4;
- (g) take any action that would limit, invalidate, avoid or set aside the Security; or
- (h) take any action or omit to take any action which could reasonably be expected to have a Material Adverse Effect as of the date of this Debenture and, upon becoming aware of any matter or other information which would reasonably be expected to have a Material Adverse Effect, the Company shall provide notice thereof to the Holder describing the nature of such matter or other information and the anticipated effects thereof.

7. Conversion

- 7.1 The Company shall provide written notice supported by all applicable records to the Holder when, in Company's reasonable discretion, the Volumes Milestone in respect of a Empower 3 or Empower 4, as applicable, has been achieved during the Conversion Period. The Holder shall review and confirm in writing the achievement of the Volumes Milestone within five (5) Business Days of receipt of the notice from the Company.
- 7.2 Upon confirmation from the Holder that the Volumes Milestone has been achieved in respect of Empower 3 in accordance with Section 7.1, effective on the last day of the month during which the Volumes Milestone is achieved, without further act by either Party: (a) the Company, the owner of Empower 3 and the Holder will enter into a Royalty Agreement in respect of Empower 3, (b) in consideration for the grant by the owner of Empower 3 to the Holder of the royalty payable pursuant to such Royalty Agreement, the entitlement of the Holder to payment of the Principal Amount outstanding on such date shall be reduced by 50%, (c) the Royalty Interest in such Royalty Agreement shall be fixed in accordance with the Royalty Conversion Ratio, and (d) the price at which the royalty so granted under the Royalty Agreement shall be regarded by the Parties for all purposes as equal to the amount of such reduction of the Principal Amount.
- 7.3 Upon confirmation from the Holder that the Volumes Milestone has been achieved in respect of Empower 4 in accordance with Section 7.1, effective on the last day of the month during which the Volumes Milestone is achieved, without further act by either Party: (a) the Company, the owner of Empower 4 and the Holder will enter into a Royalty Agreement in respect of Empower 4, (b) in consideration for the grant by the owner of Empower 3 to the Holder of the royalty payable pursuant to such Royalty Agreement, the entitlement of the Holder to payment of the portion of the Principal Amount remaining outstanding on such date after the application of section 7.2 shall be reduced to nil, (c) the Royalty Interest in such Royalty Agreement shall be fixed in accordance with the Royalty Conversion Ratio, and (d) the price at which the royalty so granted under the Royalty Agreement shall be regarded by the Parties for all purposes as equal to the amount of such reduction of the Principal Amount.
- 7.4 Subject to confirmation in accordance with Section 7.1, if Empower 3 has achieved the Volumes Milestone during the Conversion Period but Empower 4 does not achieve the Volumes Milestone during the Conversion Period, and provided Empower 2 has achieved an annualized throughput of not less than 32,000 tonnes of asphalt shingles over a 60-day period, , without further act by either Party: (a) the Company, the owner of Empower 2 and the Holder will enter into a Royalty Agreement in respect of Empower 2 on the first Business Day immediately following the Conversion Period, (b) in consideration for the grant by the owner of Empower 2 to the Holder of the royalty payable pursuant to such Royalty Agreement, the entitlement of the Holder to payment of the portion of the full amount of the Principal Amount outstanding on such date shall be reduced to nil, (c) the Royalty Interest in such Royalty Agreement shall be fixed in accordance with the Royalty Conversion Ratio, and (d) the price at which the royalty so granted under the Royalty Agreement shall be regarded by the Parties for all purposes as equal to the amount of such reduction of the Principal Amount.
- 7.5 If neither Empower 3 nor Empower 4 achieve their Volumes Milestones during the Conversion Period, and provided Empower 2 has achieved an annualized throughput of not less than 32,000 tonnes of asphalt shingles over a 90-day period, the Company, the owner of Empower 2 and the Holder may, at Holder's election in its sole discretion, enter into a Royalty Agreement in respect of Empower 2 on the first Business Day immediately following the Conversion Period. In the event Holder elects to enter into a Royalty Agreement in respect of Empower 2, in consideration for the grant by the owner of Empower 2 to the Holder of the royalty payable pursuant to such Royalty Agreement, the entitlement of the Holder to payment of the portion of the Principal Amount outstanding on such date shall be reduced to nil, the Royalty Interest in such Royalty Agreement shall be fixed in accordance with the Royalty Conversion Ratio, and the price at which the royalty so granted under the Royalty Agreement shall be regarded by the Parties for all purposes as equal to the amount of such reduction of the Principal Amount.

- 7.6 At any time during the Conversion Period, whether or not the Volumes Milestones have been achieved, the Holder may, in its sole discretion, elect to convert this Debenture and enter into a Royalty Agreement in respect of Empower 3 and/or Empower 4. In the event Holder elects to enter into a Royalty Agreement in respect of Empower 3 and/or Empower 4 pursuant to this Section 7.6, in consideration for the grant by the owner of Empower 3 and/or Empower 4 (as applicable) to the Holder of the royalty payable pursuant to such Royalty Agreement, the entitlement of the Holder to payment of the portion of the Principal Amount outstanding shall be reduced by 50%, the Royalty Interest in such Royalty Agreement shall be fixed in accordance with the Royalty Conversion Ratio, in each case effective on the last day of the month during which the Holder has delivered written notice of its election to convert, and the price at which the royalty so granted under the Royalty Agreement shall be regarded by the Parties for all purposes as equal to the amount of such reduction of the Principal Amount.
- 7.7 In respect of any conversions of Principal Amount to Royalty Agreements hereunder: (a) any accrued and unpaid Interest at the time of conversion will be added to such Principal Amount; and (b) each such conversion will have the effect of lowering the outstanding Principal Amount in an amount equal to the applicable amount of the Principal Amount being converted. The Company will maintain records showing all Principal Amount converted, the amount of accrued Interest added to such converted Principal Amount and the date of such conversions. The Holder, by acceptance of this Debenture, acknowledges and agrees that, following conversion of a portion of this Debenture, the unpaid and unconverted Principal Amount will be less than the amount stated on the face hereof. Any dispute among the Holder and the Company as to whether a Volumes Milestone has been achieved will be resolved in accordance with Section 22.
- 7.8 Upon conversion in accordance with Section 7.2 and/or Section 7.3, (i) the Holder and the Company shall duly execute the Royalty Agreement for Empower 3 and/or Empower 4, as applicable, effective on the last day of the month during which the Volumes Milestone is achieved; (ii) if the conversion is only with respect to Empower 3, then this Debenture and the Security shall remain in full force and effect in respect of the balance of the Principal Amount of this Debenture and interest accrued thereon, and (iii) if the conversion is with respect to Empower 3 and Empower 4, then the Security shall be terminated and the Principal Amount shall be reduced to nil and this Debenture shall terminate.
- 7.9 Upon any conversion pursuant to this Article 7: (i) the Holder and the Company shall duly execute the applicable Royalty Agreement; and (ii) the Holder shall release the Company from all liability with respect to the converted portion of the Principal Amount of this Debenture and interest accrued thereon that is adjusted in connection with such conversion.

7.10

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[Commercially sensitive information redacted.]

[Redacted]

[Redacted]

7.11 Confidentiality. The provisions of this Section 7.11 shall survive the termination of this Debenture.

- (a) **"Confidential Information"** means all non-public or proprietary information, data, documents, agreements, files, and other materials regarding or concerning and treated as confidential by any of the Company and its Affiliates (the **"Company Entities"**), whether disclosed orally or disclosed, stored, or accessed in written, electronic, or other form or media, and whether or not marked, designated, or otherwise identified as "confidential", including that portion of all analyses, notes, compilations, reports, forecasts, studies, samples, statistics, summaries, interpretations, and other documents prepared by the Royalty Owner or its representatives which contain or otherwise reflect or are generated from such information, data, documents, agreements, files, or other materials, including, without limitation:
- (i) information concerning the Company Entities' past, present, and future business affairs including, without limitation, finances, supplier information, services, buyer information, products, organizational structure, and internal practices, forecasts, sales, and other financial results, records and budgets, and business, marketing, development, sales, and other commercial strategies;
 - (ii) unpatented inventions, ideas, methods and discoveries, trade secrets, know-how, software programs, unpublished patent applications, and other confidential intellectual property;
 - (iii) designs, specifications, documentation, components, source code, object code, computer chips, images, icons, audiovisual components and objects, schematics, drawings, protocols, processes, and other visual depictions, in whole or in part, of any of the foregoing;
 - (iv) any Third-Party confidential information included with, or incorporated into, any information provided by a Company Entity included with, or incorporated in, any information provided by a Company Entity to the Royalty Owner or its representatives; and
 - (v) other information that would reasonably be considered non-public, confidential, or proprietary given the nature of the information and the Company Entities' business.
- (b) The term "Confidential Information" as used herein shall not include information that, at the time of disclosure:
- (i) is, or thereafter becomes, generally available to and known by the public other than as a result of its disclosure, directly or indirectly, in breach of this Section 7.11 by the Holder or any of its representatives;
 - (ii) is, or thereafter becomes, available to the Holder or its representatives on a non-confidential basis from a Third-Party source, provided that such source was not

- prohibited from disclosing such Confidential Information to the Holder or its representatives by a legal, contractual, or fiduciary obligation;
- (iii) was already known by or in the possession of the Holder or its representatives, as established by documentary evidence, prior to being disclosed by or on behalf of the Company Entities; or
 - (iv) has been independently developed by the Holder, as established by documentary evidence, without reference to or use of, in whole or in part, any of the Company Entities' Confidential Information.
- (c) The Holder acknowledges and agrees that it may gain access to or become familiar with the Company Entities' Confidential Information. Except as set forth in Section 7.11(d), the Holder, as the receiving Party of the Company Entities' Confidential Information, shall:
- (i) protect and safeguard the confidentiality of the Company Entities' Confidential Information with at least the same degree of care as the Holder would protect its own Confidential Information, but in no event with less than a commercially reasonable degree of care;
 - (ii) not use the Company Entities' Confidential Information, or permit it to be accessed or used, for any purpose other than to perform its obligations under this Debenture, or otherwise in any manner to the Company Entities' detriment, including without limitation, to reverse engineer, disassemble, decompile, or design around the Company Entities' proprietary services, products, processes and/or confidential intellectual property;
 - (iii) without the prior written consent of the Company, not disclose any such Confidential Information to any person or entity, except to the Holder's representatives who:
 - (1) need to know the Confidential Information to assist the Holder, or act on its behalf, in exercising its rights or performing its obligations under this Debenture;
 - (2) are informed by the Royalty Owner of the confidential nature of the Confidential Information; and
 - (3) are subject to confidentiality duties or obligations to the Holder that are no less restrictive than the terms and conditions of this Debenture
 - (iv) be responsible for any breach of this Section 7.11 caused by any of its representatives.
- (d) If the Holder or any of its representatives is required to disclose the Company Entities' Confidential Information by law, regulation, rule or a valid order issued by a court or regulatory, or governmental authority of competent jurisdiction (a "**Legal Order**"), the Holder shall first make commercially reasonable efforts to provide the Company with:
- (i) to the extent legally permitted, prompt written notice of such requirement so that the Company Entities may seek, at their sole cost and expense, an appropriate protective order or other remedy; and
 - (ii) reasonable assistance, at the Company Entities' sole cost and expense, in opposing such disclosure or seeking a protective order or other limitations on disclosure.

If, after providing such notice and assistance as required herein, such protective order or other remedy is not obtained, the Holder or such representative of the Holder to whom such requirement is directed, will furnish only that portion of the Confidential Information which is legally required to be disclosed and, upon the Company's request, use its best reasonable efforts to preserve the privileged nature or confidentiality of the Confidential Information and obtain assurances that confidential treatment will be accorded the Confidential Information so disclosed.

- (e) Upon the expiration or termination of this Debenture, the Holder and its representatives shall promptly, and in any event no later than five Business Days after the request, return to the Company Entities all of the Company Entities' Confidential Information (including all copies, extracts, notes, or other reproductions) whether in written, electronic, or other form or media, or destroy all such Confidential Information and copies, extracts, notes, or other reproductions thereof and certify in writing to the Company that such Confidential Information has been destroyed. In addition, the Holder shall also destroy all copies of any notes created by the Holder or its representatives and certify in writing to the Company that such copies of any notes have been destroyed. Notwithstanding the foregoing, the Holder may retain any copies of Confidential Information, regardless of whether such copies are in original form:
- (i) included in any materials that document a decision to terminate this Debenture;
 - (ii) as may be required to comply with the Holder's internal record-keeping policies or any applicable federal, provincial, or local law, regulation, or regulatory authority to which it is subject; or
 - (iii) that are maintained as archive copies on the Holder's disaster recovery and/or information technology backup systems. Such copies will be destroyed upon the normal expiration of the Holder's backup files.

Notwithstanding the return or destruction of the Confidential Information to the Company Entities, the Holder and its representatives shall continue to be bound by the terms and conditions of Section 7.11 with respect to any such Confidential Information retained in accordance with this Section 7.11(e).

- (f) The Holder acknowledges and agrees that monetary damages would not be a sufficient remedy for any breach or threatened breach of Section 7.11 by the Holder or its representatives. Therefore, in addition to all other remedies it may be entitled to or available at law (which the Company Entities do not waive by the exercise of any rights under this Section), the Company Entities shall be entitled to specific performance and injunctive and other equitable relief as a remedy for any such breach or threatened breach, and the Parties hereby waive any requirement for the securing or posting of any bond or the showing of actual monetary damages in connection with such claim. The Holder further agrees that it will not oppose the granting of such relief on the basis that the Company Entities have an adequate remedy at law and that it will pay any costs, fees, charges and expenses, including legal fees, that the Company Entities may incur in enforcing the confidentiality provisions contained in this Section 7.11.

7.12 Public Announcements

- (a) Neither the Company nor the Holder nor any of their Affiliates or representatives shall (orally or in writing) publicly disclose, issue any press release or make any other public statement, or communicate with the media, concerning the existence of this Debenture or the subject matter hereof, without the prior written approval of the other Party (which shall not be unreasonably withheld, conditioned or delayed), except if and to the extent that such Party (based upon the

reasonable advice of counsel) is required to make any public disclosure or filing ("**Required Disclosure**") with respect to the subject matter of this Agreement:

- (i) by applicable law;
- (ii) pursuant to any rules or regulations of any securities exchange on which the securities of such Party or any of its Affiliates are listed or traded;
- (iii) in connection with customary forward-looking financial guidance consistent with royalty industry practice that does not contain, and is not derived from or based on, any operational or financial information regarding or other material non-public information regarding any Facility or the Company that has not previously or concurrently been publicly disclosed by the Company, and is consistent with the Party's obligations under applicable securities laws which prohibit any Person with material non-public information about an issuer from purchasing or selling securities of such issuer, or subject to certain limited exceptions, from communicating such information to any other Person; or
- (iv) in connection with enforcing its rights under this Debenture.

8. Intercreditor Documents

- 8.1 Each of the Company and the Holder acknowledges and agrees that the payment of the Obligations owing under this Debenture shall be subject to the Intercreditor Documents.

9. Insurance

- 9.1 Company and its Affiliates are insured by insurers of recognized financial responsibility against such losses and risks and in such amounts as are prudent and customary in the businesses in which Company and its Affiliates are engaged. Should Company fail to take out or keep in force such insurance, Holder shall have the right without assuming any obligation in connection therewith, to effect such insurance at the sole cost of Holder.
- 9.2 Upon request, Company shall cause certificates of insurance to be provided on the insurers' standard forms, which shall be acceptable to Holder, acting reasonably, or other proof of insurance as reasonably required by Holder, to be delivered prior to the commencement date of such insurance or a reasonable amount of time post renewal.
- 9.3 Company agrees to add Holder as a loss payee or an additional named insured within Company's liability insurance policy, pollution insurance policy, property insurance policy, and course of construction insurance policy until this Debenture is fully converted or repaid, and each such policy shall contain a waiver of subrogation in favour of Holder and its Affiliates.

10. Right of First Refusal; Right of First Negotiation

- 10.1 Prior to the Company entering into a royalty (a "**Proposed Royalty Agreement**") pursuant to which a Third Party will acquire a royalty interest from the Company in respect of any Facility, the Company shall provide the Holder with written notice (the "**Royalty Notice**") which shall include:
- (a) a summary of the principal terms and conditions of such proposed arrangement, including a description of the proposed Facility that will be subject thereto and the royalty that may be acquired by such Third Party and the identity of the Third Party;

- (b) the form of proposed definitive royalty agreement that will give effect to the Proposed Royalty Agreement;
 - (c) Any information reasonably requested by the Holder to assess the economic and market viability of the proposed royalty and Facility.
- 10.2 The Holder shall have 20 Business Days after receipt of the Royalty Notice to exercise its preferential right and may elect, upon written notice to the Company (a "**Notice of Acceptance**"), to participate in such Proposed Royalty Agreement to the exclusion of any Third Party participant by agreeing to assume the same terms and conditions as specified in the Royalty Notice.
- 10.3 The Holder will be deemed to have elected not to exercise its right to acquire the royalty to which a Royalty Notice pertains unless it serves a Notice of Acceptance to the Company within the 15 Business Day period specified in Section 10.2.
- 10.4 Following delivery by the Holder of a Notice of Acceptance, the Parties shall forthwith finalize a definitive royalty agreement in substantially the form of, and including the terms and conditions specified in, the Royalty Notice provided by the Company.
- 10.5 If the Holder elects, or is deemed to have elected, not to exercise its right of first refusal, the Company shall be free to enter into a definitive agreement with any Third Party for a period of one year following the delivery of the Royalty Notice, in its sole discretion in respect of the royalty opportunity, provided that, the terms and conditions agreed to by the Company with any such Third Party shall be no more favourable to such Third Party than those initially offered to the Holder in the applicable Royalty Notice.
- 10.6 If the proposed Royalty described in the Royalty Notice did not occur within the period referenced in Section 10.5, the provisions of this Article 10 will thereafter apply to any subsequent Proposed Royalty Agreement.
- 10.7 The rights described in Sections 10.1 through 10.6 shall terminate and have no effect after the occurrence of five transactions resulting in any Facility being financed with a royalty, streaming or analogous arrangement (not counting the initial royalty transactions for Empower 2, Empower 3 or Empower 4 as contemplated in Article 7 hereof) reasonably anticipated to yield proceeds of at least [REDACTED].
- 10.8 Upon termination of the rights described in Sections 10.1 through 10.6, the rights set forth in Section 10.9 and 10.10 shall apply.
- 10.9 For the period commencing on the termination of Sections 10.1 through 10.6 and surviving the termination of this Agreement (the "**ROFN Period**") the Company shall not, directly or indirectly through an Affiliate, enter into negotiations or consummate any transaction relating to a Proposed Royalty Agreement for any Facility with any Person other than the Royalty Owner or an Affiliate of the Royalty Owner (a "**Third-Party Transaction**") except in compliance with the terms and conditions of this Section 10.9 and 10.10.
- 10.10 During the ROFN Period, the Company or its applicable Affiliate shall notify the Royalty Owner of its desire to engage in exclusive good faith negotiations with the Royalty Owner to reach agreement on a Proposed Royalty Agreement for a Facility by delivering a non-binding letter of intent describing the key terms and conditions of such Proposed Royalty Agreement (each a "**ROFN Offer**") and the Company or its applicable Affiliate shall provide any information reasonably requested by the Royalty Owner to assess the economic and market viability of the proposed royalty and Facility. [REDACTED]

[Redacted -
Commercially
sensitive
information.]

[Commercially sensitive information redacted.]

- 10.11 The rights of the Holder under this Section 10 shall operate concurrently, and not cumulatively or consecutively, with respect to any ROFR or ROFN rights granted to the Holder or any of its Affiliates under a Royalty Agreement or any other similar agreement.

11. Events of Default

- 11.1 The occurrence of any of the following will constitute an “**Event of Default**” under this Debenture:

- (a) the Company failing to pay any Principal Amount or payment of Interest hereof on the due date hereunder and such failure continuing for ten (10) days after written notice thereof is delivered to the Company;
- (b) if any representation or warranty made by the Company in this Debenture, in the Subscription Agreement, or in any certificate, statement or report furnished in connection therewith is found to be false or incorrect and would reasonably be expected to have a Material Adverse Effect;
- (c) the Company failing to observe or perform any other covenant or agreement contained in this Debenture or the Subscription Agreement which failure is not cured, if possible to cure, within thirty (30) calendar days after notice of such default is sent by the Holder to the Company;
- (d) if the Company fails to perform, observe or comply with any covenant, term or condition in respect of the Senior Indebtedness in the manner required therein, which is not cured within the grace or cure period provided by the terms of the Senior Indebtedness, that permits the holder of the Senior Indebtedness to accelerate repayment of the First Lien Obligations pursuant to the provisions thereof;
- (e) if the Company or any of its subsidiaries defaults in the observance or performance of any non-monetary obligation, covenant or condition to be observed or performed by it pursuant to any agreement to which it is a party or by which any of its property is bound which would reasonably be expected to have a Material Adverse Effect;
- (f) the Company (i) applying for or consenting to the appointment of a receiver, trustee, liquidator or custodian of itself or of all or a substantial part of its property, (ii) being unable, or admitting in writing its inability, to pay its debts generally as they mature, (iii) making a general assignment for the benefit of its or any of its creditors, (iv) being dissolved or liquidated in full or in part (v) commencing a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect, or consenting to any such relief, or to the appointment of, or taking possession of its property by, any official in an involuntary case or other proceeding commenced against it, or (vi) taking any action for the purpose of effecting any of the foregoing; and
- (g) proceedings for the appointment of a receiver, trustee, liquidator or custodian of the Company or of all or a substantial part of the property thereof, or an involuntary case or other proceeding seeking liquidation, reorganization or other relief with respect to the Company or the debts thereof under any bankruptcy, insolvency or other similar law now or hereafter in effect being commenced and an order for relief entered or such proceeding is not dismissed or discharged within thirty (30) days of commencement.

- 11.2 Upon the occurrence or existence of any Event of Default and following the expiry of any applicable cure periods and at any time thereafter during the continuance of such Event of Default, the Holder may, by written notice to the Company and subject to the terms of the Intercreditor documents, declare all outstanding amounts payable by the Company hereunder to be immediately due and payable without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived,

anything contained herein to the contrary notwithstanding. Upon the occurrence or existence of any Event of Default described in Section 11.1(f) hereof, immediately and without notice, all outstanding amounts payable by the Company hereunder will automatically become immediately due and payable, without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived, anything contained herein to the contrary notwithstanding. In addition to the foregoing remedies, upon the occurrence or existence of any Event of Default, the Holder may exercise any other right, power or remedy permitted to it by law, either by suit in equity or by action at law, or both.

12. Notices

- 12.1 Any notice required or permitted to be given to the Company or the Holder will be in writing and may be given by electronic facsimile transmission or other means of electronic communication capable of producing a printed copy to the address of the Party set forth below or such other address as such Party may specify by notice in writing to the other Party, and any such notice will be deemed to have been given and received by the Party to whom it was addressed if by facsimile or other electronic communication, on the date sent, or, if delivered, on delivery; but if at the time of mailing or between the time of mailing and the third Business Day thereafter there is a strike, lockout, or other labour disturbance affecting delivery, then the notice will not be effectively given until actually delivered:

To the Company:

NORTHSTAR CLEAN TECHNOLOGIES INC.

1110, 396 11th Avenue SW

Personal contact information redacted.

Calgary, Alberta, T2R 0C5

Attn: Aidan Mills, Chief Executive Officer

[REDACTED]

with a copy, which will not constitute notice, to:

CLARK WILSON LLP

900 – 885 West Georgia Street

Vancouver, British Columbia, V6C 3H1

Attention: Craig Hoskins and Cam McTavish

[REDACTED]

To the Holder:

CVW CLEANTECH INC.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

OSLER, HOSKIN AND HARCOURT

Suite 2700, 225 6 Ave SW,

Calgary, AB T2P 1N2V

[REDACTED] [REDACTED]
[REDACTED] [REDACTED]

13. Use of Proceeds

13.1 For working capital requirements and other general corporate purposes.

14. Tax Matters

14.1 Each Party represents and warrants that it is a resident of Canada for the purposes of the *Income Tax Act* (Canada).

15. Expenses

15.1 Each Party will be responsible for its fees and expenses in connection with the Debenture, including, without limitation, the fees and expenses of their respective attorneys, accountants, and other advisors.

16. Governing Law

16.1 All questions concerning the construction, validity, enforcement and interpretation of this Debenture will be governed by and construed and enforced in accordance with the laws of the province of Alberta and the federal laws of Canada applicable therein, without regard to the principles of conflicts of law thereof.

17. Waivers

17.1 The Company hereby waives presentment, demand for payment, notice of dishonour, notice of protest and all other notices or demands in connection with the delivery, acceptance, performance or default of this Debenture. No delay by the Holder in exercising any power or right hereunder will operate as a waiver of any power or right, nor will any single or partial exercise of any power or right preclude other or further exercise thereof, or the exercise thereof, or the exercise of any other power or right hereunder or otherwise; and no waiver whatsoever or modification of the terms hereof will be valid unless set forth in writing by the Holder and then only to the extent set forth therein.

18. Amendments

18.1 Subject to the provisions of the Subscription Agreement, this Debenture may not be amended without the express written consent of both the Company and the Holder, subject to prior Exchange acceptance.

19. Severability

19.1 If any provision of this Debenture is invalid, illegal or unenforceable, the balance of this Debenture will remain in effect, and if any provision is inapplicable to any Person or circumstance, it will nevertheless remain applicable to all other Persons and circumstances.

20. Next Business Day

- 20.1 Whenever any payment or other obligation hereunder will be due on a day other than a Business Day, such payment will be made on the next succeeding Business Day.

21. Assignment by Holder

- 21.1 This Debenture shall not be transferred, assigned, exchanged, conveyed or pledged by Holder without the prior written consent of the Company, not to be unreasonably withheld.

22. Dispute Resolution

- 22.1 If any dispute, controversy or claim arises under or in connection with this Debenture that the Parties are unable to resolve by good faith negotiations, the dispute, controversy or claim shall be finally settled by a single arbitrator mutually agreed to by the Parties, pursuant to and in accordance with the provisions of the *Arbitration Act* (Alberta). If the Parties cannot mutually agree on a single arbitrator, each Party will select an arbitrator experienced in resolving disputes similar to the dispute in question, and those two arbitrators will select a third arbitrator, which third arbitrator shall serve as chair of the arbitration. Either Party may initiate the arbitration by providing notice thereof to the other Party. The decision of the arbitrator(s) shall be given in writing and shall be final and binding on the Parties and shall deal with questions of the costs of the arbitration and all matters related thereto.

23. Time of the Essence

- 23.1 Time will be of the essence of this Debenture.

24. Counterpart Execution

- 24.1 This Debenture may be executed in one or more counterparts, each of which so executed shall constitute one and the same agreement. Counterparts may be delivered via facsimile, electronic mail (PDF attachment or any option that includes electronic signatures) or other transmission method, and any counterpart so delivered will be deemed to have been duly and validly delivered and be valid and effective for all purposes.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY BLANK].

IN WITNESS WHEREOF, the Parties have caused this Debenture to be duly executed by a duly authorized officer as of the date first above indicated.

NORTHSTAR CLEAN TECHNOLOGIES INC.

Per:

Aidan Mills

Chief Executive Officer

CVW CLEANTECH INC.

Per:

(Signed) "Authorized Signatory"

[Redacted Signature]

[Redacted Signature]

IN WITNESS WHEREOF, the Parties have caused this Debenture to be duly executed by a duly authorized officer as of the date first above indicated.

NORTHSTAR CLEAN TECHNOLOGIES INC.

Per: (Signed) "Aidan Mills"

Aidan Mills

Chief ; xecutive 8 fficer

CVW CLEANTECH INC.

Per:

[REDACTED]

[REDACTED]

SCHEDULE A
FORM OF ROYALTY AGREEMENT
[ATTACHED]

ROYALTY AGREEMENT

THIS AGREEMENT dated as of ●, 2024 ("Effective Date").

BETWEEN:

NORTHSTAR CLEAN TECHNOLOGIES INC., a corporation incorporated pursuant to the laws of British Columbia ("**Northstar**")

AND

[EMPOWER ENTITY], a corporation incorporated under the laws of the Province of [●] (the "**Grantor**")

AND

CVW CLEANTECH INC., a corporation incorporated under the laws of the Province of Alberta ("**Royalty Owner**")

WHEREAS Royalty Owner and Northstar are party to a Convertible Royalty Debenture Agreement dated effective [●], pursuant to which, in connection with debenture investments made by Royalty Owner in Northstar, Northstar agreed to cause a royalty to be granted by Royalty Owner based on revenues generated from the Reference Facility upon volumes at the Reference Facility achieving the Volumes Milestone;

AND WHEREAS the Reference Facility is an asphalt recovery and reprocessing facility owned and operated by the Grantor;

NOW THEREFORE this Agreement witnesses that in consideration of the premises, the consideration provided for in the Convertible Royalty Debenture Agreement and any other agreements provided for therein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby covenant and agree as follows:

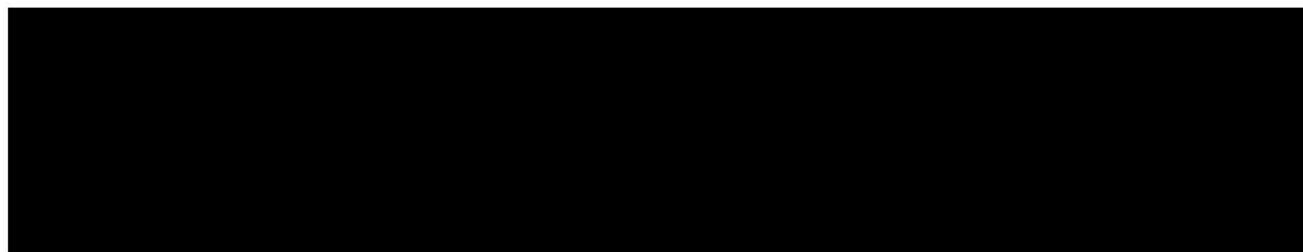
ARTICLE 1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Agreement (including the recitals hereto, this Section and each Schedule) the words and phrases set forth below shall have the meaning ascribed thereto below, namely:

- (a) "**Adjusted EBITDA**" means earnings before Interest Expenses, taxes, depreciation, and amortization adjusted by gains/losses on disposal of assets, other non-cash adjustments presented in the statement of cash flow and all extraordinary items presented as per GAAP financial measures.
- (b) "**Affiliate**" of any Person means any other Person who directly or indirectly Controls, or is Controlled by, or is under common Control with, such Person;
- (c) "**Agreement**" means this Agreement and all schedules attached hereto, as amended from time to time;

- (d) **"Allocation Deadline"** has the meaning set forth in Section 2.3(a);
- (e) **"Annual RFVR Statement"** has the meaning set forth in Section 2.3(e);
- (f) **"Business Day"** means any day on which Canadian chartered banks are open for business in Calgary, Alberta and Toronto, Ontario, other than a Saturday or a Sunday;



[Redacted - Commercially sensitive information.]

- (h) **"Capital Expenditures"** - means, with respect to any applicable period, all payments or accruals for any (i) property, plant and equipment, (ii) intangible assets and (iii) development costs that are required to be capitalized under GAAP;
- (i) **"Control"** means one or more of the following:
 - (i) a body corporate is controlled by a Person if: (A) securities of the body corporate to which are attached more than 50% percent of the votes that may be cast to elect directors of the body corporate are beneficially owned, directly or indirectly, by such Person; and (B) the votes attached to those securities are sufficient to elect a majority of the directors of the body corporate;
 - (ii) an association, partnership, limited liability company, trust or other organization is controlled by a Person if: (A) more than 50% of the ownership interests, however designated, into which the association, partnership, trust or other organization is divided are beneficially owned, directly or indirectly, by such Person; and (B) the Person is able to direct the business and affairs of the association, partnership, trust or other organization;
 - (iii) a body corporate, association, partnership, limited liability company, trust or other organization is controlled by a Person if such Person has, directly or indirectly, control in fact of the body corporate, association, partnership, trust or other organization; or
 - (iv) a body corporate, association, partnership, limited liability company, trust or other organization that controls (within the meaning of this definition) another body corporate, association, partnership, trust or other organization is deemed to control (within the meaning of this definition) any body corporate, association, partnership, trust or other organization that is controlled or deemed to be controlled (within the meaning of this definition) by the other body corporate, association, partnership, trust or other organization;
- (j) **"Change of Control"** means:
 - (i) means the acquisition by any Person or by any Person and a joint actor, whether directly or indirectly, of voting securities (as such terms are interpreted in the *Securities Act* (Alberta, RSA 2004 cS-4) of Northstar, which, when added to all other voting securities of

Northstar at the time held by such person or by such Person and a Person "acting jointly or in concert" with another Person, as that phrase is interpreted in National Instrument 62-103, totals for the first time not less than fifty (50%) percent of the outstanding voting securities of Northstar or the votes attached to those securities are sufficient, if exercised, to elect a majority of the board of directors of Northstar;

- (ii) a merger, consolidation, amalgamation, arrangement, other business combination of or involving Northstar or a sale of assets of Northstar where the members of the board of directors of Northstar immediately prior to the completion of such transaction do not constitute a majority of the board of directors of Northstar following such transaction;
- (k) **"Change of Control Notice"** has the meaning set forth in Section 5.3(a);
- (l) [REDACTED]
- (m) **"Confidential Information"** has the meaning set forth in Section 8.2(a);
- (n) **"Conversion Amount"** means the amount of principal and interest that is converted into this Agreement pursuant to the Convertible Debenture Agreement as of the Effective Date;
- (o) **"Convertible Debenture Agreement"** means the secured royalty convertible debenture agreement dated June 1, 2024, pursuant to which Royalty Owner made certain investments in Northwest evidenced by such secured royalty convertible debenture agreement;
- (p) **"Current Portion of Term Debt"** means the scheduled principal payments on Term Debt and lease payments on capital leases over the next Quarter or 12-month period, as applicable;
- (q) **"Disputed Amounts"** has the meaning set forth in Section 2.3(e)(iii);
- (r) **"Distributions"** means (i) the payment or declaration of any dividend (or distribution in case of a partnership or trust); (ii) the purchase, redemption or other acquisition or retirement of any capital stock (including the premium paid); (iii) the change in subordinated loans or advances from the shareholders, partners, directors, or other related entities; and (iv) the change in loans or advances to the shareholders, partners, directors, or other related entities;
- (s) **"Effective Date"** has the meaning set forth in the preambles;
- (t) **"Facility"** means an asphalt shingle recovery and reprocessing facility other than the Reference Facility owned and operated by a Grantor Affiliated Entity;
- (u) **"FCCR"** means, with reference to the financial statements of the Reference Facility, a fixed charge coverage ratio of (A) Adjusted EBITDA annualized, based on year-to-date results, for a Quarter or financial year, as applicable, less (i) annualized current income taxes during such period taken from the financial statements for the applicable period, (ii) Unfunded Capital Expenditures incurred during such period, and (iii) the portion of the Royalty Interest allocated for such period that is remitted to the Royalty Owner pursuant to Section 2.3(b); by (B) the sum of (i) Current Portion of Term Debt, and (ii) the Interest Expenses for a twelve-month period;
- (v) **"Final Quarter"** has the meaning set forth in Section 2.3(a);

- (w) **"GAAP"** means international financial reporting standards as set forth from time to time in the CPA Canada Handbook – Accounting;
- (x) **"Grantor Affiliated Entities"** means Northstar, Grantor, Empower Environmental Solutions Calgary Ltd., Empower Environmental Solutions Ltd. and Empower Environmental Solutions Toronto West Ltd. and any other Person that is directly or indirectly Controlled by any of them;
- (y) **"Holdback Account"** means the account maintained by the Grantor to record all Quarterly Royalty Allocations that are not remitted in an applicable Interim Quarter;
- (z) **"Independent Accountant"** has the meaning set forth in Section 2.3(e)(iii);
- (aa) **"Intercreditor Agreement"** means the form of Intercreditor Agreement between the Royalty Owner and the Lenders substantially in the form attached as Schedule "A" hereto;
- (bb) **"Interim Quarter"** has the meaning set forth in Section 2.3(a);
- (cc) **"Interim Reference Facility Volumes Revenues"** has the meaning set forth in Section 2.3;
- (dd) **"Interest Expenses"** - means financial expenses (i.e., bank charges as well as interest on short-term and long-term debt, on Subordinated Debt, and on capital leases) as reflected in the statement of earnings;
- (ee) **"Legal Order"** has the meaning set forth in Section 8.2(d);
- (ff) **"Lender"** means: (i) the Business Development Bank of Canada; or (ii) any other Person that is not an Affiliate of Northstar, that provides senior project financing to Northstar or to Grantor providing first lien project financing;
- (gg) **"Non-Canadian Jurisdiction"** has the meaning set forth in Section 2.3(h);
- (hh) **"Notice of Acceptance"** has the meaning set forth in Section 5.4(b);
- (ii) **"Party"** means a party to this Agreement;
- (jj) **"Person"** means an individual, a partnership, a corporation, a trust, an unincorporated organization, a union, a joint venture, a governmental authority and the heirs, executors, administrators or other legal representatives thereof;
- (kk) **"Proposed Royalty Agreement"** has the meaning set forth in Section 5.4(a);
- (ll) **"Project Lands"** means the lands more particularly described in Schedule "B" hereto in which Grantor maintains an interest by virtue of freehold ownership or a project lease, and includes any additional lands, whether freehold or Crown lands, relating to the Reference Facility that Grantor or its Affiliates may, without duplication, acquire from time to time hereafter;
- (mm) **"Quarter"** means each three (3) month period during a calendar year, ending on March 31, June 30, September 30 and December 31;
- (nn) **"Quarterly Royalty Allocation"** has the meaning set forth in Section 2.3(a);

- (oo) **"Reference Facility"** means the asphalt shingle recovery and reprocessing facility located in ● and owned and operated by the Grantor or a Grantor Affiliated Entity, and all interests, rights, and assets associated with such project acquired or developed subsequent to the date hereof, including, from time to time, Grantor's interest in any expansion phases;
- (pp) **"Reference Facility Volumes Revenues"** means all gross revenues booked by the Grantor including, but not limited to, revenues received from:
- (i) liquid asphalt sales, asphalt shingle tipping fees, aggregate fees, fiber fees upon delivery of product to a customer and/or performing service for a customer in a Quarter;
 - (ii) environmental attributes and emissions credits sold at the Reference Facility in a Quarter;
- but excluding revenue from any government grant or analogous form of non-recurring government-based financial assistance;
- (qq) **"Reference Facility Volumes"** means, for any Quarter, the actual annualized amount, measured in tonnes, of asphalt shingles recovered and reprocessed at the Reference Facility;
- (rr) **"Required Disclosure"** has the meaning set forth in Section 8.7(a);
- (ss) **"Resolution Period"** has the meaning set forth in Section 2.3(e)(ii);
- (tt) **"Review Period"** has the meaning set forth in Section 2.3(e)(i);
- (uu) **"Royalty Interest"** has the meaning set forth in Section 2.1;
- (vv) **"Royalty Notice"** has the meaning set forth in Section 5.4(a);
- (ww) **"Royalty Payment Obligations"** means the payment by Grantor to the Royalty Owner of all amounts payable on account of the Royalty Interest less any applicable withholding taxes;
- (xx) [REDACTED]
- (yy) **"Statement of Objections"** has the meaning set forth in Section 2.3(e)(ii);
- (zz) [REDACTED] [Commercially sensitive information redacted.]
- (aaa) **"Subordinated Debt"** means debt with or without a convertible feature and with or without a variable return that normally ranks behind that of the senior secured Lenders but does not include the value of any Royalty Interest or Holdback Account. Depending on the structure, the instrument of return may include interest, fixed/variable bonuses, royalties, bonus equity, warrants, or dividends;
- (bbb) **"Tax Treaty"** has the meaning set forth in Section 2.3(h);
- (ccc) **"Term"** has the meaning set forth in Section 7.1;
- (ddd) **"Term Debt"** means the sum of the long-term debt, the Subordinated Debt, and the capital leases including the current portion to be paid over the next 12 months; plus the redemption amount of

shares redeemable at the holder's option, or shares subject to a formal redemption agreement, and, for greater certainty, not including any current portion of any Royalty allocations;

- (eee) **"Third Party"** means a Person other than a Party or an Affiliate of a Party;
- (fff) **"Unfunded Capital Expenditures"** - means, with respect to a Quarter or financial year, as applicable, the aggregate of all Capital Expenditures incurred less the sum of (i) net cash proceeds generated from the sales of tangible and intangible assets, (ii) issuance of net new Term Debt, and (iii) issuance of new equity; and
- (ggg) **"Volumes Milestone"** has the meaning set forth in the Convertible Debenture Agreement.

1.2 Interpretation

Unless otherwise stated or the context otherwise requires, in this Agreement:

- (a) a reference to any agreement or instrument, including this Agreement, is a reference to the agreement or instrument as varied, amended, modified, or supplemented or replaced from time to time;
- (b) the terms "in writing" or "written" include printing, typewriting or facsimile transmission;
- (c) a reference to a statute is a reference to: (i) such enactment as amended or re-enacted from time to time and every statute that may be substituted therefor; and (ii) the regulations, bylaws or other subsidiary legislation made pursuant to such statute as amended or restated from time to time;
- (d) words importing the singular number only include the plural and vice versa, and words importing the use of any gender include all genders;
- (e) if a term is defined in the body of this Agreement, a derivative of that term shall have a corresponding meaning;
- (f) "including" and "includes" mean "including without limitation" and "includes without limitation";
- (g) the headings of Articles, Sections and subsections are for convenience of reference only and shall not affect the construction or interpretation of this Agreement; and
- (h) a reference to an Article, Section, subsection, paragraph or Schedule is a reference to an Article, Section, subsection, paragraph or Schedule of or to this Agreement.

1.3 Joint and Several Liability

All obligations in this Agreement designated as being obligations of Grantor or Northstar or either one of them, including all representations and warranties, covenants and payment obligations of Grantor and Northstar, are joint and several obligations of each of them and each of them will, as a separate and independent obligation, perform each such obligation as primary obligor.

1.4 Schedules

The following Schedules are attached hereto, incorporated into and made a part of this Agreement:

Schedule "A":	Form of Intercreditor Agreement
Schedule "B":	Project Lands
Schedule "C":	
Schedule "D":	Calculation of FCCR
Schedule "E":	Illustrative Example Calculation of FCCR

ARTICLE 2 ROYALTY INTEREST

2.1 Grant

In consideration of the purchase price equal to the Conversion Amount, paid by way of surrender of the applicable portion of its entitlement to principal and interest otherwise payable under the Convertible Debenture by the Royalty Owner to the Grantor for cancellation, Grantor hereby gives and grants to the Royalty Owner, effective as of the Effective Date, a royalty in and to, and in relation to, the Reference Facility Volumes Revenues resulting from the operation of the Reference Facility, quantified as ●% for the Term of the Reference Facility Volumes Revenues (the "**Royalty Interest**"), in each case without any deductions of any kind whatsoever including any deductions for capital and operating expenditures related to the construction, operation or maintenance of the Reference Facility. The Royalty Interest shall be calculated and paid by Grantor to the Royalty Owner pursuant to the provisions of Section 2.3.

2.2 Interest in Project Lands

Subject to the terms and conditions of any applicable lease agreement and the rights of any landlord in relation to the Project Lands, the Parties intend that the Royalty Interest will constitute an interest in, and in relation to, the Project Lands, and shall be a covenant running with the Project Lands during the Term, and the Parties hereby acknowledge and confirm that such is their stated intention and understanding. The Royalty Owner, however, shall not have or claim any incidents of the fee simple ownership in the Project Lands, which incidents include: (a) subject to Section 3.2, the right to enter the facilities on the Project Lands; (b) the right to execute leases, operating agreements, or similar instruments with respect to the Project Lands; (c) the right to share in bonus payments made as the consideration for the execution of leases or other instruments; and (d) except as expressly provided herein, the right to participate in any manner in the decisions concerning, or the conduct of, operations on the Project Lands.

2.3 Calculation and Payment of Royalty Interest

- (a) Subject to adjustments and holdbacks as provided in Section 2.3(c), Grantor shall allocate to the Royalty Owner, on or before the 30th day after the end of each Quarter ending March 31, June 30 and September 30 (the "**Interim Quarters**") and on or before the 90th day after the Quarter ending December 31 (the "**Final Quarter**") in the Term (each such period referred to herein as the "**Allocation Deadline**"), an amount, for such preceding Quarter, equal to ~~3~~ ~~3~~ ~~3~~ % in respect of the Reference Facility Volumes Revenues received by Grantor during such preceding Quarter (the "**Quarterly Royalty Allocation**").
- (b) On or before the relevant Allocation Deadline, the Grantor shall provide the Royalty Owner, with a quarterly statement showing:
 - (i) the quantity of the Reference Facility Volumes for the Quarter;

- (ii) the Reference Facility Volumes Revenues for the Reference Facility in the preceding Interim Quarter (the "**Interim Reference Facility Volumes Revenues**") and the Reference Facility Volumes Revenues earned from the Reference Facility in the financial year ending on the Final Quarter (each statement to include a breakdown from each revenue stream including but not limited to asphalt sales, asphalt shingle tipping fees, aggregate sales, fiber sales and environmental attributes and emissions credits sold);

[Commercially sensitive information redacted.]

prepared in accordance with GAAP applied using the same accounting methods, practices, principles, policies and procedures, with consistent classifications, judgments and valuation and estimation methodologies that were used in the preparation of the annual financial statements of the Reference Facility for the most recent financial year end. The Annual RFVR Statement will be subject to examination and review in accordance with the following procedures:

- (i) **Examination.** After receipt of the Annual RFVR Statement, Royalty Owner shall have twenty (20) Business Days (the "**Review Period**") to review the Annual RFVR Statement. During the Review Period, Royalty Owner and Royalty Owner's Accountant shall have full access to the books and records of Northstar, the personnel of, and work papers prepared by, Northstar or Northstar's Accountant, or both, to the extent that they relate to the Annual RFVR Statement for the purpose of reviewing the Annual RFVR Statement and to prepare a Statement of Objections (defined below), *provided that* such access shall be in a manner that does not interfere with the normal business operations of Northstar or the Grantor.
- (ii) **Objection.** On or before the last day of the Review Period, Royalty Owner may object to the Annual RFVR Statement by delivering to Northstar a written statement setting forth Royalty Owner's objections in reasonable detail, indicating each disputed item or amount and the basis for Royalty Owner's disagreement therewith (the "**Statement of Objections**"). If Royalty Owner fails to deliver the Statement of Objections before the expiration of the Review Period, the Annual RFVR Statement and the Holdback Account reflected in the Annual RFVR Statement shall be deemed to have been accepted by Royalty Owner. If Royalty Owner delivers the Statement of Objections before the expiration of the Review Period, Northstar and Royalty Owner shall negotiate to resolve such objections within 10 Business Days after the delivery of the Statement of Objections (the "**Resolution Period**"), and, if the same are so resolved within the Resolution Period, the Annual RFVR Statement and the Holdback Account, with such changes as may have been previously agreed in writing by Northstar and Royalty Owner, shall be final and binding.
- (iii) **Resolution of Disputes.** If Royalty Owner and Northstar fail to reach an agreement with respect to all of the matters set forth in the Statement of Objections before expiration of the Resolution Period, then any amounts remaining in dispute ("**Disputed Amounts**" and any amounts not so disputed, the "**Undisputed Amounts**") shall be submitted for resolution to the office of [NAME OF INDEPENDENT ACCOUNTANT] or, if [NAME OF INDEPENDENT ACCOUNTANT] is unable to serve, Northstar and Royalty Owner shall appoint by mutual agreement the office of an impartial nationally recognized firm of independent chartered professional accountants other than Royalty Owner's accountant or Northstar's accountant (the "**Independent Accountant**") who, acting as an expert and not as an arbitrator, shall resolve the Disputed Amounts only and make any adjustments to the Holdback Account and the Annual RFVR Statement. The Parties hereto agree that all adjustments shall be made without regard to materiality. The Independent Accountant shall only decide the specific items under dispute by the Parties and its decision for each Disputed Amount must be within the range of values assigned to each such item in the Annual RFVR Statement and the Statement of Objections, respectively.
- (iv) **Fees of the Independent Accountant.** The fees and expenses of the Independent Accountant shall be paid by Royalty Owner, in the event the actual amount awarded is less than five percent (5%) of the Annual Reference Facility Volumes Revenues or by Northstar, in the event the actual amount awarded is greater than five percent (5%) of the Annual Reference Facility Volumes Revenues.

- (v) **Determination by Independent Accountant.** The Independent Accountant shall make a determination as soon as practicable within 15 Business Days (or such other time as the Parties hereto shall agree in writing) after its engagement, and its resolution of the Disputed Amounts and its adjustments to the Annual RFVR Statement and the Holdback Account shall be conclusive and binding upon the Parties hereto.
- (vi) **Payments of Royalty Payment Obligations Adjustment.** Except as otherwise provided herein, any payment hereunder shall (A) be due (x) within five Business Days of acceptance of the applicable Annual RFVR Statement, or (y) if there are Disputed Amounts, then within five Business Days of the resolution described in Section 2.3(e)(iii); and (B) be paid by wire transfer of immediately available funds to such account as is directed by Grantor or Royalty Owner, as the case may be. The amount of any such payments shall not bear interest.
- (f) Royalty payments will be paid in Canadian dollars by way of direct wire transfer of immediately available funds to the account of Royalty Owner as Royalty Owner shall designate from time to time for this purpose.
- (g) All payments made to Royalty Owner under this Agreement attributable to a Reference Facility located in a Non-Canadian Jurisdiction will be subject to any applicable withholding or deductions for taxes and no gross up or other adjustments will be made in respect of such payments. The Royalty Owner shall indemnify the Grantor for any such taxes owing during the term of this Agreement.
- (h) In the event that any royalty payment under this Agreement is sourced from a country other than Canada (a "**Non-Canadian Jurisdiction**") as determined for purposes of the tax legislation of Canada or the Non-Canadian Jurisdiction having regard to such legislation and the effect of any applicable international tax treaty or convention (a "**Tax Treaty**"), or if any royalty payment under this Agreement is determined by the taxing authorities of Canada or a Non-Canadian Jurisdiction to be sourced from a Non-Canadian Jurisdiction, in either case with the result that the Grantor shall be or become subject to an obligation to withhold or remit to an applicable taxing authority any amount from any royalty payment under this Agreement, then subject to applicable law, upon the Grantor receiving notice of such determination, the Grantor will:
 - (i) give notice of such determination to the Royalty Owner,
 - (ii) provide the Royalty Owner with the opportunity to contest such claim, and
 - (iii) cooperate reasonably with the Royalty Owner in obtaining written confirmation of the entitlement of the Royalty Owner to the benefit of any applicable Tax Treaty which may reduce or eliminate the imposition of such obligation to withhold or remit.

ARTICLE 3 RIGHT TO AUDIT

3.1 Examination of Records

The Royalty Owner shall have the right, not more than twice in each calendar year of the Term and at the Royalty Owner's sole cost, to audit the records of Grantor insofar as they relate to any matter or items required to determine the accuracy of any statements rendered or payments made with respect to the Royalty Interest for the most recently completed financial year. Such books, records,

vouchers, agreements and accounts maintained by Grantor shall be open to inspection during business hours by an officer, agent, employee or other person appointed or authorized by the Royalty Owner, in writing, to examine the same so long as such officer has signed a customary confidentiality agreement to be provided by Grantor.

3.2 Right to View Operations

The Royalty Owner shall also have the right (which may be exercised through employees or agents) upon giving reasonable notice (which shall not be less than 48 hours) to enter at its sole cost, risk and expense upon the Project Lands once every six months to view operations at the Reference Facility, provided that such parties have signed: (i) a customary confidentiality agreement; and (ii) a waiver of liability prior to gaining access to the Reference Facility. The Royalty Owner shall not obstruct or impede any operations at the Reference Facility and shall be accompanied by a representative of Grantor during the site visit. The Royalty Owner will save Grantor harmless from all actions and be responsible for all damages and/or claims resulting from the Royalty Owner entering onto the Project Lands except where such damages and/or claims arise as a result of the gross negligence and/or wilful misconduct of Grantor.

ARTICLE 4 LIEN

4.1 Royalty Owner Lien

- (a) Grantor hereby grants to and in favour of the Royalty Owner a lien and security interest in the Reference Facility, the Project Lands and the Reference Facility Volumes Revenues from time to time (the "**Lien**") to secure the Royalty Payment Obligations of Grantor to the Royalty Owner, subject to the following:
 - (i) promptly upon the request of Grantor, the Royalty Owner agrees to enter into the Intercreditor Agreement to evidence the terms upon which the Lien and the Royalty Payment Obligations shall be subordinated to the rights of the Lenders that have a lien and security interest upon Grantor's interest in the Reference Facility, the Project Lands or any other assets of Grantor or Northstar from time to time in connection with any financing provided by such Lenders to Grantor or Northstar in respect of the Reference Facility ;
 - (ii) the Lien shall not operate to release Grantor from personal liability for monies due to the Royalty Owner; and
 - (iii) the Royalty Owner agrees that the Lien may not be registered until the Lenders referred to in Section 4.1(a)(i) have made prior registrations or, if registered, that the Royalty Owner shall promptly grant registrable postponements on request of the Lenders or Grantor.
- (b) Grantor covenants and agrees that the aggregate amount of advances from all Lenders pursuant to any financing provided by any Lenders to Grantor in respect of the Reference Facility shall not exceed seventy-five percent (75%) of the direct capital cost of the Reference Facility.
- (c) Grantor covenants and agrees not to make any Distributions unless and until there is no outstanding balance in the Holdback Account. Grantor and Northstar further covenant and agree to use commercially reasonable efforts to ensure that any project financing agreement or arrangements in respect of the Reference Facility shall include cash flow waterfall terms which provide that Grantor

is entitled to make all payments to the Royalty Owner in respect of the Royalty Interest before any payments or other Distributions may be made.

ARTICLE 5 ASSIGNMENT

5.1 Assignment by Grantor

- (a) Subject to Section 5.1(b), Grantor shall be entitled to assign all or any portion of its interest in this Agreement in conjunction with the sale of its interest in all or a corresponding portion of the Reference Facility with the prior written consent of the Royalty Owner, not to be unreasonably withheld, provided that the assignee agrees with the Royalty Owner and Grantor to be bound by the terms and conditions of this Agreement and delivers to the Royalty Owner a written undertaking evidencing the same. Subject to compliance with the foregoing, following such assignment, Grantor shall be relieved of all further obligations under this Agreement with respect to the interest it has assigned.
- (b) Grantor shall be entitled to assign all or any portion of its interest in this Agreement to an Affiliate in conjunction with the sale of its interest in all or a corresponding portion of the Reference Facility to such Affiliate without the consent of the Royalty Owner, provided that the assignee agrees with the Royalty Owner and Grantor to be bound by the terms and conditions of this Agreement and delivers to the Royalty Owner a written undertaking evidencing the same. Subject to compliance with the foregoing, following such assignment, Grantor shall be relieved of all further obligations under this Agreement with respect to the interest it has assigned.
- (c) Grantor shall not be entitled to sell, assign, transfer or convey all or any portion of its interest in the Reference Facility without assigning, in conjunction with such sale, assignment, transfer or conveyance, a corresponding interest in this Agreement.

5.2 Assignment by Royalty Owner

The Royalty Owner shall be entitled to assign its interest in the Royalty Interest and in this Agreement with the prior written consent of the Grantor, not to be unreasonably withheld, provided. (a) the Royalty Owner, Northstar, the Grantor and the assignee have agreed on which single entity will be entitled to the ROFR/ROFN provisions of Section 5.4 and Section 5.5 of this Agreement and (b) that the assignee agrees with the Royalty Owner and Grantor to be bound by the terms and conditions of this Agreement and delivers to the Grantor a written undertaking evidencing the same. Subject to compliance with the foregoing, following such assignment, Royalty Owner shall be relieved of all further obligations under this Agreement with respect to the interest it has assigned.

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■ [REDACTED]

■ [REDACTED]

■ [REDACTED]

5.4 Right of First Refusal [Commercially sensitive information redacted.]

- (a) Prior to a Grantor Affiliated Entity entering into a royalty, streaming or analogous agreement (a "**Proposed Royalty Agreement**") pursuant to which a Third Party will acquire a royalty or streaming interest from a Grantor Affiliated Entity in respect of any Facility, such Grantor Affiliated Entity shall provide the Royalty Owner with written notice (the "**Royalty Notice**") which shall include:
- (i) a summary of the principal terms and conditions of such proposed arrangement, including a description of the proposed Facility that will be subject thereto and the royalty that may be acquired by such Third Party and the identity of the Third Party;
 - (ii) the form of proposed definitive royalty agreement that will give effect to the Proposed Royalty Agreement;
 - (iii) Any information reasonably requested by the Royalty Owner to assess the economic and market viability of the proposed royalty and Facility.
- (b) The Royalty Owner shall have 45 Business Days after receipt of the Royalty Notice to exercise its preferential right and may elect, upon written notice to the applicable Grantor Affiliated Entity (a "**Notice of Acceptance**"), to participate in such Proposed Royalty Agreement to the exclusion of any Third Party participant by agreeing to assume the same terms and conditions as specified in the Royalty Notice.
- (c) Following delivery by the Royalty Owner of a Notice of Acceptance, the Parties shall forthwith finalize a definitive royalty agreement in substantially the form of, and including the terms and conditions specified in, the Royalty Notice provided by the applicable Grantor Affiliated Entity.
- (d) If the Royalty Owner elects, or is deemed to have elected, not to exercise its right of first refusal, the applicable Grantor Affiliated Entity shall be free to enter into a definitive agreement with any Third Party for a period of one year following the delivery of the Royalty Notice, in its sole discretion in respect of the royalty opportunity, provided that, the terms and conditions agreed to by a Grantor Affiliated Entity with any such Third Party shall be no more favourable to such Third Party than those initially offered to the Royalty Owner in the applicable Royalty Notice.

- (e) If the proposed Royalty described in the Royalty Notice did not occur within the period referenced in Section 5.4(d), the provisions of this Section 5.4 will thereafter apply to any subsequent Proposed Royalty Agreement.
- (f) This Section 5.4 shall terminate and have no effect after the occurrence of five transactions resulting in any Facility being financed with a royalty, streaming or analogous arrangement (not counting the initial royalty transactions contemplated for Empower 2, Empower 3 or Empower 4, as defined in and contemplated in Article 7 of the Convertible Debenture Agreement) reasonably anticipated to yield proceeds of at least \$ [REDACTED] [Redacted - Commercially sensitive information.]
- (g) After the termination of this Section 5.4, the provisions of Section 5.5 shall apply.

5.5 Right of First Negotiation

- (a) For the period commencing on the termination of Section 5.4 and surviving the termination of this Agreement (the "**ROFN Period**") a Grantor Affiliated Entity shall not, directly or indirectly through an affiliate, enter into negotiations or consummate any transaction relating to a Proposed Royalty Agreement for any Facility with any Person other than the Royalty Owner or an Affiliate of the Royalty Owner (a "**Third-Party Transaction**") except in compliance with the terms and conditions of this Section 5.5.
- (b) During the ROFN Period, the Grantor Affiliated Entity shall notify the Royalty Owner of its desire to engage in exclusive good faith negotiations with the Royalty Owner to reach agreement on a Proposed Royalty Agreement in respect of a Facility by delivering a non-binding letter of intent describing the key terms and conditions of such Proposed Royalty Agreement (the "**ROFN Offer**") and the Grantor Affiliated Entity shall provide any information reasonably requested by the Royalty Owner to assess the economic and market viability of the proposed royalty and Facility. [REDACTED]

[Commercially sensitive information redacted.]

- (c) The rights of the Royalty Owner under Section 5.4 and Section 5.5 shall operate concurrently, and not cumulatively or consecutively, with respect to any ROFR or ROFN rights granted to the Royalty Owner or any of its Affiliates under the Convertible Debenture Agreement, any other Royalty Agreement (as defined in the Convertible Debenture Agreement) or any other similar agreement.

ARTICLE 6 LIABILITY AND INDEMNITY

6.1 Grantor's Liability and Indemnity Obligations

The Royalty Owner shall have no liability to any Person arising out of or connected with the operation of the Reference Facility or any activities conducted by or on behalf of Grantor in respect of the Reference Facility and Grantor shall indemnify and save the Royalty Owner, its directors, officers, agents and employees harmless from and against all actions, causes of action, proceedings, claims, demands, losses, costs, damages and expenses whatsoever, that may be brought against any of them or that any of them may suffer, sustain, pay or incur, insofar as they are a direct result of any act or omission

(whether negligent or otherwise) of Grantor with respect to operations or activities conducted by it or on its behalf, in respect of the Reference Facility . However, this indemnity will not apply to the extent that the particular act or omission was done or omitted to be done in accordance with the Royalty Owner's written instructions or written concurrence or its gross negligence.

6.2 Insurance

- (a) Grantor and its Affiliates are insured by insurers of recognized financial responsibility against such losses and risks and in such amounts as are prudent and customary in the businesses in which Grantor and its Affiliates are engaged. Should Grantor fail to take out or keep in force such insurance, the Royalty Owner shall have the right without assuming any obligation in connection therewith, to effect such insurance at the sole cost of the Royalty Owner.
- (b) Upon request, Grantor shall cause certificates of insurance to be provided on the insurers' standard forms, which shall be acceptable to the Royalty Owner, acting reasonably, or other proof of insurance as reasonably required by the Royalty Owner, to be delivered prior to the commencement date of such insurance or a reasonable amount of time post renewal.
- (c) Grantor agrees to add the Royalty Owner as a loss payee or an additional named insured within Grantor's liability insurance policy, pollution insurance policy, property insurance policy, and course of construction insurance policy, and each such policy shall contain a waiver of subrogation in favour of Royalty Owner and its Affiliates.

ARTICLE 7 TERM

7.1 Term

This Agreement and the Royalty Interest will continue to exist until the date the Reference Facility ceases operating (the "**Term**").

ARTICLE 8 MISCELLANEOUS

8.1 Arbitration

If any dispute, controversy or claim arises under or in connection with this Agreement that the Parties are unable to resolve by good faith negotiations, the dispute, controversy or claim shall be finally settled by a single arbitrator mutually agreed to by the Parties, pursuant to and in accordance with the provisions of the *Arbitration Act* (Alberta). If the Parties cannot mutually agree on a single arbitrator, each Party will select an arbitrator experienced in resolving disputes similar to the dispute in question, and those two arbitrators will select a third arbitrator, which third arbitrator shall serve as chair of the arbitration. Either Party may initiate the arbitration by providing notice thereof to the other Party. The decision of the arbitrator(s) shall be given in writing and shall be final and binding on the Parties and shall deal with questions of the costs of the arbitration and all matters related thereto.

8.2 Confidentiality

- (a) "**Confidential Information**" means all non-public or proprietary information, data, documents, agreements, files, and other materials regarding or concerning and treated as confidential by any of the Grantor Affiliated Entities, whether disclosed orally or disclosed, stored, or accessed in written,

electronic, or other form or media, and whether or not marked, designated, or otherwise identified as "confidential", including that portion of all analyses, notes, compilations, reports, forecasts, studies, samples, statistics, summaries, interpretations, and other documents prepared by the Royalty Owner or its representatives which contain or otherwise reflect or are generated from such information, data, documents, agreements, files, or other materials, including, without limitation:

- (i) information concerning the Grantor Affiliated Entities' past, present, and future business affairs including, without limitation, finances, supplier information, services, buyer information, products, organizational structure, and internal practices, forecasts, sales, and other financial results, records and budgets, and business, marketing, development, sales, and other commercial strategies;
 - (ii) unpatented inventions, ideas, methods and discoveries, trade secrets, know-how, software programs, unpublished patent applications, and other confidential intellectual property;
 - (iii) designs, specifications, documentation, components, source code, object code, computer chips, images, icons, audiovisual components and objects, schematics, drawings, protocols, processes, and other visual depictions, in whole or in part, of any of the foregoing;
 - (iv) any Third-Party confidential information included with, or incorporated into, any information provided by a Grantor Affiliated Entity included with, or incorporated in, any information provided by a Grantor Affiliated Entity to the Royalty Owner or its representatives; and
 - (v) other information that would reasonably be considered non-public, confidential, or proprietary given the nature of the information and the Grantor Affiliated Entities' business.
- (b) The term "Confidential Information" as used herein shall not include information that, at the time of disclosure:
- (i) is, or thereafter becomes, generally available to and known by the public other than as a result of its disclosure, directly or indirectly, in breach of this Section 8.2 by the Royalty Owner or any of its representatives;
 - (ii) is, or thereafter becomes, available to the Royalty Owner or its representatives on a non-confidential basis from a Third-Party source, provided that such source was not prohibited from disclosing such Confidential Information to the Royalty Owner or its representatives by a legal, contractual, or fiduciary obligation;
 - (iii) was already known by or in the possession of the Royalty Owner or its Representatives, as established by documentary evidence, prior to being disclosed by or on behalf of the Grantor Affiliated Entities; or
 - (iv) has been independently developed by the Royalty Owner, as established by documentary evidence, without reference to or use of, in whole or in part, any of the Grantor Affiliated Entities' Confidential Information.
- (c) The Royalty Owner acknowledges and agrees that it may gain access to or become familiar with the Grantor Affiliated Entities' Confidential Information. Except as set forth in Section 8.2(d), the

Royalty Owner, as the receiving Party of the Grantor Affiliated Entities' Confidential Information, shall:

- (i) protect and safeguard the confidentiality of the Grantor Affiliated Entities' Confidential Information with at least the same degree of care as the Royalty Owner would protect its own Confidential Information, but in no event with less than a commercially reasonable degree of care;
- (ii) not use the Grantor Affiliated Entities' Confidential Information, or permit it to be accessed or used, for any purpose other than to perform its obligations under this Agreement, or otherwise in any manner to the Grantor Affiliated Entities' detriment, including without limitation, to reverse engineer, disassemble, decompile, or design around the Grantor Affiliated Entities' proprietary services, products, processes and/or confidential intellectual property;
- (iii) without the prior written consent of Northstar, not disclose any such Confidential Information to any person or entity, except to the Royalty Owner's representatives who:
 - (A) need to know the Confidential Information to assist the Royalty Owner, or act on its behalf, in exercising its rights or performing its obligations under this Agreement;
 - (B) are informed by the Royalty Owner of the confidential nature of the Confidential Information; and
 - (C) are subject to confidentiality duties or obligations to the Royalty Owner that are no less restrictive than the terms and conditions of this Agreement; and
- (iv) be responsible for any breach of this Section 8.2 caused by any of its representatives.
- (d) If the Royalty Owner or any of its representatives is required to disclose the Grantor Affiliated Entities' Confidential Information by law, regulation, rule or a valid order issued by a court or regulatory, or governmental authority of competent jurisdiction (a "**Legal Order**"), the Royalty Owner shall first make commercially reasonable efforts to provide the Northstar with:
 - (i) to the extent legally permitted, prompt written notice of such requirement so that the Grantor Affiliated Entities may seek, at their sole cost and expense, an appropriate protective order or other remedy; and
 - (ii) reasonable assistance, at the Grantor Affiliated Entities' sole cost and expense, in opposing such disclosure or seeking a protective order or other limitations on disclosure.

If, after providing such notice and assistance as required herein, such protective order or other remedy is not obtained, the Royalty Owner or such representative of the Royalty Owner to whom such requirement is directed, will furnish only that portion of the Confidential Information which is legally required to be disclosed and, upon Northstar's request, use its best reasonable efforts to preserve the privileged nature or confidentiality of the Confidential Information and obtain assurances that confidential treatment will be accorded the Confidential Information so disclosed.
- (e) Upon the expiration or termination of this Agreement, the Royalty Owner and its representatives shall promptly, and in any event no later than five Business Days after the request, return to the

Grantor Affiliated Entities all of the Grantor Affiliated Entities' Confidential Information (including all copies, extracts, notes, or other reproductions) whether in written, electronic, or other form or media, or destroy all such Confidential Information and copies, extracts, notes, or other reproductions thereof and certify in writing to Northstar that such Confidential Information has been destroyed. In addition, the Royalty Owner shall also destroy all copies of any notes created by the Royalty Owner or its representatives and certify in writing to Northstar that such copies of any notes have been destroyed. Notwithstanding the foregoing, the Royalty Owner may retain any copies of Confidential Information, regardless of whether such copies are in original form:

- (i) included in any materials that document a decision to terminate this Agreement;
- (ii) as may be required to comply with the Royalty Owner's internal record-keeping policies or any applicable federal, provincial, or local law, regulation, or regulatory authority to which it is subject; or
- (iii) that are maintained as archive copies on the Royalty Owner's disaster recovery and/or information technology backup systems. Such copies will be destroyed upon the normal expiration of the Royalty Owner's backup files.

Notwithstanding the return or destruction of the Confidential Information to the Grantor Affiliated Entities, the Royalty Owner and its representatives shall continue to be bound by the terms and conditions of Section 8.2 with respect to any such Confidential Information retained in accordance with this Section 8.2(e).

- (f) The Royalty Owner acknowledges and agrees that monetary damages would not be a sufficient remedy for any breach or threatened breach of Section 8.2 by Royalty Owner or its representatives. Therefore, in addition to all other remedies it may be entitled to or available at law (which the Grantor Entities do not waive by the exercise of any rights under this Section), the Grantor Affiliated Entities shall be entitled to specific performance and injunctive and other equitable relief as a remedy for any such breach or threatened breach, and the Parties hereby waive any requirement for the securing or posting of any bond or the showing of actual monetary damages in connection with such claim. The Royalty Owner further agrees that it will not oppose the granting of such relief on the basis that the Grantor Affiliated Entities have an adequate remedy at law and that it will pay any costs, fees, charges and expenses, including legal fees, that the Grantor Affiliated Parties may incur in enforcing the confidentiality provisions contained in this Section 8.2.

8.3 Further Assurances

Each of the Parties shall, without further consideration, execute, acknowledge and deliver such other instruments and shall take such other actions as may be necessary to carry out their respective obligations under this Agreement.

8.4 Governing Law and Submission to Jurisdiction

- (a) This Agreement shall, in all respects, be subject to and be interpreted, construed and enforced in accordance with, and the respective rights and obligations of the Parties shall be governed by, the laws of the Province of Alberta and the federal laws of Canada applicable in that province.
- (b) Subject to Section 8.1, each of the Parties hereby irrevocably and unconditionally (i) submits to the exclusive jurisdiction of the courts of the Province of Alberta, and all courts of appeal therefrom, over any action or proceeding arising out of or relating to this Agreement, (ii) waives any objection

that it might otherwise be entitled to assert to the jurisdiction of such courts and (iii) agrees not to assert that such courts are not a convenient forum for the determination of any such action or proceeding.

8.5 Time

Time shall be of the essence of this Agreement.

8.6 Notice

(a) The address for notices of each of the Parties shall be as follows:

(i) Grantor:

Northstar Clean Technologies Inc.
1110, 396 11 Ave SW
Calgary, AB T2R 0C5

Attention: Aidan Mills

Email: [REDACTED]

Personal information redacted.

With a copy to:

Attention: Kellie Johnston

Email: [REDACTED]

(ii) Royalty Owner:

CVW CleanTech Inc.

[REDACTED]

Attention: [REDACTED]

E-mail: [REDACTED]

With a copy to:

Attention: [REDACTED]

E-mail: [REDACTED]

(b) Any notice, consent, approval, determination or other communication to be given or sent to a Party pursuant to this Agreement shall be in writing and may be delivered to a Party at its address for service personally, by letter addressed to the Party to whom the notice is given, or by electronic mail conclusively deemed to have been validly given or received for the purposes of this Agreement if delivered personally, by mail or by electronic mail. Any such notice shall be deemed to be given to, and received by, the addressee: (i) on delivery, if personally delivered; (ii) five (5) Business Days after the mailing thereof, if mailed postage prepaid; or (iii) one (1) Business Day after the transmission, if delivered by electronic mail. If a notice is delivered by electronic mail, the Party receiving the electronic mail shall promptly, upon receipt of such electronic mail, acknowledge receipt thereof. Any such acknowledgment shall extend solely to the receipt of such electronic mail and shall not, without more, be construed as an acknowledgment of the contents thereof.

8.7 Public Announcements

- (a) Neither Northstar nor the Royalty Owner nor any of their Affiliates or representatives shall (orally or in writing) publicly disclose, issue any press release or make any other public statement, or communicate with the media, concerning the existence of this Agreement or the subject matter hereof, without the prior written approval of the other Party (which shall not be unreasonably withheld, conditioned or delayed), except if and to the extent that such Party (based upon the reasonable advice of counsel) is required to make any public disclosure or filing ("**Required Disclosure**") with respect to the subject matter of this Agreement:
- (i) by applicable law;
 - (ii) pursuant to any rules or regulations of any securities exchange on which the securities of such party or any of its Affiliates are listed or traded;
 - (iii) in connection with customary forward-looking financial guidance consistent with royalty industry practice that does not contain, and is not derived from or based on, any operational or financial information regarding or other material non-public information regarding the Reference Facility, the Grantor or Northstar that has not previously or concurrently been publicly disclosed by Northstar, and is consistent with the Party's obligations under applicable securities laws which prohibit any Person with material non-public information about an issuer from purchasing or selling securities of such issuer, or subject to certain limited exceptions, from communicating such information to any other Person; or
 - (iv) in connection with enforcing its rights under this Agreement.
- (b) In each case pursuant to clauses (i) or (ii) of this Section, the Party making any Required Disclosure shall make good faith efforts to consult with the other Party regarding the substance and timing of the Required Disclosure and provide the other Parties a reasonable opportunity (taking into account any legally mandated time constraints) to review and comment on the content of the Required Disclosure prior to its publication or filing.
- (c) Without limiting the foregoing, the Parties issue a joint press release in form and substance reasonably acceptable to each Party as promptly as practicable following the full execution and delivery of this Agreement.
- (d) Each Party shall be liable for any failure of its Affiliates or representatives to comply with the restrictions set forth under this Section.

8.8 Entire Agreement; Superseding

This Agreement sets out the entire agreement between the Parties and supersedes and replaces any and all prior agreements between the Parties relating to the subject matter hereof, and may be amended only by written instrument signed by all Parties.

8.9 Waiver Must be in Writing

Except as otherwise provided herein, only a written waiver by a Party of any breach (whether actual or anticipated) of any of the terms, conditions, representations or warranties contained herein will be effective or binding upon that Party. Any waiver so given will extend only to the particular breach waived and will not limit or affect any rights for any other or future breach.

8.10 Survival

Notwithstanding anything to the contrary contained in this Agreement, any and all rights, remedies, powers, obligations (including payment obligations) or other liabilities of the Parties arising under this Agreement or otherwise, at law or in equity, occurring or accruing prior to the termination of this Agreement, or of any provision of this Agreement, shall survive termination of this Agreement or of such provision as necessary until such obligations have been satisfied in full.

8.11 Amendment Must be In Writing

Amendments to this Agreement may only be in writing, executed by the Parties.

8.12 Enurement

This Agreement shall be binding upon and shall enure to the benefit of the Parties and their respective successors, receivers, receiver-managers, trustees and permitted assigns.

8.13 Counterpart Execution

This Agreement may be executed in one or more counterparts, each of which so executed shall constitute one and the same agreement. Counterparts may be delivered via facsimile, electronic mail (PDF attachment or any option that includes electronic signatures) or other transmission method, and any counterpart so delivered will be deemed to have been duly and validly delivered and be valid and effective for all purposes.

[remainder of page intentionally left blank]

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first above written.

NORTHSTAR CLEAN TECHNOLOGIES INC.

Per: _____
 Aidan Mills
 Chief Executive Officer

CVW CLEANTECH INC.

Per: _____


[NAME OF GRANTOR ENTITY]

 Aidan Mills
 Chief Executive Officer

This is the Execution Page to the Royalty Agreement dated ●, 2024 between Northstar Clean Technologies Inc., [NAME OF GRANTOR] and CVW CleanTech Inc.

SCHEDULE A
FORM OF INTERCREDITOR AGREEMENT

INTER-CREDITOR AGREEMENT

BETWEEN

**NORTHSTAR CLEAN TECHNOLOGIES INC., EMPOWER ENVIRONMENTAL SOLUTIONS
CALGARY LTD., and EMPOWER ENVIRONMENTAL SOLUTIONS LTD. [LIST ANY
ADDITIONAL NORTHSTAR ENTITIES HERE]**

as Borrower

AND

[]

as First Lien Holder

AND

**CVW CLEANTECH INC.
as Second Lien Holder**

MADE AS OF []

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INTER-CREDITOR AGREEMENT

THIS AGREEMENT is made as of [REDACTED]
BETWEEN:

**NORTHSTAR CLEAN TECHNOLOGIES INC., EMPOWER
ENVIRONMENTAL SOLUTIONS CALGARY LTD., and
EMPOWER ENVIRONMENTAL SOLUTIONS LTD.
[LIST ANY ADDITIONAL NORTHSTAR ENTITIES HERE]**
(hereinafter referred to as the "**Borrowers**"),

OF THE FIRST PART,

- and -

[REDACTED], in its capacity as lender under the Credit Agreement (including its successors and assigns in such capacity, hereinafter referred to as the "**First Lien Holder**"),

OF THE SECOND PART,

- and -

CVW CLEANTECH INC. (including its successors and assigns in such capacity, hereinafter referred to as the "**Second Lien Holder**"),

OF THE THIRD PART.

WHEREAS pursuant to the Credit Agreement, the Borrower may from time to time have First Lien Obligations owing to the First Lien Holder under, pursuant or relating to the First Lien Documents;

AND WHEREAS the Second Lien Holder and the Borrower are parties to the Second Lien Documents;

AND WHEREAS the parties hereto have agreed to enter into this Agreement, *inter alia*, to establish the priority and ranking of the First Lien Security ahead of the Second Lien Security with respect to the Collateral, and the Second Lien Security ahead of the First Lien Security with respect to the Second Lien Assets;

AND WHEREAS it is a condition precedent under certain of the First Lien Documents that the parties hereto execute and deliver this Agreement;

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby conclusively acknowledged by each of the parties hereto, the parties hereto covenant and agree as follows:

ARTICLE 1 **INTERPRETATION**

1.1 Definitions

(1) In this Agreement, unless something in the subject matter or context is inconsistent therewith:

"Agreement" means this agreement, as the same may be amended, modified, supplemented or restated from time to time in accordance with the provisions hereof.

"Banking Day" means a day on which banks are open for commercial business in New York, New York, Toronto, Ontario and Calgary, Alberta, but does not in any event include a Saturday or Sunday.

"Collateral" means all of the property, assets, undertakings, rights and interests of the Borrower and which, for greater certainty, does not include any of the Second Lien Assets.

"Convertible Debenture Agreement" means the convertible debenture agreement dated [] between Second Lien Holder and Borrower.

"Credit Agreement" means, collectively, the credit facility documents made as of [] between the Borrower and the First Lien Holder.

"Creditors" means, collectively, the First Lien Holder and the Second Lien Holder.

"Creditor Proceedings" means:

- (a) any dissolution, winding-up, total or partial liquidation, adjustment or readjustment of debt, reorganization, compromise, arrangement with creditors, plan of arrangement, proposal, filing of a notice of intention to make a proposal or similar proceedings under Insolvency Laws of or with respect to the Borrower or its property or liabilities, in each case under any Insolvency Law;
- (b) any dissolution, winding-up, total or partial liquidation, adjustment or readjustment of debt, reorganization, compromise, arrangement with creditors, plan of arrangement or similar proceedings under the arrangement provisions of any applicable corporate law (in any case which involves the alteration, amendment, conversion, compromise, satisfaction or discharge of obligations of any or all creditors) of or with respect to the Borrower or its property or liabilities;
- (c) any bankruptcy, insolvency, receivership, interim receivership, petition or assignment in bankruptcy, or assignment for the benefit of creditors under any Insolvency Laws of or with respect to the Borrower;
- (d) any marshalling of assets and liabilities of the Borrower under any Insolvency Laws; or
- (e) any proceedings, or the initiation of any proceedings, in relation to any of the foregoing,

whether any of the foregoing is voluntary or involuntary, partial or complete, and includes any such proceedings initiated or consented to by the Borrower.

"First Lien Documents" means, [collectively, the "Loan Documents" and "Security"] under and as defined in the Credit Agreement.

"First Lien Obligations" means any and all obligations of Borrower under and as defined in the Credit Agreement, [including for certainty any obligations under hedging arrangements entered into pursuant thereto.]

"First Lien Security" means, as the context requires:

- (a) all assignments, mortgages, debentures, pledges, guarantees, control agreements, deeds of trust and other security agreements of whatsoever kind now, heretofore, or hereafter executed and delivered by the Borrower in favour of any or all of the First Lien Holder or now, heretofore, or hereafter existing as security on or against any Collateral in favour of

any or all of the First Lien Holder, in each case, which secure payment or performance of the First Lien Obligations;

- (b) the Security Interests, rights, interests and benefits created or arising pursuant to such assignments, mortgages, debentures, pledges, guarantees, control agreements, deeds of trust and other security agreements; or
- (c) the Collateral charged under or subject to such assignments, mortgages, debentures, pledges, guarantees, control agreements, deeds of trust and other security agreements.

"Governmental Authority" means any federal, provincial, state, regional, municipal or local government or any department, agency, board, tribunal or authority thereof or other political subdivision thereof and any entity or person exercising executive, legislative, judicial, regulatory or administrative functions of, or pertaining to, government or the operation thereof.

"Insolvency Laws" means the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada), the *Winding-up and Restructuring Act* (Canada) or any other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, reorganization, receivership, insolvency, arrangement or similar laws of Canada or any other applicable jurisdiction from time to time that have become applicable to the Borrower or any of its properties or liabilities.

"Obligations" means, collectively, the First Lien Obligations and the Second Lien Obligations.

"Plan" has the meaning set forth in Section 5.1.

"proceeds" has the meaning set forth in the *Personal Property Security Act* (Alberta) on the date hereof.

"Proposal" has the meaning set forth in Section 5.1.

"PPSAs" means the *Personal Property Security Act* (Alberta) and all other applicable personal property security acts or legislation now or hereafter enacted in any other applicable jurisdiction in which the relevant Collateral may be located.

"receiver" means a receiver, interim receiver or receiver and manager and includes any liquidator or similar official lawfully appointed with respect to all or a portion of the Collateral.

"Restricted Rights" has the meaning set forth in Section 2.2(1).

"Royalty Agreement" means the royalty interest agreement dated as of [REDACTED], 2024, between the Borrower and the Second Lien Holder.

"Security" means, collectively, the First Lien Security and the Second Lien Security.

"Security Interest" means mortgages, charges, pledges, hypothecs, assignments by way of security, conditional sales or other title retentions, security created under the *Bank Act* (Canada), liens, encumbrances, security interests or other interests in property, howsoever created or arising, whether fixed or floating, perfected or not, which secure payment or performance of an obligation and, including, in any event:

- (a) deposits or transfers of cash, marketable securities or other financial assets under any agreement or arrangement whereby such cash, securities or assets may be withdrawn, returned or transferred only upon fulfilment of any condition as to the discharge of any other indebtedness or other obligation to any creditor;
- (b) the rights of lessors under capital leases, operating leases and any other lease financing; and

- (c) absolute assignments of accounts receivable.

"Second Lien Assets" means the "Royalty Interest" under and as defined in the Royalty Agreement and any proceeds thereof, together with any other property or assets (present or future) owned by the Second Lien Holder which may be held by the Borrower.

"Second Lien Documents" means, collectively, the Convertible Debenture Agreement and the Royalty Agreement, the Second Lien Security referenced in subparagraph (a) of the definition thereof and all certificates, notices, instruments and other agreements or documents delivered or to be delivered by the Borrower to the Second Lien Holder pursuant to any of the foregoing and all other agreements, instruments or other documents which create, evidence, establish or relate to the Second Lien Obligations.

"Second Lien Obligations" means, collectively and at any time and from time to time, all present and future obligations, liabilities and indebtedness (absolute or contingent, matured or otherwise) of the Borrower to or in favour of the Second Lien Holder under the Convertible Debenture Agreement and to pay the Royalty Payment Obligations (as defined in the Royalty Agreement) under or pursuant to the Second Lien Documents and including all fees, legal and other costs, charges and expenses owing or payable thereunder and all costs, charges, expenses and liabilities incurred in connection with the enforcement of or realization upon any Second Lien Security.

"Second Lien Security" means, as the context requires:

- (a) all assignments, mortgages, debentures, pledges, guarantees, control agreements, deeds of trust and other security agreements of whatsoever kind now, heretofore, or hereafter executed and delivered by the Borrower in favour of the Second Lien Holder or now, heretofore, or hereafter existing as security on or against any Collateral in favour of the Second Lien Holder, in each case, which secure payment or performance of the Second Lien Obligations;
- (b) the Security Interests, rights, interests and benefits created or arising pursuant to such assignments, mortgages, debentures, pledges, guarantees, control agreements, deeds of trust and other security agreements (including, without limitation, the Security Interests created pursuant to the Royalty Agreement); or
- (c) the Collateral charged under or subject to such assignments, mortgages, debentures, pledges, guarantees, control agreements, deeds of trust and other security agreements.

(2) Unless something in the subject matter or context is inconsistent therewith, capitalized terms used herein without express definition shall have the same meanings ascribed thereto as are set forth in the Credit Agreement as in effect on the date hereof.

1.2 Headings; Articles and Sections

The division of this Agreement into Articles and Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. The terms "this Agreement", "hereof", "hereunder" and similar expressions refer to this Agreement and not to any particular Article, Section or other portion hereof and include any agreement supplemental hereto. Unless something in the subject matter or context is inconsistent therewith, references herein to Articles and Sections are to Articles and Sections of this Agreement.

1.3 Number; persons; including

Words importing the singular number only shall include the plural and vice versa, words importing the masculine gender shall include the feminine and neuter genders and vice versa, words importing persons shall include individuals, partnerships, associations, trusts, unincorporated organizations, corporations and other bodies corporate and Governmental Authorities and vice versa and words and terms denoting inclusiveness (such as "include" or "includes" or "including"), whether or not so stated, are not limited by their context or by the words or phrases which precede or succeed them.

1.4 References to Agreements and Enactments

Unless otherwise stated, references herein to any agreement, instrument, licence or other document shall be deemed to include reference to such agreement, instrument, licence or other document as the same may from time to time be amended, modified, supplemented or restated (including, for certainty, the Credit Agreement as supplemented from time to time pursuant to the addition of new debt representatives who have executed and delivered to the First Lien Holder a credit agreement joinder under and pursuant to the Credit Agreement); and reference herein to any enactment shall be deemed to include reference to such enactment as re-enacted, amended or extended from time to time and to any successor enactment.

ARTICLE 2 **PRIORITIES AND RANKING; ENFORCEMENT**

2.1 Priority of Security

(1) The Second Lien Security shall rank subordinate to and is hereby postponed to the First Lien Security with respect to all of the Collateral. The First Lien Security shall rank subordinate to and is hereby postponed to the Second Lien Security with respect to all of the Second Lien Assets.

(2) Any and all proceeds of realization from or relating to the enforcement of any Security against any and all of the Collateral shall be applied to the First Lien Obligations and Second Lien Obligations in the following order:

- (a) first, to the payment of costs, charges, expenses and liabilities incurred in connection with the enforcement of or realization upon any First Lien Security, including any reasonable legal fees on a full indemnity basis and all proper costs, charges, expenses and liabilities of any receiver or other person having similar power or authority appointed by the First Lien Holder (or the First Lien Holder on their behalf) or by a court of competent jurisdiction at the instance of the First Lien Holder (or the First Lien Holder on their behalf);
- (b) second, to the payment and satisfaction in full of the First Lien Obligations;
- (c) third, to the payment and satisfaction in full and in cash of all Second Lien Obligations; and
- (d) fourth, to the Borrower or such other persons as may be entitled thereto under applicable laws.

(3) Any and all proceeds of realization from or relating to the enforcement of any Security against any and all of the Second Lien Assets shall be applied to the First Lien Obligations and Second Lien Obligations in the following order:

- (a) first, to the payment of costs, charges, expenses and liabilities incurred in connection with the enforcement of or realization upon any Second Lien Security, including any reasonable legal fees on a full indemnity basis and all proper costs, charges, expenses and liabilities of any receiver or other person having similar power or authority appointed by the Second Lien Holder (or the Second Lien Holder on their behalf) or by a court of competent jurisdiction at the instance of the Second Lien Holder (or the Second Lien Holder on their behalf);
- (b) second, to the payment and satisfaction of the Second Lien Obligations;
- (c) third, to the payment and satisfaction in full and in cash of all First Lien Obligations; and
- (d) fourth, to the Borrower or such other persons as may be entitled thereto under applicable laws.

2.2 **Standstill**

(1) Until the First Lien Obligations are satisfied, the Second Lien Holder shall not (the following detailed in Sections 2.2(1)(a) to (c), inclusive, are collectively referred to herein as the "**Restricted Rights**"):

- (a) enforce or exercise, or seek to enforce or exercise, any remedies under any Second Lien Security or take any proceedings in connection therewith with respect to or to the extent it affects any of the Collateral;
 - (b) institute or commence, or join with any other person in instituting or commencing, any Creditor Proceedings or take any steps or proceedings in connection therewith with respect to or to the extent it affects any of the Collateral; or
 - (c) institute or commence any action or proceeding for the seizure, garnishment or execution against the Collateral as an unsecured creditor.
- (2) Notwithstanding Section 2.2(1), the Second Lien Holder may at any time:
- (a) file any proof of claim with respect to the Second Lien Obligations in a Creditor Proceeding;
 - (b) take any action in order to create, perfect, preserve or protect the Second Lien Security against the Collateral with the exception that the Second Lien Holder shall not take possession nor cause any person to take possession of any Collateral;
 - (c) file any necessary responsive or defensive pleadings in opposition to any motion, claim, adversary proceeding or other pleading made by any person objecting to or otherwise seeking the disallowance of the claims of the Second Lien Holder, including any claims secured by the Collateral, if any;
 - (d) file any pleadings, objections, motions or agreements which assert rights or interests available to unsecured creditors of the Borrower arising under any Insolvency Law or other applicable law, including claims in respect of the Second Lien Obligations, so long as (i) no Restricted Rights are commenced or exercised and (ii) no action or proceeding for the seizure, garnishment or execution against the Collateral (whether as a secured or an unsecured creditor) is instituted or commenced; or

- (e) institute or commence and enforce any action for the preservation or recovery of the Second Lien Assets; provided that the Second Lien Holder does not exercise any Restricted Rights in connection therewith.

2.3 Payments to be Held in Trust

If any money or proceeds or any payment or distribution of any property, assets or effects comprising the Collateral is received by Second Lien Holder in contravention to the order of priority set out in Section 2.1 including upon any payment or distribution to creditors in connection with any Creditor Proceedings, Second Lien Holder shall receive and hold the same in trust for the benefit of First Lien Holder and shall forthwith pay and transfer such money, proceeds, property, assets and effects to First Lien Holder (duly endorsed, if necessary, to First Lien Holder). If any money or proceeds or any payment or distribution of any property, assets or effects comprising the Second Lien Assets is received by First Lien Holder in contravention to the order of priority set out in Section 2.1, including upon any payment or distribution to creditors in connection with any Creditor Proceedings, Lender shall receive and hold the same in trust for the benefit of Second Lien Holder and shall forthwith pay and transfer such money, proceeds, property, assets and effects to Second Lien Holder (duly endorsed, if necessary, to Second Lien Holder). For greater certainty, no amounts will be released from trust or paid over to the Second Lien Holder at any time during which there are ongoing Creditor Proceedings other than amounts arising directly from the Second Lien Assets.

2.4 Insurance and Expropriation Proceeds

Any insurance proceeds or compensatory amounts to which the Borrower would otherwise be entitled in respect of expropriation, other forced disposition or sale to any expropriating authority under threat of expropriation shall be dealt with according to the provisions hereof as though such insurance proceeds or compensatory amounts were paid or payable as proceeds of disposition of the Collateral for which they compensate.

2.5 No Challenge or Hindrance; Actions to be Consistent with this Agreement

- (1) The Second Lien Holder shall not, in any manner:
 - (a) challenge, contest or bring into question the validity, priority, perfection or enforceability of any of the First Lien Security nor the validity or enforceability of any of the First Lien Documents or the First Lien Obligations (including any claim filed in respect thereof) nor cause or assist any other person to take any such action;
 - (b) take any action that would (i) limit, invalidate, avoid or set aside any First Lien Security or other First Lien Document or (ii) subordinate the priority of the First Lien Security to the Second Lien Security or grant the Second Lien Security equal ranking to the First Lien Security;
 - (c) take any action that would hinder, delay, limit, impede, restrict or prohibit any valid exercise of rights or remedies under the First Lien Documents, including any sale, lease, exchange, transfer or other disposition of the Collateral, whether by foreclosure, realization, enforcement or otherwise;
 - (d) contest, challenge, protest or object to any foreclosure, enforcement or realization proceeding or action brought by the First Lien Holder or any other exercise by the First Lien Holder of any rights and remedies relating to the Collateral under the First Lien

Documents or otherwise (so long as the Second Lien Security attaches to the proceeds of realization therefrom, subject to the priorities set herein, and such proceeding, action or other exercise of any rights and remedies by the First Lien Holder does not limit, invalidate, avoid or set aside any Second Lien Asset) and the Second Lien Holder hereby waives any and all rights it may have as a junior lien creditor or as an unsecured creditor to object to the manner in which the First Lien Holder seek to enforce or collect the First Lien Obligations or the First Lien Security (so long as the Second Lien Security attaches to the proceeds of realization therefrom, subject to the priorities set herein), regardless of whether any failure to act by the First Lien Holder is adverse to the interests of the Second Lien Holder; or

- (e) contest, challenge, protest or object to the forbearance by the First Lien Holder from bringing or pursuing any foreclosure, enforcement or realization proceeding or action or any other exercise of any rights or remedies under the First Lien Documents or relating to the Collateral, provided that the First Lien Holder is pursuing such proceeding, action or exercise, as the case may be, in a prudent manner.

(2) In addition to and without limiting the foregoing, the Second Lien Holder covenants that it shall act in a manner consistent with and so as to give effect to the terms and conditions of this Agreement, including with respect to the filing of any proof of claim in any Creditor Proceedings applicable to the Borrower. Without limiting the foregoing, if, in any Creditor Proceedings, the Second Lien Holder fails to file on a timely basis a proof of claim in the proper form on account of the Second Lien Obligations, the First Lien Holder is hereby irrevocably authorized (but not required) to file such a proof of claim on behalf of the Second Lien Holder.

(3) The First Lien Holder shall not, in any manner:

- (a) challenge, contest or bring into question the validity and enforceability of the Royalty Agreement in the event of Creditor Proceedings, or apply for, request or support any application or proposal where the Royalty Agreement is in all or in part modified, vested off, disclaimed or otherwise terminated in connection with any Creditor Proceedings;
- (b) challenge, contest or bring into question the validity, priority, perfection or enforceability of any of the Second Lien Security nor the validity or enforceability of any of the Second Lien Obligations (including any claim filed in respect thereof) or the Second Lien Assets (or any interest in land created thereby) nor cause or assist any other person to take any such action; or
- (c) take any action that would limit, invalidate, avoid or set aside (i) any Second Lien Security or other Second Lien Document or any provisions of any Second Lien Document or (ii) any Second Lien Asset or any provisions of the Royalty Agreement.

(4) Notwithstanding anything else in this Section 2.5, nothing shall restrict the ability of (or constitute a waiver by) the Second Lien Holder to take any action under Section 2.2(2).

2.6 No Marshalling

The First Lien Holder shall not be required to marshall any First Lien Security or rights held by them in favour of the Second Lien Holder.

2.7 Subrogation

The Second Lien Holder shall not have or exercise any rights which it may acquire, if any, by way of subrogation or contribution under or in connection with this Agreement unless and until the First Lien Obligations have been paid and satisfied in full. If any amount is paid to the Second Lien Holder on account of such subrogation or contribution rights at any time prior to the payment and satisfaction in full of the First Lien Obligations, such amount shall, subject to Section 2.1, be held in trust by the Second Lien Holder for the benefit of the First Lien Holder and shall, subject to Section 2.1, be forthwith paid to the First Lien Holder.

ARTICLE 3 DEALINGS WITH THE DEBTORS; OTHER AGREEMENTS

3.1 [Reserved]

3.2 Copies of Documents

(1) The Second Lien Holder shall provide to the First Lien Holder true, correct and complete copies of any agreement, instrument, note or other document executed after the date of this Agreement which evidences or creates any of the Second Lien Obligations or Second Lien Security promptly after the execution and delivery thereof.

(2) The First Lien Holder shall provide to the Second Lien Holder true, correct and complete copies of any agreement, instrument, note or other document executed after the date of this Agreement which evidences or creates any of the First Lien Obligations or First Lien Security promptly after the execution and delivery thereof.

3.3 Registration of Second Lien

In all events, the Second Lien Holder agrees that the First Lien Security is intended to be registered prior to the registration of the Second Lien Security as such registration relates to the Collateral and, if the Second Lien Security is registered prior to the First Lien Security in respect of the Collateral, the Second Lien Holder shall promptly grant registrable postponements in respect of the Collateral on request of the First Lien Holder or the Borrower.

ARTICLE 4 SHARING INFORMATION

4.1 Sharing Information

From time to time upon request therefor, the Creditors may advise each other of the particulars of the Obligations to each of them and all security held by each therefor. Each Creditor shall provide the other with a copy of all demand notices, default notices and any other notice relating to the commencement of enforcement proceedings against the Borrower.

ARTICLE 5
CREDITOR PROCEEDINGS; FURTHER AGREEMENTS

5.1 Separate Grants of Security

In any Creditor Proceedings which require the classification of claims of creditors for voting purposes on any proposal under the *Bankruptcy and Insolvency Act* (Canada) (a "**Proposal**") or a plan of compromise, arrangement or reorganization (each, a "**Plan**"), the parties hereto agree that the Borrower shall establish separate classes for the claims of the First Lien Holder and the Second Lien Holder in recognition of their different interests. The Second Lien Holder agrees that the grants of Security Interests on the Collateral pursuant to the First Lien Documents and the Second Lien Documents constitute two separate and distinct grants of Security Interests, that the First Lien Holder and the Second Lien Holder do not share a "commonality of interest" with respect to their claims, and that the Second Lien Holder will not object to any such classification. If it is held that the claims of the First Lien Holder and the Second Lien Holder in respect of the Collateral constitute one secured claim or class of creditors, then the Second Lien Holder agrees that all distributions shall be made as if there were separate classes of senior and junior claims against the Borrower in respect of the Collateral including, to the extent the aggregate value of the Collateral is sufficient (excluding the Second Lien Obligations), the payment to the First Lien Holder to the extent of the First Lien Obligations of post-filing interest in addition to the amounts distributed to the First Lien Holder in respect of principal, pre-filing interest and other claims prior to any distribution being made to the Second Lien Holder, and the Second Lien Holder agrees to hold in trust and turn over to the First Lien Holder, amounts in respect of the Collateral otherwise received or receivable by it to the extent necessary to effectuate the intent of this sentence, even if such turnover has the effect of reducing the claim or recovery of the Second Lien Holder.

5.2 Certain Proposals and Plans

In any Creditor Proceedings, neither Creditor will propose, approve or support any Proposal or Plan which is inconsistent with the priorities and ranking of Security contained herein or the other provisions hereof.

5.3 Reorganization Securities

If, in any Creditor Proceeding, debt obligations of the reorganized debtor (whether or not secured by Security Interests upon any property of the reorganized debtor) are distributed pursuant to a Plan or similar dispositive restructuring plan both on account of First Lien Obligations and on account of Second Lien Obligations, then, with respect to the debt obligations distributed on account of the First Lien Obligations and on account of the Second Lien Obligations, the provisions of this Agreement will survive the distribution of such debt obligations pursuant to such plan and will apply with like effect to such distributed debt obligations and any Security Interests securing such debt obligations.

[Commercially sensitive information redacted.]

ARTICLE 6
CONTINUING AGREEMENT; ACKNOWLEDGEMENT OF DOCUMENTATION

6.1 Continuing Agreement

(1) This Agreement shall operate and apply, and remain in full force and effect, in all events and circumstances and the rights and obligations of the Creditors hereunder shall be absolute, irrevocable and unconditional in all events and circumstances. Without limiting the foregoing, this Agreement shall apply and operate notwithstanding:

- (a) dissolution, bankruptcy, insolvency, arrangement with creditors, receivership, winding-up, liquidation or other Creditor Proceedings in respect of the Borrower, whether voluntary or involuntary;
- (b) any proposal made by or in respect of the Borrower under the *Bankruptcy and Insolvency Act* (Canada);
- (c) any proposed compromise, arrangement or liquidation by or in respect of the Borrower under the *Companies' Creditors Arrangement Act* (Canada) or any other applicable legislation;
- (d) any distribution of assets of the Borrower or proceeds thereof among its creditors in any manner whatsoever;
- (e) any sale of all or substantially all of the property and assets of the Borrower;
- (f) the enforcement or realization of the Security or any part thereof or the dates or the sequence of commencement or completion of any proceedings to enforce the Security or any part thereof;
- (g) the dates of the creation, execution, delivery, filing, recording or registration of any of the Security;
- (h) the failure to file, record or register any of the Security or to maintain such filings, recordings or registrations;
- (i) the date of attachment or perfection of any of the Security or the perfection or non-perfection of any of the Security;
- (j) any priority or ranking provided or granted by any principle of law or equity, any statute or any other applicable laws, including pursuant to the PPSAs;
- (k) any amendment, modification, supplement or change or waiver of or consent under the terms of the Security or the other First Lien Documents or Second Lien Documents; and
- (l) any other fact or circumstance whatsoever which at law or equity could affect the subordination and postponement intended to be created hereby or the effectiveness of the other provisions hereof.

(2) Without limiting the generality of Section 6.1(1), this Agreement shall remain in full force and effect without regard to, and the obligations of the parties hereunder shall not be affected nor impaired by:

- (a) any exercise or non-exercise or delay in exercising by any of them of any right, remedy, power or privilege under or in respect of any Security or other First Lien Documents or other Second Lien Documents;
- (b) any waiver, consent, extension, indulgence or other action, inaction or omission by any of them under or in respect of any Security or other First Lien Documents or other Second Lien Documents;
- (c) any default by any of the parties hereto under, or any limitation on the liability of any of the parties hereto under the Security, the other First Lien Documents or other Second Lien Documents;
- (d) any merger, consolidation or amalgamation of any of the parties hereto into or with any other person; or
- (e) any insolvency, bankruptcy, liquidation, reorganization, arrangement, composition, winding-up, dissolution or similar proceedings, or proceeding having similar effect, involving or affecting any party hereto.

It is intended this Agreement be of a continuing nature and this Agreement shall apply to all past, present and future Obligations and Security. Subject to Section 8.1, this Agreement shall remain in full force and effect notwithstanding the fact that, at any time, the Borrower may not have any outstanding obligations to any or all of the Creditors.

(3) In addition to the foregoing and any of the other provisions hereof, and for greater certainty, the failure of any Creditor to provide any notice or other document required to be provided by such Creditor to another Creditor pursuant hereto shall not limit, derogate from, impair or otherwise affect the subordination and postponement of the Second Lien Security to the First Lien Security, it being the express intention of the Creditors that such subordinations and postponements shall apply as provided herein in all events and circumstances and notwithstanding any such failure.

6.2 Continuing Subordination; Assignments

- (1) This Agreement shall:
 - (a) be binding upon each of the Creditors and its respective successors, assigns, administrators and other legal representatives;
 - (b) enure to the benefit of and be enforceable by the Creditors and their respective successors and permitted assigns, including any permitted assignee of some or all of the First Lien Documents; and
 - (c) be binding upon the Borrower and its successors and permitted assigns.

(2) The Second Lien Holder shall not assign or transfer, or grant any participation in, any of its rights, title, interests or benefits in and to the Second Lien Security to any person unless: (a) such person to whom such Second Lien Security has been assigned, transferred or granted a participation in has also been assigned the Second Lien Obligations; and (b) prior to or contemporaneously with such proposed

assignment or transfer or participation, such person shall have agreed in writing to be bound, *mutatis mutandis*, by the terms hereof, and shall have executed and delivered to the First Lien Holder an agreement in form and substance acceptable to the First Lien Holder (acting reasonably) to be bound by the terms and provisions of this Agreement.

(3) The First Lien Holder shall not assign or transfer, , any of its rights, title, interests or benefits in and to the First Lien Security to any person unless: (a) such person to whom such First Lien Security has been assigned or transferred has also been assigned the First Lien Obligations; and (b) prior to or contemporaneously with such proposed assignment or transfer, such person shall have agreed in writing to be bound, *mutatis mutandis*, by the terms hereof, and shall have executed and delivered to the Second Lien Holder an agreement in form and substance acceptable to the Second Lien Holder (acting reasonably) to be bound by the terms and provisions of this Agreement. For certainty, this clause does not apply to any syndication of the First Lien Obligations or granting of participations therein.

6.3 Acknowledgment of Documentation

(1) The Second Lien Holder hereby acknowledges that it is familiar with and understands the terms of the First Lien Documents and the First Lien Security as in effect on the date hereof.

(2) The First Lien Holder may require that the Borrower provide such copies as the First Lien Holder wishes to receive of all amendments, modifications or supplements to any of the aforementioned documents and of any other Second Lien Documents which are executed in the future pursuant to which First Lien Obligations may arise. The lack of receipt of any such Second Lien Documents shall not in any way affect the First Lien Holder's obligations hereunder in respect of the Second Lien Obligations thereby created or arising.

(3) The Second Lien Holder may require that the Borrower provide such copies as the Second Lien Holder wishes to receive of all amendments, modifications or supplements to any of the aforementioned documents and of any other First Lien Documents which are executed in the future pursuant to which First Lien Obligations may arise. The lack of receipt of any such First Lien Documents shall not in any way affect the Second Lien Holder's obligations hereunder in respect of the First Lien Obligations thereby created or arising.

6.4 Reinstatement

This Agreement shall continue to be effective or be reinstated, as the case may be, if at any time any payment or performance of any Obligations is rescinded, reversed, nullified, rendered void or voidable or must otherwise be restored, refunded, returned or unwound for any reason, all as though such payment had not been made or such performance had not occurred. If the a Creditor is required in any Creditor Proceeding or otherwise to turn over or otherwise pay to the Borrower, the estate thereof or any trustee or other legal representative thereof, any amount (a "**Recovery**"), then such Creditor shall be reinstated to the extent of such Recovery and such Creditor shall be entitled to receive payment in full of all such recovered amounts where payable to such Creditor in accordance with the terms of this Agreement. If this Agreement shall have been terminated prior to such Recovery, this Agreement shall be reinstated in full force and effect, and such prior termination shall not diminish, release, discharge, impair or otherwise affect the obligations of the parties hereto.

6.5 Other Financings; Dispositions

The Second Lien Holder hereby agrees that in the event:

- (a) the First Lien Holder realizes upon the Collateral pursuant to the First Lien Documents and in accordance with the provisions of this Agreement;
- (b) the Borrower obtains any replacement or additional financing which is intended to replace or repay (in whole or in part) or rank *pari passu* with the First Lien Obligations; or
- (c) the Borrower disposes of the interests which are subject to the Royalty Agreement,

it shall execute and deliver, upon the request of the First Lien Holder or the Borrower, as the case may be, an agreement in the same form and content, *mutatis mutandis*, as this Agreement, with the lender, lenders or other person who acquires the Collateral as a result of such realization or disposition, or with the lender or lenders who provide such replacement or additional financing to the Borrower (or with any collateral agent or collateral trustee on behalf of such lender or lenders). The obligation of the Second Lien Holder to execute and deliver such new subordination agreement shall be subject to the new lenders and the Second Lien Holder entering into a direct lender agreement on substantially the same terms and conditions as required by the First Lien Holder.

ARTICLE 7

ACKNOWLEDGEMENTS OF THE BORROWER

7.1 Acknowledgement

The Borrower hereby acknowledges and agrees that:

- (a) it authorizes the First Lien Holder and the Second Lien Holder to share with each other any information possessed by them relating to: (i) the Borrower; (ii) the First Lien Documents and the Second Lien Documents; and (iii) the Obligations and payments received by the First Lien Holder and the Second Lien Holder in respect thereof;
- (b) this Agreement shall not modify, relieve or release it from any of its Obligations owing to the relevant Creditors or impair, limit or restrict the obligation of the Borrower to pay or perform any Obligations in accordance with the First Lien Documents or Second Lien Documents, as the case may be;
- (c) it is a party hereto solely for the purpose of providing the acknowledgements, covenants and agreements set forth herein and does not, and is not intended to, derive any benefits hereunder; and
- (d) it consents to the terms of this Agreement and agrees to comply with, and to not act contrary to, the terms of this Agreement.

ARTICLE 8

GENERAL

8.1 Term of Agreement

This Agreement shall terminate and shall be of no further force and effect upon the earliest to occur of:

- (a) all Second Lien Obligations being indefeasibly paid and satisfied in full in accordance with the terms of this Agreement, or any other cancellation or termination of all of the Second Lien Obligations in a manner not prohibited by this Agreement;
- (b) all First Lien Obligations being indefeasibly paid and satisfied in full and in cash and all credit facilities and other obligations to extend credit under the First Lien Documents being fully cancelled and terminated; and
- (c) the written agreement of the First Lien Holder and the Second Lien Holder and notice of such agreement to the Borrower.

In the event that all Second Lien Obligations or First Lien Obligations are indefeasibly paid and satisfied in full or otherwise terminated in a manner not prohibited by this agreement, the Second Lien Holder or the First Lien Holder shall notify the other parties hereto of such repayment or termination, as applicable, provided that the failure to give the notice required pursuant this Section 8.1 shall not constitute a breach of this Agreement, or prejudice or act as a waiver of any party's rights hereunder.

8.2 Paramountcy

In the event of any conflict or inconsistency between the provisions of this Agreement and the provisions of the other First Lien Documents or the other Second Lien Documents, the provisions of this Agreement shall prevail to the extent of such conflict or inconsistency.

8.3 Notices

Any demand, notice or communication to be made or given hereunder shall be in writing and may be made or given by personal delivery or by transmittal by telecopy or other electronic means of communication addressed to the respective parties as follows:

To the Borrower:

Northstar Clean Technologies Inc.
7046 Brown Street
Delta, BC V4G 1G8

Attention: •
Facsimile: •

To the First Lien Holder:

[REDACTED]

To the Second Lien Holder:

CVW CleanTech Inc.

Contact information redacted.

[REDACTED]

Attention:
E-mail:

[REDACTED]

or to such other address or telecopy number as any party may from time to time notify the others in accordance with this Section. Any demand, notice or communication made or given by personal delivery or by telecopier or other electronic means of communication during normal business hours at the place of receipt on a Banking Day shall be conclusively deemed to have been made or given at the time of actual delivery or transmittal, as the case may be, on such Banking Day. Any demand, notice or communication made or given by personal delivery or by telecopier or other electronic means of communication after normal business hours at the place of receipt or otherwise than on a Banking Day shall be conclusively deemed to have been made or given at 9:00 a.m. (Calgary time) on the first Banking Day following actual delivery or transmittal, as the case may be.

8.4 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein, without prejudice to or limitation of any other rights or remedies available under the laws of any jurisdiction where property or assets of the Borrower may be found.

8.5 Severability

Any provision of this Agreement which is invalid, prohibited or unenforceable in any jurisdiction shall not invalidate the remaining provisions hereof and any such invalidity, prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

8.6 Whole Agreement

This Agreement constitutes the whole and entire agreement between the parties hereto regarding the subject matter hereof and thereof and cancels and supersedes any prior agreements, undertakings, declarations, commitments, representations, written or oral, in respect thereof.

8.7 Amendments and Waivers

No amendment to this Agreement shall be valid or binding unless set forth in writing and duly executed by the parties hereto; provided that, no consent of or execution by the Borrower shall be necessary to any amendment of this Agreement unless the obligations of the Borrower hereunder are affected thereby. In the event of an amendment hereto referred to in the proviso in the immediately preceding sentence, the other parties hereto shall provide a copy of any such amendment to the Borrower. No waiver of any breach of any provision of this Agreement shall be effective or binding unless made in writing and signed by the party purporting to give the same and, unless otherwise provided in the written waiver in question, shall be limited to the specific breach waived. No failure or delay by any Creditor in exercising any right or remedy shall operate as a waiver of such right nor shall any single or partial exercise of any right or remedy of such Creditor preclude its further exercise or the exercise of any other right or remedy.

8.8 Further Assurances

Each of the parties hereto shall do, perform, execute and deliver all acts, deeds, documents and assurances as may be necessary from time to time to give full force and effect to the intent of this Agreement. Without limiting the generality of the foregoing, each Creditor shall make all filings, recordings and registrations and shall execute and deliver all such certificates, agreements, instruments, financing statements, notices and other documents reasonably requested by the other Creditors in order to evidence, record or give effect to the agreements established hereunder.

8.9 Not Admit to Benefit

Subject to Sections 6.2 and 7.1, no person other than the First Lien Holder and the Second Lien Holder shall have any rights or benefits under this Agreement, nor is it intended that any other person gain any benefit or advantage as a result of this Agreement nor shall this Agreement constitute a subordination of any Security in favour of any person other than the First Lien Holder.

8.10 Attornment

The parties hereto each hereby attorn and submit to the jurisdiction of the courts of the Province of Alberta in regard to legal proceedings relating to this Agreement. For the purpose of all such legal proceedings, this Agreement shall be deemed to have been performed in the Province of Alberta and the courts of the Province of Alberta shall have jurisdiction to entertain any action arising under this Agreement. Notwithstanding the foregoing, nothing in this Section shall be construed nor operate to exclude any right any party hereto may have to commence any action relating hereto in any other jurisdiction.

8.11 Waiver of Jury Trial

To the extent permitted by applicable laws, each of the parties hereto hereby agrees to waive its respective rights to a jury trial of any claim or cause of action based upon or arising hereunder.

8.12 Time of the Essence

Time shall be of the essence under and with respect to this Agreement.

8.13 Negotiated Document

This Agreement is the result of negotiations between the parties hereto and has been reviewed by legal counsel to each of the parties hereto and is the product of all of the parties hereto. Accordingly, this Agreement is not to be construed against the First Lien Holder merely because of their involvement in the preparation of this Agreement.

8.14 Authorization

By its signature, each person executing this Agreement on behalf of another person or persons hereby represents and warrants to the other parties hereto that it is duly authorized to execute this Agreement on such person's or persons' behalf.

8.15 Counterparts

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument, and it shall not be necessary in making proof of this Agreement to produce or account for more than one such counterpart.

[Remainder of this page intentionally left blank.]

IN WITNESS WHEREOF the parties hereto have executed this Agreement.

BORROWER:

NORTHSTAR CLEAN TECHNOLOGIES INC.

By: _____
Name:
Title:

By: _____
Name:
Title:

**EMPOWER ENVIRONMENTAL SOLUTIONS
CALGARY LTD.**

By: _____
Name:
Title:

By: _____
Name:
Title:

**EMPOWER ENVIRONMENTAL SOLUTIONS
LTD.**

By: _____
Name:
Title:

By: _____
Name:
Title:

First Lien Holder:

[REDACTED], as First Lien Holder

By: _____
Name:
Title:

By: _____
Name:
Title:

SECOND LIEN HOLDER:

CVW CLEANTECH INC.

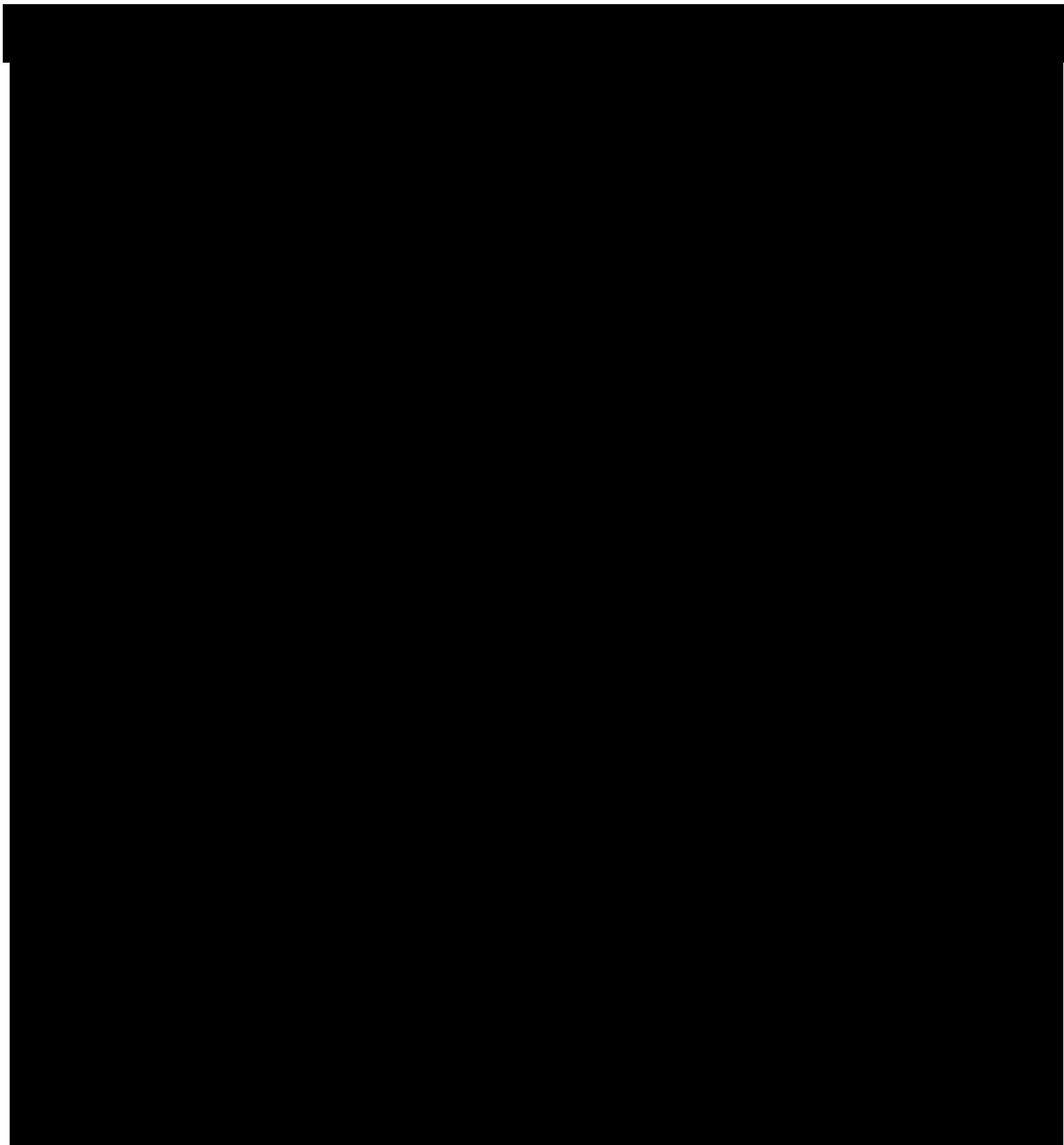
By: _____
Name:
Title:

By: _____
Name:
Title:

**SCHEDULE B
PROJECT LANDS**

[Description of Project Lands]





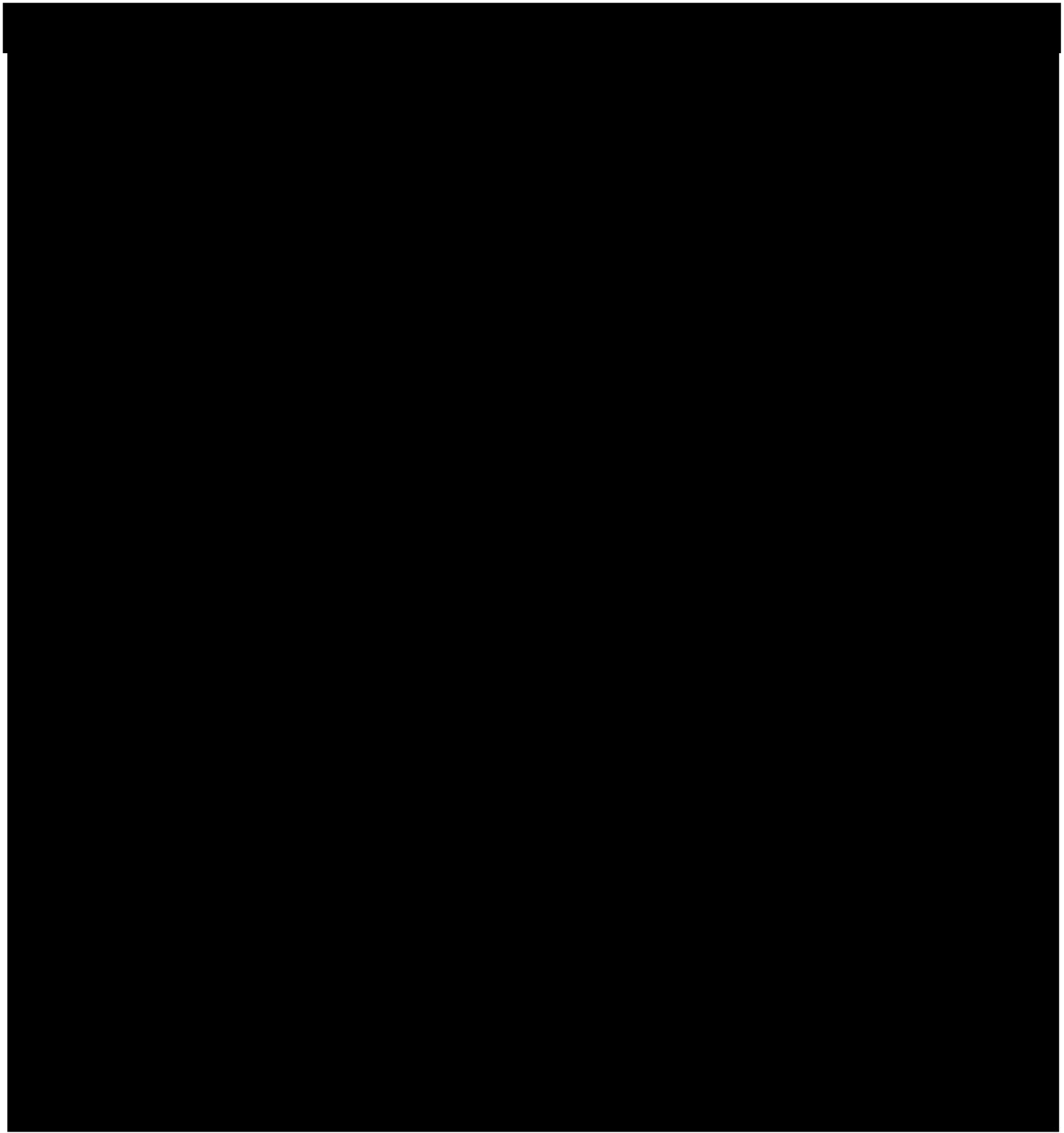
QUARTERLY AND ANNUAL FORM OF ROYALTY STATEMENT

SCHEDULE "E"

ILLUSTRATIVE EXAMPLE OF FIXED CHARGE COVERAGE RATIO ("FCCR") AND QUARTERLY PAYMENTS

[REDACTED]
[REDACTED]
[REDACTED]

[REDACTED]



SCHEDULE C

FORM OF SUBSEQUENT INTERCREDITOR AGREEMENT

(ATTACHED)

INTER-CREDITOR AGREEMENT

BETWEEN

**NORTHSTAR CLEAN TECHNOLOGIES INC., EMPOWER ENVIRONMENTAL SOLUTIONS
CALGARY LTD., and EMPOWER ENVIRONMENTAL SOLUTIONS LTD. [LIST ANY
ADDITIONAL NORTHSTAR ENTITIES HERE]**

as Borrower

AND

[]

as First Lien Holder

AND

**CVW CLEANTECH INC.
as Second Lien Holder**

MADE AS OF []

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INTER-CREDITOR AGREEMENT

THIS AGREEMENT is made as of [REDACTED]
BETWEEN:

**NORTHSTAR CLEAN TECHNOLOGIES INC., EMPOWER
ENVIRONMENTAL SOLUTIONS CALGARY LTD., and
EMPOWER ENVIRONMENTAL SOLUTIONS LTD.
[LIST ANY ADDITIONAL NORTHSTAR ENTITIES HERE]**
(hereinafter referred to as the "**Borrowers**"),

OF THE FIRST PART,

- and -

[REDACTED], in its capacity as lender under the Credit Agreement (including its successors and assigns in such capacity, hereinafter referred to as the "**First Lien Holder**"),

OF THE SECOND PART,

- and -

CVW CLEANTECH INC. (including its successors and assigns in such capacity, hereinafter referred to as the "**Second Lien Holder**"),

OF THE THIRD PART.

WHEREAS pursuant to the Credit Agreement, the Borrower may from time to time have First Lien Obligations owing to the First Lien Holder under, pursuant or relating to the First Lien Documents;

AND WHEREAS the Second Lien Holder and the Borrower are parties to the Second Lien Documents;

AND WHEREAS the parties hereto have agreed to enter into this Agreement, *inter alia*, to establish the priority and ranking of the First Lien Security ahead of the Second Lien Security with respect to the Collateral, and the Second Lien Security ahead of the First Lien Security with respect to the Second Lien Assets;

AND WHEREAS it is a condition precedent under certain of the First Lien Documents that the parties hereto execute and deliver this Agreement;

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby conclusively acknowledged by each of the parties hereto, the parties hereto covenant and agree as follows:

ARTICLE 1 **INTERPRETATION**

1.1 Definitions

(1) In this Agreement, unless something in the subject matter or context is inconsistent therewith:

"Agreement" means this agreement, as the same may be amended, modified, supplemented or restated from time to time in accordance with the provisions hereof.

"Banking Day" means a day on which banks are open for commercial business in New York, New York, Toronto, Ontario and Calgary, Alberta, but does not in any event include a Saturday or Sunday.

"Collateral" means all of the property, assets, undertakings, rights and interests of the Borrower and which, for greater certainty, does not include any of the Second Lien Assets.

"Convertible Debenture Agreement" means the convertible debenture agreement dated [] between Second Lien Holder and Borrower.

"Credit Agreement" means, collectively, the credit facility documents made as of [] between the Borrower and the First Lien Holder.

"Creditors" means, collectively, the First Lien Holder and the Second Lien Holder.

"Creditor Proceedings" means:

- (a) any dissolution, winding-up, total or partial liquidation, adjustment or readjustment of debt, reorganization, compromise, arrangement with creditors, plan of arrangement, proposal, filing of a notice of intention to make a proposal or similar proceedings under Insolvency Laws of or with respect to the Borrower or its property or liabilities, in each case under any Insolvency Law;
- (b) any dissolution, winding-up, total or partial liquidation, adjustment or readjustment of debt, reorganization, compromise, arrangement with creditors, plan of arrangement or similar proceedings under the arrangement provisions of any applicable corporate law (in any case which involves the alteration, amendment, conversion, compromise, satisfaction or discharge of obligations of any or all creditors) of or with respect to the Borrower or its property or liabilities;
- (c) any bankruptcy, insolvency, receivership, interim receivership, petition or assignment in bankruptcy, or assignment for the benefit of creditors under any Insolvency Laws of or with respect to the Borrower;
- (d) any marshalling of assets and liabilities of the Borrower under any Insolvency Laws; or
- (e) any proceedings, or the initiation of any proceedings, in relation to any of the foregoing,

whether any of the foregoing is voluntary or involuntary, partial or complete, and includes any such proceedings initiated or consented to by the Borrower.

"First Lien Documents" means, [collectively, the "Loan Documents" and "Security"] under and as defined in the Credit Agreement.

"First Lien Obligations" means any and all obligations of Borrower under and as defined in the Credit Agreement, [including for certainty any obligations under hedging arrangements entered into pursuant thereto.]

"First Lien Security" means, as the context requires:

- (a) all assignments, mortgages, debentures, pledges, guarantees, control agreements, deeds of trust and other security agreements of whatsoever kind now, heretofore, or hereafter executed and delivered by the Borrower in favour of any or all of the First Lien Holder or now, heretofore, or hereafter existing as security on or against any Collateral in favour of

any or all of the First Lien Holder, in each case, which secure payment or performance of the First Lien Obligations;

- (b) the Security Interests, rights, interests and benefits created or arising pursuant to such assignments, mortgages, debentures, pledges, guarantees, control agreements, deeds of trust and other security agreements; or
- (c) the Collateral charged under or subject to such assignments, mortgages, debentures, pledges, guarantees, control agreements, deeds of trust and other security agreements.

"Governmental Authority" means any federal, provincial, state, regional, municipal or local government or any department, agency, board, tribunal or authority thereof or other political subdivision thereof and any entity or person exercising executive, legislative, judicial, regulatory or administrative functions of, or pertaining to, government or the operation thereof.

"Insolvency Laws" means the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada), the *Winding-up and Restructuring Act* (Canada) or any other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, reorganization, receivership, insolvency, arrangement or similar laws of Canada or any other applicable jurisdiction from time to time that have become applicable to the Borrower or any of its properties or liabilities.

"Obligations" means, collectively, the First Lien Obligations and the Second Lien Obligations.

"Plan" has the meaning set forth in Section 5.1.

"proceeds" has the meaning set forth in the *Personal Property Security Act* (Alberta) on the date hereof.

"Proposal" has the meaning set forth in Section 5.1.

"PPSAs" means the *Personal Property Security Act* (Alberta) and all other applicable personal property security acts or legislation now or hereafter enacted in any other applicable jurisdiction in which the relevant Collateral may be located.

"receiver" means a receiver, interim receiver or receiver and manager and includes any liquidator or similar official lawfully appointed with respect to all or a portion of the Collateral.

"Restricted Rights" has the meaning set forth in Section 2.2(1).

"Royalty Agreement" means the royalty interest agreement dated as of [REDACTED], 2024, between the Borrower and the Second Lien Holder.

"Security" means, collectively, the First Lien Security and the Second Lien Security.

"Security Interest" means mortgages, charges, pledges, hypothecs, assignments by way of security, conditional sales or other title retentions, security created under the *Bank Act* (Canada), liens, encumbrances, security interests or other interests in property, howsoever created or arising, whether fixed or floating, perfected or not, which secure payment or performance of an obligation and, including, in any event:

- (a) deposits or transfers of cash, marketable securities or other financial assets under any agreement or arrangement whereby such cash, securities or assets may be withdrawn, returned or transferred only upon fulfilment of any condition as to the discharge of any other indebtedness or other obligation to any creditor;
- (b) the rights of lessors under capital leases, operating leases and any other lease financing; and

- (c) absolute assignments of accounts receivable.

"Second Lien Assets" means the "Royalty Interest" under and as defined in the Royalty Agreement and any proceeds thereof, together with any other property or assets (present or future) owned by the Second Lien Holder which may be held by the Borrower.

"Second Lien Documents" means, collectively, the Convertible Debenture Agreement and the Royalty Agreement, the Second Lien Security referenced in subparagraph (a) of the definition thereof and all certificates, notices, instruments and other agreements or documents delivered or to be delivered by the Borrower to the Second Lien Holder pursuant to any of the foregoing and all other agreements, instruments or other documents which create, evidence, establish or relate to the Second Lien Obligations.

"Second Lien Obligations" means, collectively and at any time and from time to time, all present and future obligations, liabilities and indebtedness (absolute or contingent, matured or otherwise) of the Borrower to or in favour of the Second Lien Holder under the Convertible Debenture Agreement and to pay the Royalty Payment Obligations (as defined in the Royalty Agreement) under or pursuant to the Second Lien Documents and including all fees, legal and other costs, charges and expenses owing or payable thereunder and all costs, charges, expenses and liabilities incurred in connection with the enforcement of or realization upon any Second Lien Security.

"Second Lien Security" means, as the context requires:

- (a) all assignments, mortgages, debentures, pledges, guarantees, control agreements, deeds of trust and other security agreements of whatsoever kind now, heretofore, or hereafter executed and delivered by the Borrower in favour of the Second Lien Holder or now, heretofore, or hereafter existing as security on or against any Collateral in favour of the Second Lien Holder, in each case, which secure payment or performance of the Second Lien Obligations;
- (b) the Security Interests, rights, interests and benefits created or arising pursuant to such assignments, mortgages, debentures, pledges, guarantees, control agreements, deeds of trust and other security agreements (including, without limitation, the Security Interests created pursuant to the Royalty Agreement); or
- (c) the Collateral charged under or subject to such assignments, mortgages, debentures, pledges, guarantees, control agreements, deeds of trust and other security agreements.

(2) Unless something in the subject matter or context is inconsistent therewith, capitalized terms used herein without express definition shall have the same meanings ascribed thereto as are set forth in the Credit Agreement as in effect on the date hereof.

1.2 Headings; Articles and Sections

The division of this Agreement into Articles and Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. The terms "this Agreement", "hereof", "hereunder" and similar expressions refer to this Agreement and not to any particular Article, Section or other portion hereof and include any agreement supplemental hereto. Unless something in the subject matter or context is inconsistent therewith, references herein to Articles and Sections are to Articles and Sections of this Agreement.

1.3 Number; persons; including

Words importing the singular number only shall include the plural and vice versa, words importing the masculine gender shall include the feminine and neuter genders and vice versa, words importing persons shall include individuals, partnerships, associations, trusts, unincorporated organizations, corporations and other bodies corporate and Governmental Authorities and vice versa and words and terms denoting inclusiveness (such as "include" or "includes" or "including"), whether or not so stated, are not limited by their context or by the words or phrases which precede or succeed them.

1.4 References to Agreements and Enactments

Unless otherwise stated, references herein to any agreement, instrument, licence or other document shall be deemed to include reference to such agreement, instrument, licence or other document as the same may from time to time be amended, modified, supplemented or restated (including, for certainty, the Credit Agreement as supplemented from time to time pursuant to the addition of new debt representatives who have executed and delivered to the First Lien Holder a credit agreement joinder under and pursuant to the Credit Agreement); and reference herein to any enactment shall be deemed to include reference to such enactment as re-enacted, amended or extended from time to time and to any successor enactment.

ARTICLE 2 **PRIORITIES AND RANKING; ENFORCEMENT**

2.1 Priority of Security

(1) The Second Lien Security shall rank subordinate to and is hereby postponed to the First Lien Security with respect to all of the Collateral. The First Lien Security shall rank subordinate to and is hereby postponed to the Second Lien Security with respect to all of the Second Lien Assets.

(2) Any and all proceeds of realization from or relating to the enforcement of any Security against any and all of the Collateral shall be applied to the First Lien Obligations and Second Lien Obligations in the following order:

- (a) first, to the payment of costs, charges, expenses and liabilities incurred in connection with the enforcement of or realization upon any First Lien Security, including any reasonable legal fees on a full indemnity basis and all proper costs, charges, expenses and liabilities of any receiver or other person having similar power or authority appointed by the First Lien Holder (or the First Lien Holder on their behalf) or by a court of competent jurisdiction at the instance of the First Lien Holder (or the First Lien Holder on their behalf);
- (b) second, to the payment and satisfaction in full of the First Lien Obligations;
- (c) third, to the payment and satisfaction in full and in cash of all Second Lien Obligations; and
- (d) fourth, to the Borrower or such other persons as may be entitled thereto under applicable laws.

(3) Any and all proceeds of realization from or relating to the enforcement of any Security against any and all of the Second Lien Assets shall be applied to the First Lien Obligations and Second Lien Obligations in the following order:

- (a) first, to the payment of costs, charges, expenses and liabilities incurred in connection with the enforcement of or realization upon any Second Lien Security, including any reasonable legal fees on a full indemnity basis and all proper costs, charges, expenses and liabilities of any receiver or other person having similar power or authority appointed by the Second Lien Holder (or the Second Lien Holder on their behalf) or by a court of competent jurisdiction at the instance of the Second Lien Holder (or the Second Lien Holder on their behalf);
- (b) second, to the payment and satisfaction of the Second Lien Obligations;
- (c) third, to the payment and satisfaction in full and in cash of all First Lien Obligations; and
- (d) fourth, to the Borrower or such other persons as may be entitled thereto under applicable laws.

2.2 **Standstill**

(1) Until the First Lien Obligations are satisfied, the Second Lien Holder shall not (the following detailed in Sections 2.2(1)(a) to (c), inclusive, are collectively referred to herein as the **"Restricted Rights"**):

- (a) enforce or exercise, or seek to enforce or exercise, any remedies under any Second Lien Security or take any proceedings in connection therewith with respect to or to the extent it affects any of the Collateral;
 - (b) institute or commence, or join with any other person in instituting or commencing, any Creditor Proceedings or take any steps or proceedings in connection therewith with respect to or to the extent it affects any of the Collateral; or
 - (c) institute or commence any action or proceeding for the seizure, garnishment or execution against the Collateral as an unsecured creditor.
- (2) Notwithstanding Section 2.2(1), the Second Lien Holder may at any time:
- (a) file any proof of claim with respect to the Second Lien Obligations in a Creditor Proceeding;
 - (b) take any action in order to create, perfect, preserve or protect the Second Lien Security against the Collateral with the exception that the Second Lien Holder shall not take possession nor cause any person to take possession of any Collateral;
 - (c) file any necessary responsive or defensive pleadings in opposition to any motion, claim, adversary proceeding or other pleading made by any person objecting to or otherwise seeking the disallowance of the claims of the Second Lien Holder, including any claims secured by the Collateral, if any;
 - (d) file any pleadings, objections, motions or agreements which assert rights or interests available to unsecured creditors of the Borrower arising under any Insolvency Law or other applicable law, including claims in respect of the Second Lien Obligations, so long as (i) no Restricted Rights are commenced or exercised and (ii) no action or proceeding for the seizure, garnishment or execution against the Collateral (whether as a secured or an unsecured creditor) is instituted or commenced; or

- (e) institute or commence and enforce any action for the preservation or recovery of the Second Lien Assets; provided that the Second Lien Holder does not exercise any Restricted Rights in connection therewith.

2.3 Payments to be Held in Trust

If any money or proceeds or any payment or distribution of any property, assets or effects comprising the Collateral is received by Second Lien Holder in contravention to the order of priority set out in Section 2.1 including upon any payment or distribution to creditors in connection with any Creditor Proceedings, Second Lien Holder shall receive and hold the same in trust for the benefit of First Lien Holder and shall forthwith pay and transfer such money, proceeds, property, assets and effects to First Lien Holder (duly endorsed, if necessary, to First Lien Holder). If any money or proceeds or any payment or distribution of any property, assets or effects comprising the Second Lien Assets is received by First Lien Holder in contravention to the order of priority set out in Section 2.1, including upon any payment or distribution to creditors in connection with any Creditor Proceedings, Lender shall receive and hold the same in trust for the benefit of Second Lien Holder and shall forthwith pay and transfer such money, proceeds, property, assets and effects to Second Lien Holder (duly endorsed, if necessary, to Second Lien Holder). For greater certainty, no amounts will be released from trust or paid over to the Second Lien Holder at any time during which there are ongoing Creditor Proceedings other than amounts arising directly from the Second Lien Assets.

2.4 Insurance and Expropriation Proceeds

Any insurance proceeds or compensatory amounts to which the Borrower would otherwise be entitled in respect of expropriation, other forced disposition or sale to any expropriating authority under threat of expropriation shall be dealt with according to the provisions hereof as though such insurance proceeds or compensatory amounts were paid or payable as proceeds of disposition of the Collateral for which they compensate.

2.5 No Challenge or Hindrance; Actions to be Consistent with this Agreement

- (1) The Second Lien Holder shall not, in any manner:
 - (a) challenge, contest or bring into question the validity, priority, perfection or enforceability of any of the First Lien Security nor the validity or enforceability of any of the First Lien Documents or the First Lien Obligations (including any claim filed in respect thereof) nor cause or assist any other person to take any such action;
 - (b) take any action that would (i) limit, invalidate, avoid or set aside any First Lien Security or other First Lien Document or (ii) subordinate the priority of the First Lien Security to the Second Lien Security or grant the Second Lien Security equal ranking to the First Lien Security;
 - (c) take any action that would hinder, delay, limit, impede, restrict or prohibit any valid exercise of rights or remedies under the First Lien Documents, including any sale, lease, exchange, transfer or other disposition of the Collateral, whether by foreclosure, realization, enforcement or otherwise;
 - (d) contest, challenge, protest or object to any foreclosure, enforcement or realization proceeding or action brought by the First Lien Holder or any other exercise by the First Lien Holder of any rights and remedies relating to the Collateral under the First Lien

Documents or otherwise (so long as the Second Lien Security attaches to the proceeds of realization therefrom, subject to the priorities set herein, and such proceeding, action or other exercise of any rights and remedies by the First Lien Holder does not limit, invalidate, avoid or set aside any Second Lien Asset) and the Second Lien Holder hereby waives any and all rights it may have as a junior lien creditor or as an unsecured creditor to object to the manner in which the First Lien Holder seek to enforce or collect the First Lien Obligations or the First Lien Security (so long as the Second Lien Security attaches to the proceeds of realization therefrom, subject to the priorities set herein), regardless of whether any failure to act by the First Lien Holder is adverse to the interests of the Second Lien Holder; or

- (e) contest, challenge, protest or object to the forbearance by the First Lien Holder from bringing or pursuing any foreclosure, enforcement or realization proceeding or action or any other exercise of any rights or remedies under the First Lien Documents or relating to the Collateral, provided that the First Lien Holder is pursuing such proceeding, action or exercise, as the case may be, in a prudent manner.

(2) In addition to and without limiting the foregoing, the Second Lien Holder covenants that it shall act in a manner consistent with and so as to give effect to the terms and conditions of this Agreement, including with respect to the filing of any proof of claim in any Creditor Proceedings applicable to the Borrower. Without limiting the foregoing, if, in any Creditor Proceedings, the Second Lien Holder fails to file on a timely basis a proof of claim in the proper form on account of the Second Lien Obligations, the First Lien Holder is hereby irrevocably authorized (but not required) to file such a proof of claim on behalf of the Second Lien Holder.

- (3) The First Lien Holder shall not, in any manner:

- (a) challenge, contest or bring into question the validity and enforceability of the Royalty Agreement in the event of Creditor Proceedings, or apply for, request or support any application or proposal where the Royalty Agreement is in all or in part modified, vested off, disclaimed or otherwise terminated in connection with any Creditor Proceedings;
- (b) challenge, contest or bring into question the validity, priority, perfection or enforceability of any of the Second Lien Security nor the validity or enforceability of any of the Second Lien Obligations (including any claim filed in respect thereof) or the Second Lien Assets (or any interest in land created thereby) nor cause or assist any other person to take any such action; or
- (c) take any action that would limit, invalidate, avoid or set aside (i) any Second Lien Security or other Second Lien Document or any provisions of any Second Lien Document or (ii) any Second Lien Asset or any provisions of the Royalty Agreement.

(4) Notwithstanding anything else in this Section 2.5, nothing shall restrict the ability of (or constitute a waiver by) the Second Lien Holder to take any action under Section 2.2(2).

2.6 No Marshalling

The First Lien Holder shall not be required to marshall any First Lien Security or rights held by them in favour of the Second Lien Holder.

2.7 Subrogation

The Second Lien Holder shall not have or exercise any rights which it may acquire, if any, by way of subrogation or contribution under or in connection with this Agreement unless and until the First Lien Obligations have been paid and satisfied in full. If any amount is paid to the Second Lien Holder on account of such subrogation or contribution rights at any time prior to the payment and satisfaction in full of the First Lien Obligations, such amount shall, subject to Section 2.1, be held in trust by the Second Lien Holder for the benefit of the First Lien Holder and shall, subject to Section 2.1, be forthwith paid to the First Lien Holder.

ARTICLE 3 DEALINGS WITH THE DEBTORS; OTHER AGREEMENTS

3.1 [Reserved]

3.2 Copies of Documents

(1) The Second Lien Holder shall provide to the First Lien Holder true, correct and complete copies of any agreement, instrument, note or other document executed after the date of this Agreement which evidences or creates any of the Second Lien Obligations or Second Lien Security promptly after the execution and delivery thereof.

(2) The First Lien Holder shall provide to the Second Lien Holder true, correct and complete copies of any agreement, instrument, note or other document executed after the date of this Agreement which evidences or creates any of the First Lien Obligations or First Lien Security promptly after the execution and delivery thereof.

3.3 Registration of Second Lien

In all events, the Second Lien Holder agrees that the First Lien Security is intended to be registered prior to the registration of the Second Lien Security as such registration relates to the Collateral and, if the Second Lien Security is registered prior to the First Lien Security in respect of the Collateral, the Second Lien Holder shall promptly grant registrable postponements in respect of the Collateral on request of the First Lien Holder or the Borrower.

ARTICLE 4 SHARING INFORMATION

4.1 Sharing Information

From time to time upon request therefor, the Creditors may advise each other of the particulars of the Obligations to each of them and all security held by each therefor. Each Creditor shall provide the other with a copy of all demand notices, default notices and any other notice relating to the commencement of enforcement proceedings against the Borrower.

ARTICLE 5

CREDITOR PROCEEDINGS; FURTHER AGREEMENTS

5.1 Separate Grants of Security

In any Creditor Proceedings which require the classification of claims of creditors for voting purposes on any proposal under the *Bankruptcy and Insolvency Act* (Canada) (a "**Proposal**") or a plan of compromise, arrangement or reorganization (each, a "**Plan**"), the parties hereto agree that the Borrower shall establish separate classes for the claims of the First Lien Holder and the Second Lien Holder in recognition of their different interests. The Second Lien Holder agrees that the grants of Security Interests on the Collateral pursuant to the First Lien Documents and the Second Lien Documents constitute two separate and distinct grants of Security Interests, that the First Lien Holder and the Second Lien Holder do not share a "commonality of interest" with respect to their claims, and that the Second Lien Holder will not object to any such classification. If it is held that the claims of the First Lien Holder and the Second Lien Holder in respect of the Collateral constitute one secured claim or class of creditors, then the Second Lien Holder agrees that all distributions shall be made as if there were separate classes of senior and junior claims against the Borrower in respect of the Collateral including, to the extent the aggregate value of the Collateral is sufficient (excluding the Second Lien Obligations), the payment to the First Lien Holder to the extent of the First Lien Obligations of post-filing interest in addition to the amounts distributed to the First Lien Holder in respect of principal, pre-filing interest and other claims prior to any distribution being made to the Second Lien Holder, and the Second Lien Holder agrees to hold in trust and turn over to the First Lien Holder, amounts in respect of the Collateral otherwise received or receivable by it to the extent necessary to effectuate the intent of this sentence, even if such turnover has the effect of reducing the claim or recovery of the Second Lien Holder.

5.2 Certain Proposals and Plans

In any Creditor Proceedings, neither Creditor will propose, approve or support any Proposal or Plan which is inconsistent with the priorities and ranking of Security contained herein or the other provisions hereof.

5.3 Reorganization Securities

If, in any Creditor Proceeding, debt obligations of the reorganized debtor (whether or not secured by Security Interests upon any property of the reorganized debtor) are distributed pursuant to a Plan or similar dispositive restructuring plan both on account of First Lien Obligations and on account of Second Lien Obligations, then, with respect to the debt obligations distributed on account of the First Lien Obligations and on account of the Second Lien Obligations, the provisions of this Agreement will survive the distribution of such debt obligations pursuant to such plan and will apply with like effect to such distributed debt obligations and any Security Interests securing such debt obligations.

[Commercially sensitive information redacted.]

ARTICLE 6
CONTINUING AGREEMENT; ACKNOWLEDGEMENT OF DOCUMENTATION

6.1 Continuing Agreement

(1) This Agreement shall operate and apply, and remain in full force and effect, in all events and circumstances and the rights and obligations of the Creditors hereunder shall be absolute, irrevocable and unconditional in all events and circumstances. Without limiting the foregoing, this Agreement shall apply and operate notwithstanding:

- (a) dissolution, bankruptcy, insolvency, arrangement with creditors, receivership, winding-up, liquidation or other Creditor Proceedings in respect of the Borrower, whether voluntary or involuntary;
- (b) any proposal made by or in respect of the Borrower under the *Bankruptcy and Insolvency Act* (Canada);
- (c) any proposed compromise, arrangement or liquidation by or in respect of the Borrower under the *Companies' Creditors Arrangement Act* (Canada) or any other applicable legislation;
- (d) any distribution of assets of the Borrower or proceeds thereof among its creditors in any manner whatsoever;
- (e) any sale of all or substantially all of the property and assets of the Borrower;
- (f) the enforcement or realization of the Security or any part thereof or the dates or the sequence of commencement or completion of any proceedings to enforce the Security or any part thereof;
- (g) the dates of the creation, execution, delivery, filing, recording or registration of any of the Security;
- (h) the failure to file, record or register any of the Security or to maintain such filings, recordings or registrations;
- (i) the date of attachment or perfection of any of the Security or the perfection or non-perfection of any of the Security;
- (j) any priority or ranking provided or granted by any principle of law or equity, any statute or any other applicable laws, including pursuant to the PPSAs;
- (k) any amendment, modification, supplement or change or waiver of or consent under the terms of the Security or the other First Lien Documents or Second Lien Documents; and
- (l) any other fact or circumstance whatsoever which at law or equity could affect the subordination and postponement intended to be created hereby or the effectiveness of the other provisions hereof.

(2) Without limiting the generality of Section 6.1(1), this Agreement shall remain in full force and effect without regard to, and the obligations of the parties hereunder shall not be affected nor impaired by:

- (a) any exercise or non-exercise or delay in exercising by any of them of any right, remedy, power or privilege under or in respect of any Security or other First Lien Documents or other Second Lien Documents;
- (b) any waiver, consent, extension, indulgence or other action, inaction or omission by any of them under or in respect of any Security or other First Lien Documents or other Second Lien Documents;
- (c) any default by any of the parties hereto under, or any limitation on the liability of any of the parties hereto under the Security, the other First Lien Documents or other Second Lien Documents;
- (d) any merger, consolidation or amalgamation of any of the parties hereto into or with any other person; or
- (e) any insolvency, bankruptcy, liquidation, reorganization, arrangement, composition, winding-up, dissolution or similar proceedings, or proceeding having similar effect, involving or affecting any party hereto.

It is intended this Agreement be of a continuing nature and this Agreement shall apply to all past, present and future Obligations and Security. Subject to Section 8.1, this Agreement shall remain in full force and effect notwithstanding the fact that, at any time, the Borrower may not have any outstanding obligations to any or all of the Creditors.

(3) In addition to the foregoing and any of the other provisions hereof, and for greater certainty, the failure of any Creditor to provide any notice or other document required to be provided by such Creditor to another Creditor pursuant hereto shall not limit, derogate from, impair or otherwise affect the subordination and postponement of the Second Lien Security to the First Lien Security, it being the express intention of the Creditors that such subordinations and postponements shall apply as provided herein in all events and circumstances and notwithstanding any such failure.

6.2 Continuing Subordination; Assignments

- (1) This Agreement shall:
 - (a) be binding upon each of the Creditors and its respective successors, assigns, administrators and other legal representatives;
 - (b) enure to the benefit of and be enforceable by the Creditors and their respective successors and permitted assigns, including any permitted assignee of some or all of the First Lien Documents; and
 - (c) be binding upon the Borrower and its successors and permitted assigns.

(2) The Second Lien Holder shall not assign or transfer, or grant any participation in, any of its rights, title, interests or benefits in and to the Second Lien Security to any person unless: (a) such person to whom such Second Lien Security has been assigned, transferred or granted a participation in has also been assigned the Second Lien Obligations; and (b) prior to or contemporaneously with such proposed

assignment or transfer or participation, such person shall have agreed in writing to be bound, *mutatis mutandis*, by the terms hereof, and shall have executed and delivered to the First Lien Holder an agreement in form and substance acceptable to the First Lien Holder (acting reasonably) to be bound by the terms and provisions of this Agreement.

(3) The First Lien Holder shall not assign or transfer, , any of its rights, title, interests or benefits in and to the First Lien Security to any person unless: (a) such person to whom such First Lien Security has been assigned or transferred has also been assigned the First Lien Obligations; and (b) prior to or contemporaneously with such proposed assignment or transfer, such person shall have agreed in writing to be bound, *mutatis mutandis*, by the terms hereof, and shall have executed and delivered to the Second Lien Holder an agreement in form and substance acceptable to the Second Lien Holder (acting reasonably) to be bound by the terms and provisions of this Agreement. For certainty, this clause does not apply to any syndication of the First Lien Obligations or granting of participations therein.

6.3 Acknowledgment of Documentation

(1) The Second Lien Holder hereby acknowledges that it is familiar with and understands the terms of the First Lien Documents and the First Lien Security as in effect on the date hereof.

(2) The First Lien Holder may require that the Borrower provide such copies as the First Lien Holder wishes to receive of all amendments, modifications or supplements to any of the aforementioned documents and of any other Second Lien Documents which are executed in the future pursuant to which First Lien Obligations may arise. The lack of receipt of any such Second Lien Documents shall not in any way affect the First Lien Holder's obligations hereunder in respect of the Second Lien Obligations thereby created or arising.

(3) The Second Lien Holder may require that the Borrower provide such copies as the Second Lien Holder wishes to receive of all amendments, modifications or supplements to any of the aforementioned documents and of any other First Lien Documents which are executed in the future pursuant to which First Lien Obligations may arise. The lack of receipt of any such First Lien Documents shall not in any way affect the Second Lien Holder's obligations hereunder in respect of the First Lien Obligations thereby created or arising.

6.4 Reinstatement

This Agreement shall continue to be effective or be reinstated, as the case may be, if at any time any payment or performance of any Obligations is rescinded, reversed, nullified, rendered void or voidable or must otherwise be restored, refunded, returned or unwound for any reason, all as though such payment had not been made or such performance had not occurred. If the a Creditor is required in any Creditor Proceeding or otherwise to turn over or otherwise pay to the Borrower, the estate thereof or any trustee or other legal representative thereof, any amount (a "**Recovery**"), then such Creditor shall be reinstated to the extent of such Recovery and such Creditor shall be entitled to receive payment in full of all such recovered amounts where payable to such Creditor in accordance with the terms of this Agreement. If this Agreement shall have been terminated prior to such Recovery, this Agreement shall be reinstated in full force and effect, and such prior termination shall not diminish, release, discharge, impair or otherwise affect the obligations of the parties hereto.

6.5 Other Financings; Dispositions

The Second Lien Holder hereby agrees that in the event:

- (a) the First Lien Holder realizes upon the Collateral pursuant to the First Lien Documents and in accordance with the provisions of this Agreement;
- (b) the Borrower obtains any replacement or additional financing which is intended to replace or repay (in whole or in part) or rank *pari passu* with the First Lien Obligations; or
- (c) the Borrower disposes of the interests which are subject to the Royalty Agreement,

it shall execute and deliver, upon the request of the First Lien Holder or the Borrower, as the case may be, an agreement in the same form and content, *mutatis mutandis*, as this Agreement, with the lender, lenders or other person who acquires the Collateral as a result of such realization or disposition, or with the lender or lenders who provide such replacement or additional financing to the Borrower (or with any collateral agent or collateral trustee on behalf of such lender or lenders). The obligation of the Second Lien Holder to execute and deliver such new subordination agreement shall be subject to the new lenders and the Second Lien Holder entering into a direct lender agreement on substantially the same terms and conditions as required by the First Lien Holder.

ARTICLE 7

ACKNOWLEDGEMENTS OF THE BORROWER

7.1 Acknowledgement

The Borrower hereby acknowledges and agrees that:

- (a) it authorizes the First Lien Holder and the Second Lien Holder to share with each other any information possessed by them relating to: (i) the Borrower; (ii) the First Lien Documents and the Second Lien Documents; and (iii) the Obligations and payments received by the First Lien Holder and the Second Lien Holder in respect thereof;
- (b) this Agreement shall not modify, relieve or release it from any of its Obligations owing to the relevant Creditors or impair, limit or restrict the obligation of the Borrower to pay or perform any Obligations in accordance with the First Lien Documents or Second Lien Documents, as the case may be;
- (c) it is a party hereto solely for the purpose of providing the acknowledgements, covenants and agreements set forth herein and does not, and is not intended to, derive any benefits hereunder; and
- (d) it consents to the terms of this Agreement and agrees to comply with, and to not act contrary to, the terms of this Agreement.

ARTICLE 8

GENERAL

8.1 Term of Agreement

This Agreement shall terminate and shall be of no further force and effect upon the earliest to occur of:

- (a) all Second Lien Obligations being indefeasibly paid and satisfied in full in accordance with the terms of this Agreement, or any other cancellation or termination of all of the Second Lien Obligations in a manner not prohibited by this Agreement;
- (b) all First Lien Obligations being indefeasibly paid and satisfied in full and in cash and all credit facilities and other obligations to extend credit under the First Lien Documents being fully cancelled and terminated; and
- (c) the written agreement of the First Lien Holder and the Second Lien Holder and notice of such agreement to the Borrower.

In the event that all Second Lien Obligations or First Lien Obligations are indefeasibly paid and satisfied in full or otherwise terminated in a manner not prohibited by this agreement, the Second Lien Holder or the First Lien Holder shall notify the other parties hereto of such repayment or termination, as applicable, provided that the failure to give the notice required pursuant this Section 8.1 shall not constitute a breach of this Agreement, or prejudice or act as a waiver of any party's rights hereunder.

8.2 Paramountcy

In the event of any conflict or inconsistency between the provisions of this Agreement and the provisions of the other First Lien Documents or the other Second Lien Documents, the provisions of this Agreement shall prevail to the extent of such conflict or inconsistency.

8.3 Notices

Any demand, notice or communication to be made or given hereunder shall be in writing and may be made or given by personal delivery or by transmittal by telecopy or other electronic means of communication addressed to the respective parties as follows:

To the Borrower:

Northstar Clean Technologies Inc.
7046 Brown Street
Delta, BC V4G 1G8

Attention: •
Facsimile: •

To the First Lien Holder:

[REDACTED]

To the Second Lien Holder:

Contact information redacted.

CVW CleanTech Inc

[REDACTED]

Attention:
E-mail:

[REDACTED]

or to such other address or telecopy number as any party may from time to time notify the others in accordance with this Section. Any demand, notice or communication made or given by personal delivery or by telecopier or other electronic means of communication during normal business hours at the place of receipt on a Banking Day shall be conclusively deemed to have been made or given at the time of actual delivery or transmittal, as the case may be, on such Banking Day. Any demand, notice or communication made or given by personal delivery or by telecopier or other electronic means of communication after normal business hours at the place of receipt or otherwise than on a Banking Day shall be conclusively deemed to have been made or given at 9:00 a.m. (Calgary time) on the first Banking Day following actual delivery or transmittal, as the case may be.

8.4 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein, without prejudice to or limitation of any other rights or remedies available under the laws of any jurisdiction where property or assets of the Borrower may be found.

8.5 Severability

Any provision of this Agreement which is invalid, prohibited or unenforceable in any jurisdiction shall not invalidate the remaining provisions hereof and any such invalidity, prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

8.6 Whole Agreement

This Agreement constitutes the whole and entire agreement between the parties hereto regarding the subject matter hereof and thereof and cancels and supersedes any prior agreements, undertakings, declarations, commitments, representations, written or oral, in respect thereof.

8.7 Amendments and Waivers

No amendment to this Agreement shall be valid or binding unless set forth in writing and duly executed by the parties hereto; provided that, no consent of or execution by the Borrower shall be necessary to any amendment of this Agreement unless the obligations of the Borrower hereunder are affected thereby. In the event of an amendment hereto referred to in the proviso in the immediately preceding sentence, the other parties hereto shall provide a copy of any such amendment to the Borrower. No waiver of any breach of any provision of this Agreement shall be effective or binding unless made in writing and signed by the party purporting to give the same and, unless otherwise provided in the written waiver in question, shall be limited to the specific breach waived. No failure or delay by any Creditor in exercising any right or remedy shall operate as a waiver of such right nor shall any single or partial exercise of any right or remedy of such Creditor preclude its further exercise or the exercise of any other right or remedy.

8.8 Further Assurances

Each of the parties hereto shall do, perform, execute and deliver all acts, deeds, documents and assurances as may be necessary from time to time to give full force and effect to the intent of this Agreement. Without limiting the generality of the foregoing, each Creditor shall make all filings, recordings and registrations and shall execute and deliver all such certificates, agreements, instruments, financing statements, notices and other documents reasonably requested by the other Creditors in order to evidence, record or give effect to the agreements established hereunder.

8.9 Not Admit to Benefit

Subject to Sections 6.2 and 7.1, no person other than the First Lien Holder and the Second Lien Holder shall have any rights or benefits under this Agreement, nor is it intended that any other person gain any benefit or advantage as a result of this Agreement nor shall this Agreement constitute a subordination of any Security in favour of any person other than the First Lien Holder.

8.10 Attornment

The parties hereto each hereby attorn and submit to the jurisdiction of the courts of the Province of Alberta in regard to legal proceedings relating to this Agreement. For the purpose of all such legal proceedings, this Agreement shall be deemed to have been performed in the Province of Alberta and the courts of the Province of Alberta shall have jurisdiction to entertain any action arising under this Agreement. Notwithstanding the foregoing, nothing in this Section shall be construed nor operate to exclude any right any party hereto may have to commence any action relating hereto in any other jurisdiction.

8.11 Waiver of Jury Trial

To the extent permitted by applicable laws, each of the parties hereto hereby agrees to waive its respective rights to a jury trial of any claim or cause of action based upon or arising hereunder.

8.12 Time of the Essence

Time shall be of the essence under and with respect to this Agreement.

8.13 Negotiated Document

This Agreement is the result of negotiations between the parties hereto and has been reviewed by legal counsel to each of the parties hereto and is the product of all of the parties hereto. Accordingly, this Agreement is not to be construed against the First Lien Holder merely because of their involvement in the preparation of this Agreement.

8.14 Authorization

By its signature, each person executing this Agreement on behalf of another person or persons hereby represents and warrants to the other parties hereto that it is duly authorized to execute this Agreement on such person's or persons' behalf.

8.15 Counterparts

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument, and it shall not be necessary in making proof of this Agreement to produce or account for more than one such counterpart.

[Remainder of this page intentionally left blank.]

IN WITNESS WHEREOF the parties hereto have executed this Agreement.

BORROWER:

NORTHSTAR CLEAN TECHNOLOGIES INC.

By: _____
Name:
Title:

By: _____
Name:
Title:

**EMPOWER ENVIRONMENTAL SOLUTIONS
CALGARY LTD.**

By: _____
Name:
Title:

By: _____
Name:
Title:

**EMPOWER ENVIRONMENTAL SOLUTIONS
LTD.**

By: _____
Name:
Title:

By: _____
Name:
Title:

First Lien Holder:

[REDACTED], as First Lien Holder

By: _____
Name:
Title:

By: _____
Name:
Title:

SECOND LIEN HOLDER:

CVW CLEANTECH INC.

By: _____
Name:
Title:

By: _____
Name:
Title:

SCHEDULE D

MCASPHALT PRICING FORMULA

The price of Empower Calgary's Product, per metric tonne, paid by McAsphalt ("Purchase Price") will be calculated as the sum of:

■	■	[REDACTED]	
		[REDACTED]	
■	■	■	[REDACTED]
			[REDACTED]
			[REDACTED]
			[REDACTED]
			[REDACTED]
■	■	■	[REDACTED]
			[REDACTED]
			[REDACTED]
			[REDACTED]
			[REDACTED]
■	■	■	[REDACTED]
			[REDACTED]
			[REDACTED]
			[REDACTED]
			[REDACTED]
■	■	■	[REDACTED]
			[REDACTED]
			[REDACTED]
			[REDACTED]
			[REDACTED]
■	■	■	[REDACTED]
			[REDACTED]
			[REDACTED]
			[REDACTED]
			[REDACTED]
■	■	■	[REDACTED]
			[REDACTED]
			[REDACTED]
			[REDACTED]
			[REDACTED]
■	■	■	[REDACTED]
			[REDACTED]
			[REDACTED]
			[REDACTED]
			[REDACTED]
■	■	■	[REDACTED]
			[REDACTED]
			[REDACTED]
			[REDACTED]
			[REDACTED]

[REDACTED]	[REDACTED]
[REDACTED] [REDACTED]	[REDACTED] [REDACTED] [REDACTED]
[REDACTED] [REDACTED] [REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED] [REDACTED] [REDACTED] [REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]

Government	Percentage
Current government	85%
Previous government	15%

LEGAL_CAL:17855628.4