

This is the 1<sup>st</sup> Affidavit of  
Joseph Archibald in this case and  
was made on January 7, 2022

No. S2110503  
Vancouver Registry

**IN THE SUPREME COURT OF BRITISH COLUMBIA**

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,  
R.S.C. 1985, c. C-36

AND

IN THE MATTER OF OTSO GOLD CORP., OTSO GOLD OY, OTSO GOLD AB, and  
2273265 ALBERTA LTD.

PETITIONERS

**A F F I D A V I T**

I, **Joseph Archibald**, care of 2200 – 885 West Georgia Street, Vancouver, British  
Columbia, SWEAR THAT:

1. I am the Co-Founder, Managing Partner, and Member of the Investment Committee and Board of Directors of Pandion Mine Finance Fund, L.P. ("**Pandion Mine Finance**") and the Principal and Member of the Board of Directors of RiverMet Resource Capital, L.P. ("**RiverMet**"), and as such I have personal knowledge of the facts and matters hereinafter deposed to, save and except where they are stated to be on information and belief in which I verily believe them to be true.

2. I am authorized by Pandion Mine Finance, RiverMet, and PFL Raahe Holdings LP (a wholly-owned subsidiary of RiverMet, and referred to herein as "**PFL Raahe**") to swear this affidavit on their behalf. For ease of reference, and unless context requires otherwise, I will refer to Pandion Mine Finance, RiverMet and PFL Raahe as "**Pandion**" throughout my affidavit, which I have sworn in support of an application by Pandion for, *inter alia*, an Order:

- (a) opposing a further extension of the stay of proceedings in favour of Otso Gold Corp. ("**Otso Gold**"), Otso Gold OY ("**Otso OY**"), Otso Gold AB ("**Otso AB**"), and 2273265 Alberta Ltd. ("**2273265**" and, together with Otso Gold, Otso OY and

Otso AB, the “**Petitioners**”) pursuant to the *Companies Creditors Arrangement Act* (“**CCAA**”);

- (b) terminating the proceedings (the “**CCAA Proceedings**”) commenced by the Petitioners pursuant to the CCAA on December 3, 2021; and
- (c) appointing FTI Consulting Canada Inc. (“**FTI**”) as receiver and manager over all of the assets, properties, and undertakings of the Petitioners.

**A. Otso Gold**

3. Otso Gold is a publicly traded mineral exploration and development company, and is incorporated pursuant to the laws of Alberta. Attached hereto and marked as **Exhibit “A”** is a copy of an Alberta corporate search for Otso Gold.

4. Otso Gold is extra-provincially registered in British Columbia. Attached hereto and marked as **Exhibit “B”** is a British Columbia extra-provincial corporate search for Otso Gold.

5. To my knowledge, Otso Gold has the following three wholly-owned subsidiaries:

- (a) Otso AB, which is incorporated pursuant to the laws of Sweden;
- (b) 2273265, which is incorporated pursuant to the laws of Alberta; and
- (c) Minera Acero Del Feuga SA.

6. Otso AB has one wholly-owned subsidiary, Otso OY. Otso OY is incorporated pursuant to the laws of Finland and, as detailed further below, is the operating entity of a gold mine (the “**Otso Gold Mine**”) located in Finland.

**B. The PPF Agreement and Security**

7. On or about November 10, 2017, PFL Raahe, a wholly owned subsidiary of RiverMet (PFL Raahe was a wholly owned subsidiary of Pandion Mine Finance until December 31, 2020, at which point it was sold to RiverMet), and Otso Gold (then known as Firesteel Resources Inc., and referred to herein as “**Firesteel**”) entered into a Pre-Paid Gold Forward Purchase Agreement (the “**PPF Agreement**”). Attached hereto and marked as **Exhibit “C”** is a copy of the PPF Agreement.

8. Capitalized terms used in this section and not otherwise defined herein have the same meaning ascribed to them in the PPF Agreement.
9. Pursuant to the PPF Agreement, PFL Raahe and Firesteel agreed, *inter alia*, as follows:
  - (a) PFL Raahe would make a cash payment to Firesteel in the amount of USD\$20.6 million as a prepayment for the purchase of 67,155 oz of gold, and pay an additional amount equal to the market price less a fixed discount of USD\$500/oz upon each delivery of gold (as detailed therein);
  - (b) the proceeds of the gold prepayment would be used to fund: (i) an investment in the Finnish OpCo with respect to the Otso Gold Mine; and (ii) the extinguishment of certain liabilities and obligations;
  - (c) Firesteel would sell the Contract Quantity of Gold to PFL Raahe, free and clear of all Liens;
  - (d) Firesteel would deliver the Contract Quantity of Gold to PFL Raahe on each Monthly Delivery Date by Delivery of the Scheduled Monthly Quantity, in accordance with the terms thereof;
  - (e) failure to Deliver any amount of Gold, as required by the terms thereof, would constitute an "Event of Default"; and
  - (f) upon the occurrence of an Event of Default by an Obligor, PFL Raahe was entitled to: (i) demand payment of the Early Termination Amount (calculated in accordance with section 5(8) thereof); and (ii) enforce against the Collateral.
10. Further details regarding the use of the proceeds paid to Otso Gold pursuant to the PPF Agreement are also set out at Exhibit B-3 to the PPF Agreement.
11. As security for the obligations under the PPF Agreement, Pandion was granted, *inter alia*, a Lien over and in respect of any and all of Firesteel's (and its subsidiaries') real and personal property, assets, rights, titles and interests, whether tangible or intangible, presently held or after acquired, and all products and proceeds of the foregoing, including insurance proceeds. Further details regarding the security granted pursuant to and in connection with the PPF Agreement are set out below.

12. As set out in Exhibit B-1 of the PPF Agreement, at the time the PPF Agreement was executed, Nordic Oy owed approximately EUR\$31.1 million (USD\$36.2 million) to Nordic Mines AB (the former parent company of Otso AB), consisting of an intercompany loan in the outstanding amount of EUR\$24.1 million, and a capital loan in the outstanding amount of EUR\$7 million (referred to in the PPF Agreement, and referred to herein, as the "**Finnish OpCo Debts**").

13. The PPF Agreement contemplated, *inter alia*, that the Finnish OpCo Debts would be assigned to Otso Gold (then known as Firesteel), and that Firesteel would thereafter grant "Security in respect of such Finnish OpCo Debts...for the benefit of [Pandion]" (PPF Agreement, section 3(1)(xvii)).

### **C. The PPF2 Agreement and Security**

14. On December 8, 2017, and as contemplated by the PPF Agreement, the following additional agreements were executed:

- (a) Nordic Gold OY (formerly known as Nordic Mines OY) and Nordic Gold Corp. (formerly known as Firesteel Resources Inc.) entered into a Second Pre-Paid Forward Gold Purchase Agreement, as amended and restated on November 8, 2018 (the "**PPF2 Agreement**"). The PPF2 Agreement provided that Otso Oy (previously Nordic Mines Oy) could satisfy its obligations relating to the delivery of gold to Firesteel (as the Buyer under the PPF2 Agreement), or by making deliveries directly to PFL Raahe, and thus created back-to-back obligations between Otso Oy (then called Nordic Mines Oy) and Firesteel that corresponded to the obligations between Firesteel and Pandion under the PPF Agreement. In this respect, section 4.1 of the Direct Agreement provides that PFL Raahe (as the Buyer) may, in the case of a default under the PPF Agreement, step into Otso Gold's shoes and exercise any/all of its rights arising under and pursuant to the PPF2 Agreement; and
- (b) PFL Raahe (as Buyer), Firesteel and Nordic Mines OY entered into a Direct Agreement, in connection with the PPF2 Agreement and as a condition under the PPF Agreement.

15. Attached hereto and collectively marked as **Exhibit "D"** are copies of the PPF2 Agreement and the Direct Agreement.

16. Capitalized terms used in this section not otherwise defined herein have the meaning ascribed to them in the PPF2 Agreement.

17. As security for the obligations arising under the PPF2 Agreement, Nordic Mines OY irrevocably and unconditionally pledged to Otso Gold, as a first priority pledge, the mining right and a business mortgage. Otso Gold further pledged the same assets to Pandion as security for its obligations under the PPF Agreement. Attached hereto and marked as **Exhibit "E"** is a copy of the Security Agreement (PPF2 Agreement) between Otso OY and Otso Gold, dated December 8, 2017.

**D. Pandion's Security**

18. As detailed and acknowledged at paragraph 60 of the First Koshkin Affidavit, Pandion holds the following security in connection with the funding that Pandion provided to Otso Gold (exhibit references are to the First Koshkin Affidavit):

- (a) Security Agreement (PPF Agreement) between Otso OY and PFL Raahe, dated December 8, 2017 (Exhibit "O");
- (b) Security Agreement between Otso Gold and PFL Raahe, dated December 8, 2017 (Exhibit "P");
- (c) Security Agreement (PPF2 Agreement) between Otso OY and Otso Gold dated December 8, 2017 (Exhibit "Q");
- (d) Share Pledge Agreement among Otso AB, Otso Gold and PFL Raahe, dated February 5, 2018 (Exhibit "R");
- (e) Direct Agreement among PFL Raahe, Otso OY and Otso Gold, dated December 8, 2017 (Exhibit "S");
- (f) General Security Agreement between Otso Gold and PFL Raahe, dated December 8, 2017 (Exhibit "T");

- (g) Second Priority Security Agreement (Royalty Agreement) between Otso Gold and PFL Raahe dated November 8, 2018 (Exhibit "U");
- (h) Second Priority Security Agreement (Royalty Agreement) between Otso OY and PFL Raahe dated November 8, 2018 (Exhibit "V");
- (i) Second Priority Security Agreement II (Royalty Agreement) between Otso OY and PFL Raahe dated November 8, 2018 (Exhibit "W");
- (j) Second Priority Share Pledge Agreement (Royalty Agreement) between Otso AB, Otso Gold and PFL Raahe, dated November 8, 2018 (Exhibit "X"); and
- (k) the Mining Right Certificate issued on 12 October 2009 by the Finnish Ministry of Employment and the Economy concerning registration in the Mining Register of the Laiva mining patent no. 7803 (copies of which are attached thereto as Exhibit "Y"), a translated copy of which is attached hereto and marked as **Exhibit "F"**.

19. In addition to the foregoing, Otso Gold (then known as Firesteel) also granted the following security to Pandion:

- (a) a security interest in all of its present and after-acquired real and personal property pursuant to a General Security Agreement, dated December 2017 (the "**GSA**") to secure performance of the "Obligations" (as such term is defined in article 1.01 thereof), a copy of which is attached hereto and marked as **Exhibit "G"**; and
- (b) pledge agreements, relating to the shares in Nordic Mines Marknad AB, certain options, and a loan, each of which is dated December 8, 2017, and copies of which are attached hereto and collectively marked as **Exhibit "H"**.

20. I verily believe that Pandion's security interest created by the foregoing documents has been perfected in Canada through the following registrations:

- (a) Registration No. 17112810682 made on November 28, 2017, against Otso Gold in the Alberta Personal Property Registry; and
- (b) Registration No. 425756K made on November 28, 2017, against Otso Gold in the British Columbia Personal Property Registry.

21. Attached hereto and collectively marked as **Exhibit "I"** are copies of the personal property registry searches evidencing Pandion's registrations in Alberta and British Columbia.

**E. Default under the PPF Agreement; Amendment & Forbearance to PPF Agreement**

22. Firesteel subsequently defaulted on certain of its obligations under the PPF Agreement.

23. On October 15, 2018, and following these defaults, the parties agreed to amend the PPF Agreement pursuant to an "Amendment and Forbearance No. 1 to the Pre-Paid Forward Gold Purchase Agreement" (the "**Amendment & Forbearance to PPF Agreement**"), a copy of which is attached hereto and marked as **Exhibit "J"**.

24. Pursuant to the terms of the Amendment & Forbearance to PPF Agreement, the parties agreed *inter alia*, as follows:

- (a) PFL Raahe would provide additional funding of USD\$7 million, in two supplemental tranches, as prepayment for the purchase of 25,960 oz of gold (for a total purchase of 93,115 oz of gold for all three tranches), and pay an additional amount equal to the market price less a fixed discount of USD\$500/oz upon each delivery of gold (as detailed therein);
- (b) PFL Raahe would shift the start date of gold deliveries under the PPF Agreement to Jan-2020 from May-2019; and
- (c) PFL Raahe would remove Section 23 from the PPF Agreement, the Contract Quantity Exchange Option concept;
- (d) In return, the parties agreed to the following:
  - (i) 19.9% of the outstanding common shares provided to PFL Raahe;
  - (ii) a USD\$1.5m Buyer Fee paid to PFL Raahe within six months of entering into the Amendment & Forbearance to PPF Agreement; and
  - (iii) a 2.5% net smelter return on gold production from the Otso Gold Mine.

25. Attached hereto and marked as **Exhibit "K"** is a copy of a Press Release entitled "Nordic Gold Secures Funding to Complete Path to Production" dated October 17, 2018, which provides a further summary of the Amendment & Forbearance to PPF Agreement.

**F. The Royalty Agreement**

26. Pursuant to the Amendment & Forbearance to PPF Agreement, in exchange for removing an option in the PPF Agreement, on November 8, 2018, PFL Raahe, Nordic Gold OY, and Nordic Gold Corp., entered into a Net Smelter Returns Royalty Agreement (the "**Royalty Agreement**"), pursuant to which PFL Raahe was granted a 2.5% Net Smelter Returns Royalty (the "**Royalty**") payable on all Minerals mined or otherwise recovered from the Mine Properties, the Mining Concessions and/or the Mine. Attached hereto and marked as **Exhibit "L"** is a copy of the Royalty Agreement.

27. Pursuant to the terms of the Royalty Agreement, the parties agreed *inter alia* as follows:

- (a) the grant of the Royalty would be binding upon the successors and assigns of the Owner, and all successors of the Owner in title to the Mine Properties;
- (b) the Royalty would run with the Mine Properties and the Owner's title to the Mine Properties, and to the extent permitted in law, would constitute a vested interest in and a covenant running with the Mine Properties and Minerals and the respective titles thereto and all accessions thereto or successions or derivations thereof; and
- (c) PFL Raahe could, at its own expense register or record notice of the Royalty Agreement against title to the Mine, the Mine Properties and the Mining Concessions.

28. The pledges referred to in paragraphs 18(g), 18(h), 18(i), and 18(j) above were granted to Pandion as security for the obligations under and pursuant to the Royalty Agreement.

29. Attached as Exhibit "Y" to the First Koshkin Affidavit is a copy of the Mining Right Certificate that was pledged to Pandion as first priority security under the PPF Agreement (first by Otso Oy to Otso Gold pursuant to the agreement referred to in paragraph 18 above and then by Otso Gold to Pandion pursuant to the agreement referred to in paragraph 18(b) above), and as second priority security under the Royalty Agreement (pursuant to the agreement referred to in paragraphs 18(i) above). I am advised by Juha-Pekka Mutanen, a partner at Dittmar & Indrenius (Pandion's Finnish counsel), that the handwritten notes on the Mining Right Certificate constitute a security endorsement of the first priority for the PPF Agreement and the second priority for the Royalty. I am further advised by Mr. Mutanen that the pledge was subsequently



registered (i.e., registered in the Mining Register). A translated copy of the Mining Right Certificate is attached hereto and was previously marked as Exhibit "F".

#### **G. Care and Maintenance – Maintenance Loan Agreement**

30. Following the execution of the Amendment & Forbearance to PPF Agreement and the Royalty Agreement, Otso Gold poured gold until March 2019 at which time, and as a result of various issues (including, *inter alia*, poor management and issues with the mill), Otso Gold ran out of working capital. As detailed further at paragraph 20 of the First Koshkin Affidavit, the Otso Gold Mine was then placed on care and maintenance from pre-commercial production, effective April 1, 2019.

31. On April 17, 2019, and in order to protect the value of its collateral in the Otso Gold Mine, PFL Raahe entered into a Maintenance Loan Agreement (the "MLA") with Otso Gold, pursuant to which it agreed to provide care and maintenance funding in the principal sum of up to EUR350,000 per month. In addition, the MLA provides *inter alia* that:

- (a) the MLA was a "Transaction Document" under the PPF Agreement; and
- (b) the Obligations (as defined in the MLA) were payable on demand;

32. PFL Raahe provided care and maintenance funding to Otso Gold until December 3, 2019, in the amount of USD\$5,849,030 to allow Otso Gold to maintain the site and pay down its liabilities.

#### **H. The PFL Raahe Sales Process**

33. Prior to entering into the MLA, Pandion also engaged Cutfield Freeman (Independent Global Mining Finance Advisors) ("Cutfield") in March 2019, to market and sell PFL Raahe's claims and rights related to the Otso Gold Mine (the "PFL Raahe Sales Process").

34. Cutfield subsequently developed a target company list of over 100 companies, which included any direct inquiries that Pandion had previously (or subsequently) received.

35. The PFL Raahe Sales Process was conducted from approximately April 2019 until September 17, 2019, and generated expressions of interest from approximately ten companies. However, due to the circumstances that existed at the mine during this time (i.e., lack of drilling and gold reserves, selective mining, lack of a feasibility study, etc.), the interest in moving

forward with fuller due diligence and a potential transaction was limited: of the ten companies that expressed an interest, Pandion only received two non-binding offers – both of which were made by Chinese mining companies (the “**Interested Companies**”).

36. The Interested Companies conducted site visits in July 2019, but by September 17, 2019, both had communicated they were not interested in pursuing the opportunity further.

#### I. **Services Agreement with Lionsbridge and Westech**

37. On May 6, 2019, and in connection with the PFL Raahe Sales Process, I spoke to Lionsbridge Capital Ltd. (“**Lionsbridge**”) and sent the asset summary prepared in connection with the PFL Raahe Sales Process to Lionsbridge. To be clear, Lionsbridge is an arms-length party, and neither I nor Pandion have ever done business with Lionsbridge apart from our separate relationships with Otso Gold.

38. The following day, Lionsbridge executed a confidentiality agreement in order to gain access to the data room that had been prepared by Cutfield for the PFL Raahe Sales Process.

39. On May 23, 2019, Lionsbridge informed Pandion that, having completed its technical review and having engaged with potential investors/sources of capital, it was unlikely that it would be able to buy out PFL Raahe’s claims and rights related to the Otso Gold Mine. However, and as detailed further at paragraph 12 of the First Affidavit of Clyde Wesson, sworn December 12, 2021, through its review of the project, Lionsbridge identified a pathway for production to resume at the Otso Gold Mine and indicated an interest in assisting with managing this process.

40. On July 2, 2019, Otso Gold, Lionsbridge, and Westech International Pty Ltd. (“**Westech**”), entered into a services agreement (the “**Services Agreement**”), pursuant to which the parties agreed, *inter alia*, that: (i) Lionsbridge would provide Otso Gold with corporate management services; and (ii) Westech would, subject to independent approvals, provide Otso Gold with the technical services it had identified as necessary to return the Otso Gold Mine back to production. A copy of the Services Agreement is attached as Exhibit “C” to the First Koshkin Affidavit, and

41. The Services Agreement was subject to TSX-V approval and, as detailed further in the Press Release “Nordic Gold Announces Changes in Board and Management Annual & Special General Meeting set for August 28, 2019”, a copy of which is attached hereto and marked as

**Exhibit “M”**, was approved by Otso Gold’s board of directors (the “**Otso Board**”) on July 2, 2019.

42. Attached hereto and marked as **Exhibit “N”** is a press release dated August 30, 2019, which provides that Otso Gold held an Annual and Special Meeting of shareholders on August 28, 2019, at which meeting the shareholders approved, *inter alia*, the following:

- (a) the election of Brian Wesson, Clyde Wesson, and Yvette Harrison to serve as directors on the Otso Board; and
- (b) the Services Agreement.

**J. Obligations and Debt Restructuring – Consent and Agreement**

43. Following the approval of the Services Agreement, and as detailed at paragraph 12 of the First Wesson Affidavit, Otso Gold negotiated a restructuring of Otso Gold’s liabilities to Pandion resulting in the execution of the “Consent and Agreement to Pre-Paid Forward Gold Purchase Agreement and Maintenance Loan Agreement” on October 7, 2019 (the “**Consent & Agreement**”), a copy of which is attached hereto and marked as **Exhibit “O”**.

44. Pursuant to section 2.1 of the Consent & Agreement, the obligations otherwise owing under the PPF Agreement were deferred on the following terms:

*Recharacterization of Obligations: Deferment of Deferred Payment Amounts until the Deferment Termination Date.* Subject to the terms hereof, the Buyer hereby agrees that (1) the Obligations of the Obligors under the PPF Agreement and the obligations of Nordic Gold Oy under the Maintenance Loan Agreement shall be recharacterized and consolidated under this Agreement to a \$23,000,000 payable of the Seller owing to the Buyer and (2) on and after the Deferment Effective Date until the Deferment Termination Date any payments due under the PPF Agreement (as modified by this Agreement) and the Maintenance Loan Agreement shall be deferred until the Deferment Termination Date. The deferment and consolidation granted pursuant to this Section 2.1 shall automatically terminate on the Deferment Termination Date and the Deferred Payment Amounts, together with all other amounts due on such date

under this Agreement and the Transaction Documents, shall be immediately due and payable on such date. The period from and including the Deferment Effective Date through but excluding the Deferment Termination Date shall be referred to herein as the 'Deferment Period.'"

45. Section 5.1 of the Consent & Agreement provides that, *inter alia*, the following would constitute "Deferment Termination Events":

- (a) any of the Obligors defaults in the observance or performance of its obligations arising under the Consent & Agreement; and
- (b) any Obligor: (i) becomes insolvent or generally not able to pay its debts as they become due; (ii) admits in writing its inability to pay its debts generally or makes a general assignment for the benefit of creditors; (iii) institutes or has instituted against it any proceeding seeking (x) to adjudicate it a bankrupt or insolvent, (y) liquidation, winding-up, reorganization, arrangement, adjustment protection, relief, or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors including any plan of compromise or arrangement or other corporate proceeding involving or affecting its creditors, or (z) the entry of an order for relief or the appointment of a receiver, receiver and manager, trustee, monitor, custodian or other similar official for it or for any substantial part of its properties and assets, and in the case of any such proceeding instituted against it (but not instituted by it), either the proceeding remains undismissed or unstayed for a period of thirty (30) days, or any of the actions sought in such proceeding (including the entry of an order for relief against it or the appointment of a receiver, interim receiver, receiver and manager, trustee, monitor, custodian or other similar official for it or for any substantial part of its properties and assets) occurs; or (iv) takes any corporate action to authorize any of the above actions.

46. Pursuant to the Consent & Agreement, the parties agreed *inter alia*, as follows:

- (a) the sum of USD\$23 million, the Deferred Payment Amounts, payable in two equal instalments of USD\$11.5 million within eighteen and twenty-four months of entering into the Consent & Agreement (April 7, 2021 and October 7, 2021,

respectively), would be paid to PFL Raahe in full satisfaction of the amounts otherwise due under the PPF Agreement and Maintenance Loan Agreement;

- (b) a contingent payment of USD\$1.56 million, payable in common shares of Otso Gold, pro rata upon the completion of up to CAD\$7 million equity raise for purposes of providing PFL Raahe with ownership of Otso Gold common shares not to exceed 19.9%;
- (c) permit Otso Gold to repurchase the Royalty for USD\$15 million; and
- (d) PFL Raahe would provide additional amounts not exceeding USD\$900,000 pursuant to the MLA in order to fund maintenance expenditures relating to the site during the three months following execution of the Consent & Agreement.

47. The purpose of entering into the Consent & Agreement was to, among other things: (i) permit Otso Gold to move forward with raising funds to restart operations at the Otso Gold Mine; (ii) recapitalize the company; (iii) do necessary drilling, technical work, and complete a feasibility study; and (iv) ensure that the value created by successfully restarting operations at the Otso Gold Mine would not be consumed by its existing liabilities.

48. On December 16, 2019, Nordic Gold changed its name to Otso Gold.

#### **K. Additional Funding – Convertible Debenture**

49. On March 26, 2020, PFL Raahe agreed to provide additional funding to Otso Gold in the amount of USD\$1.5 million, in the form of unsecured convertible debentures with a maturity date of March 26, 2023 (the "**Convertible Debentures**") pursuant to the terms of a Debenture Agreement, dated March 26, 2020 (the "**Debenture Agreement**"), as well as a "put option", pursuant to a Put Agreement dated March 26, 2020 (the "**Put Agreement**"), to require Otso Gold to purchase the Convertible Debentures on or after September 25, 2020. Copies of the Debenture Agreement and the Put Agreement are attached hereto and collectively marked as **Exhibit "P"**.

50. In consideration of PFL Raahe subscribing for the Convertible Debentures, each of Lionsbridge and Brian Wesson absolutely, unconditionally and irrevocably guaranteed, on a joint and several basis to PFL Raahe the full and timely payment of all debts and liabilities, present and future, matured and unmatured, owing by Otso Gold to PFL Raahe under the

Convertible Debenture, including the Put Option and the Call Right arising therefrom (and as such terms are defined in the Debenture Agreement), together with all costs and disbursements incurred by PFL Raahe in order to recover such amounts, pursuant to a Guarantee and Call Agreement, dated March 26, 2020, a copy of which is attached hereto and marked as **Exhibit “Q”**.

**L. Amended Consent & Agreement**

51. On December 13, 2020, PFL Raahe agreed to amend the Consent & Agreement to, *inter alia*, provide that the Deferred Payment Amounts would be payable in one lump sum due on December 7, 2021 (the “**Amended Consent & Agreement**”). Attached hereto and marked as **Exhibit “R”** is a copy of the Amended Consent & Agreement.

52. I negotiated the Amended Consent & Agreement directly with Vladimir Lelekov in October, 2020. Attached hereto and collectively marked as **Exhibit “S”** are copies of the email correspondence that I exchanged with Mr. Lelekov regarding the Amended Consent & Agreement in October, 2020.

**M. Commencement of CCAA Proceedings and Default**

53. On December 3, 2021, Otso Gold commenced the CCAA Proceedings and, thereafter, failed to pay the Deferred Payment Amounts otherwise due on December 7, 2021 pursuant to the Amended Consent & Agreement.

54. On December 8, 2021, Pandion, through its legal counsel, delivered a summary of the amounts owing pursuant to the Transaction Agreements (i.e., the Early Termination Amount). Attached hereto and collectively marked as **Exhibit “T”** is a copy of the email sent by Pandion’s counsel attaching a summary chart of the Early Termination Amount, as well as the summary chart. Neither Otso Gold nor its counsel has asked for any explanation or clarification of this chart.

55. On December 23, 2021, at the request of the Monitor, Pandion’s counsel delivered the following documents (collectively referred to as the “**ETA Calculation Documents**”) to Otso Gold’s legal counsel, and to the Monitor in the CCAA Proceedings (and the Monitor’s counsel):

- (a) a chart summarizing the Early Termination Amount (the “**ETA Chart**”), with pinpoint references to the relevant agreement;

- (b) a spreadsheet with various underlying calculations from which the Early Termination Amount has been derived; and
- (c) a detailed summary of the Transaction Documents, pursuant to which the Early Termination Amount is owed.

56. Attached hereto and collectively marked as **Exhibit "U"** are copies of the ETA Calculation Documents, which show that as at December 8, 2021, the Early Termination Amount totaled USD\$95,350,406, which sum has been calculated as follows:

<u>Line Item</u>	<u>Amount</u>	<u>Legal Authority</u>	<u>Detailed Calculation</u>
Early Termination Amount	\$95,350,406	Consent and Agreement, § 2.1 ("The deferment and consolidation granted pursuant to this <b>Section 2.1</b> shall automatically terminate on the Deferment Termination Date and the Deferred Payment Amounts, together with all other amounts due on such date under this Agreement and the Transaction Documents, shall be immediately due and payable on such date."); PPF, § 14(4)(i); Amendment No. 1 (definition of "Early Termination Amount")	See below.
Clause (i)	\$47,242,554	Amendment No. 1 (clause (i) of definition of "Early Termination Amount")	Contract Quantity of Gold: \$46,557,500 <i>plus</i> Default Interest for Contract Quantity of Gold that remains unpaid on each Monthly Delivery Date: \$685,054
Clause (ii)	\$0	Amendment No. 1 (clause (ii) of definition of "Early Termination Amount")	None.
Clause (iii)	\$8,939,395	Amendment No. 1 (clause (iii) of definition of "Early Termination Amount")	Aggregate disbursements under Maintenance Loan Agreement: \$5,849,030 <i>plus</i> Accrued interest on disbursements under Maintenance Loan Agreement: \$1,590,365

<u>Line Item</u>	<u>Amount</u>	<u>Legal Authority</u>	<u>Detailed Calculation</u>
			<i>plus</i> Buyer Fee Cash Payment: \$1,500,000
Clause (iv)	\$0	Amendment No. 1 (clause (iv) of definition of "Early Termination Amount")	None.
Clause (v)*	\$39,168,456	Amendment No. 1 (clause (v) of definition of "Early Termination Amount")	<p>The greater of zero and the product of:</p> <p>(A) 50% of the Monthly Payable Production of gold for the later of:</p> <p style="padding-left: 40px;">(x) 69 months following the Effective Date, and</p> <p style="padding-left: 40px;">(y) the final Scheduled Delivery Month, as applicable; and</p> <p>Calculation Under Clause (A): 67,375oz (50% multiplied by 134,750oz Monthly Payable Production of Gold from Jan-2022 through Sep-2023)</p> <p>(B) an amount equal to the then current Settlement Price minus the applicable Base Spot Price; provided that any amounts that have been satisfied or paid to the Buyer prior to the date of any early termination pursuant to this Section 5(8) shall only be considered once for purposes of any calculation under this Section 5(8).</p> <p>Calculation Under Clause (B): \$581.35/oz (\$1,781.35/oz minus \$1,200.00/oz)</p> <p>Product of Clauses (A) and (B): \$39,168,456</p>
<p>* For clarity, the same amounts referenced within Section 24(1)/(4) pursuant to the Amendment &amp; Forbearance to PPF Agreement.</p>			

**M. Pandion does not Support Continuing the CCAA Proceedings**

57. Pandion does not support the continuation of the CCAA Proceedings and seeks the appointment of the Receiver for the following reasons:



- (a) given the efforts described above to restructure the obligations owed to it, which have not resulted in the payment of the liabilities owed to it, and the facts described in this paragraph, Pandion does not have confidence that the Petitioners will be able to successfully restructure their liabilities and restart operations at the Otso Gold Mine. Accordingly, I verily believe that the appointment of the Receiver for the purposes of, *inter alia*, conducting a sales process represents the best possibility for recovery to Pandion;
- (b) Otso Gold restarted operations at the Otso Gold Mine in November 2021 pursuant to a long-term mining plan (the "**Boyd Plan**") prepared by Boyd Company and a shorter-term mining plan for the initial month of restarted operations;
- (c) for reasons that are not entirely clear to me, Otso Gold does not appear to have formulated a short-term mining plan for any period after December 15, 2021, and has apparently made the decision to abandon the Boyd Plan, which is cited and relied upon as Otso Gold's reason for ceasing operations at the Otso Gold Mine as of December 17, 2021. In the ordinary course, I do verily believe that a shorter-term mining plan for the succeeding month (i.e., December 2021) ought to have been prepared based on the results of operations during the month of November 2021;
- (d) even though Otso Gold appears to have restarted operations at the Otso Gold Mine through November 2021 with adequate safety measures, its current management is at least uncertain that the existing safety measures are sufficient and Otso Gold has cited safety concerns as an additional reason for ceasing operations in mid-December;
- (e) in support of the initial order (the "**Initial Order**") sought pursuant to the CCAA, Otso Gold filed cash-flow projections (attached as Exhibit "BBBB" to the First Koshkin Affidavit, and Exhibit "A" to the Second Affidavit of Victor Koshkin, sworn December 3, 2021) that contemplated equity injections to fund operations at the Otso Gold Mine. At or about the time operations at the Otso Gold Mine were suspended, new cash-flow projections were submitted to the Court (attached as Exhibit "D" to the Third Affidavit of Victor Koshkin, sworn on December 8, 2021)

which do not include or contemplate any equity injections whatsoever. I verily believe that the lack of equity injections, and the corresponding lack of funding, is a cause for the suspension of operations at the Otso Gold Mine as of December 17, 2021;

- (f) I do verily believe that, as a consequence of suspending operations at the Otso Gold Mine, significant funding will be required to restart operations, if indeed it is contemplated that such operations will be restarted. I am not aware of any commitments by any party (Pandion included) to finance the restart of operations at the Otso Gold Mine;
- (g) affidavits filed in connection with the CCAA Proceedings reflect no dispute about the following facts:
  - (i) there have been and are significant differences and disputes among directors and officers of Otso Gold (some affiliated with Brunswick entities and others with Lionsbridge, but all holding director and/or officer positions on the board); and
  - (ii) the composition of the board of directors has recently changed and that there have been significant changes in management during in the past month.

Although the First Koshkin Affidavit states that these differences, disputes and the resulting instability have been prejudicial to Otso Gold, they reflect the internal affairs of the Company, Pandion should not be asked to bear the cost of these issues through a continuation of these CCAA Proceedings (or otherwise);

- (h) affidavits filed in the CCAA Proceedings contemplate that operating expenses of Otso Gold (including costs resulting from the disputes among officers and directors of Otso Gold and the resulting instability), have been (or will be) paid using the proceeds of sales of gold mined at the Otso Gold Mine, which gold I do verily believe is collateral and pledged by the Petitioners to secure the obligations owed to PFL Raahe. I do verily believe that the dissipation of this collateral is prejudicial to PFL Raahe;

- (i) none of the materials filed in connection with the continuation of these CCAA Proceedings provide for or contemplate: (i) the repayment of amounts owed to PFL Raahe, the Petitioners' sole secured creditor; (ii) funding of operations at the Otso Gold Mine; (iii) the sale of the Otso Gold Mine and/or Otso Gold's assets for the purposes of realizing value to creditors;
- (j) it is unlikely that Otso Gold will be able to put a plan forward that will be acceptable to Pandion, as the obligations owed to Pandion appear to significantly exceed the value of the Otso Gold Mine; and
- (k) Otso Gold defaulted on its obligation to pay the Deferred Payment Amounts, and the liabilities owed to Pandion have, since the commencement of the CCAA Proceedings, reverted to the Early Termination Amount (which totals USD\$95,350,406), whereas the value of the Otso Gold Mine is listed at \$55,853,164 (see paragraph 52 of the First Koshkin Affidavit).

58. I understand from discussions with the Petitioners, the Petitioners' counsel, and the Monitor and its counsel, that the Petitioners will be seeking debtor-in-possession ("DIP") financing at the next application currently scheduled for January 14, 2022. We have not received any material regarding this DIP request other than the request itself, and the Petitioners have been advised by Pandion's counsel that Pandion will not support any DIP financing that ranks in priority to its security.

#### **N. Litigation Commenced by Brunswick**

59. Following the commencement of these CCAA Proceedings, Otso Gold's majority shareholder, Brunswick, commenced legal proceedings against Pandion (among others) in Connecticut state court against not only Pandion, PFL Raahe, and RiverMet, but also myself and another Pandion partner, Ryan Byrne, in our personal capacity (collectively, the "**Pandion Defendants**"), alleging violations of the Connecticut Unfair Trade Practices Act ("**CUTPA**"), fraud and conspiracy to defraud, and aiding and abetting fraud in connection with Brunswick's investments in Otso Gold (collectively, the "**CT Claims**"). A copy of the Civil Summons and Complaint dated December 17, 2021 (the "**Brunswick Complaint**") is attached hereto and marked as **Exhibit "V"**.

60. The Pandion Defendants intend to seek dismissal of the CT Claims at the appropriate time and in the appropriate forum, as I verily believe that the Brunswick Complaint was filed for strategic reasons in an effort to generate leverage in its negotiations with Pandion in the context of these CCAA Proceedings.

61. Accordingly, and in addition to the bases set out in the foregoing section of this affidavit, I do verily believe that the appointment of a receiver is necessary to ensure that the collateral is managed by an independent party under the supervision of this Court rather than a litigant and its chosen professionals.

**O. Response to Certain Allegations against Pandion**

62. There are a number of allegations and intimations made against various parties, including Pandion, in the material filed in these CCAA Proceedings. On behalf of Pandion, I deny any and all allegations of wrongdoing by Pandion, and in response to these allegations state the following:

- (a) I verily believe that Pandion: (i) acted in good faith with respect to the Petitioners; and (ii) attempted to assist the Petitioners with a restructuring of their operations and liabilities numerous times over the last several years – including, most recently, by agreeing to a significant reduction and deferral of all amounts owed to Pandion pursuant to the Transaction Documents;
- (b) Pandion has not, as alleged in the Brunswick Complaint and/or as intimated in the materials filed in the CCAA Proceedings, conspired with anyone to conceal the nature of its claims and rights against Otso Gold, or sought to takeover the Otso Gold Mine or Otso Gold Corp. In this respect, Pandion notes that the documents and/or security interests Brunswick asserts were concealed from it are referred to in a number of the Transaction Documents (including, for example, the Royalty Agreement and the Consent & Agreement), all of which predate February 2021, the time at which Brunswick completed its initial investment, and November 2021, the time Brunswick claims in the Brunswick Complaint it first learned about the extent of Pandion's liens on property of Otso Gold and its subsidiaries. Moreover, even though Brunswick had notice that Pandion held extensive liens and other rights with respect to Otso Gold and its subsidiaries and their respective properties, at no time prior to November 22,

2021, did Brunswick request any documents or agreements from Pandion or any of its affiliates evidencing their claims and rights either before or after Brunswick made investments in Otso Gold;

- (c) although Otso Gold and Brunswick claim that the Early Termination Amount was not disclosed to them prior to December 2021, section 5(8) of the PPF Agreement provides that Otso Gold could have requested a calculation of the Early Termination Amount "at any time." At no time did Otso Gold and/or Brunswick request that Pandion provide such a calculation, though I note that "Otso Gold's Discussion and Analysis for the period ended October 31, 2019", a copy of which is attached hereto and marked as **Exhibit "W"**, the "market to market value of the gold loan" was reported to be CAD\$71.4 million;
- (d) despite the defaults by Otso Gold in respect of its obligations under the Transaction Documents, Pandion repeatedly sought to preserve value in the Otso Gold Mine by supporting various efforts to restructure and restart operations at the mine (including by, *inter alia*, agreeing to significant restructuring of Otso Gold's obligations); and
- (e) the purpose for the site visit in November 2021, by Pandion and certain of its advisors, was an effort to market and sell its royalty to a third-party, and was not, as suggested, to discuss a takeover of the Otso Gold Mine.

**P. Conclusion**

63. Given all of the foregoing, I do verily believe that the appointment of a Receiver over the undertakings, property and assets of the Petitioners is necessary and proper to protect the interests of Pandion (and other creditors) and to preserve and maximize the value of the Otso Gold Mine.

64. I do verily believe that FTI is qualified and has consented to its appointment as the Receiver of the Petitioners, if so ordered by this Court. Attached hereto and marked as **Exhibit "X"** is a copy of the Consent to Act as Receiver executed by an authorized signatory of FTI.

65. I make this Affidavit in support of Pandion's application to appoint a receiver over the assets, undertakings, and properties of the Petitioners, and also in anticipated response to the Petitioners' application for a further extension of the stay (and such other relief as may be

requested therein) in its extant CCAA Proceedings, which application material has not yet been delivered.

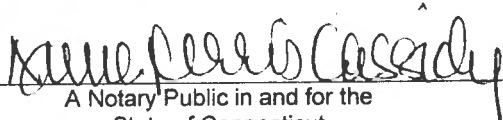
SWORN BEFORE ME at Ridgefield )  
Connecticut, United States of America, on )  
January 7, 2022. )

Anne Ferris Cassidy )  
A Notary Public in and for the State of )  
Connecticut )

Joseph Archibald  
JOSEPH ARCHIBALD

**ANNE FERRIS CASSIDY**  
Notary Public, State of Connecticut  
My Commission Expires March 31, 2024

This is **Exhibit "A"** referred to in Affidavit #1 of **Joseph Archibald**, sworn before me at Ridgely Connecticut, United States of America, on January 7, 2022.

  
A Notary Public in and for the  
State of Connecticut

**ANNE FERRIS CASSIDY**  
Notary Public, State of Connecticut  
My Commission Expires March 31, 2024

# Government Corporation/Non-Profit Search of Alberta ■ Corporate Registration System

Date of Search: 2022/01/04  
 Time of Search: 01:43 PM  
 Service Request Number: 36786007  
 Customer Reference Number: 03719935-10554333

**Corporate Access Number:** 205104383  
**Business Number:**  
**Legal Entity Name:** OTSO GOLD CORP.

## Name History:

Previous Legal Entity Name	Date of Name Change (YYYY/MM/DD)
510438 ALBERTA LTD.	1992/04/22
FIRESTEEL RESOURCES INC.	2018/08/10
NORDIC GOLD CORP.	2018/12/10
NORDIC GOLD INC.	2019/12/09

**Legal Entity Status:** Active  
**Alberta Corporation Type:** Named Alberta Corporation  
**Registration Date:** 1992/02/14 YYYY/MM/DD

## Registered Office:

**Street:** THIRD FLOOR, 14505 BANNISTER ROAD SE  
**City:** CALGARY  
**Province:** ALBERTA  
**Postal Code:** T2X3J3

## Records Address:

**Street:** THIRD FLOOR, 14505 BANNISTER ROAD SE  
**City:** CALGARY  
**Province:** ALBERTA  
**Postal Code:** T2X3J3

**Email Address:** ANNUALRETURNS@MCLEOD-LAW.COM

## Primary Agent for Service:

Last Name	First Name	Middle Name	Firm Name	Street	City	Province	Postal Code	Email
HUTTON	A.	NEIL	MCLEOD LAW LLP	THIRD FLOOR, 14505 BANNISTER ROAD SE	CALGARY	ALBERTA	T2X3J3	ANNUALRETURNS@MCLEOD- LAW.COM



**Directors:**

**Last Name:** KOSHKIN  
**First Name:** VICTOR  
**Street/Box Number:** SHOSSE ENTUZIASTOV 11A-3-25, MOSCOW  
**City:** MOSCOW  
**Postal Code:** 111024  
**Country:** RUSSIAN FEDERATION

**Last Name:** LELEKOV  
**First Name:** VLADIMIR  
**Street/Box Number:** 1ST SMOLENSKIY PER., 17-79  
**City:** MOSCOW  
**Postal Code:** 121099  
**Country:** RUSSIAN FEDERATION

**Last Name:** MALLON  
**First Name:** CHRISTOPHER  
**Street/Box Number:** 19 ST MARTIN-S RD  
**City:** LONDON  
**Postal Code:** SW9OSP  
**Country:** UNITED KINGDOM

**Last Name:** PASCAULT  
**First Name:** NICOLAS  
**Street/Box Number:** SRETENSKI BLVD 6/1 BLD, APT 77  
**City:** MOSCOW  
**Postal Code:** 101000  
**Country:** RUSSIAN FEDERATION

**Transfer Agents:**

**Last Name:** COMPUTERSHARE INVESTOR SERVICES CANADA  
**Street:** 510 BURRARD STREET, 3RD FLOOR  
**City:** VANCOUVER  
**Province:** BRITISH COLUMBIA  
**Postal Code:** V6C3B9

**Details From Current Articles:****The information in this legal entity table supersedes equivalent electronic attachments**

**Share Structure:** SEE SCHEDULE "A" TO THE RESTATED ARTICLES FILED NOVEMBER 17, 2003  
**Share Transfers Restrictions:** NO RESTRICTIONS  
**Min Number Of Directors:** 3  
**Max Number Of Directors:** 12

**Business Restricted To:** NONE  
**Business Restricted From:** NONE  
**Other Provisions:** SEE SCHEDULE "B" TO THE ARTICLES OF AMENDMENT FILED NOVEMBER 17, 2003

**Holding Shares In:**

<b>Legal Entity Name</b>
BLACKSTEEL OIL SANDS INC.

**Other Information:**

**Last Annual Return Filed:**

File Year	Date Filed (YYYY/MM/DD)
2021	2021/12/01

**Filing History:**

List Date (YYYY/MM/DD)	Type of Filing
2000/05/29	Change Address
2003/11/17	Name/Structure Change Alberta Corporation
2019/12/09	Name Change Alberta Corporation
2021/12/01	Enter Annual Returns for Alberta and Extra-Provincial Corp.
2021/12/01	Change Director / Shareholder
2021/12/02	Change Agent for Service

**Attachments:**

Attachment Type	Microfilm Bar Code	Date Recorded (YYYY/MM/DD)
Share Structure	ELECTRONIC	2003/11/17
Other Rules or Provisions	ELECTRONIC	2003/11/17
Letter - Spelling Error	10000600000421587	2008/03/10

The Registrar of Corporations certifies that, as of the date of this search, the above information is an accurate reproduction of data contained in the official public records of Corporate Registry.



This is Exhibit "B" referred to in Affidavit #1 of  
**Joseph Archibald**, sworn before me at  
~~Shelton~~ Connecticut, United States of  
America, on January 7, 2022.

*Anne Ferris Cassidy*

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A Notary Public in and for the  
State of Connecticut

**ANNE FERRIS CASSIDY**  
Notary Public, State of Connecticut  
My Commission Expires March 31, 2024



## Extraprovincial Company Summary

For  
**OTSO GOLD CORP.**

**Date and Time of Search:** January 04, 2022 12:44 PM Pacific Time  
**Currency Date:** December 21, 2021

### ACTIVE

**Registration Number in BC:** A0035969  
**Name of Extraprovincial Company:** OTSO GOLD CORP.  
**Business Number:** 133592931 BC0001  
**Registration Date:** Registered in British Columbia on September 04, 1992  
**Last Annual Report Filed:** Not Required **Receiver:** No

### FOREIGN JURISDICTION INFORMATION

**Identifying Number in Foreign Jurisdiction:** 205104383  
**Name In Foreign Jurisdiction:** OTSO GOLD CORP.  
**Date of Incorporation, Continuation or Amalgamation in Foreign Jurisdiction:** February 14, 1992  
**Foreign Jurisdiction:** ALBERTA

### COMPANY NAME INFORMATION

Previous Company Name	Date of Company Name Change
NORDIC GOLD INC.	December 09, 2019
NORDIC GOLD CORP.	December 20, 2018
FIRESTEEL RESOURCES INC.	October 04, 2018

### HEAD OFFICE INFORMATION

Mailing Address:	Delivery Address:
THIRD FLOOR, 14505 BANNISTER ROAD SE CALGARY AB T2X 3J3 CANADA	THIRD FLOOR, 14505 BANNISTER ROAD SE CALGARY AB T2X 3J3 CANADA

### ATTORNEY INFORMATION

**Last Name, First Name, Middle Name:**

PROVENZANO, MICHAEL F.

**Mailing Address:**BOX 11587  
SUITE 950 - SCOTIA TOWER  
650 WEST GEORGIA STREET  
VANCOUVER BC V6B 4N8  
CANADA**Delivery Address:**SUITE 950 - SCOTIA TOWER  
650 WEST GEORGIA STREET  
VANCOUVER BC V6B 4N8  
CANADA

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**DIRECTOR INFORMATION**

Directors are not recorded for extraprovincial registration types. Go to the incorporating jurisdiction for director information.

---

**Corporate History****Date and Time Filed (Pacific Time)**

Notice of Resignation of Attorney	October 07, 2020 9:11 AM
Notice of Change of Name of Extraprovincial Company	December 09, 2019 8:15 AM
Notice of Change of Name of Extraprovincial Company	December 20, 2018 10:54 AM
Notice of Change Respecting Extraprovincial Company	October 05, 2018 8:45 AM
Notice of Change of Name of Extraprovincial Company	October 04, 2018 9:03 AM
Extraprovincial Annual Report - SEP 04, 2008	October 23, 2008 2:22 PM
Extraprovincial Annual Report - SEP 04, 2007	November 29, 2007 10:16 AM
Notice of Change of Address of Attorney	November 05, 2007 10:33 AM
Extraprovincial Annual Report - SEP 04, 2006	November 02, 2006 2:46 PM
Extraprovincial Annual Report - SEP 04, 2005	November 02, 2006 2:43 PM
Extraprovincial Annual Report - SEP 04, 2004	October 08, 2004 11:11 AM
ANNUAL REPORT - SEP 04, 2003	February 13, 2004
ANNUAL REPORT - SEP 04, 2002	February 10, 2003
ANNUAL REPORT - SEP 04, 2001	October 12, 2001
ANNUAL REPORT - SEP 04, 2000	November 07, 2000
NOTICE OF DIRECTORS	February 07, 2000
ANNUAL REPORT - SEP 04, 1999	December 15, 1999
NOTICE OF DIRECTORS X 2	December 15, 1999
ANNUAL REPORT - SEP 04, 1998	November 13, 1998
ANNUAL REPORT - SEP 04, 1997	October 02, 1998
NCHNG ADDRESS OF ATTORNEY	July 28, 1998
NCHNG H.O. WITHIN BC	October 23, 1997
NCHNG HO WITHIN BC	December 04, 1996
ANNUAL REPORT - SEP 04, 1996	November 28, 1996
ANNUAL REPORT - SEP 04, 1995	February 02, 1996
ANNUAL REPORT - SEP 04, 1994	October 20, 1994
ANNUAL REPORT - SEP 04, 1993	March 04, 1994
REG DOCS	September 04, 1992

BN: 133592931BC0001

This is Exhibit "C" referred to in Affidavit #1 of Joseph Archibald, sworn before me at Windsorfield Connecticut, United States of America, on January 7, 2022.

*Anne Ferris Cassidy*  
A Notary Public in and for the  
State of Connecticut

**ANNE FERRIS CASSIDY**  
Notary Public, State of Connecticut  
My Commission Expires March 31, 2024



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**PRE-PAID FORWARD GOLD PURCHASE AGREEMENT**

---

dated

November 10, 2017

between

**FIRESTEEL RESOURCES INC.**  
as Seller

and

**PFL RAAHE HOLDINGS LP**  
as Buyer

Section 1	Definitions .....	1
Section 2	Interpretation.....	18
Section 3	Conditions Precedent .....	19
Section 4	Sale and Purchase .....	22
Section 5	Delivery .....	23
Section 6	Title and Risk.....	25
Section 7	Purchase Price, Use of Proceeds and Other Payments.....	25
Section 8	Payments.....	28
Section 9	Guarantee.....	30
Section 10	Subordination of Claims and Postponement of Subordination.....	32
Section 11	Representations and Warranties.....	33
Section 12	Covenants.....	40
Section 13	Events of Default .....	56
Section 14	Remedies.....	60
Section 15	Indemnities and Limitations of Liability .....	60
Section 16	Confidentiality .....	61
Section 17	Governing Law and Jurisdiction.....	62
Section 18	Notices .....	63
Section 19	Costs, Expenses and Indemnity .....	64
Section 20	Taxes and Other Taxes .....	65
Section 21	Rights of Set-Off and Suspension of Delivery Obligations.....	66
Section 22	Judgment Currency.....	67
Section 23	Contract Quantity Exchange Option.....	68
Section 24	Appointment of Project Company Directors .....	69
Section 25	Miscellaneous .....	69
Section 26	General.....	70

**SCHEDULES**

**Schedule A — Sites**

**Schedule B — Production Forecast**

**Schedule C — Debt to Be Extinguished**

**Schedule D — Material Agreements**

**Schedule E — Required Terms of Mineral Sales Contract/Refining Agreement**

**Schedule F — Mining Concessions and Current Ownership**

**Schedule G — Form of Capital Expenditure Report**

**Schedule H — Permits**

**Schedule I — Ownership Structure and Equity of the Project Company, Finnish OpCo and the Obligors**

**Schedule J — Insurance Policies**

**Schedule K — Liens**

**Schedule L — Litigation and Administrative Proceedings**

**Schedule M — Security Documents**

**Schedule N — Form of Compliance Certificate**

**Schedule O — Initial Expense Budget**

**Schedule P — Delivery Schedule**

**EXHIBITS**

**Exhibit A — Form of Guarantor Joinder Agreement**

**Exhibit B — Required Restructuring**

## PRE-PAID FORWARD GOLD PURCHASE AGREEMENT

This **PRE-PAID FORWARD GOLD PURCHASE AGREEMENT** (this “**Agreement**”) dated November 10, 2017 is made among FIRESTEEL RESOURCES INC. (the “**Seller**”), a company incorporated under the laws of Alberta, and PFL RAAHE HOLDINGS LP (the “**Buyer**”), a limited partnership organized under the laws of Ontario, and each other Person that may from time to time become a Guarantor of the Obligations (as defined below) (collectively, the “**Guarantors**,” and the Guarantors, together with the Seller, the “**Obligors**”). The Buyer, Seller and Guarantors shall be considered each a “**Party**” and together the “**Parties**.”

### RECITALS

**WHEREAS** the Seller owns and/or has rights to, without encumbrance other than Permitted Liens (as defined below), and operates the Sites (as defined below) in Finland and expects to produce gold, among other Minerals (as defined below), from the Mine (as defined below) throughout the term of this Agreement;

**AND WHEREAS** the Seller, directly and/or through an Affiliate, wishes to sell to the Buyer, and the Buyer, directly and/or through an Affiliate, wishes to purchase from the Seller, the Contract Quantity (as defined below) of Gold. In consideration for such sale of Gold, the Buyer wishes to make a prepayment on the Effective Date (as defined below), with the remainder of the consideration for such sale of Gold, if any, to be payable following Delivery, all on and subject to the terms and conditions specified herein;

**AND WHEREAS** by virtue of the foregoing each Guarantor confirms that it is receiving at least fair and valuable consideration from the Buyer for the obligations herein;

**NOW THEREFORE** in consideration of the premises, mutual covenants, representations and warranties made herein, and of the mutual benefits to be derived hereby, and for other good, fair and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the Parties, the Parties hereby agree as follows:

#### Section 1     **Definitions**

As used in this Agreement, the following terms have the following meanings:

“**Actual Monthly Quantity**” means, with respect to each Monthly Delivery Date, the amount of Gold in Ounces actually Delivered by or on behalf of the Seller to the Buyer on such Monthly Delivery Date.

“**Additional Gold Payment Amount**” has the meaning given to it in Section 7(2).

“**Additional Gold Payment Date**” means, in respect of each Monthly Delivery Date, the date that falls two (2) Business Days after such Monthly Delivery Date.

“**Affiliate**” means, with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

“**Agreement**” has the meaning specified in the Preamble.

**“Annual Business Plan”** means the Seller’s most recent financial plan in effect from time to time that has been delivered by or on behalf of the Seller to the Buyer.

**“Applicable Laws”** means all laws, statutes, regulations, Environmental Laws, Applicable Securities Laws, ordinances, codes of practice, circulars, guidance, common law, civil law, rules, by-laws, policies, guidelines, treaties and regulations, and all directives, orders, judgments, decisions, injunctions, awards and decrees of any Authority, and interpretations of any applicable laws by any Authority, in each case whether or not having the force of law.

**“Applicable Securities Laws”** means all applicable securities laws of Canada, Finland, Sweden, the European Union, and the United States, as applicable, and the respective rules and regulations under such laws together with applicable published fee schedules, prescribed forms, policy statements, national or multilateral instruments, orders, blanket rulings and other applicable regulatory instruments of the securities regulatory authorities in any of Canada, Finland, Sweden, the European Union, and the United States, as applicable, and such other jurisdictions as may be mutually acceptable to the Seller and the Buyer.

**“Authority”** means any national, regional, state, municipal or local government or governmental, administrative, fiscal, judicial, arbitral or government-owned body, department, commission, authority, tribunal, agency or entity, or central bank (or any Person, whether or not government-owned and howsoever constituted or called, that exercises the functions of a central bank), including but not limited to the Finnish Authority.

**“Bankruptcy Law”** means all Applicable Laws pertaining or applicable to bankruptcy, insolvency, debtor relief, debtor protection, liquidation, reorganization, winding up, arrangement, receivership, administration, moratorium, assignment for the benefit of creditors or other similar laws applicable in Finland, the United States or any other applicable jurisdictions as in effect from time to time.

**“Base Minimum Price”** has the meaning specified in Section 7(3)(a)(iii).

**“Base Spot Price”** means, with respect to gold, the average of the five (5) lowest Settlement Prices of gold from and including September 15, 2017 to and including the Effective Date minus US\$ 25/oz.

**“Business Day”** means any day other than a Saturday or Sunday on which commercial banks in London, New York City, Toronto, Stockholm and Helsinki are open for general business and on which the Gold Price is published on the Reference Price Source.

**“Buyer”** has the meaning specified in the Preamble.

**“Buyer’s Unallocated Gold Account”** means the unallocated gold account of the Buyer to be designated by the Buyer in accordance with this Agreement on or prior to the Effective Date.

**“CAS”** means the lawful currency of Canada.

**“Calculation Agent”** means the Buyer.

**“Capital Expenditure Report”** means a report substantially in the form set out in Schedule G hereto (it being understood that such report may be modified from time to time to the extent necessary in the opinion of the Buyer, acting reasonably, to calculate any funding surplus or deficit or otherwise in connection with this Agreement).

**“Change of Control”** means the occurrence of any of the following events: (a) any Person other than the Seller is or becomes the owner, directly or indirectly, beneficially or of record, of shares representing more than 50% (calculated on a fully diluted basis) of the aggregate ordinary voting power represented by the outstanding share capital of the Project Company, Finnish OpCo or any Obligor; (b) the possession, directly or indirectly, by a Person of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise of the Project Company, Finnish OpCo or any Obligor; (c) the approval by the shareholders of the Project Company, Finnish OpCo or any Obligor of any plan or proposal for the liquidation or dissolution of the Project Company, Finnish OpCo or such Obligor; (d) a change of the board of directors that is not supported by the current board; (e) any sale, lease, exchange or other transfer (in one transaction or a series of related transactions) of all or substantially all of the Project Company, Finnish OpCo or any Obligor’s property or assets; (f) the Seller fails to hold at least 60% of the outstanding shares of the Project Company (or Finnish OpCo, as applicable) following the Effective Date or; (g) any action is taken by any shareholder, director, or officer of the Project Company (or Finnish OpCo, as applicable) with the effect of removing the Seller as Operator (as such term is defined in the Project Company JV Agreement); (h) the disposal of any of the Parent Company’s interest in the Project Company (or Finnish OpCo, as applicable) to any Person other than the Seller; or (i) the disposal of any of the Project Company’s interest in Finnish OpCo to any Person other than the Seller.

**“Collateral”** means any and all real and personal property, assets, rights, titles and interests in respect of which the Buyer has or will have a Lien pursuant to a Security Document, whether tangible or intangible, presently held or hereafter acquired, and all products and proceeds of the foregoing, including insurance proceeds related to the foregoing.

**“Compliance Certificate”** means a certificate substantially in the form of Schedule N hereto.

**“Composition Plan”** means a composition plan (*Fi: saneerausohjelma*) under the Finnish Act on Company Administration (47/1993, as amended).

**“Collateral”** means any and all real and personal property, assets, rights, titles and interests in respect of which the Buyer has or will have a Lien pursuant to a Security Document, whether tangible or intangible, presently held or hereafter acquired, and all products and proceeds of the foregoing, including insurance proceeds related to the foregoing. The collateral shall consist, without limitation, of all real and personal assets of the Obligors subject to the terms and conditions of this Agreement.

**“Contract Quantity”** means a total of 67,155 Ounces of Gold to be Delivered as follows:

- (a) (i) 0 Ounces of Gold for each of the 17 calendar months following the calendar month in which the Gold Prepayment Amount is paid on the Effective Date, (ii) 225 Ounces of Gold for each of the 3 calendar months thereafter, (iii) 1,750 Ounces of Gold for each of the 12 calendar months thereafter, (iv) 1,950 Ounces of Gold for each of the 12 calendar months thereafter, and (v) 1,380 Ounces of Gold for each of the 16 calendar months thereafter; and
- (b) any Ounces of Gold to be delivered pursuant to Section 7(3) under this Agreement.

For the avoidance of doubt, the Ounces of Gold listed in each subclause hereof shall be in addition to the Ounces of Gold listed in the other subclause hereof, as applicable.

**“Contract Quantity Exchange Option”** has the meaning specified in Section 23(1).

“**Control**” of any Person means the power (whether by way of ownership of shares, proxy, contract, agency or otherwise) to, directly or indirectly, (a) cast, or control the casting of, more than 50% of the maximum number of votes that might be cast at a general meeting of such Person; (b) appoint or remove all, or the majority, of the directors or other equivalent officers of such Person; or (c) otherwise direct or cause the direction of the management of such Person.

“**Debentures**” means the CA\$419,000 principal amount of 9% convertible unsecured debentures of the Seller.

“**Debt**” of any Person means (a) all indebtedness of such Person for borrowed money or on account of borrowings of commodities, bankers’ acceptances, letters of credit or letters of guarantee, (b) all indebtedness of such Person for the deferred purchase price of property or services represented by a note, bond, debenture or other evidence of Debt, (c) all indebtedness created or arising under any conditional sale or other title retention agreement with respect to property acquired by such Person (even though the rights and remedies of the vendor under such agreement in the event of default are limited to repossession or sale of such property), (d) all current liabilities of such Person represented by a note, bond, debenture or other evidence of Debt, (e) all obligations under leases that have been or should be, in accordance with GAAP or IFRS, as applicable, recorded as capital leases in respect of which such Person is liable as lessee, (f) all obligations of such Person in respect of a prepaid purchase or forward purchase transaction and all obligations that would in accordance with GAAP or IFRS, as applicable, be accounted for as deferred revenue, (g) any royalty obligations and (h) any guarantee, indemnification or other similar obligation in respect of an obligation of any other Person of the type referred to in (a) to (h), above. For the avoidance of doubt, any trade accounts payable incurred in the ordinary course of business and not past due for more than 91 days after the date on which each such trade payable or account payable was created are excluded from the definition hereof.

“**Default**” means, in relation to any Party, an event which, with the giving of notice or passage of time, or both, would constitute an Event of Default in relation to such Party.

“**Default Interest Rate**” means, as of any date of calculation, a rate equal to LIBOR for such date plus 2% *per annum*.

“**Defaulting Party**” has the meaning specified in Section 14(1)

“**Delivery**” means the delivery of Gold by the Seller to the Buyer by means of credit to the Buyer’s Unallocated Gold Account and “**Deliver**” and “**Delivered**” shall have corresponding meanings. For the avoidance of doubt, Delivery shall be deemed to have occurred at the time that Gold is credited to the Buyers’ Unallocated Gold Account.

“**Depositors**” means the Seller and any gold-producing Subsidiaries of the Seller (if any), collectively.

“**Disclosing Party**” has the meaning specified in Section 16(1)(a).

“**Distribution**” has the meaning specified in Section 12(2)(l).

“**Early Termination Amount**” has the meaning specified in Section 5(8).

“**Early Termination Date**” has the meaning specified in Section 14(1).

**“Effective Date”** means the date on which (a) the conditions precedent set forth in Section 3(1) have been satisfied in accordance with the terms thereof and (b) the Buyer makes pays the Gold Prepayment Amount to the Seller in an amount equal to US\$20,600,000.

**“Environment”** means all components of the earth, including: air (including air within any building or other natural or man-made structure), water, land, flora, fauna, ecosystems and man, and any sewer system.

**“Environmental Laws”** means any and all Applicable Laws concerning pollution or the protection of the Environment, human health or welfare, the conditions of the workplace or the generation, transportation, storage, treatment or disposal of any Hazardous Substance, including civil or common law responsibility for acts of omission with respect to the Environment, and all Permits issued pursuant to such laws.

**“Environmental Liabilities”** means any cost, damage, expense, liability, obligation or other responsibility arising from or under Environmental Laws and consisting of or relating to: (a) any environmental conditions (including on-site or off-site contamination, and regulation of Hazardous Substances); (b) fines, penalties, judgments, awards, settlements, legal or administrative proceedings, damages, losses, claims, demands and responses, investigative, remedial, monitoring or inspection costs and expenses arising under Environmental Laws; (c) cleanup costs or corrective action, including any investigation, cleanup, removal, containment, monitoring or other remediation or response actions required by Environmental Laws (whether or not such has been required or requested by any Authority or any other Person) and for any natural resource damages; or (d) any other compliance, corrective, investigative, notice or remedial measures required under Environmental Laws; provided, however, that Environmental Liabilities shall not include any reclamation obligations of the Project Company, any Obligors, or any of their respective Affiliates or the foregoing arising in the ordinary course of business under the Permits, the Mining Concessions or Applicable Laws which reclamation obligations relate to the exploration, start-up, development, expansion of production or operation of the Sites.

**“Equity Documentation”** means each of the (a) the Contribution Agreement between the Seller and the Project Company relating to equity injection from the Seller to the Project Company dated on or about the date hereof, (b) the Contribution Agreement between the Project Company and Finnish OpCo relating to equity injection from the Project Company to Finnish OpCo, (c) the Conversion Agreement between Finnish OpCo and the Seller relating to the conversion of certain capital indebtedness to ordinary indebtedness for purposes of Finnish Applicable Law and (d) such other documentation as may from time to time be required by the parties hereto to give effect to this Agreement, in each case and form and substance satisfactory to such parties.

**“EUR”** means the lawful currency of the European Union.

**“Event of Default”** has the meaning specified in Section 13(1) in relation to the Seller and Section 13(2) in relation to the Buyer.

**“Exchange Deadline”** has the meaning specified in Section 23(1).

**“Existing Shareholder Loan”** means, collectively, the Indebtedness evidenced by (a) the Facility agreement dated 16 August 2016 and made between the Seller as lender (through an assignment from LAO TZU Investments AB) and the Parent Company as borrower, (b) Facility agreement dated 7 September 2016 and made between the Seller as lender (through an assignment from Jade Global Enterprises Limited) and the Parent Company as borrower, (c) Facility agreement dated 7 September 2016 and made between the Seller as lender (through an assignment from Lau SU Holding AB) and the Parent Company as borrower and (d) Facility agreement dated 30 November 2016 (as amended on 27



January 2017 and 3 March 2017) and made between the Seller as lender (through an assignment from Lau SU Holding AB) and the Parent Company as borrower, in each case as secured by a first ranking pledge of the shares in the Project Company.

“**Financial Quarter**” means each three-month period ending on January 31, April 30, July 31 and October 31 of each calendar year.

“**Financial Year**” means each calendar year commencing on February 1 and ending on January 31 of the immediately succeeding calendar year.

“**Finland**” means the Republic of Finland.

“**Finnish Assignment**” means the assignment agreement (in form and substance satisfactory to the Buyer) relating to assignment of Finnish OpCo Debts and any Collateral held by the Parent Company in respect of Finnish OpCo Debts comprising at least (a) the floating charge promissory note no. 0211/001148K in the amount of EUR700,000,000 issued on March 3, 2011 registered to encumber the assets of Finnish OpCo, (b) the mortgage note 11.3.2011/2696 in the amount of EUR700,000,000 registered against the leasehold 678-41-4-163-L1 and (c) the mortgage note 15.9.2011/10569 in the amount of EUR30,000,000 registered against the leasehold 678-41-4-163-L1.

“**Finnish Authority**” means the government of Finland, or any political subdivision thereof, whether provincial, regional, territorial, municipal or local, and any agency, authority, instrumentality, judicial or administrative, regulatory body, self-regulatory authority or body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national body exercising such powers or functions), including but not limited to the Finnish Safety and Chemicals Agency (Tukes) (Fi: *Turvallisuus- ja kemikaalivirasto (Tukes)*) and the Finnish Patent and Registration Office (Fi: *Patentti- ja rekisterihallitus*).

“**Finnish Companies Act**” means the Finnish Companies Act (Fi: *osakeyhtiölaki, 624/2006*, as amended).

“**Finnish Note Nullification**” means the lost note nullification application lodged with the Finnish court of first instance of jurisdiction in relation to the floating charge promissory note and the landlease mortgage promissory notes set out in the Finnish Assignment and in relation to the real estate mortgage notes listed on page K-2 of Schedule K hereto.

“**Finnish OpCo**” means Nordic Mines Oy, a Finnish limited liability company with business identity code 2296579-4.

“**Finnish OpCo Debts**” means all Debt in respect of which the Parent Company is the creditor and Finnish OpCo is the debtor, including: (a) the EUR24,084,909 intercompany loan owed by Finnish OpCo to the Parent Company and (b) the EUR7,000,000 capital loan owed by Finnish OpCo to the Parent Company.

“**Finnish OpCo Share Pledge Agreement**” means a pledge agreement dated on or about the Joinder Date between the Project Company and the Seller, as existing and future pledgors, and the Buyer, as Pledgee, relating to the shares in Finnish OpCo, pursuant to which pledge the Seller will become the pledgor immediately upon the downstream merger of the Project Company into the Finnish OpCo being completed, as part of the Required Restructuring.

**“Firesteel Bridge Loan”** means the loan from the Seller to the Parent Company dated September 30, 2017 in the amount of CA\$500,000 subject to the terms and conditions of a promissory note governed by Canadian law dated September 30, 2017 and secured by a second priority share pledge agreement dated September 30, 2017 and made between the Parent Company as pledgor and the Seller as pledgee in respect of all outstanding shares in the Project Company owned by in the Parent Company.

**“GAAP”** means, in relation to any Person at any time, accounting principles generally accepted in the United States of America, applied on a basis consistent with the most recent audited financial statements of such Person (except for changes approved by the auditors of such Person).

**“Gold”** means the gold bars or unallocated gold, derived from all the Produced Gold, complying with the rules of the LBMA from time to time in effect relating to good delivery and fineness.

**“Gold Prepayment Amount”** has the meaning given to it in Section 7.

**“Gold Price”** means the LBMA Gold Price PM.

**“Gold Price Discount”** means US\$500/Ounce.

**“Gold Shortfall”** means, for any Monthly Delivery Date, the amount in Ounces (if any) by which A exceeds B, where:

A is equal to the Scheduled Monthly Quantity for such Monthly Delivery Date; and

B is equal to the Actual Monthly Quantity Delivered with respect to such Monthly Delivery Date, excluding any Gold Shortfall Delivered in respect of a prior Scheduled Delivery Month.

**“Gold Shortfall Replacement Cost”** means, for any Monthly Delivery Date, an amount in US Dollars equal to the product of the Gold Shortfall and the Gold Price on such Monthly Delivery Date.

**“Guarantee”** has the meaning specified in Section 9.

**“Guarantors”** has the meaning specified in the Preamble.

**“Guarantor Joinder Agreement”** means a guarantor joinder agreement substantially in the form of Exhibit A hereto.

**“Hazardous Substance”** means any substance, product, liquid, waste, pollutant, chemical, contaminant, insecticide, pesticide, gaseous or solid matter, organic or inorganic matter, fuel, micro-organism, ray, odor radiation, energy, vector, plasma, constituent or material that: (a) is or becomes listed, regulated or addressed under any Environmental Law; or (b) is, or is deemed to be alone or in any combination, hazardous, hazardous waste, toxic, a pollutant, a deleterious substance, a contaminant or a source of pollution or contamination under any Environmental Law, including, asbestos, petroleum and polychlorinated byphenyls, including petroleum or petroleum distillates, asbestos or asbestos-containing materials, polychlorinated byphenyls, radon gas, infectious or medical wastes and all other substances or wastes of any nature regulated pursuant to any Environmental Law.

**“IFRS”** means, in relation to any Person at any time, the International Financial Reporting Standards, applied on a basis consistent with the most recent audited financial statements of such Person (except for changes approved by the auditors of such Person).

“**Indemnified Person**” has the meaning given to it in Section 15.

“**Initial Production Forecast**” means the Production Forecast of Gold for a period commencing on the Effective Date and ending on the date that is 92 months thereafter, in the form attached as Schedule B hereto.

“**Initial Expense Budget**” means the monthly budget set forth in Schedule O.

“**Instrument**” means any contract, agreement, undertaking, indenture, mortgage, certificate, document or writing (whether formal agreement, letter or otherwise) under which any obligation, duty, covenant, agreement, affirmation, undertaking or liability is evidenced, assumed or undertaken, or any right or Lien (or right or interest therein) is granted, authenticated, notarized, authorized or perfected, and any notice, registration, recordation or filing associated with or required by any of the foregoing.

“**Joinder Date**” has the meaning given to it in Section 12(1)(bb).

“**JV Agreement Supplement**” means the letter agreement Re: Supplement to Joint Venture Agreement (the “**Supplement**”) for Nordic Mines Marknad AB (the “**Project Company**”), dated as of September 28, 2017, by and among the Seller, the Parent Company, and the Buyer.

“**Judgment Currency**” has the meaning specified in Section 22(2).

“**Knowledge**” means, when referring to the “**knowledge**” of any Person, or any similar phrase or qualification based on knowledge, the actual knowledge of such Person (and, in the case of a Person that is not an individual, the actual knowledge of senior management of such Person), and the knowledge that such Person (or senior management of such Person) would have obtained after making due and appropriate inquiry with respect to the particular matter in question.

“**Laiva Project**” means the gold mining project of the Project Company and Finnish OpCo referred to as the Laiva Project, located within the boundaries of Northern Ostrobothnia, western Finland, centered on 2328500 mE, 7161000 mN (Finnish Coordinate System Zone 2), situated 20 km southeast of the nearest town, Raahe, and 70 km south of Oulu, which is the closest regional centre, and all properties, assets, facilities, equipment, rights, titles, interests, contracts, Consents and Permits associated directly or indirectly in any manner whatsoever therewith.

“**LBMA**” means the London Bullion Market Association or its successor.

“**LBMA Gold Price PM**” means, with respect to any pricing date, the afternoon London gold price per troy ounce of gold for delivery in London through a member of the LBMA authorized to effect such delivery, stated in US Dollars, as calculated and administered by independent service provider(s), pursuant to an agreement with the LBMA. In the event that such reference price ceases to exist, the LBMA Gold Price PM will be based on a comparable, publicly available and widely recognized source or mechanism as determined in the sole and absolute discretion of the Buyer, acting reasonably.

“**LIBOR**” means: (a) for any calculation date that is a Business Day, an interest rate *per annum* equal to the average of the rates which leading banks in the London interbank markets shall quote and offer to the Buyer for placing overnight deposits on such day with the Buyer in US Dollars (“**LIBOR**”) at approximately 10:00 a.m. (London time) two Business Days prior to such date; and (b) for any calculation date that is not a Business Day, LIBOR at approximately 10:00 a.m. (London Time) on the Business Day prior to such date. Notwithstanding the foregoing, if LIBOR shall be less than 0%, such rate shall be deemed to be 0% for purposes of this Agreement.

**“Lien”** means any mortgage, charge (whether fixed, floating or otherwise), pledge, hypothecation, security interest, assignment, trust encumbrance (whether transferred in trust, security trust or otherwise), lien (statutory or otherwise), 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.

**“Material Adverse Effect”** means, with respect to the Project Company, Finnish OpCo or any Obligor, the Mine, the Sites or the Collateral, as applicable, a material and adverse effect on (a) its financial condition, business, properties, assets or prospects, (b) the operation of any Site, (c) its ability to perform its obligations under this Agreement or any of the Transaction Documents, (d) the validity or enforceability against it of this Agreement or any of the Transaction Document or (e) the validity, enforceability or priority of the security interest provided for in the Transaction Documents.

**“Material Agreements”** means this Agreement, the Security Documents, the Mineral Sales Contract/Refining Agreement, the Project Company JV Agreement, the JV Agreement Supplement, and all other agreements to which the Project Company, Finnish OpCo or any Obligor is a party and relate in any manner to the access to or the development, construction, operation and maintenance of the Mine and/or the Mining Concessions, including the conduct of mining activities thereon.

**“Mine”** means the Site named as the Laiva Project, located in Northern Ostrobothnia, western Finland, centred on 2328500 mE, 7161000 mN (Finnish Coordinate System, Zone 2), situated 20 km southeast of the nearest town, Raahe, and 70 km south of Oulu, which is the closest regional centre.

**“Mine Properties”** means the real estate owned by the Parent Company where the Mine is located, namely the property registered under real estate register number 678-411-15-68 with an area of 287.3 hectares located in Raahe registered on August 25, 2012 and 678-412-88-5 with an area of 610.6 hectares located in Raahe registered on July 29, 2011.

**“Minerals”** means any and all marketable minerals or materials (including gold) in whatever form or state that is mined, extracted, removed, produced or otherwise recovered from the Mining Concessions, including any such material derived from any processing or reprocessing of any tailings, waste rock or other waste products originally derived from the Mining Concessions, and including ore and/or mineralized rock or other products resulting from the further milling, processing or other beneficiation of Minerals, including concentrates or doré bars.

**“Mineral Sales Contract/Refining Agreement”** means the Mineral Sales Contract/Refining Agreement, to be executed by and among the Seller and/or any gold producing Subsidiaries of the Seller, as depositors; the Buyer; and an Offtaker, to purchase or refine all gold-containing concentrate or doré produced by the Project Company, Finnish OpCo and/or any gold producing Subsidiaries of the Seller.

**“Mineral Processing Facility”** means any mill or other processing facility owned by the Project Company, Finnish OpCo or any Obligor or any third-party mill or other processing facility that may process ore and/or mineralized rock from the Mine under the Mineral Sales Contract/Refining Agreement.

**“Minimum Price”** has the meaning specified in Section 7(3)(a)(iii).

**“Minimum Price Protection Adjustment”** has the meaning specified in Section 7(3)(a)(iv).

**“Mining Concessions”** means those certain mining concession rights granted by any Finnish Authority to the Project Company, Finnish OpCo, the Parent Company, any Obligor, or to third parties, as listed in Schedule F as amended and supplemented from time to time, including, but not limited to, those rights

and interests transferred and assigned to the Project Company, Finnish OpCo or any Obligor, including all “step-in” rights, interests, privileges and mining rights under Applicable Laws, and any amendment or modification to the aforesaid concession or any future extraction concession relating to any area within the such concession, including any rights, privileges and interests that the Project Company or any Obligor may acquire in the surface, mineral and subsurface lands and other property rights within the area of said concession.

**“Monthly Delivery Date”** means the fourth Business Day prior to the last calendar day of the Scheduled Delivery Month.

**“Monthly Delivery Pricing Date”** means the last Business Day of the Scheduled Delivery Month.

**“Monthly Payable Production”** means the quantity of gold produced from the Laiva Project attributable to the Seller and paid for by or on behalf of the Project Company, Finnish OpCo or the Obligors for each calendar month, determined in accordance with the relevant Mineral Sales Contract/Refining Agreement.

**“Monthly Report”** means a written report satisfactory to the Buyer, to be delivered by the Seller to the Buyer, in relation to any calendar month, including the following detail as applicable:

- (a) all ore and/or mineralized rock tonnages and head grades of Minerals contained in the ore and/or mineralized rock mined from the Mining Concessions and waste movement during such month;
- (b) with respect to any Mineral Processing Facility, the quantity of ore and/or mineralized rock tonnages processed and head grades of the ore and/or mineralized rock processed from the Mining Concessions during such month;
- (c) with respect to any Mineral Processing Facility, the quantity of Gold produced during such month and the resulting recoveries for gold;
- (d) the quantity of gold contained in each delivery of Minerals to an Offtaker during such calendar month for which the Project Company, Finnish OpCo or the Obligors were paid (provisional or final);
- (e) the amount of Gold Delivered to the Buyer for that calendar month;
- (f) a reconciliation between items (d) and (e);
- (g) a copy of any statement received from an Offtaker during such calendar month;
- (h) with respect to the total quantity of gold in each delivery of Minerals to an Offtaker during such calendar month for which the Project Company, Finnish OpCo or the Obligors were paid (provisional or final), the average sales price for gold during such calendar month;
- (i) the cash cost per Ounce of gold produced and sold and a breakdown of all costs incurred by the Project Company, Finnish OpCo or any Obligor including, but not limited to, with respect to the Mine and the Site related to the Mine, details on costs charged by the Offtaker, total capital expenditures, any salaries for direct employees or administrative personnel and any other general Mine camp costs for such reporting period;

- (j) with respect to the Site related to the Mine, for both production headings and for the plant: costs by process (drilling, blasting, hauling, support, administrative, crushing, grinding, flotation, etc.) and cost by element (labor, energy, supplies, other);
- (k) costs for development at the Mine and a calculation of all-in sustaining costs per Ounce of gold produced and sold;
- (l) during the construction and development phase of the Mine a detailing of the project progress with respect to the Mine, including, but not limited to, the progress with respect to the mine, processing facility, capital expenditures, update of the schedule and the estimated construction completion timing, and any construction issues, including a comparison of such costs to the Initial Expense Budget;
- (m) during the construction and development phase of the Mine a detailing of all capital expenditures (including initial estimate) to date related to the development of the Mine and an update of the total current estimated capital expenditures for the completion of the Mine in the form set forth as Schedule G hereto, including a comparison of such costs to the Initial Expense Budget;
- (n) during the construction and development phase of the Mine, an update on the development schedule and detail on any construction issues;
- (o) safety performance information including rate of incidents and descriptions of serious incidents;
- (p) any pertinent administrative topics, such as human resources issues, accounting topics, hiring success, permitting, union issues, issues with regulators or government, security issues and operational readiness topics; and
- (q) any additional information that the Buyer may reasonably request from Seller from time to time.

“**Non-Defaulting Party**” has the meaning specified in Section 14.

“**Obligations**” has the meaning specified in Section 9.

“**Obligors**” has the meaning specified in the Preamble.

“**Offtaker**” means any Person other than the Project Company, Finnish OpCo or the Obligors that purchases Minerals from the Project Company, Finnish OpCo or the Obligors or that takes delivery of Minerals for the purpose of smelting, refining or other beneficiation of such Minerals for the benefit of the Project Company, Finnish OpCo or any Obligor.

“**Original Currency**” has the meaning specified in Section 22(2).

“**Other Taxes**” means any present or future stamp or documentary taxes or any other exercise or property taxes, charges, financial institutions duties, debits taxes or similar levies, together with any interest and any penalties, additions to tax or additional amounts with respect thereto.

“**Ounce**” means a fine troy ounce.

**“Parent Company”** means Nordic Mines AB (publ), a Swedish limited liability company with registration number 556679-1215;

**“Parent Debt”** has the meaning specified in Section 12(1)(e).

**“Party”** has the meaning specified in the Preamble.

**“Paying Party”** has the meaning specified in Section 22(3).

**“Payoff Date”** has the meaning specified in Section 9(6).

**“Permits”** means any permit, license, certificate, consent, approval, registration, waiver or other authorization issued or required to be issued, by any Authority, including any such Permit required under Environmental Law and any and all Permits that are necessary and required to be obtained at any particular time to undertake and conduct the business of the Project Company, Finnish OpCo or the Obligors, including (i) the start-up, development, expansion of development or operation of Sites or the Mining Concessions; or (ii) the financial condition of the Project Company, Finnish OpCo or the Obligors; each set out in Schedule H.

**“Permitted Debt”** means (a) the obligations to the Buyer under this Agreement; (b) Debt arising in connection with purchases or leases of equipment or property required by any Guarantor for the operation of its business in the normal course; (c) surety and similar bonds and other obligations of like nature to secure bids, contracts, leases, statutory obligations and similar obligations arising in the ordinary course of business, including closure plan and reclamation obligations and related guarantees; (d) Debt arising from the honoring by a bank or other financial institution of a check, draft or similar instrument inadvertently drawn against insufficient funds; (e) Debt arising from netting services, overdraft protection, cash management obligations and otherwise in connection with deposit and securities accounts in the ordinary course of business; (f) Debt between any Obligors; and (g) Debt listed in Schedule C.

**“Permitted Liens”** means, in respect of any Person, any one or more of the following:

- (a) Liens for Taxes, assessments or governmental charges or levies that 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, either: (i) adequate provision has been made for their payment, or (ii) the Liens are not in the aggregate materially prejudicial to the security constituted by the Security Documents;
- (b) inchoate or statutory Liens of contractors, subcontractors, mechanics, workers, suppliers, materialmen, carriers and others, 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 Laws 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 IFRS) in an adequate amount and provided further that such Liens do not reduce the value of the assets of the Person in any material respect, do not materially interfere with the use of such assets in the operation of the business of the Person or are not materially prejudicial to the security constituted by the Security Documents;
- (c) easements, rights-of-way, servitudes, zoning restrictions, survey exceptions, encroachments, licenses and similar rights or defects in or to real property comprised in the assets of the Person or interests therein granted or reserved to other Persons; provided

that such rights or defects: (i) do not reduce the value of the assets of the Person in any material respect, (ii) do not materially interfere with the use of such assets in the operation of the business of the Person, or (iii) are not materially prejudicial to the security constituted by the Security Documents;

- (d) title defects or irregularities which are of a minor nature and which do not reduce the value of the assets of the Person in any material respect, do not materially interfere with the use of such assets in the operation of the business of the Person or are not materially prejudicial to the security constituted by the Security Documents;
- (e) 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, not to exceed US\$250,000;
- (f) attachments, judgments and other similar Liens, not to exceed US\$250,000 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 or the claims so secured are being actively contested in good faith and by proper legal proceedings;
- (g) Liens given to a public utility or any municipality or governmental or other public authority when legally 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, in the Buyer's opinion: (i) do not reduce the value of the assets of the Person in an amount in excess of US\$50,000, (ii) do not materially interfere with the use of such assets in the operation of the business of the Person, or (iii) are not materially prejudicial to the security constituted by the Security Documents;
- (h) servicing agreements, development agreements, site plan agreements, and other agreements with Authorities pertaining to the use or development of any of the assets of the Person (including, without limitation, any obligations to deliver letters of credit and other security as required); provided same are complied with and do not reduce the value of the assets of the Person in any material respect, do not materially interfere with the use of such assets in the operation of the business of the Person or are not materially prejudicial to the security constituted by the Security Documents;
- (i) 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 the assets of the Person in any material respect, do not materially interfere with the use of such assets in the operation of the business of the Person or are not materially prejudicial to the security constituted by the Security Documents;
- (j) the right reserved to or vested in any Authority 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, unless the exercise of such right to terminate is threatened by any Authority or procedures to so terminate are initiated by such Authority;



- (k) Liens resulting from the deposit or pledge of cash or securities in connection with contracts, tenders, bids, leases, government contracts, supply agreement utilities or expropriation proceedings;
- (l) Liens in favor of the Buyer created by the Security Documents;
- (m) Purchase Money Liens;
- (n) Liens described on Schedule K; and
- (o) such other Liens as may be approved in writing by the Buyer from time to time.

**“Person”** means a natural person, partnership, corporation, joint stock company, trust, unincorporated association, joint venture or Authority, and pronouns have a similarly extended meaning.

**“PPF Agreement II”** means the Pre-Paid Forward Gold Purchase Agreement governed by Finnish law between the Seller and Finnish OpCo, dated on or about the Effective Date.

**“Price Point”** has the meaning specified in Section 7(3)(a).

**“Priority Accounts Payable”** means, at any time, the amount past due and owed by the Project Company or the Obligors; or which they have an obligation to remit to an Authority pursuant to any Applicable Laws in respect of pension fund obligations, unemployment insurance, goods and services taxes, sales taxes and other taxes payable or to be remitted or withheld, workers’ compensation and other like charges and demands, in respect of which any Authority may claim a security interest or other claim ranking or capable of ranking in priority at law to the security interests created by the Security Documents.

**“Process Agent”** means CT Corporation, with an office on the date hereof at 111 Eighth Avenue, 13<sup>th</sup> Floor, New York, New York 10011, or such other process agent as agreed to by the Buyer and the Seller from time to time.

**“Produced Gold”** means any and all gold in whatever form or state that is mined, produced, extracted or otherwise recovered from the Mining Concessions and the Mine, including any gold derived from any processing or reprocessing of any tailings, waste rock or other waste products originally derived from the Mining Concessions, and including gold contained in any ore and/or mineralized rock or other products resulting from the further milling, processing or other beneficiation of Minerals, including concentrates and doré bars.

**“Production Forecast”** means an annually updated forecast of production of gold from the Mine for a period commencing on the date of such update and ending on the eight (8) year anniversary of the Effective Date, which includes (a) forecasted production for the next 21 months of operation on a monthly basis and (b) forecasted production thereafter on an annual basis, and is in the form attached as Schedule B hereto.

**“Project Technical Characteristics”** means mineral resources, mineral reserves, mine plans, and project economics including operating and capital costs, utilized to determine the technical and economic feasibility of the start of the sustainable commercial operation of the Sites, each as disclosed to the Buyer.

**“Project Company”** means Nordic Mines Marknad AB, a company limited by shares incorporated in Sweden under registration number 556767-4980.

**“Project Company Debt”** means all Debt in respect of which the Parent Company is the creditor and the Project Company is the debtor, including the SEK2,424,883 intercompany loan owed by the Project Company to the Parent Company.

**“Project Company JV Agreement”** means the Joint Venture Agreement, dated as of September 11, 2017, by and between the Seller and the Parent Company.

**“Project Company Option”** has the meaning specified in Section 12(1)(dd)(ii).

**“Prudent Mining Industry Practices”** means those practices, standards, methods, techniques and specifications, as they may evolve, change and modify from time to time that: (a) are commonly used and generally accepted in the mining industry as good, safe and prudent operational, administrative and engineering practices in connection with the design, construction, operation, maintenance, repair or use of mining projects, mining facilities, mining infrastructure, mining equipment or other components of a mining operation; (b) conform in all material respects to Applicable Laws; (c) conform in all material respects to operational and maintenance guidelines and requirements suggested by applicable manufacturers, suppliers and insurance providers (taking into account the size, age, service and type of asset); and (d) are commercially reasonable based on the nature of the Sites.

**“Purchase Money Lien”** means a Lien created or incurred by a Person securing indebtedness incurred to finance the acquisition of assets or property (including the costs of installation thereof); provided that: (a) such Lien is created substantially simultaneously with the acquisition of such assets or property; (b) such Lien does not at any time encumber any property other than the assets or property financed by such indebtedness; (c) the amount of indebtedness secured thereby is not increased subsequent to such acquisition; and (d) the principal amount of indebtedness secured by such Lien at no time exceeds 100% of the original purchase price of such assets or property (including the costs of installation thereof in the aggregate not in excess of US\$250,000).

**“Purchase Offer Termination Date”** has the meaning specified on Section 3(2).

**“Quantity”** has the meaning specified in Section 7(3)(b).

**“Quarterly Report”** means a written report, in relation to any Financial Quarter, including the following financial information:

- (a) a forecast (by quarter) of the expected Actual Monthly Quantity for the balance of the Financial Year; and
- (b) a calculation of cost per Ounce of gold produced from the Mining Concessions for such Financial Quarter.

**“Reasonable and Prudent Operator”** means a Person seeking in good faith to perform its contractual obligations and in so doing, and in the general conduct of its undertaking, exercising that degree of skill, diligence, prudence and foresight that would reasonably and ordinarily be expected from a skilled and experienced operator complying in all material respects with all Applicable Laws engaged in the same type of undertaking, under the same or similar circumstances and conditions and in the same general location. A Reasonable and Prudent Operator is not necessarily defined as a Person performing the optimal standard practice method or act to the exclusion of others, but rather refers to a range of action reasonable under the circumstances.

**“Receiving Party”** has the meaning specified in Section 22(3).

**“Recipient”** has the meaning specified in Section 16.

**“Reference Price Source”** mean, with respect to gold, Bloomberg, any other comparable index or any comparable, publicly available and widely recognized source or mechanism, each as determined in the sole and absolute discretion of the Buyer.

**“Related Party”** means in respect of the Project Company, Finnish OpCo or any Obligor or any Affiliates thereof: (a) a Person which alone or in combination with others holds a sufficient number of securities or has contractual rights sufficient to affect materially the control of the Project Company, Finnish OpCo, any Obligor, or any Affiliates thereof; (b) a Person in respect of which a Person referred to in clause (a) alone or in combination with others holds a sufficient number of securities or has contractual rights sufficient to affect materially its control; (c) a Person in respect of which the Project Company, Finnish OpCo, any Obligor, or any Affiliates thereof alone or in combination with others holds a sufficient number of securities or has contractual rights sufficient to affect materially its control; (d) a Person who beneficially owns, directly or indirectly, voting securities of the Project Company, Finnish OpCo, any Obligor, or any Affiliates thereof or who exercises control or direction over voting securities of the Project Company, Finnish OpCo, any Obligor, or any Affiliates thereof or a combination of both carrying more than 10% of the voting rights attached to all voting securities of the Project Company, Finnish OpCo, any Obligor, or any Affiliate thereof for the time being outstanding; (e) a director or senior officer of the Project Company, Finnish OpCo, any Obligor, or Affiliates thereof, or related party of the Project Company, Finnish OpCo, any Obligor, or any Affiliate thereof; or (f) an Affiliate of any of the foregoing.

**“Required Restructuring”** means the restructuring transactions described in Exhibit B.

**“Restricted Party”** means a Person that is: (a) listed on, or fifty percent or more owned or controlled by a person or entity listed on, any Sanctions List; (b) located in, organized under the laws of, or resident in a country or territory that is a subject of country-wide or territory-wide Sanctions; or (c) otherwise a target of Sanctions (namely a person with whom a US person or other relevant national would be prohibited or restricted by law from engaging in trade, business or other activities).

**“Sanction(s)”** means any sanction administered or enforced by the Finnish government, the United States government, the United Nations Security Council, the European Union, Her Majesty’s Treasury or other relevant sanctions authority.

**“Sanctions List”** means (a) the Specially Designated Nationals and Blocked Persons List maintained by the US Treasury Department’s Office of Foreign Assets Control; (b) the Consolidated List of Financial Sanctions Targets maintained by the UK Treasury; (c) any sanction list created or maintained by Finnish Authorities; or (d) any similar list maintained by any other relevant sanctions authority.

**“Scheduled Delivery Month”** means the 60 calendar months following the month in which the Effective Date occurs, in accordance with this Agreement and including any months pursuant to Section 7(3) under this Agreement.

**“Scheduled Monthly Quantity”** means:

- (a) (i) 0 Ounces of Gold for each of the 17 calendar months following the calendar month in which the Gold Prepayment Amount is paid on the Effective Date, (ii) 225 Ounces of Gold for each of the 3 calendar months thereafter, (iii) 1,750 Ounces of Gold for each of the 12 calendar months thereafter, (iv) 1,950 Ounces of Gold for each of the 12 calendar

months thereafter, and (v) 1,380 Ounces of Gold for each of the 16 calendar months thereafter; and

(b) any Ounces of Gold to be delivered pursuant to Section 7(3) under this Agreement.

For the avoidance of doubt, the Ounces of Gold listed in each subclause hereof shall be in addition to the Ounces of Gold listed in the other subclause hereof, as applicable.

**“Security Documents”** means the guarantees and security documents, including but not limited to those agreements set out in Schedule M hereto, and each other guarantee and security from time to time delivered by or on behalf of the Seller, the Project Company, Finnish OpCo or any Obligor as security for its obligations under this Agreement and the other Transaction Documents.

**“Seller”** has the meaning specified in the Preamble.

**“Seller Default”** and **“Seller Default or Event of Default”** means, as applicable, a Default or Event of Default with respect to the Seller.

**“SEK”** means the lawful currency of Sweden.

**“Settlement Price”** means, with respect to gold, the LBMA Gold Price PM.

**“Sites”** means all assets needed to conduct mining activities by the Project Company, Finnish OpCo or any Obligor on the Mining Concessions, including but not limited to the Mining Concessions, real property, lands, rights to use or possess real property or lands, mills, equipment, tools, spare parts, infrastructure, roads, permits, etc., identified as belonging to the Project Company, Finnish OpCo or any Obligor, as set out in Schedule A.

**“Sovereign Immunities Act”** means The Foreign Sovereign Immunities Act of 1976, as amended from time to time.

**“Specified Quantity”** has the meaning specified in Section 7(3)(a)(ii).

**“Subsidiary”** means, with respect to any Person at any time, any other Person the accounts of which would be consolidated with those of such Person in such Person’s consolidated financial statements if such financial statements were prepared in accordance with IFRS as well as any other Person (a) of which securities or other ownership interests representing more than 50% of the equity or more than 50% of the ordinary voting power or, in the case of a partnership, more than 50% of the general partnership interests are, as of such date, owned, controlled or held, by such Person or (b) that is, as of such date, otherwise Controlled by such Person; provided that the Project Company shall not be deemed to be a Subsidiary of the Seller unless the Seller has exercised the Project Company Option in full.

**“Tax”** or **“Taxes”** means all national, federal, state, regional, provincial, municipal local, foreign and other net income, gross income (“income tax”), gross receipts, sales (“VAT or IVA”), use, ad valorem, transfer, franchise, profits, license, lease, service, goods and services, harmonized sales, value added, withholding, payroll, employment, excise, severance, stamp (“timbre”), occupation premium, property, windfall profits, fuel, gas import, customs, duties or other taxes, fees, assessments or charges of any kind whatsoever imposed by any Authority, whether in effect at the time of this Agreement or thereafter imposed, together with any interest and any penalties, additions to tax or additional amounts with respect thereto.

**“Term of this Agreement”** means the period commencing on the Effective Date and ending on the final Monthly Delivery Date or the Early Termination Date, as applicable.

**“Transaction Documents”** means this Agreement, the Security Documents, the Equity Documentation, the PPF Agreement II and each other document entered into by the Seller, the Project Company, Finnish OpCo or any Obligor with the Buyer with respect to the transactions contemplated hereby.

**“United States”** and **“US”** means the United States of America.

**“US Dollar,” “US\$,”** and **“\$”** means the lawful currency of the United States.

## Section 2 Interpretation

- (1) In this Agreement, unless the contrary intention appears, a reference:
  - (a) To a document (including this Agreement or any other Transaction Document) is to that document as varied, amended, novated or replaced from time to time, otherwise than in breach of this Agreement or of that document;
  - (b) To the singular includes the plural and vice versa, and to a gender includes all genders;
  - (c) To any rules, statute or to any treaty or statutory provision includes any modification or re-enactment of it or any treaty or provision substituted for it, and all protocols, rules, guidelines, procedures, ordinances, by-laws, regulations, rules and statutory instruments (however described) issued under it;
  - (d) To a date or time is to that date or time in New York unless otherwise specified; and
  - (e) To the words “including” and “include” shall mean “including without limitation” and “include without limitation,” respectively.
- (2) The headings do not affect the interpretation of this Agreement and the Schedules form part of this Agreement.
- (3) For purposes of this Agreement, weights in Ounces and prices per Ounce shall be rounded to two decimal places (in each case with 0.005 being rounded upward).
- (4) In this Agreement the words “Section” or “Sections” and “Schedule” or “Schedules” refer to Sections of and Schedules to this Agreement.
- (5) Accounting Terms and Determinations; GAAP. Except as otherwise expressly provided herein, all terms of an accounting or financial nature shall be construed in accordance with GAAP, as in effect from time to time; provided that, if the Seller notifies the Buyer that the Seller requests an amendment to any provision hereof to eliminate the effect of any change occurring after the date hereof in GAAP or in the application thereof on the operation of such provision (or if the Buyer notifies the Seller that the Buyer requests an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith. Notwithstanding any other provision contained herein, all terms of an accounting or financial nature used herein

shall be construed, and all computations of amounts and ratios referred to herein shall be made (i) without giving effect to any election under Accounting Standards Codification 825-10-25 (previously referred to as Statement of Financial Accounting Standards 159) (or any other Accounting Standards Codification or Financial Accounting Standard having a similar result or effect), to value any Debt or other liabilities of the Seller or any Subsidiary at “fair value,” as defined therein, (ii) without giving effect to any treatment of Debt in respect of convertible debt instruments under Accounting Standards Codification 470-20, to value any such Debt in a reduced or bifurcated manner as described therein, and such Debt shall at all times be valued at the full stated principal amount thereof and (iii) without giving effect to any change to lease accounting rules from those in effect on the date hereof pursuant to Accounting Standards Codification 840 and other lease accounting guidance as in effect on the date hereof.

- (6) Time of Day. Unless otherwise specified, all references herein to time of day shall be references to Eastern time (daylight or standard, as applicable).
- (7) Currency Equivalents. For purposes of determining aggregate amounts and percentages across amounts in different currencies, all such amounts in all currencies shall be expressed in their respective US Dollar equivalents, which equivalents shall be determined by the Buyer in good faith using currency exchange rates in effect on the date of such determination.

### **Section 3      Conditions Precedent**

The obligation of the Buyer to purchase Gold and to pay the purchase price therefor pursuant to this Agreement, including the obligation of the Buyer to pay the Gold Prepayment Amount, shall not become effective until the respective date on which the following conditions precedent have been satisfied to the satisfaction of the Buyer or specifically waived in writing by the Buyer (for the avoidance of doubt, the waiver of one condition shall in no way constitute a waiver of any other condition not specifically waived in writing by the Buyer, in each case in its sole and absolute discretion).

- (1) The following conditions precedent shall apply to the Effective Date:
- (a) all representations and warranties of each Obligor set out in this Agreement shall be true and correct on and as of the Effective Date (except for (i) representations and warranties which are stated as of a specific date, in which case such representations and warranties shall be correct as of such date, and (ii) representations and warranties qualified by Material Adverse Effect, in which case such representations shall be true and correct) and after giving effect to the transactions to be effected on the Effective Date;
  - (b) all covenants of the Obligors set out in this Agreement required to be complied with prior to the Effective Date shall have been complied with (other than those which by their nature are required to be complied with and will be complied with as of the Effective Date); and
  - (c) no Seller Default or Seller Event of Default shall have occurred and be continuing on or as of the Effective Date or after giving effect to the transactions to be effected on the Effective Date.
  - (d) Each of the Transaction Documents (i) shall have been duly executed, notarized, and/or filed, as applicable, and as may be required from time to time under Applicable Laws, and delivered by the parties thereto in accordance with its terms and Applicable Laws,

and shall be in full force and effect in accordance with its terms, and (ii) each of the Transaction Documents shall have been duly registered, as applicable;

- (e) (i) All required Consents shall have been obtained by the Seller and copies thereof shall have been delivered to the Buyer, and (ii) Buyer shall be satisfied in its sole discretion with the resolution of each of the matters described in Schedule H, Schedule L and each other aspect of its due diligence relating to its execution and delivery of this Agreement;
- (f) Each Obligor, as applicable, shall have duly created, perfected and, where applicable, registered as valid and enforceable first priority Liens or other interests or rights of the kind the relevant Security Documents purport to create over all of the Collateral, (subject to the Finnish Note Nullification);
- (g) the Seller shall have delivered to the Buyer, or in respect of insurances to be pledged under a Security Document in accordance with the relevant Security Document will deliver, in form and substance satisfactory to the Buyer, a certificate of insurance coverage, dated not more than 10 days prior to the Effective Date, evidencing that the Project Company, Finnish OpCo and the Obligors carry the insurance required by Section 12 and that the Buyer has been added as an additional insured and loss payee on those policies and all other policies of the Project Company and the Obligors and as additional insured under the liability coverage and subject to a non-vitiation clause and in form and substance satisfactory to the Buyer, all insurance policies duly endorsed in favor of the Buyer designating it as preferential beneficiary or co-insured, as applicable;
- (h) the Seller shall have delivered to the Buyer, in form and substance satisfactory to the Buyer in its sole discretion, a true, correct, and complete copy of the Project Company JV Agreement and the JV Agreement Supplement; and
- (i) The Seller shall have delivered to the Buyer, in form and substance reasonably satisfactory to the Buyer:
  - (i) certified copies of (A) the constitutive documents of the Project Company and each Obligor, (B) all resolutions of the board of directors or shareholders, as appropriate, of the Project Company and each Obligor, related to the execution, delivery and performance of the Transaction Documents; (C) a list of the officers and directors of the Project Company and each Obligor, as appropriate, authorized to sign the Transaction Documents, together with their specimen signatures; and (D) all Consents, Material Agreements and Permits;
  - (ii) a good standing certificate or certification of status and compliance with respect to the Project Company and each Obligor, issued by the appropriate Authority in each party's jurisdiction of incorporation and evidence of the qualification of such party in each jurisdiction where it carries on business or owns material assets;
  - (iii) except in respect of Collateral to be nullified under the Finnish Note Nullification, evidence of all registrations, consents, waivers, estoppels, discharges and subordinations as may be necessary to ensure that the Security Documents constitute first priority Liens over the Collateral subject only to Permitted Liens, including, without limitation, in respect of the mining permit relating to the Laiva Project and including, without limitation, discharges or

discharge documents in form acceptable to the Buyer in its sole and absolute discretion to be registered on the Effective Date;

- (iv) with respect to such Liens and other claims as the Buyer may require, a payoff letter or other acknowledgement of the amount owed and an agreement to deliver a release or discharge, in form acceptable to the Buyer, upon receipt of the amount specified, executed by each relevant claimant;
- (v) opinions of counsel to the Project Company and the Obligors, as to such matters for transactions of this nature as the Buyer may reasonably require;
- (vi) a certificate, dated the Effective Date, that to the best Knowledge of each Obligor, there are no facts or circumstances that would reasonably be expected to give rise to material Environmental Liability;
- (vii) a Compliance Certificate from each Obligor;
- (viii) a solvency certificate from the chief financial officer of the Project Company and each Obligor, including, in the case of the Project Company, evidence to the reasonable satisfaction of the Buyer that not less than fifty (50) per cent of the registered share capital of the Project Company is intact;
- (ix) an Initial Expense Budget;
- (x) all such other documents, deliveries, schedules, information, opinions and instruments as the Buyer may reasonably request;
- (xi) documentation evidencing that (A) the Project Company and each Obligor has irrevocably appointed as its agent for service of process (with respect to all Transaction Documents to which it is a party) the Process Agent and (B) the Process Agent has accepted such appointment and has agreed to forward promptly to the Project Company or such Obligor all legal process addressed to the Project Company or such Obligor received by such Process Agent;
- (xii) the Finnish Note Nullification duly executed by the parties thereto and evidence that any actions required pursuant to Applicable Law to give effect to the terms thereof have been consummated and nullification applications authorized therein have been filed to the satisfaction of the Buyer and its counsel;
- (xiii) evidence of the transfer of the Mine Properties and the ore prospecting permits and the exploration permits held by the Parent Company set out in Schedule F (*Mining Concessions and Current Ownership*) from the Parent Company to the Finnish OpCo pursuant to documentation satisfactory to the Buyer;
- (xiv) evidence satisfactory to the Buyer in its sole discretion, that the Seller has used its best efforts to secure the necessary TSX Venture Exchange and other regulatory approvals for the Contract Quantity Exchange Option; provided that the Buyer shall deem such condition satisfied in respect of any TSX Venture Exchange approval if the relevant TSX Venture Exchange approval permits the Contract Quantity Exchange Option and provides for the listing of the shares issued on the exercise of the Contract Quantity Exchange Option;



- (xv) evidence satisfactory to the Buyer in its sole discretion, that the Seller has obtained final TSX Venture Exchange approval for the Seller's exercise in part and in full of the Project Company Option;
  - (xvi) evidence satisfactory to the Buyer in its sole discretion that, following the exercise in full of the Project Company Option, the Parent Company:
    - (A) shall enter into a voting support and standstill agreement in a form acceptable to the Buyer in its sole discretion; and
    - (B) shall use its best efforts to immediately distribute all shares of the Seller that the Parent Company acquires through the exercise of the Project Company Option to the shareholders of the Parent Company in proportion to their pro rata share of the Parent Company;
  - (xvii) evidence satisfactory to the Buyer in its sole discretion that the Parent Company has assigned (A) the Finnish OpCo Debts pursuant to the Finnish Assignment and (B) the Project Company Debt to the Seller and the Seller has created Security in respect of such Finnish OpCo Debts and such Project Company Debt for the benefit of the Buyer;
  - (xviii) a true, correct and complete copy of a Guarantor Joinder Agreement executed by Finnish OpCo;
  - (xix) true, correct and complete copies of all Equity Documentation; and
  - (xx) a true, correct and complete copy of the PPF Agreement II.
- (2) All of the obligations of the Buyer hereunder shall terminate, and the Buyer shall be under no obligation of any nature hereunder or under any of the Transaction Documents or under any other agreement with respect to the subject matter hereof, if the conditions precedent to the Effective Date are not (i) satisfied by the Seller, or (ii) specifically waived by the Buyer in writing, subject to an extension of time for satisfaction by Buyer, prior to 12:00 noon (New York time) on December 31, 2017 (such date, the "**Purchase Offer Termination Date**"). In the event Buyer grants an extension of time to Seller to satisfy any condition precedent, the Effective Date shall not become effective until the conditions precedent to the Effective Date have been satisfied by Seller and accepted by Buyer.

#### **Section 4 Sale and Purchase**

- (1) Subject to the terms and conditions of this Agreement, the Seller shall sell to the Buyer and the Buyer shall buy from the Seller the Contract Quantity of Gold free and clear of all Liens.
- (2) The Contract Quantity of Gold shall be Delivered during the Term of this Agreement on each Monthly Delivery Date by Delivery of the Scheduled Monthly Quantity in accordance with the provisions of this Agreement.
- (3) The purchase price shall be paid during the Term of this Agreement in accordance with Section 7 hereof.

## Section 5 Delivery

- (1) On each Monthly Delivery Date, the Seller shall Deliver or shall cause to be Delivered to the Buyer the Scheduled Monthly Quantity of Gold for such Monthly Delivery Date. All Gold required to be Delivered pursuant to this Agreement shall be "Gold" as defined herein and shall be Delivered to Buyer free and clear of any Liens and any adverse claims of any description.
- (2) The Seller shall have the right, but not the obligation, to Deliver or cause to be Delivered to the Buyer, at any time prior to the end of the preceding calendar month, the Scheduled Monthly Quantity of Gold for the immediately succeeding Monthly Delivery Date to fulfill its obligation to Deliver Gold with respect to such Monthly Delivery Date. In connection with such Delivery, the Seller shall be deemed to have satisfied its obligation to Deliver Gold with respect to such immediately succeeding Monthly Delivery Date and have the right to receive all proceeds from the Offtaker during the month to which such Monthly Delivery Date relates with respect to any gold produced by any Obligor. In connection with such Delivery, the date of Delivery shall be specified by the Seller and pricing date for such Delivery shall be the next Business Day following Delivery. The settlement date for such Delivery shall be two (2) Business Days following the pricing date.
- (3) The Seller agrees to convey and properly transfer all legal and beneficial right, interest and title in the Actual Monthly Quantity upon each Delivery.
- (4) All costs, charges or expenses pertaining to the deposit of the Gold to the Buyer's Unallocated Gold Account and the credit of such Gold to such account, including but not limited to those associated with the production, transport, warehousing (including insurance), customs, taxes, royalties and fees payable to the Finnish government, refining and Delivery of any Gold shall be borne by the Seller and will not affect in any manner the Contract Quantity of Gold to be credited to the Buyer's Unallocated Gold Account.
- (5) Any obligation to Deliver Gold on a Monthly Delivery Date that is not performed in full on such Monthly Delivery Date shall be converted into, to the extent of the Gold Shortfall, an obligation of the Seller to pay to the Buyer in US Dollars an amount equal to the product of the Gold Shortfall and the Gold Price Discount on such Monthly Delivery Date. Such obligation shall bear interest at the Default Interest Rate and shall be payable on demand.
- (6) If the Seller notifies the Buyer at least two Business Days prior to any Monthly Delivery Date that the Seller will not be able to Deliver all or any portion of the Scheduled Monthly Quantity of Gold on such Monthly Delivery Date but that the Seller reasonably expects to be able to deliver the Gold Shortfall, as adjusted in accordance with this Section 5(6), within thirty (30) days of such Monthly Delivery Date, then the Seller shall Deliver a quantity of Gold within thirty (30) days of such Monthly Delivery Date with a value (based on the Gold Price and the Gold Price Discount on the date of actual delivery) equal to the sum of (i) the product of the Gold Shortfall and the Gold Price Discount on the Monthly Delivery Date; and (ii) the interest on an amount equal to the product of the Gold Shortfall and the Gold Price Discount from the Monthly Delivery Date to the date of actual delivery, calculated based on the Default Interest Rate. The Seller may exercise the rights set forth in this Section 5(6) no more frequently than twice in total during the Term of this Agreement and no more frequently than once during any twelve (12) month period. If the Seller fails to perform in accordance with this Section 5(6), then the Seller shall be obligated to make the payment provided for in Section 5(5) within ten (10) days following such failure (with Seller's obligation under Section 5(5) bearing interest at the Default Interest Rate from the Monthly Delivery Date), all as if this Section 5(6) had never applied.

- (7) If the Seller notifies the Buyer at least thirty (30) days prior to any Monthly Delivery Date that the Seller will not be able to Deliver all or any portion of the Scheduled Monthly Quantity of Gold on such Monthly Delivery Date, but that the Seller reasonably expects to be able to deliver the Gold Shortfall within thirty (30) days of such Monthly Delivery Date, then the Seller shall deliver such quantity of Gold within thirty (30) days of such Monthly Delivery Date with a value (based on the Gold Price and the Gold Price Discount on the date of actual delivery) equal to the sum of (i) the product of the Gold Shortfall and the Gold Price Discount on the Monthly Delivery Date; and (ii) the interest on an amount equal to the product of the Gold Shortfall and the Gold Price Discount from the Monthly Delivery Date to the date of actual delivery, calculated based on the Default Interest Rate. The Seller may exercise the rights set forth in this Section 5(7) no more frequently than twice in total during the Term of this Agreement and no more frequently than once during any six (6) month period. The Seller's rights set forth in this Section 5(7) may not be combined with any other curative provision, including the curative provisions in Section 5(6). If the Seller fails to perform in accordance with this Section 5(7), then the Seller shall be obligated to make the payment provided for in Section 5(5) within ten (10) days following such failure (with Seller's obligation under Section 5(5) bearing interest at the Default Interest Rate from the Monthly Delivery Date), all as if this Section 5(7) had never applied.
- (8) At any time, the Seller may request a calculation of the amount then required to prepay its Gold Delivery obligations (the "**Early Termination Amount**"). Upon thirty (30) days' prior written notice, the Seller may cause the early termination of this Agreement by delivering to the Buyer a payment equal to the Early Termination Amount. The Early Termination Amount means an amount equal to:
- (i) the product of the amount of Contract Quantity of Gold that has not been Delivered on any Monthly Delivery Date and for which the Buyer has not elected to exercise its Contract Quantity Exchange Option, excluding the amounts of Gold satisfied by conversion into an obligation of the Seller to pay the Buyer in US Dollars pursuant to Section 5(5), and the Gold Price Discount;
  - (ii) less the value of any minimum price protection adjustment as described in Section 7(3) (as determined by the Buyer in a commercially reasonable manner);
  - (iii) plus any other unpaid amounts due and owing to Buyer;
  - (iv) less any unpaid amounts due and owing to the Seller;
  - (v) plus the full value of the Contract Quantity Exchange Option that the Buyer elects to exercise in accordance with Section 23(5);
  - (vi) plus the greater of zero and the product of (A) 50% of the Monthly Payable Production of gold for the later of (x) 68 months following the Effective Date and (y) the final Scheduled Delivery Month, as applicable; and (B) an amount equal to the then current Settlement Price minus the applicable Base Spot Price; provided that any amounts that have been satisfied or paid to the Buyer prior to the date of any early termination pursuant to this Section 5(8) shall only be considered once for purposes of any calculation under this Section 5(8).

## Section 6 Title and Risk

- (1) Upon each Delivery of the Gold pursuant to this Agreement, all legal and beneficial title to such Gold will pass irrevocably from the Seller to the Buyer free and clear of any Liens and third party claims.
- (2) Until Delivery has occurred, all costs of transport, warehousing, (including insurance), customs and Taxes and risk of loss and any other related costs and expenses shall be borne by the Seller.

## Section 7 Purchase Price, Use of Proceeds and Other Payments

- (1) On and subject to the terms and conditions set forth in this Agreement:

- (a) Gold Prepayment Amount.

The Buyer shall pay to the Seller as set forth herein, subject to the prior satisfaction or waiver (in Buyer's sole and absolute discretion) of each of the applicable conditions precedent set forth in Section 3, an amount equal to US\$20,600,000 on the date referred to in subclause (a) of the definition of "Effective Date," less the amount set forth in Section 7(1)(b) below (such payment, the "Gold Prepayment Amount"). The proceeds of the Gold Prepayment Amount shall be used in accordance with Section 12(1)(e).

- (b) Upfront Fee.

Seller shall pay to the Buyer a non-refundable upfront fee of US\$600,000, which amount shall either (x) if the Effective Date occurs, be netted from the Gold Prepayment Amount and credited to the Buyer on such date, or (y) if the Purchase Offer Termination Date occurs, be payable by the Seller to the Buyer in cash within two (2) Business Days of such date. This fee includes the following expenses:

- (i) the negotiation, preparation, printing, execution and delivery, both prior and subsequent to the Effective Date, of this Agreement and any other Transaction Document;
        - (ii) the fees and expenses of engineering, environmental, insurance consulting and other expert or professional services retained by the Buyer and any on-site inspections by the Buyer or its representatives;
        - (iii) advice of counsel with respect to this Agreement, any other Transaction Document or any transaction contemplated thereunder; and
        - (iv) the maintenance of the registration, filing and the perfection of the Security Documents and the Liens created thereunder.
- (c) Further Legal Costs. The Seller shall pay to the Buyer an amount in US Dollars, which amount shall be in addition to the US\$600,000 referred to in Section 7(1)(b), for all reasonable costs incurred relating to advice of counsel incurred by the Buyer after November 4, 2017 with respect to this Agreement, any other Transaction Document or any transaction contemplated hereunder. Such amount shall become due and payable on the date that is three months after the Effective Date, and every three months thereafter.

- (2) On each Additional Gold Payment Date, the Buyer shall pay to the Seller an amount (an “**Additional Gold Payment Amount**”) equal to the greater of:
- (a) Zero; and
  - (b) The product of:
    - (i) the Actual Monthly Quantity of Gold Delivered on the Monthly Delivery Date, and
    - (ii) an amount equal to:
      - (A) the Gold Price on the Monthly Delivery Pricing Date for the relevant Scheduled Delivery Month,
      - minus*
      - (B) the Gold Price Discount.
  - (c) If, however, on an Additional Gold Payment Date, the Actual Monthly Quantity is less than the Scheduled Monthly Quantity such that a Gold Shortfall arises, then the Additional Gold Payment Amount shall be reduced by an amount equal to (or the maximum amount up to) the Gold Shortfall Replacement Cost.
  - (d) If the Gold Price on the Monthly Delivery Pricing Date for the relevant Scheduled Delivery Month is less than the Gold Price Discount, the Seller shall deliver on the Monthly Delivery Pricing Date additional Gold at a price of zero in such quantity to have the net value of the Gold received by the Buyer equal the Scheduled Monthly Quantity multiplied by the Gold Price Discount.
  - (e) Without limitation of its other rights and remedies hereunder and whether or not a Seller Default, or Seller Event of Default shall have occurred or be continuing, the Buyer shall have the right to set off and to apply, to the fullest extent permitted by Applicable Law, any obligation of the Seller under this Agreement or any other Transaction Document against the obligations of the Buyer hereunder, including, without limitation, the obligations of the Buyer in respect of the Gold Prepayment Amount and the Additional Gold Payment Amount, irrespective of whether or not the Buyer has made demand under this Agreement or any other Transaction Document and although such obligations may be unmatured or contingent.
  - (f) The settlement date for the Additional Gold Payment Amount shall be two (2) Business Days following the Monthly Delivery Pricing Date.

(3) Additional Sale and Minimum Price Protection Adjustment.

- (a) If during the Term of this Agreement, the gold spot price per fine troy ounce of .999 gold for good delivery in London as stated in US Dollars referenced on Bloomberg falls below US\$1,160/oz (the “**Price Point**”), as reasonably determined by the Buyer, the Buyer may by written notice require the Seller to sell an additional 10 Ounces of Gold to the Buyer for each Scheduled Delivery Month thereafter according to the following terms:
- (i) The sale price for the additional 10 Ounces of Gold will be the Gold Price plus the amount of the Minimum Price Protection Adjustment (as defined in Section 7(3)(a)(iv)).
  - (ii) The Buyer may specify from time to time the monthly quantity of gold, in each case in the Buyer’s sole discretion, up to 100% of the Production Forecast that will be subject to the Minimum Price Protection Adjustment (each such quantity being a “**Specified Quantity**”).
  - (iii) The Buyer and Seller shall agree upon a price required to calculate the Minimum Price Protection Adjustment which will not be less than US\$1,160/oz for gold (the “**Base Minimum Price**”), such agreed upon price being the “**Minimum Price**”.
  - (iv) The “**Minimum Price Protection Adjustment**” for each Scheduled Delivery Month is and shall be calculated as equal to the greater of:
    - (A) Zero; and
    - (B) The product of:
      - 1. the Specified Quantity for the Scheduled Delivery Month, and
      - 2. an amount equal to:
        - a. the Minimum Price
        - minus*
        - b. the Settlement Price on the respective pricing date for the relevant Scheduled Delivery Month.
- (b) Notwithstanding that the gold spot price may not have fallen below the threshold set forth in Section 7(3)(a), the Seller may voluntarily establish an additional sale of 10 Ounces of Gold for each Scheduled Delivery Month pursuant to a Minimum Price Protection Adjustment on terms set out in Section 7(3)(a)(i) and Section 7(3)(a)(iii). The Seller may specify any amount of gold for the Minimum Price Protection Adjustment (a “**Quantity**”). Any such Quantity will be deducted from the quantity of Production Forecast that otherwise may be specified as a Specified Quantity.
- (c) Costs for establishing any Minimum Price Protection Adjustment will be determined by the Buyer on commercially reasonable terms and paid by the Seller within seven (7) Business Days.

- (d) The pricing date for additional Ounces of Gold and the Minimum Price Protection Adjustment on gold shall be the 3rd Business Day prior to the last calendar day of the Scheduled Delivery Month. The settlement date for the additional 10 Ounces of Gold plus the Minimum Price Protection Adjustment on gold shall be two (2) Business Days following the Monthly Delivery Pricing Date.

(4) Upside Participation Amount.

The Seller shall pay an amount equal to the greater of zero and the sum of the amount determined for gold (for the avoidance of doubt, which may be a positive or negative number) as follows: the product of (a) 50% of the Monthly Payable Production of gold for the later of (x) 68 months following the Effective Date and (y) the final Scheduled Delivery Month, as applicable, and (b) an amount equal to the price as determined pursuant to the Mineral Sales Contract/Refining Agreement for gold for the corresponding Monthly Payable Production *minus* the Base Spot Price for gold, payable by the Seller to the Buyer within two (2) Business Days following the relevant Monthly Delivery Date or relevant month, as applicable.

**Section 8     Payments**

- (1) Each Party shall make all cash payments in US Dollars by wire transfer in immediately available funds.
- (2) If any payment shall be due on a day that is not a Business Day, then the date for payment shall be the next succeeding Business Day and, in the case of any payment accruing interest on the basis of the Default Interest Rate, interest shall be payable for the period of such extension.
- (3) Any cash amount that is not paid to the Buyer or the Seller when due shall bear interest at a rate equal to the Default Interest Rate payable on demand.
- (4) All interest payable on the basis of the Default Interest Rate and other amounts deemed to be interest under this Agreement shall accrue daily and shall be calculated on the basis of a year of three hundred sixty (360) days, and, for the purposes of the *Interest Act* (Canada), with respect to all such interest and other amounts deemed to be interest under this Agreement, the principle of deemed reinvestment of interest shall not apply to any calculations under this Agreement, and the Default Interest Rate is intended to be a nominal rate and not an effective rate or yield.
- (5) If any provision of this Agreement or of any of the other Transaction Documents would obligate any party to make any payment of interest or other amount payable to the Buyer in an amount or calculated at a rate that would be prohibited by Applicable Laws or would result in a receipt by the Buyer of interest at a criminal rate, then, notwithstanding such provision, such amount or rate shall be deemed to have been adjusted with retroactive effect to the maximum amount or rate of interest as the case may be, as would not be so prohibited by Applicable Laws or so result in a receipt by the Buyer of interest at a criminal rate, such adjustment to be effected, to the extent necessary, as follows:
- (i) firstly, by reducing the amount or rate of interest required to be paid to the Buyer under the applicable Transaction Documents, and
  - (ii) thereafter, by reducing any fee payments, commissions, costs, expenses, premiums and other amounts required to be paid to the Buyer that would constitute interest for purposes of Applicable Laws.

(6) All payments shall be made to the Parties in accordance with the following instructions (or as otherwise agreed in writing between the Parties):

(a) Payments to the Seller:

Bank Name: Royal Bank of Canada  
 Swift Code: ROYCCAT2  
 Institution #: 003  
 Beneficiary Account #: 404 – 649 – 6  
 Bank Address: 1025 West Georgia Street  
 Vancouver, BC V6E 3N9  
 Beneficiary Name: Firesteel Resources Inc.  
 Beneficiary Address: 1001-409 Granville Street, Vancouver, BC, V6C 1T2  
 Transit & Account No: 00010

(b) Payments to the Buyer:

Bank Name: First Republic Bank  
 Bank Address: 101 Pine Street, San Francisco, CA 94111  
 Account Name: PFL RAAHE HOLDINGS LP  
 Account No. 80006295275  
 ABA/Routing No.: 321 081 669  
 SWIFT Code: FRBBUS6S  
 Currency: US Dollars (US\$)

(7) Subject to the provisions of Section 5(2) herein, all Gold Delivered to the Buyer that is not otherwise required to be applied in a specific manner hereinafter shall be applied to the Scheduled Monthly Quantities in reverse order of maturity.

(8) All amounts received by the Buyer from the Offtaker on behalf of the Seller or from Seller or received in respect of any Lien or the exercise of any other remedy and not otherwise required to be applied in a specific manner pursuant to this Agreement shall be applied by the Buyer as follows (i) first, in reduction of the Seller's obligation to pay any unpaid interest and fees which are due and owing, (ii) second, in reduction of the Seller's obligation to pay any amounts referred to in this Section 8 and (iii) third, in reduction of the Seller's obligation to pay any other amounts that are due and owing under this Agreement or any other Transaction Documents.



## Section 9 Guarantee

- (1) Guarantee. Each Guarantor that from time to time becomes a party hereto pursuant to Section 12(1)(bb) of this Agreement hereby:
- (a) absolutely and unconditionally, jointly and severally guarantees, as primary obligor and as a guaranty of payment and performance and not merely as a guaranty of collection, prompt payment when due, whether at stated maturity, by required prepayment, upon acceleration, demand or otherwise, and at all times thereafter, of any and all obligations (the “Obligations”) of the Seller or any other Guarantor to the Buyer hereunder (the “Guarantee”);
  - (b) waives, to the fullest extent permitted by Applicable Law, the benefits of order and all other rights and benefits provided under the Finnish Act on Guarantees and Third Party Pledges (361/1999, as amended) which, to the extent not mandatory, shall not apply to the Guarantee;
  - (c) agrees that this Guarantee shall remain in full force and effect without regard to, and shall not be affected or impaired by, any invalidity, irregularity or unenforceability in whole or in part of this Agreement or any of the Transaction Documents or the guaranteed obligations;
  - (d) agrees that no failure or delay on the part of the Buyer in exercising any right, power or privilege hereunder or with respect to any collateral and no single or partial exercise of any right, power or privilege hereunder or with respect to any collateral, shall preclude any other or further exercise thereof or the exercise of any other right, power or privilege hereunder; and
  - (e) agrees that this Guarantee shall be discharged only by complete performance of the obligations contained herein and that it shall not have the right to withhold or set-off against payment due hereunder for any reason;

provided that the liability of each Guarantor individually with respect to this Guarantee shall be limited to an aggregate amount equal to the largest amount that would not render its obligations hereunder subject to avoidance under Section 548 of the Bankruptcy Code of the United States or any comparable provisions of any applicable state law or other Applicable Laws. This Guarantee shall not be affected by the genuineness, validity, regularity or enforceability of the Obligations or any instrument or agreement evidencing any Obligations, or by the existence, validity, enforceability, perfection, non-perfection or extent of any collateral therefor, or by any fact or circumstance relating to the Obligations (except for the payment in part or full of the Obligations, to the extent of such payment) that might otherwise constitute a defense to the obligations of the Guarantors, or any of them, under this Guarantee, and each Guarantor hereby irrevocably waives any defenses it may now have or hereafter acquire in any way relating to any or all of the foregoing.

- (2) Rights of the Buyer. Each Guarantor consents and agrees that the Buyer may, at any time and from time to time, without notice or demand, and without affecting the enforceability or continuing effectiveness hereof: (a) amend, extend, renew, compromise, discharge, accelerate or otherwise change the time for payment or the terms of the Obligations or any part thereof; (b) take, hold, exchange, enforce, waive, release, fail to perfect, sell or otherwise dispose of any security for the payment of this Guarantee or any Obligations; (c) apply such security and direct

the order or manner of sale thereof as the Buyer in its sole and absolute discretion may determine; and (d) release or substitute one or more of any endorsers or other guarantors of any of the Obligations. Without limiting the generality of the foregoing, each Guarantor consents to the taking of, or failure to take, any action that might in any manner or to any extent vary the risks of any Guarantor under this Guarantee or that, but for this provision, might operate as a discharge of such Guarantor.

- (3) Certain Waivers. Each Guarantor waives (a) any defense arising by reason of any disability or other defense of the Seller or any other guarantor (except for the payment in part or in full of the Obligations, to the extent of such payment), or the cessation from any cause whatsoever (including any act or omission of the Buyer) of the liability of the Seller or any Guarantor; (b) any defense based on any claim that any Guarantor's obligations exceed or are more burdensome than those of the Seller or any other Guarantor; (c) the benefit of any statute of limitations affecting any Guarantor's liability hereunder; (d) any right to proceed against the Seller or any other Guarantor, proceed against or exhaust any security for the Obligations, or pursue any other remedy in the power of the Buyer whatsoever; (e) any benefit of and any right to participate in any security now or hereafter held by the Buyer; and (f) to the fullest extent permitted by law, any and all other defenses or benefits that may be derived from or afforded by Applicable Laws limiting the liability of or exonerating guarantors or sureties. Each Guarantor expressly waives all setoffs and counterclaims and all presentments, demands for payment or performance, notices of nonpayment or nonperformance, protests, notices of protest, notices of dishonor and all other notices or demands of any kind or nature whatsoever with respect to the Obligations, and all notices of acceptance of this Guarantee or of the existence, creation or incurrence of new or additional Obligations, including the benefits of order, excussion and division.
- (4) Obligations Independent. The obligations of each Guarantor hereunder are those of primary obligor, and not merely as surety, and are independent of the Obligations and the obligations of any other guarantor, and a separate action may be brought against each Guarantor to enforce this Guarantee whether or not the Seller or any other person or entity is joined as a party.
- (5) Subrogation. No Guarantor shall exercise any right of subrogation, contribution, indemnity, reimbursement or similar rights with respect to any payments it makes under this Guarantee until all of the Obligations and any amounts payable under this Guarantee have been indefeasibly paid and performed in full and the commitments are terminated. If any amounts are paid to a Guarantor in violation of the foregoing limitation, then such amounts shall be held in trust for the benefit of the Buyer and shall forthwith be paid to the Buyer to reduce the amount of the Obligations, whether matured or unmatured.
- (6) Termination; Reinstatement. This Guarantee is a continuing and irrevocable Guarantee of all Obligations now or hereafter existing and shall remain in full force and effect until the indefeasible repayment or otherwise satisfaction in full of the Obligations (such date, the "**Payoff Date**"). Notwithstanding the foregoing, this Guarantee shall continue in full force and effect or be revived, as the case may be, if any payment by or on behalf of an Obligor is made, or the Buyer exercises its right of setoff, in respect of the Obligations and such payment or the proceeds of such setoff or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required to be repaid to a trustee, receiver or any other party, in connection with any proceeding under any Applicable Laws or otherwise, all as if such payment had not been made or such setoff had not occurred and whether or not the Buyer is in possession of or has released this Guarantee and regardless of any prior revocation, rescission, termination or reduction. The obligations of each Guarantor under this paragraph shall survive termination of this Guarantee.

- (7) Stay of Acceleration. If acceleration of the time for payment of any of the Obligations is stayed, in connection with any case commenced by or against an Obligor under any Applicable Laws, or otherwise, all such amounts shall nonetheless be payable by the Guarantors, jointly and severally, immediately upon demand by the Buyer.
- (8) Condition of Seller. Each Guarantor acknowledges and agrees that it has the sole responsibility for, and has adequate means of, obtaining from the Seller and any other guarantor such information concerning the financial condition, business and operations of the Seller and any such other guarantor as any Guarantor requires, and that the Buyer has no duty, and no Guarantor is not relying on the Buyer at any time, to disclose to it any information relating to the business, operations or financial condition of any Obligor.
- (9) Claw-back. Notwithstanding the above, the Guarantee shall remain in full force irrespective of a payment to the Buyer by any Guarantor if the payment is set aside or clawed back, and the corresponding obligation reinstated, pursuant to applicable laws on fraudulent preferences in insolvency or pursuant to any decision or ruling by a court, or for other similar reason.
- (10) Swedish Limitation. The obligations of the Project Company under this Agreement, including, for the avoidance of doubt any subordination of claims, shall be limited, if (and only if) required by (A) the provisions of the Swedish Companies Act (Sw. *Aktiebolagslagen* (2005:551)) regulating distribution of assets (Chapter 17, Sections 1-4 (or its equivalent from time to time)) and (B) the provisions of the Swedish Companies Act (Sw. *Aktiebolagslagen* (2005:551)) regulating unlawful financial assistance (Chapter 21, Sections 1-3 and 5) and it is understood that the liability of the Project Company under this Agreement only applies to the extent permitted by the above mentioned provisions of the Swedish Companies Act.
- (11) Finnish Limitation. The obligations of Finnish OpCo under this Agreement shall be limited if, and only to the extent, required by the application of the mandatory provisions of the Finnish Companies Act regulating (i) unlawful financial assistance, as provided in Chapter 13, Section 10 of the Finnish Companies Act or (ii) distribution of assets, as provided in Chapter 13, Section 1 of the Finnish Companies Act, or other applicable mandatory provisions of Finnish corporate law.

#### **Section 10 Subordination of Claims and Postponement of Subordination**

- (1) Each Guarantor hereby subordinates all its claims, whether present or future, against the Seller to the obligations guaranteed pursuant to the Guarantee so as to enable the Buyer, in all circumstances, to be fully paid such guaranteed obligations in priority over such claims of each Guarantor.
- (2) Each Guarantor hereby absolutely, unconditionally and irrevocably agrees to refrain, until the obligations guaranteed pursuant to the Guarantee shall have been fully and indefeasibly paid in cash and performed and until the Buyer shall have received the entire amount of their claims in connection with such guaranteed obligations, from exercising any right that it may now or hereafter acquire against the Seller that arises from the existence, payment, performance or enforcement of such Guarantor's obligations under the Guarantee and this Agreement or any other Transaction Document, including, without limitation, any right of subrogation, reimbursement, exoneration, indemnification, and any right to participate in any claim or remedy of the Buyer against the Seller, whether or not such claim, remedy or right arises in equity, or under contract, statute or common law, including, without limitation, the right to take or receive from the Seller, directly or indirectly, in cash or other property or by set-off or compensation or in any other manner, payment or Lien on account of such claim or other rights.

- (3) If any amount shall be paid to any Guarantor in violation of any of the preceding subparagraphs of this Section 10 and the obligations guaranteed pursuant to the Guarantee shall not have been fully and indefeasibly paid and performed, such amount shall be deemed to have been paid to such Guarantor for the benefit of, and shall be held in trust for the benefit of, the Buyer, and shall forthwith be paid to the Buyer, to be credited and applied upon such guaranteed obligations, whether matured or unmatured, in accordance with the terms of this Agreement.
- (4) Each Guarantor acknowledges that it will receive direct and indirect benefits from the financing arrangements contemplated by this Agreement and that the subordination and postponement set forth in this Section 10 are knowingly made in contemplation of such benefits.

### Section 11 Representations and Warranties

In addition to, and without limiting, any representations and warranties contained in the Security Documents, each Obligor represents and warrants to the Buyer with respect to itself and, where applicable, the Project Company and Finnish OpCo, as of the date hereof and as of the Effective Date:

- (a) Qualification and Organization. It has all requisite corporate power and authority to enter into this Agreement and the other Transaction Documents to which it is a party and to carry out the transactions contemplated herein and therein, and it is otherwise duly qualified to do business in each jurisdiction where the nature of its business or properties requires such qualification. It is a corporation duly incorporated, validly existing and in good standing under the laws of its jurisdiction of incorporation or formation.
- (b) Subsidiaries. Except as disclosed in Schedule I, none of the Project Company, Finnish OpCo or the Obligors has any direct or indirect Subsidiaries.
- (c) Authorization; No Conflict. The execution, delivery and performance by it of this Agreement and the other Transaction Documents to which it is a party have been duly authorized by all necessary shareholder and corporate action on the part of the Project Company or such Obligor and do not and will not (i) contravene the articles of incorporation, charter or by-laws, or similar constituent documents of the Project Company or such Obligor; (ii) violate any provision of any Applicable Laws, order, writ, judgment, injunction, decree, determination or award presently in effect having applicability to the Project Company or such Obligor; (iii) result in a breach of or constitute a default under or require the Consent of any Person (other than Consents that have been obtained) pursuant to any Material Agreement; or (iv) result in, or require, the creation or imposition of any Lien (other than Permitted Liens) upon or with respect to any of the Collateral, and none of the Project Company or any Obligor is in default in any respect under any such Applicable Laws, writ, judgment, injunction, decree, determination or award or any such indenture, agreement, lease or instrument that has or would reasonably be expected to have a Material Adverse Effect.
- (d) Required Consents. All Consents required to be obtained by the Obligors or, to the best of each Obligor's Knowledge, the Project Company, in connection with the execution and delivery by them of this Agreement and each other Transaction Document, and the performance by it of its obligations hereunder and thereunder, have been obtained and are in full force and effect.

- (e) Government Authorization. Other than Consents that have been obtained and are in full force and effect, no authorization or approval or other action by or consent of, and no notice to or filing or registration with, any Authority is required (i) for the due execution and delivery of, and the due performance of, the financial obligations of the Obligors and, to the best of each Obligor's Knowledge, the Project Company, under this Agreement or any other Transaction Document, or (ii) for the due performance of all other Obligations of the Obligors and, to the best of each Obligor's Knowledge, the Project Company, under this Agreement or any other Transaction Document.
- (f) Binding Obligations. This Agreement and each of the other Transaction Documents constitute legal, valid and binding obligations of the Project Company and each Obligor that is party thereto, enforceable against the Project Company or such Obligor in accordance with its respective terms (except as limited by applicable bankruptcy, insolvency, reorganization, moratorium and similar laws or equitable principles affecting enforcement of creditors' rights generally at the time in effect).
- (g) Litigation. There is no claim, action, lawsuit, proceeding, arbitration or investigation pending or threatened in writing against or involving any Obligor or any Collateral (or any part thereof) or, to the best of each Obligor's Knowledge, the Project Company, which: (i) alleges the violation of any Applicable Laws; (ii) questions the validity of this Agreement or any other Transaction Document or any action taken or to be taken pursuant to this Agreement or any other Transaction Document; (iii) involves any Material Agreement; or (iv) would otherwise reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect.
- (h) Financial Information; No Material Adverse Change. The financial information provided to the Buyer truly and fairly presents the correct and complete financial condition of the the Obligors and, to the best of each Obligor's Knowledge, the Project Company, as at the date it was provided. None of the Obligors or, to the best of each Obligor's Knowledge, the Project Company, has any contingent liability or liability for Taxes, long-term leases or unusual forward or long-term commitments that are not reflected in such financial information. Since December 31, 2016, neither the business, operations or prospects of each of the Obligors and, to the best of each Obligor's Knowledge, the Project Company, nor any of their respective properties or assets, have been affected by any occurrence or development (whether or not insured against) that has had or would reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect.
- (i) Information Accurate. None of the information prepared by or on behalf of any Obligor or, to the best of each Obligor's Knowledge, the Project Company, and delivered to the Buyer by the Project Company or any Obligor in connection with this Agreement or the transactions contemplated hereby contains any material misstatement of fact or omits to state a material fact. With respect to any financial projections and forecasts that have been furnished to the Buyer, such financial projections and forecasts were prepared in good faith on the basis of assumptions that were, in the opinion of the management of the Seller, reasonable at the time made; and at the time of delivery, the management of the Seller believed, in good faith, that the assumptions used in preparation of the financial projections and forecasts remain reasonable.

- (j) Title; Liens.
- (i) Schedule A accurately and completely sets forth and describes each Site;
  - (ii) the entities set forth in Schedule F: (A) have good legal and marketable title to and are in exclusive possession of the Sites and the Mining Concessions and (B) have the right to use and all rights necessary and desirable under any Applicable Laws in relation to the Sites and the Mining Concessions and any other assets (including intellectual rights) necessary or customary to operate the Sites, perform their obligations and enter and complete the transactions contemplated in this Agreement, free and clear of all Liens, claims, encumbrances or other burdens on production, except for Permitted Liens;
  - (iii) the Project Company does not lease or own any real property;
  - (iv) Finnish OpCo has valid and effective rights to its leased property, free and clear of Liens, except for Permitted Liens;
  - (v) all taxes, charges, rates, levies and assessments that, if unpaid, would create a Lien (other than a Permitted Lien) or charge on any Collateral or any portion thereof, have been paid in full;
  - (vi) to the best of each Obligor's Knowledge, all contractors, subcontractors, agents and other Persons engaged by the Project Company or Finnish OpCo providing services, materials or labor on or for the benefit of any Collateral have been paid in a timely manner for all work performed or services, goods or labor provided, on or with respect thereto;
  - (vii) to the best of each Obligor's Knowledge, there is no pending labor issue deriving from the activities performed in the Mining Concessions and/or the Sites that has had or would reasonably be expected to have a Material Adverse Effect, and except for Permitted Liens all accounts for work and services performed and materials placed or furnished upon or in respect of the Mining Concessions and/or the Sites have been fully paid and satisfied and no person is entitled to claim a lien under any Applicable Laws against the Mining Concessions or any part thereof (other than Permitted Liens); and
  - (viii) the Transaction Documents create, or upon their execution and delivery, will create, valid and effective Liens in and on the Collateral purported to be covered thereby, with the priority in accordance with the terms of such Transaction Documents.
- (k) Validity of Interests. To the best of each Obligor's Knowledge, with respect to all Sites: (i) all claims, permits and leases forming part of the Sites were located, staked, filed and recorded in compliance with all Applicable Laws and regulations; and (ii) there are no actions or administrative or other proceedings pending or threatened against or affecting any of the Sites.
- (l) Material Agreements; Absence of Default. The Material Agreements identified in Schedule D hereto include all of the contracts, indenture, purchase agreements, credit agreements, agreements, leases, Instruments and other binding commitments and

undertakings of the Project Company, Finnish OpCo and each Obligor, the performance or breach of which would reasonably be expected to have a Material Adverse Effect, and the Seller has provided the Buyer with a true, correct, and complete copy of each Material Agreement. None of the Project Company, Finnish OpCo or any Obligor is in default in any material respect under any of the Material Agreements or has received any notice of an asserted default thereunder from any other Person, and no Obligor has Knowledge of a breach by any counterparty thereto or the inability of any counterparty thereto to perform its obligations thereunder.

- (m) Taxes and Other Payments. Each Obligor and, to the best of each Obligor's Knowledge, the Project Company and Finnish OpCo have filed all Tax returns and reports required by Applicable Laws to have been filed by it on a timely basis and has paid all Taxes, assessments, reassessments and governmental charges thereby owing or shown to be owing, except (i) where the failure to do so would not reasonably be expected to have a Material Adverse Effect; or (ii) in respect of Taxes that are being diligently contested in good faith by proper proceedings and in respect of which adequate reserves in accordance with IFRS have been set aside on the books of the Project Company, Finnish OpCo or such Obligor, as applicable. The Obligor and, to the best of each Obligor's Knowledge, the Project Company and Finnish OpCo have remitted on a timely basis all amounts required to have been withheld and remitted, including withholding from employee wages and salaries, goods and services tax and all other amounts which, if not paid when due, could result in the creation of a Lien on the property of the Project Company or the Obligor.
- (n) Environmental Laws.
- (i) To the best of each Obligor's Knowledge, the Sites have been owned, developed, operated, leased, reclaimed and utilized in compliance in all material respects with all Applicable Laws, including Environmental Laws;
  - (ii) to the best of each Obligor's Knowledge, there are no outstanding or pending consent decrees, clean-up orders, mitigation orders, compliance orders, remediation orders or other orders, decrees, judgments or other administrative or judicial requirements outstanding under any Environmental Laws with respect to any Sites;
  - (iii) no Obligor or, to the best of each Obligor's Knowledge, none of the Project Company or Finnish OpCo has received any written or actual notice of any material violation, alleged violation, non-compliance, investigation, liability or potential liability, or request for information, with respect to Environmental Laws, Hazardous Substances or other environmental matters with regard to any Sites that remains unresolved, nor does any Obligor have Knowledge that any such notice will be received or is being threatened;
  - (iv) with respect to the Sites, there are no pending or, to the Knowledge of each Obligor, threatened, lawsuits, claims, complaints, injunctions or any other governmental or judicial actions or proceedings with respect to any alleged violation of any Applicable Laws, including Environmental Laws, or any release or alleged release of any Hazardous Substance; and

- (v) the Mining Concessions and the Sites are not located within any nature restricted area, as set forth in the Finnish Nature Conservation Act (1096/1996, as amended) and/or any other Applicable Laws with a similar scope.
- (o) Indebtedness. None of the Project Company, Finnish OpCo or any Obligor has any Debt other than Permitted Debt.
- (p) Compliance with Laws, Etc. The Project Company, Finnish OpCo and each Obligor has at all times been and is now in compliance in all material respects with all Applicable Laws applicable to it or applicable to any Site.
- (q) Operation of Mine. The Obligors and, to the best of each Obligor's Knowledge, the Project Company and Finnish OpCo, have heretofore made available to the Buyer all studies with respect to the Mine supported by relevant geological, reserve, resource, metallurgical, engineering and financial data and evaluations of the Mine prepared by or for the benefit of the Project Company, Finnish OpCo or any Obligor or otherwise in the possession of or available to the Project Company, Finnish OpCo or any Obligor. To the best of each Obligor's Knowledge, there is no material inaccuracy or omission in such information. Such information has been prepared in accordance with Prudent Mining Industry Practices, and the method of estimating the Project Technical Characteristics has been verified by the Obligors and, to the best of each Obligor's Knowledge, the Project Company and Finnish OpCo, to Prudent Mining Industry Practices and the information upon which the estimates of Project Technical Characteristics were based, was, at the time of delivery thereof, complete and accurate in all respects and there have been no material changes to such information since the date of delivery or preparation thereof.
- (r) Permits. All Permits are identified in Schedule H hereto. The Project Company, Finnish OpCo and the Obligors have obtained all Permits necessary to conduct mining operations at the Sites, and all such Permits are in full force and effect in accordance with their terms, free of defaults, and no written notice alleging a breach or default under any of the Permits or challenging or questioning the validity of any such Permit has been delivered, except as noted on Schedule H hereto under the heading "*Permits to Be Obtained*".
- (s) Mining Concessions.
  - (i) Except as set forth in Schedule F hereto, the Project Company, Finnish OpCo and the Obligors have acquired all property and assets including the Mining Concessions and have obtained such other surface and other rights as are necessary for access rights, water rights, plant sites, tailings disposal, waste dumps, ore and/or mineralized rock dumps, abandoned heaps or ancillary facilities that are required in order to operate the Mine in accordance with the Initial Expense Budget and the Initial Production Forecast. All property and assets including the Mining Concessions are sufficient in scope and substance for the development and operation of the Mine as contemplated by the Initial Expense Budget and the Initial Production Forecast.
  - (ii) The Mining Concessions and the Sites are in good standing before the relevant Finnish Authority with respect to (i) the obligations of the Project Company, Finnish OpCo and the Obligors in respect of the Mining Concessions as required under applicable legislation, (ii) the obligation to pay mining duties and mining taxes as set forth in the Applicable Laws and other Applicable Laws, as from the



date of issuance of each Mining Concession and (iii) any other obligation to maintain legal effect of the Mining Concessions under the Applicable Laws.

- (iii) No Obligor nor, to the best of each Obligor's Knowledge, the Project Company or Finnish OpCo has received any communication or order from any Finnish Authority requesting payment or compliance with any outstanding obligation under this paragraph. No Obligor nor, to the best of each Obligor's Knowledge, the Project Company or Finnish OpCo has received any notice or other written communication that any Mining Concessions or Permits may be subject to termination, modification, suspension or revocation, and, except as noted on Schedule H hereto under the heading "*Permits to Be Obtained*," no further Permits are required in connection with the development or operation of the Sites, or the exercise of its rights under the Mining Concessions, in the manner necessary to enable the Project Company, Finnish OpCo or any Obligor to meet its obligations hereunder except such as would reasonably be expected to be obtained in the ordinary course of business and without the expenditure of any unbudgeted amounts.
- (iv) Except for the Permitted Liens, the Mining Concessions are duly issued and not in conflict with any other mining concession, and are free from (A) any Liens or limitations, (B) any option, exploration, exploitation or other agreement with any third parties or any third-party right to any royalty or other payment as rent or royalty over minerals, concentrates, precipitates and/or products produced under the Mining Concessions, (C) any pending, or, to the best Knowledge of the Obligors, threatened, claim, action, lawsuit or controversy against any Person or Authority and any circumstance that could prevent or obstruct the free exercise of the rights arising under the Mining Concessions, or any basis for any such claim or action, except as set out in Schedule L, and (D) any possibility of breach, termination, abandonment, forfeiture, relinquishment or other premature termination resulting from any act or omission of the Project Company or any Obligor.
- (t) Compliance with Securities Legislation. The Obligors and, to the best of each Obligor's Knowledge, the Project Company and Finnish OpCo have complied, and will comply, in all material respects with all Applicable Securities Laws in the course of its affairs.
  - (i) No order ceasing, halting or suspending trading or prohibiting the sale of common shares has been issued to, or is outstanding against any Obligor or, to the best of each Obligor's Knowledge, the Project Company, or any of their respective directors, officers, or promoters and, to the best Knowledge of each Obligor, no investigation or proceedings for such purposes are pending or threatened.
  - (ii) The Seller and, to the best of each Obligor's Knowledge, the Project Company have complied in all material respects with all the requirements of Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse, including, without limitation, with respect to the preparation and filing of any reports.
- (u) Counter-Terrorism Regulations and Anti-Money Laundering. Each Obligor and, to the best of each Obligor's Knowledge, the Project Company is and, with respect to the

transactions contemplated by this Agreement, shall remain in compliance with all applicable Sanctions and all applicable anti-money laundering and counter-terrorism financing laws, including the provisions of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act*, the *Criminal Code*, the *United Nations Act*, the *Trading with the Enemy Act*, and each of the foreign assets control regulations of the United States Treasury Department (31 CFR, Subtitle B Chapter V, as amended) and any other enabling legislation or executive order relating thereto, the *Patriot Act* (United States), as amended, and other Applicable Laws relating to “know your customer” and anti-money laundering rules and regulation that apply to it. No part of the proceeds from this Agreement will be used directly or indirectly for any payments to any government official or employee, political party, official of a political party, candidate for political office, or anyone else acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage, in violation of any Applicable Laws.

- (v) Margin Stock; Financial Assistance. No part of the proceeds of this Agreement will be used, whether directly or indirectly, for any purpose that entails a violation of any of the Regulations of the Board of Governors of the Federal Reserve System of the United States of America, including Regulations T, U and X, and/or any similar or comparable Applicable Laws in Finland.
- (w) Ownership Structure and Equity Interests. As of the date hereof, the ownership structure and equity holdings of the Project Company, Finnish OpCo and each Obligor are as set out in Schedule I. Other than as set out in Schedule I, none of the Project Company or any Obligor owns any equity interest.
- (x) Hazardous Materials. To the best of each Obligor’s Knowledge, the production from the Sites do not contain any Hazardous Substance that (i) do not conform to the Applicable Laws, (ii) would render the Gold or intermediate products produced from the Sites unacceptable for smelting and/or refining processes, as applicable, or (iii) would otherwise render the Gold or intermediate products produced from the Sites unsaleable.
- (y) Sanctions. None of the Project Company, FinnishOpCo or any Obligor, nor any director, officer, employee, agent, affiliate or representative thereof, is or is owned or controlled by any individual or entity that is a Restricted Party.
- (z) Archeology. The Mining Concessions and the Sites: are not located within any area protected by the Finnish Antiquities Act (295/1963, as amended) and/or any other Applicable Laws concerning protection of artifacts or areas with archeological value.
- (aa) Fairness. The consideration given or provided, or to be given or provided, by the Buyer in connection with this Agreement is adequate and satisfactory in all respects, and represents reasonably equivalent value, to support this Agreement and the obligations of the Project Company, Finnish OpCo and the Obligors hereunder.
- (bb) Solvency. (i) the fair value of the assets of the Seller will exceed its debts and liabilities, subordinated, contingent or otherwise; (ii) the present fair saleable value of the property of the Seller will be greater than the amount that will be required to pay the probable liability of its debts and other liabilities, subordinated, contingent or otherwise, as such debts and other liabilities become absolute and matured; (iii) the Seller will be able to pay its debts and liabilities, subordinated, contingent or otherwise, as such debts and liabilities become absolute and matured; and (iv) the Seller does not have unreasonably

small capital with which to conduct the business in which it is engaged as such business is now conducted and is proposed to be conducted after the date hereof.

- (cc) Collateral. The Project Company, Finnish OpCo and the Obligors have good legal and marketable title to all Collateral, free and clear of any Liens, encumbrances and claims other than Permitted Liens.
- (dd) Adverse Change. As at the date of hereof, there has been no material adverse change in the financial condition, business, affairs, prospects, assets or properties of any Obligor or, to the best of each Obligor's Knowledge, the Project Company or operations at the Sites, since December 31, 2016.
- (ee) Breach. There is no allegation that the Obligor or, to the best of each Obligor's Knowledge, the Project Company, Site, or Mining Concession is in breach of any Consent, Permit, Applicable Laws, or any other obligation.
- (ff) Immunity. None of the Project Company or any Obligor is entitled to claim immunity from suit, execution, attachment or other legal process in any proceedings in relation to this Agreement or any other Transaction Document.
- (gg) Compliance and Absence of Certain Practices. Each Obligor and, to the best of each Obligor's Knowledge, the Project Company, has adequate and valid compliance systems in strict accordance with the applicable Laws and regulations, and best governance and internal control practices, with regards to anti-bribery and anti-public corruption, and has adequate internal control and auditing systems in order to prevent, control, monitor and detect the perpetration of crimes and/or misconduct and/or any questionable payments or any risks associated with anti-bribery and anti-public corruption. None of the Obligors, nor, to the best of the Obligor's Knowledge, Project Company, nor any of their respective officers, managers, employees, agents, representatives of, shareholders and/or former shareholders have, directly or indirectly, offered, paid or promised to pay, or authorized the payment of any money or other thing of value to any person who is an official, officer, agent, employee or representative of any government or instrumentality thereof or of any existing or prospective customer, or to any political party or official thereof, to any candidate for political or political party office, or to any public or private individual or entity involved in corruption and/or money laundering investigations in Finland, or to any other public or private individual or entity while knowing or having reason to believe that all or any portion of such money or thing of value would be offered, given, or promised, directly or indirectly, to any such official, officer, agent, employee, representative, political party, political party official, or candidate, (i) to obtain favorable treatment in securing business, (ii) to pay for favorable treatment for business secured, (iii) to obtain special concessions or for special concessions already obtained, for or on behalf of or for the benefit of any of the Project Company or the Obligors, any affiliate or relatives, or (iv) in violation of any Applicable Law regarding anti-bribery and anti-public corruption, including, but not limited to, the Finnish Criminal Code (39/1889, as amended).

## Section 12 Covenants

- (1) Affirmative Covenants. So long as any Gold remains to be Delivered or any amounts remain to be paid by the Seller under this Agreement, the Seller shall in addition to and without limiting the covenants contained in the Security Documents:

- (a) Annual Business Plans, Production Forecast, Financial Reporting and Other Reporting. Deliver to the Buyer, with respect to each of the Project Company, Finnish OpCo and each Obligor: (i) within thirty (30) days prior to the commencement of each Financial Year, an Annual Business Plan for the Financial Year, together with a detailed budget for the Financial Year providing supplementary detailed schedules and information supplementary to and consistent with the Annual Business Plan; (ii) within thirty (30) days prior to the commencement of each Financial Year, an annual and updated mine plan for the Sites providing detailed estimates of capital expenditures, production, revenues and expenses; (iii) within sixty (60) days prior to the commencement of each Financial Year the Production Forecast; (iv) as soon as practicable and in any event within thirty (30) days after the end of each of the first three (3) Financial Quarters in each Financial Year (A) a consolidated balance sheet of the Project Company and Finnish OpCo as of the end of the Financial Quarter and (B) the related consolidated statements of earnings and changes in financial position for the Financial Quarter and for the period commencing at the end of the previous Financial Year and ending with the end of the Financial Quarter (in each case (except for the statement of changes in financial position) setting forth in comparative form the figures for the corresponding Financial Quarter and corresponding portion of the previous Financial Year); (v) as soon as practicable and in any event within one hundred twenty (120) days after the end of each Financial Year, a copy of the financial statements of the Project Company, Finnish OpCo and each Obligor for the Financial Year prepared on a consolidated basis reported on by the independent auditors of the Project Company, Finnish OpCo or such Obligor, as applicable; (vi) as soon as practicable and in any event within ten (10) days after the end of each month, a management report for that month (to include cumulative management accounts for the Financial Year to date); (vii) together with each delivery of financial statements, a Compliance Certificate, and a statement of Priority Accounts Payable, detailing all additions and subtractions therefrom, all certified by an officer of the Project Company, Finnish OpCo or such Obligor, as applicable; (viii) on a monthly basis, within ten (10) Business Days after the end of each month, a Capital Expenditure Report with respect to the Mine; (ix) as soon as practicable and in any event within ten (10) Business Days after the end of each month, a Monthly Report for that month; and (x) as soon as possible and in any event within ten (10) Business Days prior to the commencement of each Financial Quarter, a Quarterly Report.
- (b) Environmental Reporting. Promptly, and in any event within ten (10) days of becoming aware of the relevant circumstances, deliver to the Buyer a detailed statement describing any of the following occurrences: (i) any order or judgment, decision, notice or requirement of any Authority requiring the Project Company, Finnish OpCo or any Obligor to incur Environmental Liabilities (i) in excess of US\$50,000 in any one instance or, together with all other expenditures incurred in respect of Environmental Liabilities in any Financial Year, in excess of US\$100,000 in the aggregate for the Project Company, Finnish OpCo and the Obligors taken together; and (ii) any state of affairs in respect of the Sites that could result in the incurrence of Environmental Liabilities in excess of US\$50,000 in any one instance or, together with all other expenditures incurred in respect of Environmental Liabilities in any Financial Year, in excess of US\$100,000 in the aggregate. Each statement delivered to Buyer hereunder shall include a description of all actions taken or proposed to be taken in connection with such occurrences.
- (c) Additional Reporting. Deliver to the Buyer (i) as soon as practicable, and in any event at least five (5) days prior to any Monthly Delivery Date, notice of any anticipated failure to Deliver as required on such Monthly Delivery Date; (ii) as soon as practicable, and in any

event within five (5) days after the occurrence of each Seller Default or Event of Default, a statement of the chief financial officer of the Project Company, Finnish OpCo or the Seller, as applicable, or any other officer acceptable to the Buyer setting forth the details of the Seller Default or Event of Default and the action that the Project Company, Finnish OpCo or the Seller proposes to take or has taken (provided that the foregoing shall not be deemed to extend the period of time that the Project Company, Finnish OpCo or the Seller may cure any such Default that is otherwise provided for herein); (iii) from time to time upon request of the Buyer, evidence of the maintenance of all insurance required to be maintained pursuant to this Agreement, including originals or copies as the Buyer may request of policies, certificates of insurance, riders, endorsements and proof of premium payments; (iv) promptly upon their issuance, copies of all notices, reports, press releases, circulars, offering documents and other documents filed with or on the public record, or delivered to, any stock exchange or securities commission or a similar Authority in any other jurisdiction; and (v) such other information respecting the condition or operations, financial or otherwise, of the Sites, the Project Company, Finnish OpCo, any Obligor, or any of their respective Affiliates as the Buyer may from time to time reasonably request.

- (d) Corporate Existence. Following the Effective Date, preserve and maintain, and cause the Project Company, Finnish OpCo and each Obligor to preserve and maintain, its and their corporate existence, except with the prior written consent of the Buyer.
- (e) Use of Proceeds.
- (i) Use of the proceeds of the Gold Prepayment Amount shall be limited to: (A) equity investment in the Project Company by the Seller and further equity investment in the Finnish OpCo by the Project Company, (B) capital expenditures with respect to the acquisition, development, and operation of the Laiva Project and (C) the extinguishing of existing debt and/or liabilities of the Seller, the Parent Company, the Project Company, and Finnish OpCo, each in accordance with the Initial Expense Budget, subject to the terms and conditions of this Agreement, including the negative covenants set forth in Section 12(2).
- (ii) Immediately following the Effective Date (but in any event, no later than 3 Business Days following such date) the Seller shall apply US\$1,950,000 of the proceeds of the Gold Prepayment Amount to be paid on the Effective Date to pay the Purchase Price under the Assignment of Debt and Security Agreement dated as of August 11, 2017 executed among Lao Tzu Investments AB, Jade Global Entreprises Limited and Lau Su Holding AB, as the Assignors, and Firesteel Resources Inc., as the Assignee, and Nordic Mines AB (publ), as the Debtor (the “**Parent Debt**”).
- (iii) Immediately following the Effective Date (but in any event, no later than 3 Business Days following such date) the Seller shall apply US\$850,000 of the proceeds of the Gold Prepayment Amount to be paid on the Effective Date (i) to extinguish debt existing under the Debentures, including accrued interest; (ii) to pay any outstanding debt of the Seller to Alpha Resources Management; and (iii) to pay Priority Accounts Payable and other current and accrued liabilities, described in Part A of Schedule C.
- (iv) Immediately following the Effective Date (but in any event, no later than 3 Business Days following such date), the Seller shall contribute (as an

unconditional shareholder's contribution) US\$17,100,000 of the proceeds of the Gold Prepayment Amount to be paid on the Effective Date to the Project Company and shall cause (A) the Project Company to use such contribution to extinguish all existing debt and/or liabilities of the Project Company (other than those arising under this Agreement), (B) the Project Company and Finnish OpCo to use such contribution to extinguish all debt and/or liabilities of Finnish OpCo (other than those arising under this Agreement), and (C) fund project development expenses in accordance with the Initial Expense Budget.

- (v) Immediately following the Effective Date (but in any event, no later than 3 Business Days following such date), the Seller shall distribute US\$100,000 of the proceeds of the Gold Prepayment Amount to be paid on the Effective Date to the Parent Company and shall cause the Parent Company to use such distribution to extinguish debt payable to existing creditors and other liabilities.
- (f) Compliance with Laws. Comply and, following the Effective Date, cause the Project Company, Finnish OpCo, and each Obligor to comply in all material respects with the requirements of all Applicable Laws (including, without limitation, the requirement to post any performance bonds in order to comply with Environmental Laws), Consents, Permits, Material Agreements and judgments, orders, decisions and awards, except any non-compliance that does not cause the Project Company, Finnish OpCo or any Obligor to breach, disrupt, delay, alter or compromise the performance of its obligations under this Agreement or the Security Documents or create, or become subject to, a superseding intervening lien (other than a Permitted Lien) to any of the security interests evidenced by the Security Documents.
- (g) Environmental Investigations. Following the Effective Date, promptly, if the Project Company, Finnish OpCo, any Obligor, or the Buyer has a good faith concern that a discharge of a Hazardous Substance or violation of Environmental Laws has occurred or is imminent, or a condition exists at the Sites that has had or would reasonably be expected to have a Material Adverse Effect, cause to be conducted such environmental investigations (including without limitation, environments and environmental compliance reviews) as are reasonably required by the Buyer by an environmental consultant approved by the Buyer, and promptly remedy any condition or non-compliance revealed by any such investigation in accordance with Environmental Laws.
- (h) Construction, Operation and Maintenance of Properties. Shall operate, and shall, following the Effective Date, cause the Project Company, Finnish OpCo and each Obligor to operate, the Sites as a Reasonable and Prudent Operator and make all mining operations and activities pertaining or in respect of the Sites in a commercially prudent manner and in accordance with all Applicable Laws, Permits and good mining processing, engineering and environmental practices prevailing in the mining industry in all material respects, and cause the Project Company, Finnish OpCo and each Obligor to make all repairs, renewals, replacements, additions and improvements to the Sites so that the business and activities carried on at the Sites may be properly and advantageously conducted at all times in accordance with good mining practice and in accordance with Applicable Laws and Permits in all material respects; except any non-compliance that does not cause the Project Company, Finnish OpCo or any Obligor to breach, disrupt, delay, alter or compromise the performance of its obligations under this Agreement or the Security Documents or create, or become subject to, a superseding intervening lien (other

than a Permitted Lien) to any of the security interests evidenced by the Security Documents.

- (i) Auditors. On or prior to December 31, 2017, confirm the re-appointment of its auditor, MNP LLP, or a firm of international standing acceptable to Buyer in its sole discretion.
- (j) Payment of Taxes and Claims. Following the Effective Date, pay, cause to be paid, or cause the Project Company, Finnish OpCo and each Obligor to pay, when due: (i) all Taxes, assessments and governmental charges or levies imposed upon it or upon its income, sales, capital or profit or any other property belonging to it, the Project Company, Finnish OpCo or any other Obligor, as applicable; and (ii) all claims that if unpaid might by Applicable Law become a Lien upon the assets or properties of the Project Company, Finnish OpCo or such Obligor, in each case except to the extent that such tax, assessment, charge, levy or claim (x) is being diligently contested in good faith by proper proceedings and in respect of which the Project Company, Finnish OpCo or the Seller has set aside adequate reserves in accordance with IFRS, or (y) constitutes a Permitted Lien.
- (k) Keeping of Books. Keep, and, following the Effective Date, cause the Project Company, Finnish OpCo and each other Obligor, as applicable, to keep, proper books of record and account, including in respect of all operations and activities with respect to the Sites, including the mining and production therefrom and account, in which full and correct entries shall be made in respect of their respective businesses and offices, as the case may be.
- (l) Visitation and Inspection. At any reasonable time or times, permit the Buyer and any agents of the Buyer to visit the properties, including the Sites and make best efforts to arrange for the Buyer and any agents of the Buyer to visit any other facility where Minerals are milled or processed of the Project Company, Finnish OpCo or any Obligor, and to discuss their mine development, operations, affairs, finances and accounts with the President & CEO, CFO, COO and other key personnel as determined by the Buyer. The Seller shall cooperate (and, following the Effective Date, cause the Project Company and Finnish OpCo to cooperate) with the Buyer in the conduct of monitoring the construction and development of the Mine.
- (m) Maintenance of Insurance. On or prior to the Effective Date, obtain and maintain thereafter in force with an insurer rated "A" by AM Best, in form and substance satisfactory to the Buyer, in respect of itself, the Project Company, Finnish OpCo and the Obligors, the insurance described in Schedule J, all such policies to show the Buyer as an additional insured and a loss payee under a mortgage clause in a form approved by the applicable governing body.
- (n) Notice of Expropriation or Condemnation, Litigation and Default. Following the Effective Date, shall promptly notify the Buyer in writing of:
  - (i) the commencement or the written threat of any expropriation or condemnation of any material assets, property or undertaking of the Project Company, Finnish OpCo or any Obligor or of the institution of any proceedings related thereto;
  - (ii) any actions, suits, inquiries, disputes, claims or proceedings commenced or threatened in writing against or affecting the Project Company, Finnish OpCo or

any Obligor before any Authority that, individually or in the aggregate, have or would reasonably be expected to have a Material Adverse Effect; and

- (iii) upon the occurrence of an Event of Default of which the Project Company, Finnish OpCo or the Seller is aware, the nature and date of occurrence of such Default, the Project Company's, Finnish OpCo's or the Seller's assessment of the duration and effect thereof and the action that the Project Company, Finnish OpCo or the Seller proposes to take with respect thereto.
- (o) Mining Concessions Maintained in Good Order.
- (i) Following the Effective Date, maintain the Mining Concessions in good standing in material compliance with all Applicable Laws, except any non-compliance that does not cause the Project Company, Finnish OpCo or any Obligor to breach, disrupt, delay, alter or compromise the performance of its obligations under this Agreement or the Security Documents or create, or become subject to, a superseding intervening lien, other than a Permitted Lien, to any of the security interests evidenced by the Security Documents, including payment of mining duties corresponding to the Mining Concessions, which the Project Company, Finnish OpCo or the Seller will pay in full thirty (30) days prior to any deadlines required under the Applicable Laws; and filing the work assessment reports corresponding to the activities performed in the Mining Concessions thirty (30) days prior to any deadlines required under the Applicable Laws. The Seller shall notify (or cause the Project Company and/or Finnish OpCo, as applicable, to notify) the Buyer promptly upon making any payments corresponding to the mining duties or filings of the work assessment reports mentioned in this paragraph, and provide to the Buyer with a copy of the payments made and the reports filed.
  - (ii) Following the Effective Date, keep in good order the data related to the Mining Concessions. Such data shall include, but not be limited to, surveys, maps, plans, specifications, drill core samples, assays, books, records, studies, assessments, models, interpretations and copies of drill logs, reports or other information of any kind and in any format (including in electronic format) relating to the Mining Concessions and operation of the Sites either owned by and/or in the possession and control of the Project Company, Finnish OpCo or the Seller.
  - (iii) Following the Effective Date, the Obligors shall, and shall cause the Project Company, Finnish OpCo and their respective agents and contractors to conduct their operations in the Mining Concessions, in a good and workmanlike manner in accordance with generally accepted mining industry practice and in material compliance with all Applicable Laws and Environmental Laws and in accordance with the contracts, Permits, licenses and other agreements related to the Mining Concessions in all material respects; except any non-compliance that does not cause the Project Company, Finnish OpCo or any Obligor to breach, disrupt, delay, alter or compromise the performance of its obligations under this Agreement or the Security Documents or create, or become subject to, a superseding intervening lien, other than a Permitted Lien, to any of the security interests evidenced by the Security Documents. The Seller shall conduct (or, following the Effective Date, cause the Project Company and Finnish OpCo to



conduct) its operations with the care and skill normally expected of someone conducting and managing exploration, development and mining activities.

- (iv) Following the Effective Date, pay or cause to be paid all agents of the Project Company, Finnish OpCo and the Obligors including workers or wage earners employed by the Project Company, Finnish OpCo or any Obligor or its contractors on the Mining Concessions and for all material purchased by the Project Company, Finnish OpCo or any Obligor or its contractors in connection with all work that might give rise to a lien or privilege on the Mining Concessions. Should any such lien or privilege be recorded against the Mining Concessions in consequence of any work done on the Mining Concessions by or for the Project Company, Finnish OpCo or any Obligor, the Seller shall forthwith take (or cause the Project Company and/or Finnish OpCo, as applicable, to take) all such actions, including initiating legal proceedings, as may be necessary to have such lien or privilege removed or discharged from the Mining Concessions (or bonded over in accordance with Applicable Laws) and shall have the same removed, discharged or bonded over with all reasonable dispatch; provided, however, that upon such removal, discharge or bond of such lien or privilege, the Project Company, Finnish OpCo or the Seller may proceed to contest any such claim of lien or privilege in good faith and diligently.
- (v) File the corresponding applications in accordance with Applicable Laws in order to obtain the extension of the term of the Mining Concessions, if required.
- (p) Permits. Following the Effective Date, duly obtain and maintain in full force and effect all Permits and comply in all material respects with the terms thereof, except any non-compliance that does not cause the Project Company, Finnish OpCo or any Obligor to breach, disrupt, delay, alter or compromise the performance of its obligations under this Agreement or the Security Documents or create, or become subject to, a superseding intervening lien, other than a Permitted Lien, to any of the security interests evidenced by the Security Documents.
- (q) Licenses. Following the Effective Date, duly maintain in full force and effect all licenses currently held and comply in all material respects with the terms thereof, except any non-compliance that does not cause the Project Company, Finnish OpCo or any Obligor to breach, disrupt, delay, alter or compromise the performance of its obligations under this Agreement or the Security Documents or create, or become subject to, a superseding intervening lien, other than a Permitted Lien, to any of the security interests evidenced by the Security Documents, without relinquishing any license except with the prior written consent of the Buyer.
- (r) Mineral Sales Contract/Refining Agreement. Within three (3) months of the Effective Date, the Project Company, Finnish OpCo or the Obligors, as applicable, shall execute and, at all times thereafter, maintain a fully executed and enforceable Mineral Sales Contract/Refining Agreement containing terms substantially similar to those set forth in Schedule E hereto with respect to the Sites, with respect to all Produced Gold and Minerals pursuant to which the Offtaker agrees to deliver, or cause to be delivered all Gold, gold ore and other Produced Gold. The Seller shall notify the Buyer in writing when any proceeding related to a dispute arising out of or in connection with the Mineral Sales Contract/Refining Agreement is commenced and shall provide the Buyer with timely updates of the status of any dispute and the final decision and award of the court

or arbitration panel with respect to such dispute, as the case may be. The Project Company, Finnish OpCo and the Obligors agree to irrevocably authorize and direct each Offtaker to so credit all gold, gold ore, and gold bearing materials contained in the Minerals as set forth herein. The Seller agrees to irrevocably direct and cause (or cause the Project Company and Finnish OpCo to irrevocably direct and cause) the Offtaker to credit to the Buyer's Unallocated Gold Account, in each month, in priority to any other application, the Scheduled Monthly Quantity for such month, pursuant to an irrevocable direction letter to maintain such direction in full force and effect and not to take any action to revoke, modify, qualify or diminish such direction.

- (s) Consents. To and, following the Effective Date, to cause the Project Company, Finnish OpCo and each Obligor to, each at its own cost and expense, take any action, satisfy any condition or do anything (including obtaining or effecting any necessary Consent) at any time required in accordance with Applicable Laws, to be taken, fulfilled or done to:
- (i) obtain and maintain in full force and effect all Consents that are required in connection with the execution and delivery and performance of this Agreement and the other Transaction Documents;
  - (ii) enable the Project Company, Finnish OpCo and each Obligor to lawfully enter into, exercise its rights and perform and comply with its obligations under each Transaction Document to which it is a party;
  - (iii) ensure that the Project Company, Finnish OpCo and each Obligor's obligations under each Transaction Document to which it is a party are legally binding and enforceable; and
  - (iv) take any and all action necessary to preserve the enforceability of, and maintain the Buyer's rights under, each Transaction Document, including refraining from taking any action that would reasonably be expected to have a Material Adverse Effect.
- (t) Minerals. Following the Effective Date, to cause all gold produced by the Project Company, Finnish OpCo or the Obligors to be produced, handled, transported and delivered in accordance with all Applicable Laws in all material respects, except any non-compliance that does not cause the Project Company, Finnish OpCo or any Obligor to breach, disrupt, delay, alter, or compromise the performance of its obligations under this Agreement or the Security Documents or create, or become subject to, a superseding intervening lien, other than a Permitted Lien, to any of the security interests evidenced by the Security Documents.
- (u) Filings and Registrations. Forthwith after the entering into of this Agreement, file and cause the registry, as applicable, of such documents as may be required under Applicable Laws relating to the Transaction Documents (including the Security Documents) and the transactions contemplated thereunder together with any required fees and timely file all documents that must be publicly filed or sent to shareholders pursuant to Applicable Securities Laws within the time prescribed by such Applicable Securities Laws and make such documents available within such prescribed time period.

- (v) Maintenance of Liens.
- (i) The Seller shall (and shall cause each of its Affiliates to) take all action reasonably required to maintain and preserve the Liens created by the Security Documents to which it is a party and the priority of such Liens, subject to Permitted Liens. The Seller shall (and shall cause each of its Affiliates to) from time to time execute or cause to be executed any and all further instruments requested by the Buyer for such purposes. The Seller shall (and shall cause each of its Affiliates to) promptly discharge at its own cost and expense, any Lien (other than a Permitted Lien) on the Collateral.
- (ii) If, after the date hereof, the Seller and/or any of its Affiliates acquires any property or rights, which upon such acquisition, is not subject to the Liens created pursuant to the then existing Security Documents, then, unless otherwise specifically provided in an existing Security Document, the Seller shall advise the Buyer as soon as reasonably practicable of such acquisition and shall within fifteen (15) Business Days after the date of such acquisition execute and deliver such additional security document(s) creating Liens on the newly acquired property as the Buyer may reasonably require (together with any necessary or desirable registration documents and an opinion of the Seller's counsel relating to such security document(s) and the Liens created thereby, all in form and substance satisfactory to the Buyer, acting reasonably).
- (w) Material Agreements. Perform and, following the Effective Date, cause the Project Company, Finnish OpCo and all other Obligor to perform, all of its and their obligations under the Material Agreements in all material respects, except any non-compliance that does not cause the Project Company, Finnish OpCo or any Obligor to breach, disrupt, delay, alter, or compromise the performance of its obligations under this Agreement or the Security Documents or create, or become subject to, a superseding intervening lien, other than a Permitted Lien, to any of the security interests evidenced by the Security Documents, and take reasonable actions to enforce all of its and their material obligations thereunder.
- (x) Gold Quality. The Seller shall cause the Contract Quantity credited to Buyer's Unallocated Gold Account to be in accordance with the relevant quality standards and specifications, free and clear from any Liens and third-party claims.
- (y) Further Assurances. At its cost and expense, upon request of the Buyer, execute and deliver or cause to be executed and delivered to the Buyer such further instruments and do and cause to be done such further acts as may be necessary or proper in the reasonable opinion of the Buyer to carry out more effectually the provisions and purposes of the Transaction Documents.
- (z) Maximizing Production. The Seller shall use (or, following the Effective Date, cause the Project Company and Finnish OpCo to use) reasonable commercial efforts to extract gold and produce gold in accordance with the Production Forecast, and, in any event, refrain from stockpiling any ore and/or mineralized rock or concentrate in excess of a quantity equivalent to three (3) times the monthly production, calculated based upon the monthly production corresponding to the calendar month of any such calculation date in the Production Forecast.

- (aa) Funding Deficit. If any funding deficit is identified in the Capital Expenditure Report, the Obligors shall cure (or, following the Effective Date, cause the Project Company and Finnish OpCo to cure) such funding deficit within ninety (90) days after its occurrence.
- (bb) Joinder of Guarantors. Promptly upon the incorporation or acquisition of any Subsidiary of the Seller (and in any event, within thirty (30) days of such incorporation or acquisition), cause such Subsidiary to execute a Guarantor Joinder Agreement that being understood and agreed that the Project Company shall not be required to execute a Guarantor Joinder Agreement or enter into, execute or deliver any Transaction Documents until the Seller has completed the acquisition of 100% of the shares in the Project Company and/or the Project Company JV Agreement has fallen away (the “Joinder Date”).
- (cc) Compliance with Anti-bribery and Anti-public corruption Laws. Each Obligor shall (and, following the Effective Date, shall cause the Project Company and Finnish OpCo to): (i) comply with any and all Applicable Law regarding anti-bribery and anti-public corruption, including, but not limited to, the Finnish Criminal Code (39/1889, as amended), the United States Foreign Corrupt Practices Act of 1977 and the United Kingdom Bribery Act 2010, including their further modifications, and, where applicable, the principles described in the ‘Convention on Combating Bribery of Foreign Public Officials in International Business Transactions’; (ii) maintain adequate and valid compliance systems in strict accordance with the applicable Laws and regulations, and best governance and internal control practices, with regards to anti-bribery and anti-public corruption; and (iii) maintain adequate internal control and auditing systems in order to prevent, control, monitor and detect the perpetration of crimes and/or misconduct and/or any questionable payments or any risks associated with anti-bribery and anti-public corruption.
- (dd) Project Company Option. The Seller shall:
- (i) on the Effective Date, grant and perfect a security interest over the Seller’s option to acquire from the Parent Company all of the equity in the Project Company (the “Project Company Option”), as provided in the Project Company JV Agreement; and
  - (ii) exercise the Project Company Option in full immediately following the Effective Date and the Seller’s acquisition of 60% of the outstanding shares of the Project Company.
- (ee) Project Company. The Obligors shall complete the Required Restructuring within 8 months of the Effective Date.
- (ff) Bank Accounts. The Seller shall cause Finnish OpCo to establish separate bank accounts to hold the proceeds of the Gold Prepayment Amount and all collections by Finnish OpCo from all sources (with monthly statement delivery and verification obligations).
- (gg) Seller Equity Raise. The Seller shall, within six (6) months following the Effective Date, raise US\$7,000,000 in equity (net proceeds), which shall be directly invested into Finnish OpCo via an intercompany loan and evidenced by a promissory note, which promissory note the Seller shall assign to the Buyer immediately following the funding of such intercompany loan.

- (hh) Project Company Share Pledge. Immediately following the Seller's acquisition of any shares of the Project Company, the Seller shall: grant to the Buyer and perfect a first-priority Lien over all of the Seller's shares in the Project Company and, in each case, deliver evidence satisfactory to the Buyer of such Lien in the Buyer's sole discretion, within three (3) Business Days of such acquisition.
- (ii) Assignment of Finnish OpCo Debts. Immediately following the assignment of the Finnish OpCo Debts to the Seller, the Seller shall assign the Finnish OpCo Debts to the Buyer in accordance with the Security Documents.
- (jj) Full Security of Obligations. Immediately following the assignment of the Finnish OpCo Debts to the Buyer, the Seller shall amend the operative documents relating to the Finnish OpCo Debts, the Existing Shareholder Loan and the Firesteel Bridge Loan such that they
  - (i) cause the Seller to perform its obligations under this Agreement, including supplying gold, payment of upside pursuant to Section 7(4) and its obligations under Section 23 and
  - (ii) provide the Buyer access to security for 100% of the Obligations by way of entering into the PPF Agreement II with the Finnish OpCo in form and substance satisfactory to Buyer, which PPF Agreement II shall grant the Buyer the right to step into the Seller's rights under such agreement upon the occurrence of a Seller Default or Event of Default under this Agreement.
- (kk) Engagement of Restructuring Advisers. Within 10 days following the Effective Date, the Seller shall engage Ernst & Young (or such other financial advisors as may be from time to time acceptable to the Buyer) as advisors for the Required Restructuring.
- (ll) Termination of Composition Plan. The Seller shall deliver to the Buyer evidence:
  - (i) on the date immediately following the Effective Date, of final and irrevocable repayment of all debt set out in Schedule C (except for the SEK2,424,883 owed by the Project Company to the Parent Company);
  - (ii) on the date immediately following the Effective Date, of final and irrevocable assignment of the SEK2,424,883 owed by the Project Company to the Parent Company to the Seller;
  - (iii) as soon as possible (but in any event, no later than 30 days following the Effective Date), of confirmation by the administrator of the Finnish OpCo's composition proceedings (or by an attorney of Krogerus Attorneys Ltd representing such administrator) that Finnish OpCo's composition plan has expired; and
  - (iv) as soon as reasonable practicable, of confirmation from a competent court that Finnish OpCo's composition plan has been duly terminated; and
- (mm) Finnish OpCo Share Pledge Agreement. The Seller shall, on or about the Joinder Date, execute and deliver and cause the Project Company to execute and deliver the Finnish OpCo Share Pledge Agreement in form and substance satisfactory to the Buyer.

- (2) Negative Covenants. So long as any Gold remains to be Delivered or any amounts remain to be paid by the Seller under this Agreement, the Seller shall not, except as otherwise contemplated by this Agreement:
- (a) Debt. Create, incur, assume or suffer to exist, or, following the Effective Date, permit the Project Company, Finnish OpCo, any Obligor, or any Subsidiary of the Project Company, to create, incur, assume or suffer to exist, any Debt other than the Permitted Debt.
  - (b) Liens. Create, incur, assume or suffer to exist, or, following the Effective Date, permit the Project Company, Finnish OpCo or any Obligor to create, incur, assume or suffer to exist, any Lien on any of their respective properties or assets other than (i) Permitted Liens; (ii) Liens created, incurred, assumed or existing in connection with leases of equipment or property required by the Project Company, Finnish OpCo or any Obligor for the operation of its business in the normal course up to a maximum of US\$300,000 in the aggregate (which Liens, for greater certainty, shall be in addition to Purchase Money Liens); or (iii) in connection with a full prepayment by the Seller of its obligations under this Agreement as contemplated in Section 5(8) on terms and conditions satisfactory to the Buyer in its commercially reasonable discretion.
  - (c) Forward Commitments. Create, incur or permit to remain outstanding or, following the Effective Date, permit the Project Company, Finnish OpCo or any Obligor to create, incur, assume or permit to remain outstanding any forward commitments to deliver gold or any other product of the Sites to any Person other than the Buyer for a fixed price or containing an embedded hedge;
  - (d) Offtake Arrangements. Following the Effective Date, permit the Project Company, Finnish OpCo or any Obligor to sell, assign, dispose, gift or otherwise transfer any gold amounts to any Person, including any Affiliate, in any Scheduled Delivery Month until the Scheduled Monthly Quantity is credited to the Buyer's Unallocated Gold Account and until all amounts outstanding to the Buyer due to a Gold Shortfall have been paid. For the avoidance of doubt, the Project Company, Finnish OpCo and the Obligor shall be entitled to sell the remaining gold amounts, over and above each Scheduled Monthly Quantity, if any; provided that, so long as any amounts outstanding remain unpaid due to a Gold Shortfall, none of the Project Company, Finnish OpCo or any Obligor shall be permitted to sell any such amounts of gold until such amounts have been paid in full to Buyer.
  - (e) Preferential Arrangements. Sell or dispose of, or, following the Effective Date, permit the Project Company, Finnish OpCo or any Obligor to sell or dispose of, any of its or their receivables on recourse terms or enter into any arrangement under which money or the benefit of any bank or other account may be applied or set off or made subject to a combination of accounts or enter into any other preferential agreement having a similar effect to any of the foregoing, other than in connection with a full prepayment by the Seller of its obligations under this Agreement as contemplated in Section 5(8) on terms and conditions satisfactory to the Buyer in its commercially reasonable discretion.
  - (f) Mergers. Following the Effective Date, except as required pursuant to the Required Restructuring, permit the Project Company, Finnish OpCo or any of the Obligors to enter into any reorganization, consolidation, amalgamation, arrangement, winding-up, merger or other similar transaction.

- (g) Disposal of Assets. Generally sell, exchange, lease, release or abandon or otherwise dispose of, or, following the Effective Date, permit the Project Company, Finnish OpCo or any Obligor to sell, exchange, lease, release or abandon or otherwise dispose of, any assets or properties to any Person, other than bona fide sales, exchanges, leases, abandonments or other dispositions of assets or properties made in the ordinary course of business for the purpose of carrying on its business, and at fair market value, up to a maximum of US\$100,000 in the aggregate for the Project Company, Finnish OpCo and the Obligors taken together during any Financial Year.
- (h) Transactions with Related Parties. Enter into, or allow the Project Company, Finnish OpCo or any Obligor to enter into, any agreement with, make any financial accommodation for, or otherwise enter into any transaction with, a Related Party, other than intercompany subscriptions, purchases, redemptions, advances, book entries, other transactions by which the Seller provides working capital to the Project Company, Finnish OpCo or the Obligors to be used for operations in the normal course of business and not for redistribution by the Project Company, Finnish OpCo or such Obligor, as applicable, to third parties and any dividends or other distributions comprised solely of capital stock. In the case of the Parent Debt, Seller shall not accept prepayment of any or all amounts outstanding under the Parent Debt, nor release any security interest thereunder, until the Seller has exercised in full the Project Company Option and the transactions contemplated by Section 12(1)(ee) have been consummated to the satisfaction of the Buyer.
- (i) Change in Business. Make any change in the nature of its business or, following the Effective Date, permit the Project Company, Finnish OpCo or any Obligor carrying on business relating to the Sites to make any change in the nature of their respective businesses.
- (j) Issuance of Equity. Following the Effective Date, permit the Project Company, Finnish OpCo or any of the Obligors to issue shares, or any options, warrants or securities convertible into shares, unless such securities are held by the Project Company, Finnish OpCo or another Obligor.
- (k) Acquisition of Assets or Property. Following the Effective Date, permit the Project Company, Finnish OpCo or any Obligor to acquire or own, directly or indirectly, any assets or property, or make or own any investments in shares, assets or other ownership interests, except in accordance with the Initial Expense Budget (as such Initial Expense Budget may be updated from time to time and approved by the Buyer), other than (i) any ownership interest held as of the Effective Date, (ii) in an amount less than US\$100,000 in aggregate for the Project Company, Finnish OpCo and the Obligors taken together for the Term of this Agreement, or (iii) with the prior written consent of the Buyer.
- (l) Distributions. Declare, make or pay, or, following the Effective Date, permit the Project Company, Finnish OpCo or any Obligor to declare, make or pay, any Distributions.
- (i) For purposes of this Section 12(2)(l), “Distribution” means with respect to any Person (A) any dividend or other distribution on issued shares of the Person or any of its Subsidiaries (whether in cash or in kind and including the Distributions of Gold on behalf of the Seller to the Buyer contemplated under this Agreement); (B) the purchase, redemption or retirement amount of any issued shares, warrants

or any other options or rights to acquire shares of the Person or any of its Subsidiaries redeemed or purchased by the Person or any its Subsidiaries.

- (m) Financial Assistance. Give or, following the Effective Date, permit the Project Company, Finnish OpCo or any Obligor to give any financial assistance to any Person, other than inter-corporate subscriptions, purchases, redemptions, advances, book entries or other transactions by which the Seller provides working capital to the Project Company, Finnish OpCo or any Obligors.
- (n) Lease-Backs. Enter into, or, following the Effective Date, permit the Project Company, Finnish OpCo or any Obligors to enter into, any arrangements, directly or indirectly, with any Person other than the Project Company, Finnish OpCo or an Obligor, whereby such party, the Seller, the Project Company, Finnish OpCo, or such Obligors, as the case may be, shall sell or transfer any property, whether now owned or hereafter acquired, used or useful in the carrying on of business relating to the Sites, in connection with the rental or lease of the property so sold or transferred or of other property for substantially the same purpose or purposes as the property so sold or transferred.
- (o) Hedging. Except for agreements entered into with the Buyer, enter into or, following the Effective Date, allow the Project Company, Finnish OpCo or any Obligors to enter into: (i) any prepaid forward arrangements in respect of Minerals or any fixed price forward arrangements in respect of Minerals or any embedded hedge forward arrangements in respect of Minerals; (ii) any hedge arrangements; or (iii) any foreign exchange contracts or swap contracts.
- (p) Affiliates. Incorporate, acquire or have any subsidiaries other than the Project Company, Finnish OpCo and the Obligors, or enter into or be part of any joint venture other than the Project Company (or Finnish OpCo, as applicable).
- (q) Expenditures. Make or commit to make, or, following the Effective Date, permit the Project Company, Finnish OpCo or any Obligors to make or commit to make expenditures without the Buyer's consent, other than those in accordance with the Initial Expense Budget (as such Initial Expense Budget may be updated from time to time and approved by the Buyer).
- (r) Financial Year. Change its Financial Year other than a change to calendar year end, provided that: (i) the Seller shall have provided ninety (90) days' prior written notice to the Buyer; and (ii) the Seller would otherwise be able to make the affirmations and deliver the deliverables required pursuant to this Agreement on the dates provided herein as if such change of Financial Year had not occurred.
- (s) Waivers, Releases, Assignments or Abandonments. Waive, release, grant, transfer, exercise, modify, abandon, terminate or amend, (i) any Material Agreement (except with the prior written consent of the Buyer) or any other existing contractual rights with respect to the Mining Concessions, (ii) any authorization, lease, concession, contract or other document in respect of the Material Agreements or the Mining Concessions, or (iii) any other material legal rights or claims in respect of the Material Agreements and Mining Concessions, except any such waiver, release, assignment or abandonment that does not cause the Project Company, Finnish OpCo or any Obligors to breach, disrupt, delay, alter, or compromise the performance of their obligations under this Agreement or the Security Documents or create, or become subject to, a superseding intervening lien,



other than a Permitted Lien, to any of the security interests evidenced by the Security Documents.

- (t) Organizational Documents. Change its organizational or constitutive documents, or, following the Effective Date, in any manner or permit the Project Company, Finnish OpCo or any Obligors to do the same, unless, after such change, the Project Company, Finnish OpCo and the Obligors continue to be bound by this Agreement.
- (u) Voting Power. Upon the occurrence of a Seller Default or Seller Event of Default, all rights of the Seller to exercise, or refrain from exercising, voting and economic rights and powers over the pledged shares of the Project Company, Finnish OpCo or the Obligors shall cease and all such rights shall thereupon become vested in the Buyer, which shall have the sole and exclusive right and authority to exercise such voting and economic rights and powers, solely as such action directly impacts the obligations and performance herein. For the avoidance of doubt, the Buyer agrees not to sell or liquidate the assets of the Seller by use of such voting power.
- (v) Mining Concessions.
  - (i) Engage in any act or sign any document that could cause, without the prior approval of the Buyer: (i) a reduction of the surface area comprised by the Mining Concessions; or (ii) the abandonment of the Mining Concessions.
  - (ii) Encumber, assign or promise to assign the rights derived from the Mining Concessions, except for Permitted Liens.
  - (iii) Enter into any exploration, exploitation, option, royalty, promise to execute an agreement, joint venture, association, joint investment, partnership, co-ownership or other agreement affecting in any manner the ownership, use, operation or transferability of the Mining Concessions.
  - (iv) Grant to any third party, other than any contractors or third-party service providers engaged by the Project Company, Finnish OpCo or any Obligor to enhance or accomplish the provisions of this Agreement or any Authority, existing or prospective investors, joint venture parties or lenders or as may otherwise be required by law, any right of access or entry on the Mining Concessions without the prior written consent of the Buyer, such consent not to be unreasonably withheld or delayed.
- (w) Fuel Surcharge. Enter into, maintain, or, following the Effective Date, cause or permit the Project Company, Finnish OpCo or any Obligor to enter into or maintain any contract that requires the Project Company, Finnish OpCo or any Obligor to pay for any additions of fuel surcharges without the prior, written consent of the Buyer not to be unreasonably withheld.
- (x) Agreements with Offtakers. Execute or enter into any agreement entered into by the Project Company, Finnish OpCo or any Obligor with an Offtaker (other than the Mineral Sales Contract/Refining Agreement) that includes (i) the sale of any gold-containing concentrate produced by the Depositors to an Offtaker or (ii) the smelting, refining, or other beneficiation of Produced Gold by an Offtaker, without the Buyer's prior written consent.

- (y) Payments in respect of Debt between any Obligor. The Seller shall procure that no Obligor shall pay, including by way of set-off, and the Seller shall not receive and retain, any amount of principal or interest in respect of the Finnish OpCo Debts or other Debt between any Obligor, save for performance of any obligations under the PPF Agreement II.

(3) Security Covenants.

- (a) So long as any Gold remains to be Delivered or amounts remain to be paid by the Seller pursuant to this Agreement, the Seller shall:
  - (i) (A) maintain books and records pertaining to the Collateral in such detail, form and scope as the Buyer reasonably requires; (B) immediately notify the Buyer if any account in excess of US\$100,000 arises out of contracts with any Authority, and execute any instruments and take any steps required by the Buyer in order that all moneys due or to become due under any such contract are assigned to the Buyer and notice of such assignment be given to the Authority; (C) report immediately to the Buyer any matters materially adversely affecting the value, enforceability or collectability of the Collateral, taken as a whole; (D) if any amount payable under or in connection with any account in excess of US\$100,000 is evidenced by a promissory note or other instrument, immediately pledge, endorse, assign and deliver to the Buyer the promissory note or instrument, as additional Collateral; and (E) notify the Buyer in writing of any agreement under which any terms of sale or service (written or oral) that are materially different from normal operating procedures may have been or will be granted;
  - (ii) at least thirty (30) days prior to any of the following changes becoming effective, notify the Buyer in writing of (A) any proposed change in the location of (w) any place of business of the Project Company, Finnish OpCo or any Obligor, (x) the chief executive office or head office of the Project Company, Finnish OpCo or any Obligor, (y) any account debtors of the Project Company, Finnish OpCo or any Obligor, and (z) any place where any tangible property of the Project Company, Finnish OpCo or any Obligor is stored; and (B) any proposed change in the name of the Project Company, Finnish OpCo or any Obligor; and
  - (iii) perform, execute and deliver and, following the Effective Date, cause the Project Company, Finnish OpCo and each Obligor to perform, execute and deliver all acts, agreements and other documents as may be requested by the Buyer at any time to register, file, signify, publish, perfect, maintain, protect, and enforce the security interests created by the Security Documents including, without limitation, (A) executing, recording and filing of the Security Documents and financing or continuation statements in connection therewith, in form and substance satisfactory to the Buyer; (B) causing the Project Company, Finnish OpCo or any Obligor to file and record a security interest and register such instrument with the appropriate Authorities in favor of, and to the benefit of Buyer, promptly after the Project Company, Finnish OpCo or such Obligor have executed a valid and binding extraction concession contract, contract-law, or similar administrative concession with the applicable Finnish Authority with regard to any future extraction rights to any mineral exploration and/or mining rights concession granted to the Project Company, Finnish OpCo or any

Obligors, including any further and future rights, privileges, obligations and interests that the Project Company, Finnish OpCo or any Obligors may acquire in the surface, mineral, and subsurface lands and other property rights of any mineral exploration and/or mining rights concession; (C) delivering to the Buyer the originals of all instruments, documents and chattel property and all other Collateral of which the Buyer determines it should have physical possession in order to perfect and protect the security interests created by the Security Documents, duly endorsed or assigned to the Buyer; (D) delivering to the Buyer warehouse receipts covering any portion of the Collateral located in warehouses and for which warehouse receipts are listed; (E) placing notations on its books of account to disclose the security interests created by the Security Documents; (F) delivering to the Buyer all letters of credit on which the Project Company, Finnish OpCo or any Obligor is named as beneficiary; and (G) taking such other steps as are deemed necessary by the Buyer to maintain the security interests created by the Security Documents.

### Section 13 Events of Default

- (1) Events of Default in Relation to the Seller. Each of the following events shall constitute an “**Event of Default**” in relation to the Seller for purposes of this Agreement:
- (a) The Seller fails to Deliver or cause to be Delivered any amount of Gold as and when required by this Agreement or any other Transaction Document and such failure is not remedied within fifteen (15) Business Days following notification of such failure, provided that notwithstanding the foregoing Seller shall have the right (i) to convert the Delivery obligation into a payment obligation under Section 5(5), and (ii) to delay Delivery under Section 5(6) and Section 5(7), in which event the failure to Deliver shall not constitute an Event of Default provided Seller complies with the provisions of Section 5;
  - (b) The Project Company, Finnish OpCo or any Obligor fails to pay any amount as and when due under this Agreement or any other Transaction Document and such failure is not remedied on or before fifteen (15) Business Days following notification of such failure;
  - (c) Subject to Section 12(2)(s), the expropriation, condemnation, annulment, cancellation or abandonment of any Mining Concession or any Site or any part thereof or any restriction or limitation imposed by any Authority on the legal right of the Project Company, Finnish OpCo or any Obligor to use the Mining Concessions owned by it or any Sites for mining and exploration activities if such imposition resulting in such restriction or limitation has not been discharged, vacated or stayed within thirty (30) days;
  - (d) Any representation or warranty or certification made or deemed to be made by the Project Company, Finnish OpCo or any Obligor or any of their respective directors or officers in any other Transaction Document shall prove to have been incorrect when made or deemed to be made and such breach could, in the opinion of the Calculation Agent (in its sole discretion, acting reasonably), have an adverse effect on the ability of the Seller to perform its obligations hereunder;
  - (e) Any one or more of the Transaction Documents is determined by a court of competent jurisdiction not to be a legal, valid and binding obligation of the Project Company, Finnish OpCo or any Obligor that is a party thereto, enforceable by the Buyer against the

Project Company, Finnish OpCo or such Obligor, as applicable, and such Transaction Document has not been replaced by a legal, valid, binding and enforceable document that is equivalent in effect to such Transaction Document, assuming such Transaction Document had originally been legal, valid, binding and enforceable, in form and substance acceptable to the Buyer, within thirty (30) days of such determination, provided, however, that such grace period shall only be provided if the Project Company, Finnish OpCo and the Obligors actively cooperate with the Buyer;

- (f) The Project Company, Finnish OpCo or any Obligor fails to perform, observe or comply with any term, covenant or agreement contained in this Agreement or any other Transaction Document to which it is a party and such failure remains unremedied for fifteen (15) Business Days;
- (g) (i) The Project Company, Finnish OpCo or any Obligor fails to pay the principal of, or premium or interest on any of its Debt (excluding Debt under this Agreement) that is outstanding in an aggregate principal amount exceeding US\$100,000 (or the equivalent amount in any other currency) when such amount becomes due and payable or capable of being due and payable (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise) and such failure continues after the applicable grace period, if any, specified in the agreement or instrument relating to the Debt; (ii) any other event occurs or condition exists and continues after the applicable grace period, if any, specified in any agreement or instrument relating to any such Debt if its effect is to accelerate, or permit the acceleration of the Debt; or (iii) any such Debt shall be declared to be due and payable prior to its stated maturity and the declaration, except where any such failure, event or development would not reasonably be expected to have a Material Adverse Effect.
- (h) (i) The Project Company, Finnish OpCo or any Obligor fails to perform or observe any term, covenant or agreement contained in any Material Agreement or Permit on its part to be performed or observed; (ii) any Material Agreement is terminated or revoked or permitted to lapse (other than in accordance with its terms and not as a result of default); (iii) any party to any Material Agreement delivers a notice of termination or revocation (other than in accordance with its terms and not as a result of default) in respect of the Material Agreement; (iv) any Permit is terminated or revoked or permitted to lapse; or (v) any Authority gives notice of revocation or termination of any Permit, except where any such failure, event or development would not reasonably be expected to have a Material Adverse Effect.
- (i) Any judgment or order for the payment of money in excess of US\$100,000 (or the equivalent amount in any other currency) is rendered against the Project Company, Finnish OpCo or any Obligor and either (i) enforcement proceedings have been commenced by a creditor upon the judgment or order; or (ii) there is any period of fifteen (15) consecutive days during which a stay of enforcement of the judgment or order, by reason of a pending appeal or otherwise, is not in effect;
- (j) A writ, execution, garnishment, attachment or similar process is issued or levied against all or any portion of the Collateral in connection with any judgment against the Project Company, Finnish OpCo or any Obligor in excess of US\$100,000 and such writ, execution, garnishment, attachment or similar process is not released, bonded, satisfied, discharged, vacated or stayed within thirty (30) days after its entry, commencement or levy;

- (k) The Project Company, Finnish OpCo or any Obligor incurs or becomes subject to any Environmental Liabilities (i) for any one occurrence in excess of US\$50,000 after application of insurance proceeds; or (ii) aggregating in any Financial Year on a consolidated basis, US\$100,000 after application of insurance proceeds;
- (l) The occurrence of any event prior to the Payoff Date that results in any of Michael Hepworth, Chief Executive Officer, Basil Botha, Chairman, or Gregory Sparks, Technical Advisor, no longer serving in his corporate officer position, except as a result of a merger or acquisition of the Seller, his death or incapacity, his willful misconduct, negligence, fraud, or malfeasance, or in relation to his performance, provided that such event shall not constitute an Event of Default if that officer position is promptly filled by the appointment of one or more individuals who meet the requirements of the Seller's governing corporate legislation and all applicable stock exchange requirements and, in the good faith determination of the board of directors of the Seller, possess appropriate qualifications and experience; provided that the occurrence of any event that results in Gregory Sparks no longer serving in his corporate officer position shall only be deemed an Event of Default if such event occurs within 2 years following the Effective Date;
- (m) The Project Company, Finnish OpCo or any Obligor (i) becomes insolvent or generally not able to pay its debts as they become due; (ii) admits in writing its inability to pay its debts generally or makes a general assignment for the benefit of creditors; (iii) institutes or has instituted against it any proceeding seeking (x) to adjudicate it a bankrupt or insolvent, (y) liquidation, winding-up, reorganization, arrangement, adjustment protection, relief, or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors including any plan of compromise or arrangement or other corporate proceeding involving or affecting its creditors, or (z) the entry of an order for relief or the appointment of a receiver, receiver and manager, trustee, monitor, custodian or other similar official for it or for any substantial part of its properties and assets, and in the case of any such proceeding instituted against it (but not instituted by it), either the proceeding remains undismissed or unstayed for a period of thirty (30) days, or any of the actions sought in such proceeding (including the entry of an order for relief against it or the appointment of a receiver, interim receiver, receiver and manager, trustee, monitor, custodian or other similar official for it or for any substantial part of its properties and assets) occurs; or (iv) takes any corporate action to authorize any of the above actions;
- (n) There has occurred, in the opinion of the Buyer, an event or development that would reasonably be expected to have a Material Adverse Effect;
- (o) The audited consolidated (if applicable) financial statements of the Project Company, Finnish OpCo or the Seller are qualified in any material respect by the independent auditors of the Project Company, Finnish OpCo or the Seller, as applicable;
- (p) The Buyer ceases to have enforceable first priority Liens on all Collateral, subject to Permitted Liens, as provided in the Transaction Documents;
- (q) There is a Change of Control in relation to the Project Company, Finnish OpCo or any Obligor;
- (r) (i) Any Material Agreement shall at any time for any reason: (A) cease to be enforceable or cease to be valid and binding or in full force and effect or shall be impaired (in each

case, except in connection with its expiration in accordance with its terms in the ordinary course (and not related to any default thereunder)) or (B) become the subject of any proceeding seeking to set aside such Material Agreement and (ii) any such Material Agreement has not been replaced by a legal, valid, binding and enforceable document that is equivalent in effect to such Material Agreement assuming such Material Agreement had originally been legal, valid, binding and enforceable, in form and substance acceptable to the Buyer, within fifteen (15) Business Days of such cessation, provided, however, that such grace period shall only be provided if the Project Company, Finnish OpCo and the Seller actively cooperate with the Buyer to so replace such Material Agreement; or

- (s) the nullification applications under the Finnish Note Nullification are rejected or dismissed by a court of competent jurisdiction; or
  - (t) There is (i) a deviation from the Initial Expense Budget (as such Initial Expense Budget may be updated from time to time and approved by the Buyer), or (ii) a change between the Initial Production Forecast and any updated Production Forecast, where such deviation or change has had or would be expected to have a Material Adverse Effect, each determined in the sole and absolute discretion of the Buyer.
- (2) Events of Default in relation to the Buyer. The following shall be Events of Default in relation to the Buyer for purposes of this Agreement:
- (a) The Buyer fails to make, when due, any payment under this Agreement if such failure is not remedied on or before fifteen (15) Business Days following notification of such failure by the Seller;
  - (b) Any representation or warranty or certification made or deemed to be made by the Buyer, this Agreement shall prove to have been incorrect when made or deemed to be made, and such breach would, in the opinion of the Calculation Agent (in its sole and absolute discretion, acting reasonably), have a Material Adverse Effect on the ability of the Buyer to perform its obligations hereunder; or
  - (c) The Buyer (i) becomes insolvent or generally not able to pay its debts as they become due; (ii) admits in writing its inability to pay its debts generally or makes a general assignment for the benefit of creditors; (iii) institutes or has instituted against it by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of incorporation or organization or the jurisdiction of its head or home office, any proceeding seeking (x) to adjudicate it a bankrupt or insolvent, (y) liquidation, winding-up, reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors including any plan of compromise or arrangement or other corporate proceeding involving or affecting its creditors, or (z) the entry of an order for relief or the appointment of a receiver, receiver and manager, trustee, monitor, custodian or other similar official for it or for any substantial part of its properties and assets, and in the case of any such proceeding instituted against it (but not instituted by it), either the proceeding remains undismissed or unstayed for a period of thirty (30) days, or any of the actions sought in such proceeding (including the entry of an order for relief against it or the appointment of a receiver, receiver and manager, trustee, monitor, custodian or other similar official for it or for any

substantial part of its properties and assets) occurs; or (iv) takes any corporate action to authorize any of the above actions.

#### Section 14 Remedies

- (1) Following the occurrence of an Event of Default described in Section 13 of this Agreement: the other party (the “**Non-Defaulting Party**”) may, by giving written notice to the defaulting party (the “**Defaulting Party**”), terminate this Agreement with immediate effect (“**Early Termination Date**”); provided that if such Event of Default has resulted by reason of force majeure or act of state the Defaulting Party is unable to make any absolute or contingent payment or delivery under this Agreement, the Defaulting Party and the Non-Defaulting Party shall first use their good faith efforts to reschedule the Delivery obligations for a period of up to sixty (60) calendar days, after which time the Non-Defaulting Party may trigger an Early Termination Date by giving written notice to the Defaulting Party.
- (2) If notice designating an Early Termination Date is given under Section 14(1), the Early Termination Date will occur on the date so designated, whether or not the relevant Event of Default is then continuing.
- (3) Upon the designation of an Early Termination Date, no further payments or Deliveries under Section 5(1) or Section 7(1) to Section 7(4), inclusive, will be required to be made, but without prejudice to the other provisions of this Agreement.
- (4) If the Defaulting Party is any Obligor, (i) the Buyer may demand payment of the Early Termination Amount in accordance with Section 5(8), (ii) the Buyer may enforce against the Collateral, in whole or in part, (iii) the Buyer shall have the right to fully or partially enforce the Security Documents, and (iv) any and all enforcement actions thereof shall be made in accordance with the terms of Applicable Laws.
- (5) Interest on all amounts due and unpaid hereunder shall accrue, from the date due, at the Default Interest Rate.

#### Section 15 Indemnities and Limitations of Liability

- (1) The Buyer shall have no responsibility or liability whatsoever in relation to the operation or management of the Sites or the production or refining of gold therefrom.
- (2) The Obligors (jointly and severally) shall indemnify the Buyer and each of its Affiliates, and each officer, director, employee or agent of any of them (each such Person being called an “**Indemnified Person**”) against, and hold each Indemnified Person harmless from any and all losses, claims, damages, liabilities and related expenses, including the fees, charges and disbursements of any counsel for any Indemnified Person, incurred by any Indemnified Person or asserted against any Indemnified Person by any Person (other than the Seller) arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement; any other Transaction Document or any agreement or instrument contemplated hereby or thereby, the performance or nonperformance by the Obligors hereto of their respective obligations hereunder or thereunder or the consummation or non-consummation of the transactions contemplated hereby or thereby; (ii) the use or the proposed use of the proceeds therefrom by the Seller hereunder; (iii) the operation or management of the Sites or the production or refining of gold or gold bearing ores therefrom; (iv) any Environmental Laws, Environmental Liabilities, Permits or

any actual or alleged presence or release of Hazardous Substances on, at, in, under or from any property owned, occupied, managed or operated by any Obligors, any of their respective Affiliates or any Related Parties, including the property described in the Security Documents, or any liability under Environmental Laws related in any way to any Obligors, any of their respective Affiliates or any Related Party; or (v) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by any Obligors, any of their respective Affiliates or any Related Party and regardless of whether any Indemnified Person is a party thereto, provided that such indemnity shall not, as to any Indemnified Person, be available to the extent that such losses, claims, damages, liabilities or related expenses are determined by a court of competent jurisdiction by final and non-appealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnified Person.

- (3) The obligations of the Obligors under this Section 15 shall survive the payment and performance of the Seller's obligations hereunder and under the other Transaction Documents and the termination this Agreement for a period of two (2) years from and after the termination of this Agreement.

#### **Section 16 Confidentiality**

- (1) The Parties undertake that during the operation of, and after the expiration, termination or cancellation of, this Agreement for any reason, they will keep confidential:
- (a) Any information that a Party ("**Disclosing Party**") communicates to the other Party ("**Recipient**") and which is stated to be, or by its nature is, or is intended to be, confidential; and
  - (b) All other information of the same confidential nature concerning the business of a Disclosing Party that comes to the knowledge of the Recipient while it is engaged in negotiating the terms of this Agreement or after its conclusion, including:
    - (i) details of the Disclosing Party's financial structures and operating results; and
    - (ii) details of the Disclosing Party's strategic objectives and planning.
- (2) Each Party undertakes, subject to Section 16(3) to Section 16(6), inclusive, not to (a) disclose any information that is to be kept confidential in accordance with the terms of this Section 16, or (b) use such information for its own or anyone else's benefit, except in connection with this Agreement and the other Transaction Documents.
- (3) A Recipient shall be entitled to disclose any information to be kept confidential if and to the extent only that the disclosure is:
- (a) bona fide and necessary for the purposes of carrying out its duties under this Agreement;
  - (b) required by any Applicable Law;
  - (c) required by the rules of any competent authority or securities exchange on which securities of the Recipient are listed; or



- (d) required by any court of competent jurisdiction or any competent judicial, governmental, supervisory or regulatory body.
- (4) The obligation of confidentiality placed on the Parties in terms of this Section 16 shall cease to apply to a Recipient in respect of any information which:
- (a) is or becomes generally available to the public other than by the negligence or default of the Recipient or by the breach of this Agreement by the Recipient;
  - (b) the Disclosing Party confirms in writing is disclosed on a non-confidential basis;
  - (c) has lawfully become known by, or come into the possession of, the Recipient on a non-confidential basis from a source other than the Disclosing Party having the legal right to disclose same; or
  - (d) is disclosed pursuant to a requirement or request by operation of law, regulation or court order, to the extent of compliance with such requirement or request only and not for any other purpose.
- (5) In the event that the Recipient is required to disclose confidential information of the Disclosing Party as contemplated above, the Recipient will to the extent possible and legally permissible:
- (a) advise the Disclosing Party thereof in writing prior to disclosure;
  - (b) take such steps to limit the disclosure to the minimum extent required to satisfy such requirement;
  - (c) afford the Disclosing Party a reasonable opportunity to intervene in the proceedings;
  - (d) comply with the Disclosing Party's reasonable requests as to the manner and terms of any such disclosure; and
  - (e) notify the Disclosing Party of the receipt of, and the form and extent of, any such disclosure or announcement immediately after it is made.
- (6) Notwithstanding any other provisions of this Section 16, the Buyer may disclose any information about the Obligors, their respective Affiliates, the Sites, this Agreement or any Transaction Document to any potential assignee, participant hedging counterparty or insurer, subject to such Person agreeing to adhere to the same confidentiality undertakings contained in this Section 16.

#### **Section 17 Governing Law and Jurisdiction**

- (1) This Agreement is governed by the laws of the State of New York.
- (2) In relation to any dispute arising out of or in connection with this Agreement (including a dispute relating to the existence, validity or termination of this Agreement or any non-contractual obligation arising out of or in connection with this Agreement), the Buyer shall elect to settle any such dispute either in accordance with Section 17(3) or in accordance with Section 17(4).

- (3) Subject to Section 17(2), any controversy, dispute or claim arising out of or relating to this Agreement shall be settled by the District Court of Helsinki ("*Helsingin käräjäoikeus*") as the court of first instance.
- (4) Subject to Section 17(2), each Obligor irrevocably and unconditionally submits, for itself and its property, to the non-exclusive jurisdiction of the Federal courts sitting in the City of New York, in any action or proceeding arising out of or relating to this Agreement or any other Transaction Document, or for recognition or enforcement of any judgment and each of the Parties irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such court. Each Party hereby irrevocably waives, to the fullest extent it may effectively do so, the defense of inconvenient forum to the maintenance of such action or proceeding. Each of the Parties agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement or in any other Transaction Document shall affect any right that the Buyer may otherwise have to bring any action or proceeding relating to this Agreement or any other Transaction Document against the Obligors or their properties in the courts of Finland or any other jurisdiction unless specifically permitted by the terms of such Transaction Document. EACH OF THE PARTIES HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAWS, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

#### Section 18 Notices

- (1) Any notice or other communication (including, without limitation, any consent or waiver by the Buyer hereunder or in connection herewith) to be given under this Agreement or any other Transaction Document shall be in writing and must be sent to the below email addresses designated below, to the Party to be served:

- (a) to the Obligors, at:

Firesteel Resources Inc.  
1001-409 Granville Street  
Vancouver, British Columbia  
V6C 1T2

Attention: Michael Hepworth  
Email: [mhepworth@firesteelresources.com](mailto:mhepworth@firesteelresources.com)

With a copy to the Seller's legal counsel at:

Aird & Berlis LLP  
181 Bay Street, Suite 1800  
Toronto, Ontario  
M5J 2T9

Attention: Thomas A. Fenton  
Email: [tfenton@airdberlis.com](mailto:tfenton@airdberlis.com)

(b) to the Buyer at:

PFL Raahe Holdings LP  
437 Madison Avenue, 28<sup>th</sup> Floor  
New York, NY 10022

Attention: Joseph Archibald  
Email: [jarchibald@pandionmetals.com](mailto:jarchibald@pandionmetals.com)

or at such other address as it may have notified to the other Party in accordance with this Section 18.

- (2) Any notice or other formal communication shall be deemed to have been given and shall be effective:
- (a) if sent by mail, at the time of delivery; or
  - (b) if sent by email, on the date of transmission, if transmitted before 3:00 pm (New York time) on any Business Day, and in any other case on the Business Day following the date of transmission.
- (3) In proving service of a notice or other formal communication it shall be sufficient to prove that delivery was made or that the envelope containing the communication was properly addressed and posted either by prepaid first class airmail (as the case may be) and that the email was properly addressed and transmitted.
- (4) This Section 18 shall not apply in relation to the service of any claim form, notice, order, judgment or other document relating to or in connection with any proceedings, suit or action arising out of or in connection with this Agreement.

#### **Section 19 Costs, Expenses and Indemnity**

- (1) The Seller shall pay to the Buyer all reasonable costs and expenses (including all reasonable legal fees and disbursements) incurred by the Buyer for:
- (a) the enforcement of this Agreement or any other Transaction Document or the enforcement or preservation of rights thereunder or the bringing of any action, suit or proceeding with respect to the enforcement of this Agreement or any other Transaction Document or any such right or seeking any remedy that may be available to the Buyer at law or in equity; and
  - (b) any amendments, waivers or Consents requested by the Buyer pursuant to the provisions hereof or any other Transaction Document.
- (2) If, with respect to the Buyer: (i) any change in any law, rule, regulation, judgment or order of general application, or any change in the interpretation or application of such law, rule, regulation, judgment or order, occurring or becoming effective after this date; or (ii) compliance by the Buyer with any direction request or requirement (whether or not having the force of law) of any Authority made or becoming effective after the date, has the effect of causing any loss to the Buyer or reducing the Buyer's rate of return by (w) increasing the cost to the Buyer of performing its obligations under this Agreement (including the costs of maintaining any capital,

reserve or special deposit requirements but other than a reduction resulting from a higher rate or from a change in the calculation of income or capital tax relating to the Buyer's income or capital in general), (x) requiring the Buyer to maintain or allocate any capital or additional capital or affecting its allocation of capital in respect of its obligations under this Agreement, (y) reducing any amount payable or required to be Delivered to the Buyer under this Agreement by any material amount, (z) causing the Buyer to make any payment or to forego any return on or calculated by reference to, any amount received or receivable by the Buyer or required to be Delivered under this Agreement, then the Buyer may give notice to the Seller specifying the nature of the event giving rise to the loss and the Seller shall, on demand, pay such amounts over and above US\$100,000 as the Buyer specifies is necessary to compensate it for any such loss. A certificate as to the amount of any such loss submitted in good faith by the Buyer to the Seller shall be conclusive and binding for all purposes, absent manifest error.

- (3) The obligations of the Seller under this Section 19 shall survive the payment and performance of the Seller's obligations hereunder and under the other Transaction Documents and the termination of this Agreement.

#### **Section 20 Taxes and Other Taxes**

- (1) All payments and Deliveries by, or on account of any obligation of, the Obligors under this Agreement or any other Transaction Document shall be made free and clear of and without deduction or withholding for any and all Taxes, unless such Taxes are required by Applicable Laws to be deducted or withheld.

If any Obligor shall be required by Applicable Laws to deduct or withhold any such Taxes from or in respect of any amount payable or Delivered under this Agreement or any other Transaction Document, (i) the amount payable or Delivered shall be increased (and for the avoidance of doubt, in the case of interest, the amount of interest shall be increased) as may be necessary so that after making all required deductions or withholdings (including deductions or withholdings applicable to any additional amounts paid under this Section 20(1)), the Buyer receives an amount equal to the amount it would have received if no such deduction or withholding had been made; (ii) the Obligors shall make such deductions or withholdings; and (iii) the Obligors shall immediately pay the full amount deducted or withheld to the relevant Authority in accordance with Applicable Laws.

- (2) Each Obligor agrees to immediately pay when due any Other Taxes that arise from any payment or Delivery made by any Obligor under this Agreement or any other Transaction Document or from the execution, delivery or registration of, or otherwise with respect to this Agreement or any other Transaction Document.
- (3) The Obligors (jointly and severally) shall indemnify the Buyer for the full amount of Taxes or Other Taxes (including, without limitation, any Taxes or Other Taxes imposed by any jurisdiction on amounts payable by the Obligors, or any of their respective Affiliates, under this Section 20) paid by the Buyer and any liability (including penalties, interest and expenses) arising from or with respect to such Taxes or Other Taxes, whether or not they were correctly or legally asserted, excluding Taxes imposed on the Buyer's net income, capital taxes or receipts and franchise taxes. Payment under this indemnification shall be made within thirty (30) days from the date the Buyer makes written demand for it. A certificate as to the amount of such Taxes or Other Taxes submitted in good faith by the Buyer to the Seller shall be conclusive evidence, absent manifest error, of the amount due from the Seller to Buyer.

- (4) The Seller (or, where applicable, any Guarantor) shall furnish (and cause the Project Company and Finnish OpCo to furnish) to the Buyer the original or a certified copy of a receipt evidencing payment of Taxes or Other Taxes made by any Obligor within thirty (30) days after the date of any payment of Taxes or Other Taxes.
- (5) If the Buyer is, in its sole opinion, entitled to claim a refund or able to apply for or otherwise take advantage of any tax credit, tax deduction or similar benefit by reason of any withholding or deduction made by any Obligor in respect of a payment made by it under this Agreement, which payment shall have been increased pursuant to this Section 20, then the Buyer will use its reasonable efforts to obtain the refund, credit, deduction or benefit and upon credit or receipt of it will pay to any Obligor, the amount (if any) not exceeding the increased amount paid by any Obligor, as equals the net after-tax value to the Buyer of that part of the refund, credit, deduction or benefit as it considers is allocable to such withholding or deduction having regard to all of its dealings giving rise to similar credits, deductions or benefits in relation to the same tax period and to the cost of obtaining the same. Nothing contained in this Section 20 shall interfere with the right of the Buyer to arrange its tax affairs in whatever manner it deems fit and in particular, the Buyer shall be under no obligation to claim relief from its corporate profits or similar tax liability in respect of any deduction or withholding in priority to any other relief, claims, credits or deductions available to it and the Buyer shall not be obligated to disclose to any Obligor any information regarding its tax affairs, tax computations or otherwise.
- (6) The provisions of this Section 20 shall survive the termination of this Agreement and the payment and performance of all outstanding obligations hereunder and under any other Transaction Document.

#### **Section 21 Rights of Set-Off and Suspension of Delivery Obligations**

- (1) Without limiting Buyer's rights set forth in Section 7, upon the occurrence and during the continuance of the Seller Event of Default, the Buyer is authorized at any time and from time to time, to the fullest extent permitted by law (including general principles of common law), to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other indebtedness at any time owing by it to or for the credit or the account of the Seller (including any amount owing from the Buyer to the Seller pursuant to Section 7(3)), against any and all of the obligations of the Seller under this Agreement or any other Transaction Document, irrespective of whether or not the Buyer has made demand under this Agreement or any other Transaction Document and although such obligations may be unmatured or contingent. If an obligation is unascertained, the Buyer may, in good faith, estimate the obligation and exercise its right of set-off in respect of the estimate, subject to providing the Seller with an accounting when the obligation is finally determined. The Buyer shall promptly notify the Seller after any set-off and application is made by it, provided that the failure to give notice shall not affect the validity of the set-off and application. The rights of the Buyer under this Section 21 are in addition to any other rights and remedies (including all other rights of set-off) that the Buyer may have.
- (2) Upon the occurrence and during the continuance of a Buyer Event of Default, the Seller shall have the right, upon notice to the Buyer, at Seller's option to suspend its obligations to Deliver Gold under this Agreement. However, for each such month (a "**Suspension Month**") of suspension:
  - (a) the Scheduled Monthly Quantity for that Suspension Month will be credited against the Contract Quantity as if such Scheduled Monthly Quantity had been Delivered; and

- (b) Seller shall deliver to Buyer two (2) Business Days following the Monthly Delivery Pricing Date a cash payment equal to the greater of:
- (i) Zero; and
  - (ii) The amount calculated as follows:
    - (A) the product of the Scheduled Monthly Quantity for that Suspension Month and the Gold Price Discount;
    - minus*
    - (B) the sum of (i) any unpaid amounts due and owing from the Buyer to the Seller together with interest accrued thereon, (ii) the value of any minimum price protection adjustment as described in Section 7(3), and (iii) the value of any upside participation as described in Section 7(4) for the Suspension Month.
- (c) Seller's obligations to Deliver Gold under this Agreement shall recommence as of the date the Buyer cures the Buyer's Event of Default in full or Seller delivers a payment under Section 21(2)(b).
- (d) Interest on any amounts owing from the Buyer to the Seller shall accrue and be payable at the Default Interest Rate from the date of the Buyer Event of Default.
- (3) The payment obligation referred to in (b) above shall apply until Seller either recommences Delivery as set forth hereunder or designates an Early Termination Date as provided in Section 14. The rights of the Seller under this Section 21 are in addition to any other rights and remedies that the Seller may have. Notwithstanding anything set out herein, the Seller shall be allowed to sell the Scheduled Monthly Quantity for a Suspension Month with no restriction whatsoever. Only during a Suspension Month the terms of Sections 1 through 7 of Schedule E shall likewise be suspended until the Buyer cures any Event of Default.

## Section 22 Judgment Currency

- (1) Payment of any judgment shall be effected in the lawful currency of the United States.
- (2) If, for the purposes of obtaining judgment in any court, it is necessary to convert a sum due hereunder to any party in one currency (the "**Original Currency**") into another currency (the "**Judgment Currency**"), the parties agree, to the fullest extent that they may effectively do so, that the rate of exchange used shall be that at which in accordance with normal banking procedures the Buyer could purchase the Original Currency with the Judgment Currency on the Business Day preceding that on which final judgment is paid or satisfied.
- (3) The obligations of any party (the "**Paying Party**") in respect of any sum due by the Paying Party in the Original Currency to the other Party (the "**Receiving Party**") under any Transaction Document, shall, notwithstanding any judgment in any Judgment Currency, be discharged only to the extent that, on the Business Day following receipt by the Receiving Party of any sum adjudged to be so due in such Judgment Currency, the Receiving Party may in accordance with normal banking procedures purchase the Original Currency with the Judgment Currency. If the amount of the Original Currency so purchased is less than the sum originally due to the Receiving

Party in the Original Currency, the Paying Party shall agree, as a separate obligation and notwithstanding any such judgment, to indemnify the Receiving Party against such loss and, if the amount of the Original Currency so purchased exceeds the sum originally due to the Receiving Party in the Original Currency, Receiving Party shall remit such excess to the Receiving Party.

### **Section 23 Contract Quantity Exchange Option**

- (1) Subject to the prior approval of the TSX Venture Exchange, the Buyer may, at its option exercisable by written notice to the Seller, at any time prior to the date following sixty (60) months after the Effective Date (the "Exchange Deadline") and subject to acceleration pursuant to Section 23(4) below, elect to reduce the Contract Quantity by up to 24,000 ounces on a pro rata basis (elect to reduce the Contract Quantity by up to 24,000 ounces on a monthly proportional basis) in minimum increments of 100 ounces (valued at 1,125,000 shares), in exchange for 270,000,000 common shares of the Seller (the "Contract Quantity Exchange Option"). (For greater certainty, the Contract Quantity Exchange Option shall be exercisable, in whole or in part, and from time to time prior to the Exchange Deadline, in increments of 100 ounces and in exchange for 1,125,000 common shares of the Seller.)
- (2) Each exercise of the Contract Quantity Exchange Option shall be conditioned upon the Buyer owning less than 20% of the issued and outstanding ordinary shares of the Seller after giving effect to such exchange, unless the Seller has secured the necessary shareholder approval required to exceed such 20% threshold.
- (3) Any shares issued on exercise of the Contract Quantity Exchange Option shall be freely tradable by the Buyer without the need for the Buyer to file a prospectus or any other notification and without being subject to any "hold period" that extends past the date that is four months from the date hereof, unless such trade would constitute a "control block distribution," within the meaning of Applicable Securities Laws.
- (4) If prior to the Exchange Deadline the listed common shares of the Seller trade at more than CA\$0.60 for a period of one hundred eighty (180) consecutive trading days, the Buyer shall be required to exercise the Conversion Right and send a Conversion Notice to the Seller within 90 days after the expiry of such one hundred eighty (180) day period and consummate the conversion contemplated herein.
- (5) Subject to Section 23(4) above, the Buyer may, by written notice to the Seller, at any time prior to sixty (60) months after the Effective Date, elect to exchange any unexercised portion of the Contract Quantity Exchange Option (in whole or in part) into a secured obligation to pay the full value of the exchanged Contract Quantity Exchange Option out of the Seller's excess cash flows (it being understood that, at the time of any such exchange, the Parties shall enter into any necessary amendments to the Transaction Documents to give effect to the same). The full value of the exchanged Contract Quantity Exchange Option shall be calculated as equal to the 24,000 ounces of the Contract Quantity Exchange Option multiplied by 11,250 (equals 270,000,000 shares) multiplied by the volume weighted average closing price of the common shares of the Seller on the TSX Venture Exchange for the 5 days immediately preceding such election.
- (6) The Seller shall on or prior to January 10, 2018, obtain all necessary regulatory consents or approvals required in respect of the Contract Quantity Exchange Option, including approval of the TSX Venture Exchange, and the Buyer's exercise of the Contract Quantity Exchange Option shall be subject to the Seller obtaining all such regulatory consents or approvals.

#### **Section 24 Appointment of Project Company Directors**

- (1) Until the full completion of the Required Restructuring, the Seller hereby assigns all its rights to appoint any directors of the Project Company (or Finnish OpCo, as applicable) to the Buyer.
- (2) The Seller hereby represents, warrants, and covenants that the directors to be appointed pursuant to the rights granted in Section 24(1) shall have veto rights over decisions made by the board of directors of the Project Company (or Finnish OpCo, as applicable).

#### **Section 25 Miscellaneous**

- (1) The Buyer may at any time or from time to time, assign or transfer (including by way of novation, syndication or participation) any or all of its rights and obligations under this Agreement (including in part).
- (2) No Obligor may, without the prior written consent of the Buyer (which consent may be withheld in the Buyer's sole and absolute discretion), at any time assign or transfer (including by way of novation) any of its rights or obligations under this Agreement.
- (3) Each of the provisions of this Agreement shall be enforceable independently of each other provision and their validity shall not be affected if any of the others are invalid. If any of those provisions is void but would be valid if some part of the provision were deleted, the provision in question shall apply with such modification as may be necessary to make it valid.
- (4) This Agreement may be executed in any number of counterparts, all of which, taken together, shall constitute one and the same agreement, and any Party (including any duly authorized representative of a Party) may enter into this Agreement by executing a counterpart. Facsimile signatures shall be valid and binding to the same extent as the original signatures.
- (5) This Agreement and the other Transaction Documents constitutes the entire agreement and understanding of the Parties with respect to its subject matter.
- (6) Each of the Parties acknowledges that in entering into this Agreement it has not relied on any oral or written representation, warranty or other assurance (except as provided for or referred to in this Agreement) and waives all rights and remedies that might otherwise be available to it in respect thereof, except that nothing in this Agreement will limit or exclude any liability of a party for fraud.
- (7) The Calculation Agent shall have no responsibility for good faith errors or omissions in respect of any calculations or determinations contemplated herein, and its calculations and determinations shall, in the absence of manifest error, be final, conclusive and binding on the Sellers and the Buyer.
- (8) Each Obligor acknowledges that the execution and performance of this Agreement and each other Transaction Document is a commercial activity and to the extent that the Obligor has or hereafter may acquire any immunity from any legal action, suit or proceedings, from jurisdiction of any court or from set off or any legal process (whether through service or notice, attachment prior to judgment, attachment in aid of execution of judgment, execution of judgment or otherwise) with respect to itself or any of its property or assets, whether or not held for its own account, each Obligor hereby irrevocably and unconditionally waives and agrees not to plead or claim such immunity in respect of the Obligations to the extent permitted by the Applicable Laws and,



without limiting the generality of the foregoing, the waivers set forth in this paragraph shall have effect to the fullest extent permitted under the Sovereign Immunities Act and are intended to be irrevocable for purposes of such Act.

- (9) Each Obligor irrevocably consents to the appointment of the Process Agent as its agent to receive service of process (with respect to all of the Transaction Documents and all other related agreements to which it is a party) in New York, New York. Each of the parties hereto further agrees that service of process may be made personally or (with respect to each Obligor) by mailing or delivering a copy of the summons and complaint or other legal process in any such legal suit, action or proceeding to such Obligor in care of the Process Agent and such agent is hereby authorized to accept, receive and acknowledge the same for and on behalf of each Obligor and to admit service with respect thereto. Service upon the Process Agent shall be deemed to be personal service on the applicable Obligor and shall be legal and binding upon such Obligor for all purposes notwithstanding any failure to mail copies of such legal process to such Obligor, or any failure on the part of such Obligor to receive the same.

## Section 26 General

- (1) A waiver (whether express or implied) by any Party of any of the provisions of this Agreement or of any other Transaction Document or of any breach of or default by the other Party in performing any of those provisions shall not constitute a continuing waiver and that waiver shall not prevent the waiving Party from subsequently enforcing any of the provisions of this Agreement not waived or from acting on any subsequent breach of or default by the other Party under any of the provisions of this Agreement.
- (2) Delay in exercising or non-exercise of any right of a Party under this Agreement is not a waiver of that right.
- (3) Nothing in this Agreement shall be deemed to constitute a partnership or joint venture between the Parties nor constitute any Party to be the agent of any other Party for any purpose.
- (4) The Obligors, and each of their respective Affiliates, shall, upon request, at its own expense, at all times from the date of this Agreement, do or procure the doing of all things as may be required to give full effect to this Agreement, including the execution of all deeds and documents.
- (5) Any variation of this Agreement shall not be binding on the Parties unless set out in writing and signed by authorized representatives of each of the Parties.
- (6) The Parties represent that each is a “forward contract merchant” and that this Agreement is a “forward contract” as such terms are defined in the Bankruptcy Law.
- (7) The Buyer and the Seller shall jointly plan and coordinate any public notices, press releases, and any other publicity concerning the transactions contemplated by this Agreement or any Transaction Document and, subject to the obligation of the Seller to comply with the policies of any stock exchange on which the common shares of the Seller are then listed and Applicable Securities Laws, no Party shall act in this regard without the prior approval of the other, such approval not to be unreasonably withheld or delayed.

*[signature pages follow]*

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers thereunto duly authorized, as of the date first written above.

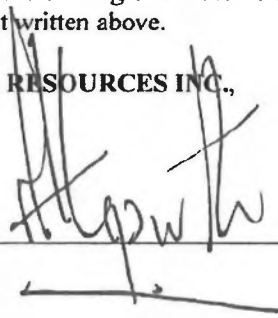
**FIRESTEEL RESOURCES INC.,**

as the Seller

By:

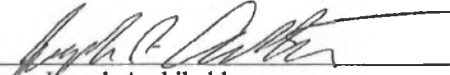
Name:

Title:

Handwritten signature and title line for Firesteel Resources Inc. The signature is written in black ink and is somewhat stylized. Below the signature is a horizontal line for the name and another horizontal line for the title.

**PFL RAAHE HOLDINGS LP,**

as the Buyer

By:   
Name: Joseph Archibald  
Title: Authorized Signatory

**SCHEDULES**

**Schedule A — Sites**

**Schedule B — Production Forecast**

**Schedule C — Debt to Be Extinguished**

**Schedule D — Material Agreements**

**Schedule E — Required Terms of Mineral Sales Contract/Refining Agreement**

**Schedule F — Mining Concessions and Current Ownership**

**Schedule G — Form of Capital Expenditure Report**

**Schedule H — Permits**

**Schedule I — Ownership Structure and Equity of the Project Company, Finnish OpCo and the Obligors**

**Schedule J — Insurance Policies**

**Schedule K — Liens**

**Schedule L — Litigation and Administrative Proceedings**

**Schedule M — Security Documents**

**Schedule N — Form of Compliance Certificate**

**Schedule O — Initial Expense Budget**

**Schedule P — Delivery Schedule**

**EXHIBITS**

**Exhibit A — Form of Guarantor Joinder Agreement**

**Exhibit B — Required Restructuring**

**Schedule A — Sites**

- a) **Name of the Site: Laiva Mine**
- b) **Mining concessions relating to the site, including title number of each concession**
  - See Schedule F.
- c) **Description of the type of operation the Obligor has on the specific site:**
  - The Seller will have, on the Effective Date, a 60% interest in the Project Company as contemplated by the Project Company JV Agreement.
- d) **Description of the type of infrastructure Finnish OpCo has on the Site (mills, equipment, tools, spare parts, roads):**
  - See list of assets attached.
- e) **Description of the type of real property and lands on the sites owned by the Seller and each Guarantor.**
  - None.

Schedule B — Production Forecast

		Production Forecast - Monthly Ramp-Up - 100% Ownership																							
Cumulative Project Month	Units	Total	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21		
Month End			Nov 17	Dec 17	Jan 18	Feb 18	Mar 18	Apr 18	May 18	Jun 18	Jul 18	Aug 18	Sep 18	Oct 18	Nov 18	Dec 18	Jan 19	Feb 19	Mar 19	Apr 19	May 19	Jun 19	Jul 19		
Production Days			-	-	-	-	-	-	-	-	-	-	-	15	29	29	29	29	29	29	29	29	29	29	
Ore	1,500,000		-	-	-	-	-	-	-	-	-	-	-	30,000	102,083	118,957	122,500	122,500	131,250	145,833	145,833	145,833	145,833	145,833	145,833
Waste	12,000,000		-	-	-	-	-	-	-	-	-	-	-	240,000	816,667	933,333	980,000	980,000	960,000	1,050,000	1,166,667	1,166,667	1,166,667	1,166,667	1,166,667
<b>Total Mined</b>	<b>13,500,000</b>		-	-	-	-	-	-	-	-	-	-	-	<b>270,000</b>	<b>918,750</b>	<b>1,050,000</b>	<b>1,102,500</b>	<b>1,102,500</b>	<b>1,181,250</b>	<b>1,312,500</b>	<b>1,312,500</b>	<b>1,312,500</b>	<b>1,312,500</b>	<b>1,312,500</b>	
Contained Gold	71,191		-	-	-	-	-	-	-	-	-	-	-	1,424	4,845	5,537	5,814	5,814	6,229	6,921	6,921	6,921	6,921	6,921	6,921
Recovered Gold	60,512		-	-	-	-	-	-	-	-	-	-	-	1,210	4,118	4,707	4,942	4,942	5,295	5,883	5,883	5,883	5,883	5,883	5,883
<b>Net Payable Gold</b>	<b>60,386</b>		-	-	-	-	-	-	-	-	-	-	-	<b>1,208</b>	<b>4,190</b>	<b>4,687</b>	<b>4,932</b>	<b>4,932</b>	<b>5,284</b>	<b>5,871</b>	<b>5,871</b>	<b>5,871</b>	<b>5,871</b>	<b>5,871</b>	

		Production Forecast - Annual - 100% Ownership									
Cumulative Project Year	Units	Total	-1	1	2	3	4	5	6	7	8
Year End			Jul-18	Jul-19	Jul-20	Jul-21	Jul-22	Jul-23	Jul-24	Jul-25	Jul-26
Production Days			-	336	350	350	350	350	350	350	350
Ore	13,000,000		-	1,500,000	1,750,000	2,000,000	2,000,000	2,000,000	2,000,000	1,750,000	-
Waste	75,250,000		-	12,000,000	9,625,000	11,000,000	11,000,000	11,000,000	11,000,000	9,625,000	-
<b>Total Mined</b>	<b>88,250,000</b>		-	<b>13,500,000</b>	<b>11,375,000</b>	<b>13,000,000</b>	<b>13,000,000</b>	<b>13,000,000</b>	<b>13,000,000</b>	<b>11,375,000</b>	-
Contained Gold	581,009		-	71,191	85,735	91,859	85,735	85,735	85,735	75,018	-
Recovered Gold	517,206		-	60,512	75,018	82,673	77,162	77,162	77,162	67,517	-
<b>Net Payable Gold</b>	<b>516,124</b>		-	<b>60,386</b>	<b>74,862</b>	<b>82,500</b>	<b>77,000</b>	<b>77,000</b>	<b>77,000</b>	<b>67,375</b>	-

**Schedule C — Debt to Be Extinguished****Part A – Debt of the Seller**

US\$850,000 to fund Seller's liabilities (to include CA\$207,300 for repayment of accounts payable, CA\$467,900 for repayment of loan from Alpha Resources Management, CA\$334,385 for repayment of principal amount of Debentures, CA\$7,345 for repayment of accrued interest on Debentures, and CA\$13,690 for repayment of other current & accrued liabilities of the Seller)

**Part B – Debt of the Project Company**

SEK2,424,883 owing to Parent Company.

**Part C – Debt of Finnish OpCo**

EUR1,284,824.04 of composition plan debt and EUR672,920 of accumulated supplier debt.

### Schedule D — Material Agreements

The following agreements in addition to the Agreement, the Security Documents, the Mineral Sales Contract/Refining Agreement, the Project Company JV Agreement and the JV Agreement Supplement:

Nordic Mines entity	Counterparty	Type of agreement	Date
Nordic Mines Oy	Ramboll Finland Oy	Mine environmental monitoring consultancy agreement regarding	16 February 2016
Nordic Mines Oy	G4S Security Services Oy	Security services agreement	18 November 2014
Nordic Mines Oy	Raahen Vesi Oy	Drinking water delivery and waste water receiving agreement	15 April 2010 (unsigned by Raahen Vesi Oy)
Nordic Mines Oy	Elisa Oyj	Telecommunications service agreement	20 June 2016 (unsigned by Elisa Oyj)
Nordic Mines Oy	DNA Oy	Telecommunications agreement	17 December 2013
Nordic Mines Oy	Elenia Oy	Electric grid service agreement	23 June 2015
Nordic Mines (not specified)	Air Liquide Finland Oy	Agreement for the supply of oxygen liquid	20 April 2011
Nordic Mines Oy	Vattenfall Sähkönyynti Oy	Electricity agreement	4 October 2011
Nordic Mines Oy	Vattenfall Oy	Prolonging of advance payment agreement and electricity agreement	Undated and unsigned. Separate signature page with Nordic Mines signature dated 4 October 2017.
Nordic Mines Oy	Neste Marketing Ltd	Lease agreement for a LPG system	1 March 2011 (unsigned)
Nordic Mines Oy	Tallqvist Infra Ab	Letter of intent regarding production in the case of restart of Laiva mine	12 August 2015 (unsigned by Tallqvist Infra Oy)
Nordic Mines Oy	Tallqvist Oy	Equipment purchase and sale agreement	6 February 2017
Nordic Mines Oy	PPO-Yhtiöt Oy	Mainframe virtual server agreement	Undated and unsigned.
Nordic Mines Oy	Nordic Mines AB	Land Lease Agreement	3 March 2011
Nordic Mines Oy	Nordic Mines AB	Mining Right License Agreement	3 March 2011



**Schedule E — Required Terms of Mineral Sales Contract/Refining Agreement**

1. The Offtaker hereby acknowledges and agrees that in order to provide that the Contract Quantity of Gold shall be Delivered directly by the Offtaker and credited to the Buyer's Unallocated Gold Account on behalf of Seller, according to the Monthly Delivery Date, but not later than once a month and for the monthly Gold payable to Buyer, that the Offtaker pays the Minerals, including but not limited to gold, to the Seller.
2. The Offtaker hereby acknowledges and agrees that all amounts then due and owing to the Buyer in respect of any Contract Quantity of Gold to be delivered and any other amounts of Gold to be delivered by the Seller hereunder shall first be credited to the Buyer's Unallocated Gold Account prior to any credit or remittance to the Seller or an account of the Seller.
3. Each of the Seller and the Offtaker hereby acknowledge and agree that there shall be no amendment to any Offtake Agreement without the prior written consent of the Buyer.
4. The Offtaker hereby acknowledges and agrees to take direction from the Buyer regarding the amount of Gold and/or Minerals to be delivered to it and will not accept conflicting instructions from the Seller.
5. The Mineral Sales Contract/Refining Agreement shall also include the possibility for the Buyer to be credited to the Buyer's Unallocated Gold Account amounts deriving from minerals different than gold that are processed by the Offtaker, in case that the Actual Monthly Quantity in a specific month is not accomplished as provided in the Scheduled Delivery Month.
6. The Buyer shall have the right to be credited to its Buyer's Unallocated Gold Account amounts deriving from minerals other than gold that are processed by the Offtaker, in case that the Actual Monthly Quantity delivered is less than the amounts required to be delivered in such Scheduled Delivery Month.
7. The Offtaker acknowledges that upon notice in writing from the Seller of the occurrence of a Suspension Month, Sections 1 through 7 of this Schedule E shall not apply until the Seller has advised Offtaker and Buyer in writing within three (3) Business Days following a cure of a Suspension Month that a Suspension Month no longer exists.

## Schedule F — Mining Concessions and Current Ownership

Type	Status	Register no	Name	Holder	Applicati on date	Decision date	In force until	Mineral
Mining permit	In force	7803	Laiva	Nordic Mines Marknad AB	N/A	15.4.2009	Until further notice	Gold
Ore prospecting permit	Application pending	ML2013:0054-01	Laiva 1, 4-5	Nordic Mines Marknad AB	20.9.2013	N/A	N/A	Gold
Exploration permit	In force	9024/4	Laiva 10	Nordic Mines Marknad AB	13.8.2010	28.4.2014	28.4.2019	Gold
Exploration permit	In force	9024/5	Laiva 11	Nordic Mines Marknad AB	13.8.2010	28.4.2014	28.4.2019	Gold
Exploration permit	In force	9024/6	Laiva 12	Nordic Mines Marknad AB	13.8.2010	28.4.2014	28.4.2019	Gold
Ore prospecting permit	Application for extension period pending	ML2013:0055-01	Laiva 13-15	Nordic Mines Marknad AB	20.9.2013	N/A	N/A	Gold
Ore prospecting permit	Application for extension period pending	ML2014:0035-01	Laiva 16-33, 41	Nordic Mines Marknad AB	25.4.2014	11.2.2015	14.3.2018	Gold
Exploration permit	In force	8857/1	Laiva 34	Nordic Mines Marknad AB	5.11.2009	23.11.2012	23.11.2017	Gold
Exploration permit	In force	8857/2	Laiva 35	Nordic Mines Marknad AB	5.11.2009	23.11.2012	23.11.2017	Gold
Exploration permit	In force	8857/3	Laiva	Nordic Mines	5.11.2009	23.11.2012	23.11.2017	Gold

on permit			36	Markna d AB		12	17	
Explorati on permit	In force	8857/4	Laiva 37	Nordic Mines Markna d AB	5.11.2009	23.11.20 12	23.11.20 17	Gold
Explorati on permit	In force	8857/5	Laiva 38	Nordic Mines Markna d AB	5.11.2009	23.11.20 12	23.11.20 17	Gold
Explorati on permit	In force	8857/6	Laiva 39	Nordic Mines Markna d AB	5.11.2009	23.11.20 12	23.11.20 17	Gold
Explorati on permit	In force	8857/7	Laiva 40	Nordic Mines Markna d AB	5.11.2009	23.11.20 12	23.11.20 17	Gold
Explorati on permit	In force	9024/1	Laiva 6	Nordic Mines Markna d AB	13.8.2010	28.4.201 4	28.4.201 9	Gold
Explorati on permit	In force	9024/7	Laiva 6 b	Nordic Mines Markna d AB	13.8.2010	28.4.201 4	28.4.201 9	Gold
Explorati on permit	In force	9024/2	Laiva 8	Nordic Mines Markna d AB	13.8.2010	28.4.201 4	28.4.201 9	Gold
Explorati on permit	In force	9024/3	Laiva 9	Nordic Mines Markna d AB	13.8.2010	28.4.201 4	28.4.201 9	Gold
Ore prospecti ng permit	Extension to ore prospecti ng permit applied on 16 August 2017. Applicati on pending.	ML2012:015 5	Oltava 1	Nordic Mines AB*	22.8.2012	19.8.201 4	19.9.201 7	Gold

Ore prospecting permit	Application pending	ML2013:0102-01	Oltava 2-5	Nordic Mines Marknad AB	5.11.2013	15.10.2014	18.11.2017	N/A
Ore prospecting permit	Application pending	ML2012:0069-01	Oltava 6	Nordic Mines AB*	4.4.2012	15.10.2014	18.11.2018	N/A
Ore prospecting permit	Application pending	ML2013:0043-01	Tormua 1-7	Nordic Mines AB*	31.7.2013	N/A	N/A	Gold
Exploration permit	Probation period, no applications for extension period pending	8855/1	Tormua 8	Nordic Mines AB*	4.11.2009	20.7.2012	20.7.2017	Gold
Exploration permit	Probation period, no applications for extension period pending	8855/2	Tormua 9	Nordic Mines AB*	4.11.2009	20.7.2012	20.7.2017	Gold

Note:

- \* - To be transferred on the Effective Date to the Project Company.
- Parent Company currently leases land to Finnish OpCo. See Land Lease Agreement described in Schedule D. Such leased lands are to be transferred to Finnish OpCo on the Effective Date.

## Schedule G — Form of Capital Expenditure Report

Capital Expenditure Report (2017.11.06)		
Parameter	Unit	Amount
Company Name		Firesteel
Project Name		Laiva
Location		Raahe, Finland
Initial Estimated Funding Requirement	000 USD	22,709
Capital Expenditure Contingency	000 USD	1,393
<b>Initial Estimated Funding Requirement (Including Contingency)</b>	<b>000 USD</b>	<b>24,102</b>
Initial Net Working Capital	000 USD	0
Initial Cash Reserves	000 USD	0
Initial Disbursements Expected from Prepayment	000 USD	20,000
Initial Equity Required to be Raised within 6 Months of Initial Effective Date	000 USD	7,000
Initial Funding Sources	000 USD	27,000
<b>Firesteel's Initial Funding Surplus (Deficit)</b>	<b>000 USD</b>	<b>2,898</b>
	%	12.0%
Current Estimated Funding Requirement	000 USD	24,536
Capital Expenditure Contingency	000 USD	1,356
<b>Current Estimated Funding Requirement (Including Contingency)</b>	<b>000 USD</b>	<b>25,892</b>
Current Net Working Capital	000 USD	0
Current Cash Reserves	000 USD	0
Remaining Initial Disbursements Expected from Prepayment	000 USD	20,000
Remaining Initial Equity Required to be Raised within 6 Months of Initial Effective Date	000 USD	7,000
Remaining Initial Funding Sources	000 USD	27,000
<b>Firesteel's Current Funding Surplus (Deficit)</b>	<b>000 USD</b>	<b>1,108</b>
	%	4.3%
Firesteel's Initial Funding Surplus (Deficit)	%	12.0%
Firesteel's Current Funding Surplus (Deficit)	%	4.3%
<b>Firesteel's Additional Funding Surplus (Deficit)</b>	<b>%</b>	<b>(7.7%)</b>
Firesteel's Additional Funding Requirement	000 USD	2,005

### Schedule H — Permits

In addition to the permits listed in Schedule F:

Permit Type	Applicant	Authority	Permit number	Date
Environmental permit	Nordic Mines Ab	Environmental Permit Authority of Northern Finland	84/09/2	24 November 2009
Environmental permit	Nordic Mines Ab	Environmental Permit Authority of Northern Finland	86/09/2	24 November 2009
Environmental permit	Nordic Mines Ab	Environmental Permit Authority of Northern Finland	85/09/2	24 November 2009
Approval of energy efficiency review	Nordic Mines Oy	Regional State Administrative Agency of Northern Finland	80/12/1	13 August 2012
Permit for water resource management projects	Nordic Mines Oy	Regional State Administrative Agency of Northern Finland	75/11/2	5 December 2011
Environmental permit	Nordic Mines Oy	Regional State Administrative Agency of Northern Finland	25/2013/1	15 March 2013
Environmental permit	Nordic Mines Oy	Regional State Administrative Agency of Northern Finland	4/2016/1	7 January 2016
Permit for water resource management projects	Nordic Mines Oy	Regional State Administrative Agency of Northern Finland	15/12/2	23 February 2012
Mining waste management plan	Nordic Mines Oy	Regional State Administrative Agency of Northern Finland	65/2014/1	30 June 2014
Environmental permit and permit for	Nordic Mines Oy	Regional State Administrative Agency of	54/12/1	12 June 2012

water resource management projects		Northern Finland		
Approval of mine after care plan	Nordic Mines Oy	Regional State Administrative Agency of Northern Finland	66/2014/1	30 June 2014
Environmental permit	Nordic Mines Oy	Regional State Administrative Agency of Northern Finland	76/2016/1	1 June 2016
Environmental permit	Nordic Mines Oy	Regional State Administrative Agency of Northern Finland	100/10/1	29 October 2010
Approval of monitoring plan	Nordic Mines Oy	Centre for Economic Development, Transport and the Environment for North Ostrobothnia	POPELY/100/07.00/2010	22 July 2014
Approval of monitoring plan	Nordic Mines Oy	Centre for Economic Development, Transport and the Environment for North Ostrobothnia	POPELY/100/07.00/2010	9 November 2011
Dam classification and dam safety monitoring program approval	Nordic Mines Oy	Centre for Economic Development, Transport and the Environment for Kainuu	KAIELY/51/07.02/2011	20 December 2013
Dam safety monitoring program approval	Nordic Mines Oy	Centre for Economic Development, Transport and the Environment for Kainuu	KAIELY/51/07.02/2011	25 April 2014
Dam classification and dam safety monitoring	Nordic Mines Oy	Centre for Economic Development, Transport and the	KAIELY/51/07.02/2011	25 November 2011

program approval		Environment for Kainuu		
Dam classification and dam safety monitoring program approval	Nordic Mines Oy	Centre for Economic Development, Transport and the Environment for Kainuu	KAIELY/51/07.02/2011	26 February 2014
Monitoring plan	Nordic Mines Oy	Centre for Economic Development, Transport and the Environment for North Ostrobothnia	POPELY/2663/2015	1 June 2016
Radio permit	Nordic Mines Oy	Finnish Communications Regulatory Authority	PMR1157569	28 July 2014
Safety permit in accordance with the Finnish Radiation Act	Nordic Mines Oy	Radiation and Nuclear Safety Authority (STUK)	5867/L5/17	22 September 2017
Safety permit in accordance with the Finnish Radiation Act	Information not available	Radiation and Nuclear Safety Authority (STUK)	5627/L2/11	24 September 2011



## **Schedule I — Ownership Structure and Equity of the Project Company, Finnish OpCo and the Obligors**

### **The Seller:**

- Canadian public company listed on the TSX Venture Exchange;
- 87,587,273 common shares in the capital of the Seller (“**Common Shares**”) are issued and outstanding as at the date hereof;
- Warrants outstanding to purchase up to (i) 2,378,269 Common Shares at a price of CA\$0.15 per share until June 26, 2019, (ii) 5,332,592 Common Shares at a price of CA\$0.15 per share until July 28, 2019, (iii) 5,105,000 Common Shares at a price of CA\$0.15 per share until January 18, 2019;
- CA\$419,000 principal amount of Debentures are outstanding which may be converted by the holders at \$0.10 per Common Share until the maturity date of June 30, 2020, subject to acceleration in certain circumstances;
- Finder’s warrants outstanding to purchase up to (i) 159,200 Common Shares at a price of CA\$0.10 per share until July 28, 2019, (ii) 102,808 Common Shares at a price of CA\$0.075 per finder’s warrant until July 28, 2019, (iii) 176,000 Common Shares at a price of \$0.10 per share until June 26, 2019, (iv) 250,985 Common Shares purchase warrants at an exercise price of CA\$0.075 per finder’s warrant until June 26, 2019, and (v) 633,000 common share purchase warrants at an exercise price of CA\$0.15 per finder’s warrant until January 18, 2019
- Options outstanding pursuant to the terms of the Seller’s stock option plan to purchase up to 6,250,000 Common Shares; and
- One wholly-owned subsidiary in Mexico (Acero del Fuego) which holds no assets.

### **Project Company:**

- A company limited by shares incorporated in Sweden under registration number 556767-4980;
- 1,000 shares in the capital of the Project Company are issued and outstanding, all of which are (a) registered in the name of the Parent Company, and (b) subject to a pledge in favor of Lao Tzu Investments AB, Lau Su Holding AB and Amal Parekh as representative for Jade Global Enterprises Limited; and
- One wholly-owned subsidiary, being Finnish OpCo.

### **Finnish OpCo:**

- A private limited liability company incorporated in Finland under business ID 2296579-4.
- 100 Shares in the capital of Finnish OpCo are issued and outstanding, all of which are registered in the name of the Project Company.

## Schedule J — Insurance Policies

Insurance Type	Policyholder	Insurer	Insured	Agreement / policy number	Other material terms
Statutory environmental liability insurance	Nordic Mines Oy	IF Vahinkovakuutusyhtiö Oy	Information not available.	0299190000	General terms not provided.  Overall loss limit of EUR 5,000,000 in case of environmental damage (maximum of EUR 8,500,000 per calendar year).  No deductibles.
Motor vehicle and traffic insurance	Nordic Mines Oy	IF Vahinkovakuutusyhtiö Oy	Information not available.	0005030160	General terms not provided.
Property damage insurance	Nordic Mines Oy	IF Vahinkovakuutusyhtiö Oy	Nordic Mines Oy, Nordic Mines AB (publ), Nordic Mines Marknad AB, and all associated, affiliated and/or subsidiary companies declared to and accepted by the insurer and stated in the specification to the insurance (no further information available).	LP000003174 3-10	General terms not provided.  Overall loss limit of EUR 200,000,000 per occurrence, separate sublimits for specific types of losses.  EUR 400,000 deductible per occurrence for property damage
Occupational accident insurance and group life insurance	Nordic Mines Oy	IF Vahinkovakuutusyhtiö Oy	Not specified in the agreement.	SP1009854.2. 1	Statutory insurance.  General terms not provided.

Employee's pension insurance (TyEL)	Nordic Mines Oy	Eläkevakuutusosakeyhtiö Veritas	Not specified in the agreement.	56-51500D	Statutory insurance.  General terms not provided.
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**Note:** Finnish OpCo needs to put in place a general third party liability insurance policy once the Laiva Mine is restarted (the old policy of which has not been valid since 2015).

### Schedule K — Liens

The following information is available in the Finnish Floating Charge Register:

<b>Floating Charge Promissory Note</b>	Nordic Mines Oy
<b>Number</b>	2011/001148K
<b>Amount</b>	EUR 700,000,000
<b>Date of issuance</b>	3 March 2011
<b>Priority date</b>	7 March 2011
<b>Registered holder</b>	The Parent Company

The following information is available in the Finnish Land Register:

<b>Lessee</b>	Nordic Mines Oy
<b>Lessor</b>	Nordic Mines AB (publ)
<b>Register number</b>	678-411-4-163-L1
<b>Date of lease agreement</b>	3 March 2011. Lease agreement amended on 27 September 2011.
<b>Registered on</b>	11 March 2011
<b>Lease agreement valid until</b>	31 December 2018
<b>Land lease mortgage notes (in the order of priority)</b>	<p>1. Mortgage note 11.3.2011 / 2696 in the amount of EUR 700,000,000.00 (registered holder of which is the Parent Company)</p> <p>2. Mortgage note 15.9.2011 / 10569 in the amount of EUR 30,000,000.00 (registered holder of which is the Parent Company)</p>

The following information is also provided:

- Finnish OpCo has granted a deposit in the amount of EUR 2,381,279 for the benefit of Environmental Agency of North Ostrobothnia;
- Certain landowners are to be paid a royalty of 0.15% of yearly gold sale income. The royalty is shared by the landowners relative to the area they own within the mining lease. In addition, there are agreements with some landowners that they will receive royalties according to the areas they sold to the Parent Company.

<b>The Mine Properties</b>		
	<b>678-411-15-68</b>	<b>678-412-88-5</b>
<b>Registered owner</b>	Finnish branch of the Parent Company	Finnish branch of the Parent Company
<b>Area</b>	287.3 hectares	610.6 hectares
<b>Entry into register</b>	25 August 2012	29 July 2011
<b>Location</b>	Raahe	Raahe
<b>Real estate mortgages and registered special rights (in the order of priority)</b>	<p>1. Leasehold 11.3.2011 / 2695 with the Parent Company as the lessor and Finnish OpCo as the lessee.</p> <p>2. Mortgage note 528/11.3.2011/2693 (priority number 11.3.2011 / 2693) in the amount of EUR 700,000,000.00.</p> <p>3. Mortgage note 528/15.9.2011/10570 (priority number 15.9.2011 / 10570) in the amount of EUR 30,000,000.</p>	<p>1. Leasehold 11.3.2011 / 2695 with the Parent Company as the lessor and Finnish OpCo as the lessee.</p> <p>2. Mortgage note 528/11.3.2011/2693 (priority number 11.3.2011 / 2693) in the amount of EUR 700,000,000.00.</p> <p>3. Mortgage note 528/15.9.2011/10570 (priority number 15.9.2011 / 10570) in the amount of EUR 30,000,000.</p>

**Schedule L — Litigation and Administrative Proceedings****Seller –****British Columbia:**

(i) **David Dupre v. Firesteel Resources Inc. (Sept. 2007 – Action No. S076076, Vancouver)** – the Seller has no knowledge of this action. There has been no activity in connection with this matter in the past 6 years;

(ii) **Brett Resource Inc. v. Firesteel Resources Inc. (Jan 2010 – Action No. S100640, Vancouver)** – this matter has been settled and an order to dismiss was filed with the British Columbia Supreme Court on January 26, 2011; and

(iii) **Lake District Diamond Drilling Ltd. v. Firesteel Resources Inc. (May 2013)** – to the knowledge of the Seller, this litigation is inactive and there is no current correspondence or engagement with this plaintiff or its counsel.

**Project Company - None**

**Finnish OpCo - None**

**Schedule M — Security Documents**

Finnish OpCo Share Pledge Agreement dated on or about the Joinder Date;

Security Agreement dated on or about the Effective Date between Finnish OpCo, as Grantor, and the Buyer, as Beneficiary, relating to all of Finnish OpCo's assets that may be pledged (Finnish law);

Pledge Agreement dated on or about the Effective Date between the Seller, as Pledgor, and the Buyer, as Pledgee, relating to the pledge of the Finnish OpCo Debts, all rights under the PPF Agreement II and the raise of equity pursuant to Section 12(1)(gg) of this Agreement (Finnish law);

Pledge Agreement dated on or about the Effective Date between Finnish OpCo, as Grantor, and the Buyer, as Beneficiary, relating to business mortgage of Finnish OpCo (Finnish law);

Direct Agreement dated on or about the Effective Date between the Finnish OpCo, the Seller as Grantor and the Buyer as Beneficiary (Finnish law);

Security Agreement dated on or about the Effective Date between the Seller, as Grantor, and the Buyer, as Beneficiary, relating the Project Company Option (Swedish law);

Pledge Agreement dated on or about the Effective Date between the Seller, as Pledgor, and the Buyer, as Pledgee, relating to the Firesteel Bridge Loan and the second ranking security over shares in the Project Company granted by the Parent Company in respect thereof (Swedish law);

Pledge Agreement dated on or about the Effective Date between the Seller, as Pledgor, and the Buyer, as Pledgee, relating to the Existing Shareholder Loan and the first ranking security over shares in the Project Company granted by the Parent Company in respect thereof (Swedish law);

Third Ranking Pledge Agreement dated on or about the Effective Date between the Seller, as Pledgors, and the Buyer, as Pledgee, relating to all shares held in the Project Company by the Seller from time to time (Swedish law); and

General Security Agreement dated on or about the Effective Date in relation to all assets of the Seller, as Grantor, in favor of the Buyer, as Beneficiary (Canadian law).

**Schedule N — Form of Compliance Certificate****[Date]**

PFL RAAHE HOLDINGS LP  
320 Park Avenue, 27<sup>th</sup> Floor  
New York, NY 10022  
Attention: Joseph Archibald  
Email: [jarchibald@pandionmetals.com](mailto:jarchibald@pandionmetals.com)

Re: Compliance Certificate

Reference is made to that certain Pre-Paid Forward Gold Purchase Agreement, dated as of November 10, 2017 among Firesteel Resources Inc., as Seller, PFL Raahe Holdings LP, as Buyer each Guarantor from time to time party thereto (the "Agreement"). All defined terms used herein shall have meanings ascribed thereto in the Agreement.

The undersigned, the [TITLE] of [Firesteel Resources Inc.][name of the applicable Guarantor], hereby certifies as of the date hereof, on behalf of the [Firesteel Resources Inc.][name of the applicable Guarantor] but without any personal liability for any of the confirmations, certifications or statements made herein, as follows:

1. [Except as agreed in writing by the Buyer, all of the representations and warranties of the Seller contained therein are correct as of such date (except for representations and warranties which are stated as of a specific date, in which case such representations and warranties are correct as of such date).
2. No Seller Default or Seller Event of Default has occurred hereunder and is then continuing.]<sup>1</sup>
3. [Firesteel Resources Inc.] and [name of the applicable Guarantor] is in full compliance with all Applicable Laws.
4. [Firesteel Resources Inc.][name of the applicable Guarantor] is not subject to any governmental or regulatory order that would have a Material Adverse Effect on the ability of [Firesteel Resources Inc.][name of the applicable Guarantor] to perform its duties and obligations pursuant to the Agreement.

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<sup>1</sup> To be included in the Seller's Compliance Certificate only.



IN WITNESS WHEREOF, I have hereunto set my hand as of the date first written above.

**[FIRESTEEL RESOURCES INC.][NAME OF  
GUARANTOR]**

By: \_\_\_\_\_  
Name: [ \_\_\_\_\_ ]  
Title: Chief Executive Officer



Expense Budget (Revenue Basis) - Annual - 100% Ownership											
Cumulative Project Year		1	2	3	4	5	6	7	8		
Year End	Units	Total	Jul 18	Jul 19	Jul 20	Jul 21	Jul 22	Jul 23	Jul 24	Jul 25	Jul 25
Mining - Ore		37,056,743	-	4,275,778	4,998,408	5,701,037	5,701,037	5,701,037	5,701,037	4,988,408	-
Mining - Waste		188,125,000	-	30,000,000	24,062,500	27,500,000	27,500,000	27,500,000	27,500,000	24,062,500	-
Mining - Grade Control		2,876,123	-	331,860	387,170	442,481	442,481	442,481	442,481	387,170	-
Mining - Indirects		8,227,018	-	1,258,524	1,060,423	1,211,912	1,211,912	1,211,912	1,211,912	1,060,423	-
Mining - Equipment Lease		2,879,725	-	575,945	575,945	575,945	575,945	575,945	575,945	-	-
Processing		196,063,915	-	23,564,538	26,732,698	29,900,857	29,900,857	29,900,857	29,900,857	26,163,250	-
Indirect Costs		12,074,165	-	1,756,242	1,756,242	1,756,242	1,756,242	1,756,242	1,756,242	1,536,712	-
Mine Site G&A Costs		47,831,399	4,218,755	6,356,401	6,464,278	6,356,401	6,464,278	6,356,401	6,356,401	5,258,484	-
Management Fee		1,906,250	187,500	250,000	250,000	250,000	250,000	250,000	250,000	218,750	-
FreeSteel Corporate G&A		5,795,877	465,221	775,368	775,368	775,368	775,368	775,368	775,368	678,447	-
Accrued Payables of Pandion Consultant Expenses		200,000	-	-	-	-	-	-	-	-	-
<b>Operating Costs</b>		<b>503,036,213</b>	<b>5,071,475</b>	<b>69,144,657</b>	<b>67,053,033</b>	<b>74,470,243</b>	<b>74,578,121</b>	<b>74,470,243</b>	<b>73,894,298</b>	<b>64,354,144</b>	-
Government Royalty		983,333	-	115,048	142,628	157,182	146,703	146,703	146,703	128,365	-
Prepay Tax Deductible Prepayment Obligations		12,977,500	-	130,442	4,058,186	4,521,979	3,200,170	1,066,723	-	-	-
Prepay Non-Tax Deductible Prepayment Obligations		20,600,000	-	207,058	6,441,814	7,178,021	5,079,830	1,693,277	-	-	-
Taxes		5,683,462	-	-	-	-	-	-	1,638,629	4,044,833	-
<b>Royalties, Prepay Facility Costs &amp; Taxes</b>		<b>40,244,296</b>	-	<b>452,548</b>	<b>10,642,628</b>	<b>11,857,182</b>	<b>8,426,703</b>	<b>2,906,703</b>	<b>1,785,332</b>	<b>4,173,198</b>	-
Engineering Redesign		468,201	468,201	-	-	-	-	-	-	-	-
Mill / Tailings Modifications and Improvements		4,331,024	2,465,015	-	990,312	-	875,697	-	-	-	-
Mine Grade Control and Refurbishment		3,385,115	1,928,490	291,325	291,325	291,325	291,325	291,325	-	-	-
Water Treatment Ponds		990,312	990,312	-	-	-	-	-	-	-	-
Environmental and Safety Investments		93,224	93,224	-	-	-	-	-	-	-	-
Additional Sustaining Capital		2,601,116	-	-	-	-	780,335	1,040,446	780,335	-	-
Holding Costs		832,357	832,357	-	-	-	-	-	-	-	-
Contingency		1,355,520	1,355,520	-	-	-	-	-	-	-	-
<b>Capital Expenditures</b>		<b>14,056,869</b>	<b>8,133,119</b>	<b>291,325</b>	<b>1,281,637</b>	<b>291,325</b>	<b>1,947,357</b>	<b>1,331,771</b>	<b>780,335</b>	-	-
Repayment of Firesteel Debt		799,110	799,110	-	-	-	-	-	-	-	-
Repayment of Nordic Mines OY Debt		2,281,359	2,281,359	-	-	-	-	-	-	-	-
Repayment of Nordic Mines AB Payables		100,000	100,000	-	-	-	-	-	-	-	-
Purchase of Nordic Mines AB Debt		1,950,000	1,950,000	-	-	-	-	-	-	-	-
<b>Immediate Debt Repayment / Purchase</b>		<b>5,130,469</b>	<b>5,130,469</b>	-	-	-	-	-	-	-	-
Operating Costs		503,036,213	5,071,475	69,144,657	67,053,033	74,470,243	74,578,121	74,470,243	73,894,298	64,354,144	-
Royalties, Prepay Facility Costs & Taxes		40,244,296	-	452,548	10,642,628	11,857,182	8,426,703	2,906,703	1,785,332	4,173,198	-
Capital Expenditures		14,056,869	8,133,119	291,325	1,281,637	291,325	1,947,357	1,331,771	780,335	-	-
<b>Immediate Debt Repayment / Purchase</b>		<b>5,130,469</b>	<b>5,130,469</b>	-	-	-	-	-	-	-	-
<b>Total Expenses</b>		<b>562,467,847</b>	<b>18,335,064</b>	<b>69,888,530</b>	<b>78,977,297</b>	<b>86,618,750</b>	<b>84,952,181</b>	<b>78,708,718</b>	<b>76,459,965</b>	<b>68,527,343</b>	-



## Exhibit A — Form of Guarantor Joinder Agreement

**GUARANTOR JOINDER AGREEMENT****[insert entity name]**

**JOINDER AGREEMENT**, dated as of *[insert date]* (this “*Joinder Agreement*”), is by and between *[insert entity name]*, a *[insert jurisdiction and company type]* (hereinafter called the “*New Guarantor*”) and PFL RAAHE HOLDINGS LP, a limited partnership organized under the laws of Ontario as the buyer under the Pre-Paid Forward Agreement (as defined below) (the “*Buyer*”).

**WHEREAS**, Firesteel Resources Inc. (the “*Seller*”) and the Buyer, have entered into a Pre-Paid Forward Agreement, dated as of November 10, 2017 (as the same may be amended, supplemented, restated or otherwise modified from time to time, the “*Pre-Paid Forward Agreement*”);

**WHEREAS**, the New Guarantor, a Subsidiary of the Seller, is required to join in the Pre-Paid Forward Agreement as a Guarantor thereunder pursuant to Section 12(1)(dd) of the Pre-Paid Forward Agreement;

**WHEREAS**, the New Guarantor under the laws relating thereto is duly authorized to enter into the Pre-Paid Forward Agreement and all things necessary, including any necessary consents of shareholders of the New Guarantor, have been done and performed to make the Pre-Paid Forward Agreement a valid and binding agreement of the New Guarantor;

**WHEREAS**, the foregoing recital is made as representations and statements of fact by the New Guarantor;

**NOW, THEREFORE**, in consideration of the premises and of the mutual covenants herein contained, the New Guarantor covenants and agrees with the Buyer as follows:

**ARTICLE I****INTERPRETATION**

SECTION 1.1. *Definitions*. In this Joinder Agreement:

- (a) any defined term used herein and not defined herein shall have the meaning given to such term in the Pre-Paid Forward Agreement; and
- (b) the rules of interpretation set forth in Section 2 of the Pre-Paid Forward Agreement apply to this Joinder Agreement.

SECTION 1.2. *Headings, Etc.* The division of this Joinder Agreement into Articles, Sections and subsections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Joinder Agreement.

## ARTICLE II

### JOINDER AGREEMENT

SECTION 2.1. *Warranties*. The New Guarantor hereby makes to the Buyer the representations set forth in Section 11 of the Pre-Paid Forward Agreement with itself as a Guarantor as of the date hereof.

SECTION 2.2. *Undertaking*. Effective as of the date hereof, the New Guarantor undertakes all obligations of a Guarantor (including, without limitation, to execute and deliver Collateral Documents) under the Pre-Paid Forward Agreement.

## ARTICLE III

### MISCELLANEOUS

SECTION 3.1. *Notice*. All communications and notices provided for under the Pre-Paid Forward Agreement to the New Guarantor shall be addressed as follows:

[*insert address*]  
 Attention: [*insert contact*]  
 Email: [*insert email*]  
 Telephone: [*insert telephone*]  
 Facsimile: [*insert facsimile*]

or at such other address as the New Guarantor may designate in accordance with Section 18 of the Pre-Paid Forward Agreement.

SECTION 3.2. *Applicable Law*. THIS JOINDER AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

SECTION 3.3. *Dispute Resolution*.

(a) In relation to any dispute arising out of or in connection with this Joinder Agreement (including a dispute relating to the existence, validity or termination of this Joinder Agreement or any non-contractual obligation arising out of or in connection with this Joinder Agreement), the Buyer shall elect to settle any such dispute either in accordance with Section 3.3(b) or in accordance with Section 3.3(c).

(b) Subject to Section 3.3(a), any controversy, dispute or claim arising out of or relating to this Agreement shall be settled by the District Court of Stockholm ("*Stockholms tingsrätt*") as the court of first instance.

(c) Subject to Section 3.3(a), the New Guarantor irrevocably and unconditionally submits, for itself and its property, to the non-exclusive jurisdiction of the Federal courts sitting in the City of New York, in any action or proceeding arising out of or relating to this Agreement or any other Transaction Document, or for recognition or enforcement of any judgment and each of the Parties irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such court each party hereto hereby irrevocably waives, to the fullest extent it may effectively do so, the defense of inconvenient forum to the maintenance of such action or proceeding. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Joinder Agreement or in any other Transaction Document shall affect

any right that the Buyer may otherwise have to bring any action or proceeding relating to this Joinder Agreement or any other Transaction Document against the New Guarantor or its properties in the courts of Sweden or any other jurisdiction unless specifically permitted by the terms of such Transaction Document. EACH OF THE PARTIES HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAWS, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

*[Signatures begin on following page]*

***IN WITNESS WHEREOF***, the New Guarantor has duly executed this Joinder Agreement as of the date first set forth above.

*[insert entity name]*

By: \_\_\_\_\_  
Name:  
Title:



**PFL RAAHE HOLDINGS LP, as Buyer**

By: \_\_\_\_\_  
Name:  
Title:

Exhibit B — Required Restructuring

Current Legal and Organizational Structure

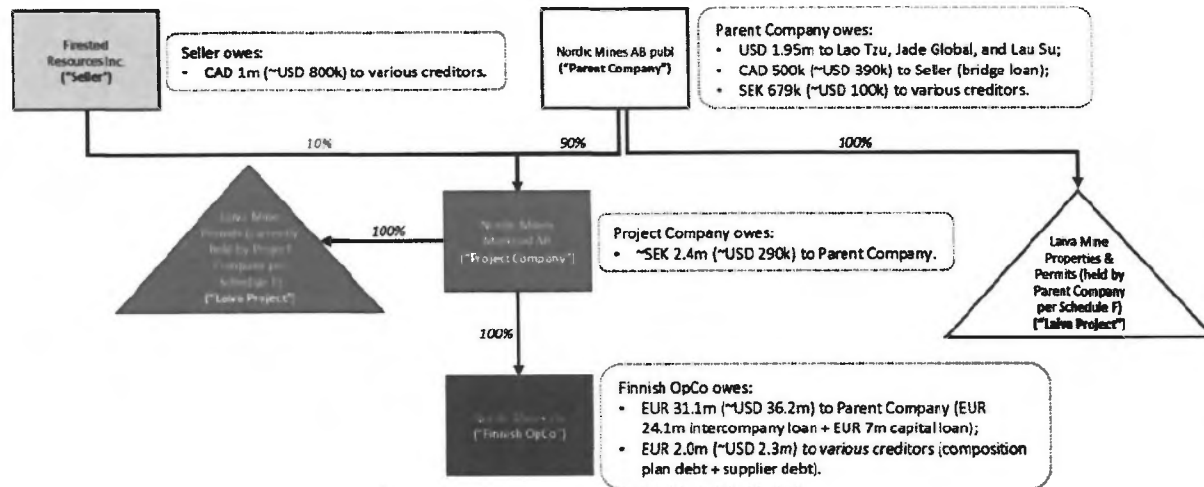


Exhibit B-1

Prior to Closing the Acquisition and the Prepayment (Conditions Precedent)

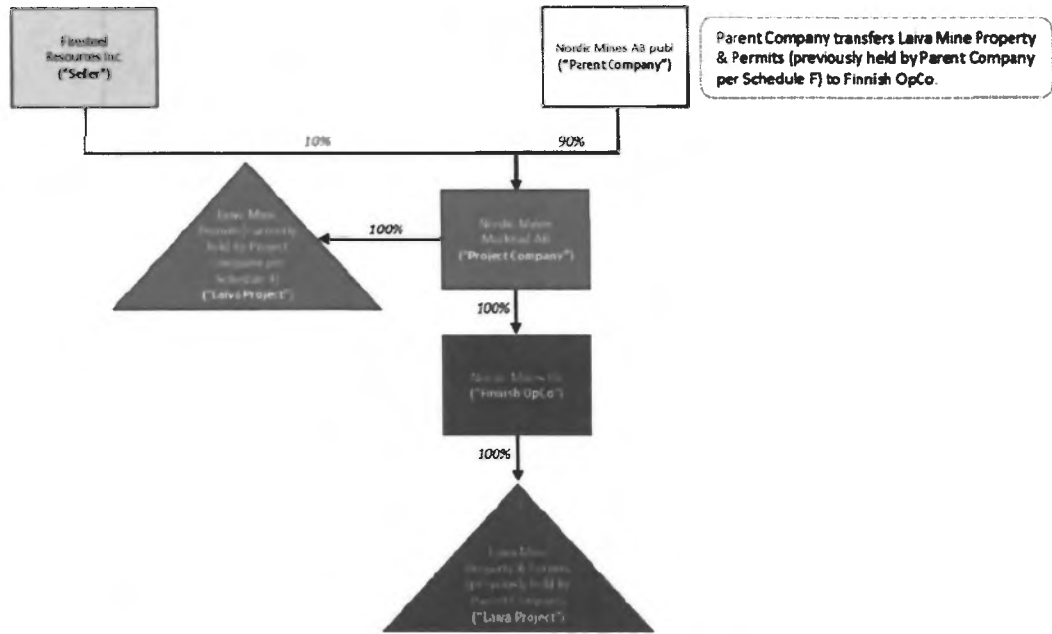


Exhibit B-2

Simultaneous with the Funding of the USD 20.0m net Prepayment Amount (the Effective Date)

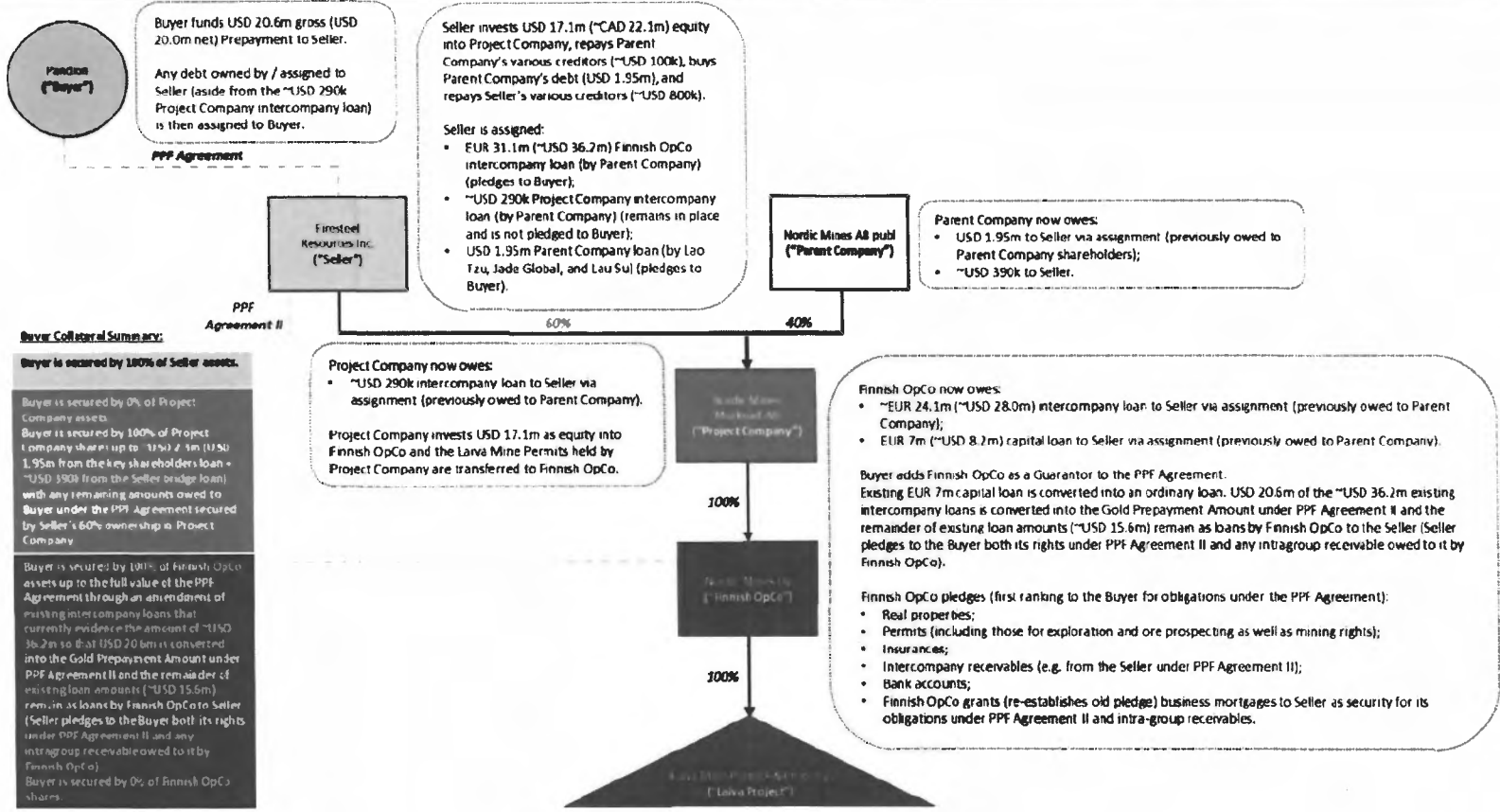
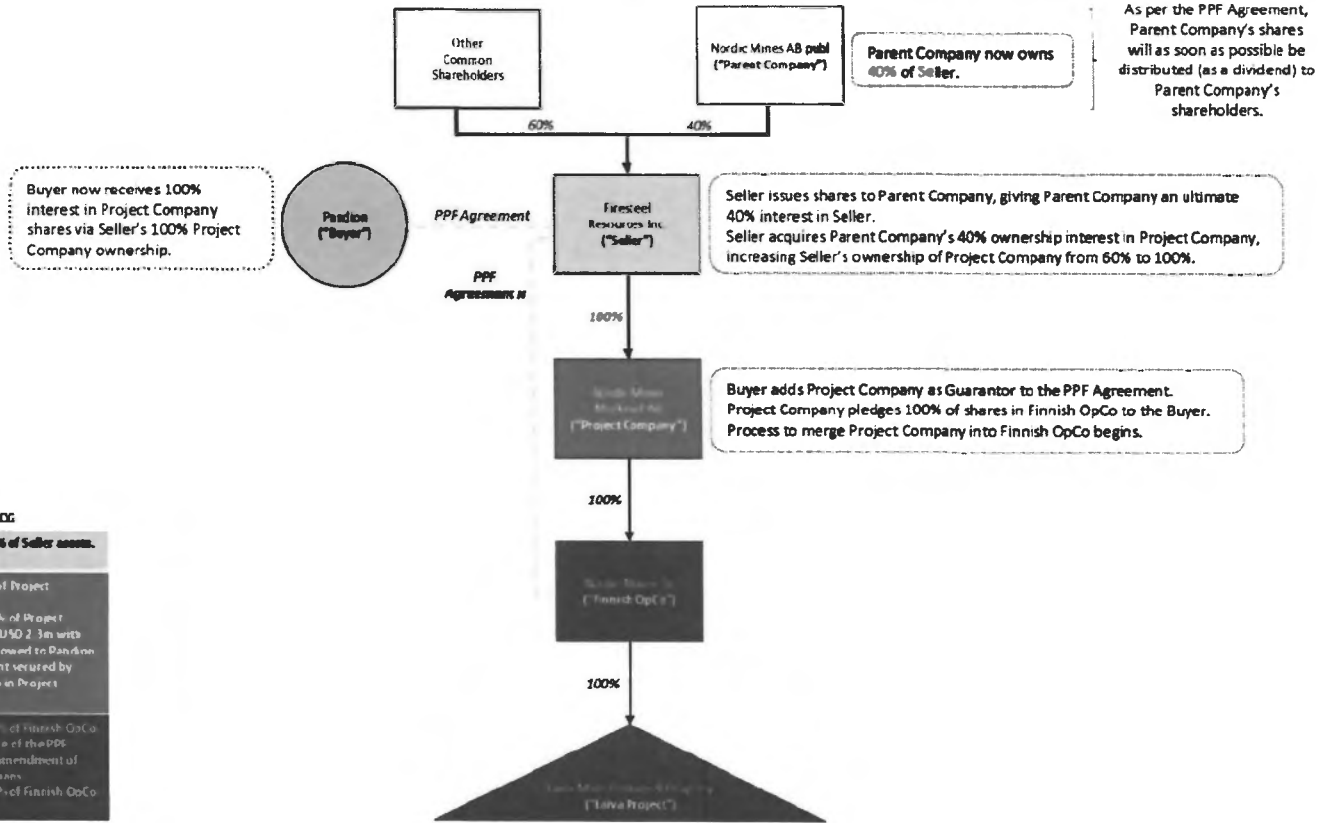


Exhibit B-3

**Upon the Finalization of Seller's 100% Interest in the Project Company (~2 Weeks to 4 Months after the Effective Date)**



**Buyer Collateral Summary:**

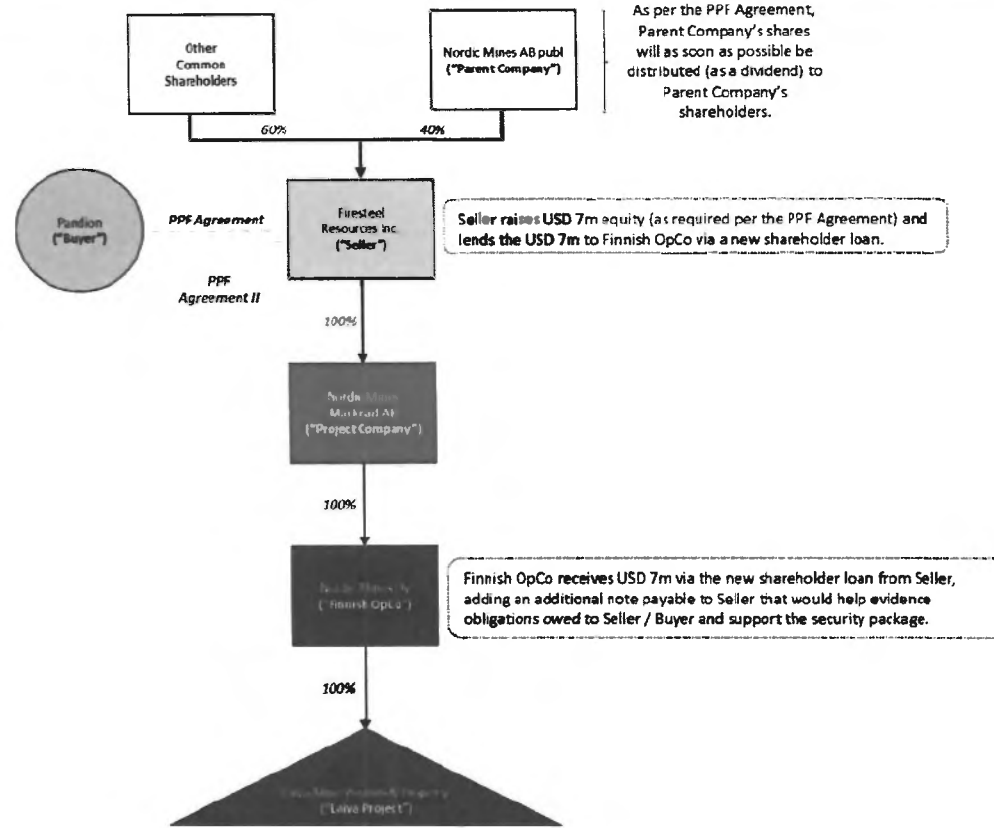
**Buyer is secured by 100% of Seller assets.**

Buyer is secured by 0% of Project Company assets.  
 Buyer is secured by 100% of Project Company shares up to ~USD 2.3m with any remaining amounts owed to Dandara under the PPF Agreement secured by Seller's 100% ownership in Project Company.

Buyer is secured by 100% of Finnish OpCo assets up to the full value of the PPF Agreement through an amendment of existing intercompany loans.  
 Buyer is secured by 100% of Finnish OpCo shares.

Exhibit B-4

**USD 7.0m Equity Raise by Seller Invested Directly to the Finnish OpCo via a Shareholder Loan (within 6 Months after the Effective Date)**



**Buyer Collateral Summary:**

**Buyer is secured by 100% of Seller assets.**

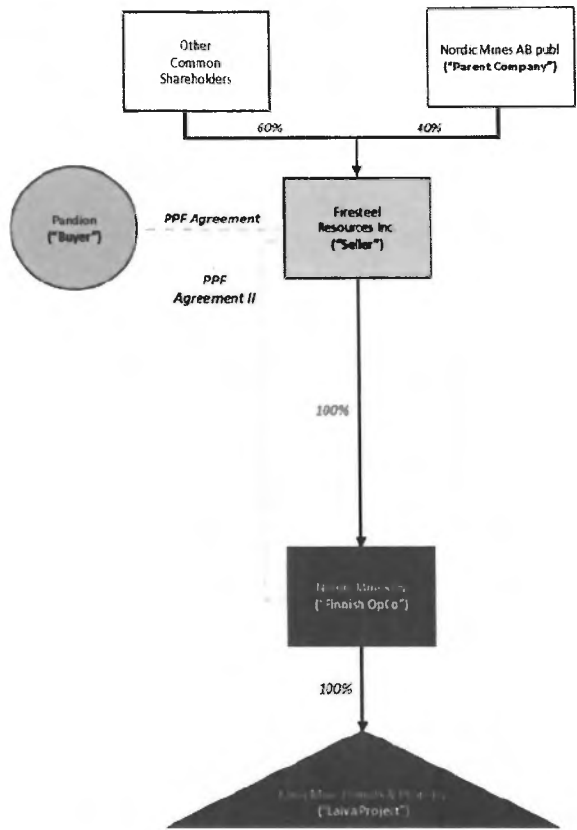
Buyer is secured by 0% of Project Company assets  
 Buyer is secured by 100% of Project Company shares up to ~USD 2.3m with any remaining amounts owed to Pandion under the PPF Agreement secured by Seller's 100% ownership in Project Company

Buyer is secured by 100% of Finnish OpCo assets up to the full value of the PPF Agreement through an amendment of existing intercompany loans (in addition to the creation of a new USD 7m shareholder loan that provides stronger support through increased corporate benefit to Finnish OpCo)  
 Buyer is secured by 100% of Finnish OpCo shares

Exhibit B-5

Upon Finalization of the Downstream Merger (within 8 Months after the Effective Date)

Buyer's 100% security interest in the shares of Project Company becomes a 100% security interest in the shares of Finnish OpCo (the merger satisfies the provisions within Chapter 17 of the Swedish Companies Act that govern corporate benefit rules related to financial assistance and restrictions on upstream security guarantees for the obligations of a parent company).



As per the PPF Agreement, Parent Company's shares will as soon as possible be distributed (as a dividend) to Parent Company's shareholders.

**Buyer Collateral Summary:**  
 Buyer is secured by 100% of Seller assets.  
 Buyer is secured by 100% of Finnish OpCo assets up to the full value of the PPF Agreement through an amendment of existing inter company loans.  
 Buyer is secured by 100% of Finnish OpCo shares.

Exhibit B-6

11511

This is Exhibit "~~D1~~" referred to in Affidavit #1  
of Joseph Archibald, sworn before me at  
~~Windsorfield~~ Connecticut, United States of  
America, on January 7, 2022.

*Anne Ferris Cassidy*  
A Notary Public in and for the  
State of Connecticut

**ANNE FERRIS CASSIDY**  
Notary Public, State of Connecticut  
My Commission Expires March 31, 2024



**FIRST AMENDMENT AND RESTATEMENT AGREEMENT**

dated 8 November 2018

relating to

**SECOND PRE-PAID FORWARD GOLD PURCHASE AGREEMENT**

originally dated 8 December 2017

between

NORDIC GOLD OY

and

NORDIC GOLD CORP.

and

**CERTAIN SECURITY DOCUMENTS**

originally dated 8 December 2017 and 5 February 2018

between

NORDIC GOLD OY,

NORDIC GOLD CORP.,

NORDIC MINES MARKNAD AB

and

PFL RAAHE HOLDINGS LP

**THIS AMENDMENT AND RESTATEMENT AGREEMENT** (the "**First Amendment and Restatement Agreement**") is dated 8 November 2018 and made between:

- (1) NORDIC GOLD OY (formerly known as Nordic Mines Oy) (the "**Seller**"), a company incorporated under the laws of Finland;
- (2) NORDIC GOLD CORP. (formerly known as Firesteel Resources Inc.) (the "**Buyer**"), a company incorporated under the laws of Alberta, Canada;
- (3) NORDIC MINES MARKNAD AB ("**Marknad**"), a company incorporated under the laws of Sweden; and
- (4) PFL RAAHE HOLDINGS LP ("**PFL**"), a limited partnership organized under the laws of Ontario, Canada.

The parties specified in items (1) - (4) above shall be together referred to as the "**Parties**".

**WHEREAS:**

- (A) The Seller and the Buyer are, immediately prior to the date of this First Amendment and Restatement Agreement, parties to Second Pre-Paid Forward Gold Purchase Agreement, dated 8 December 2017 (the "**PPF2 Agreement**").
- (B) The Buyer has on November 10, 2017 entered into a pre-paid forward gold purchase agreement as seller with PFL as buyer (the "**PPF Agreement**") under which the Buyer shall sell Gold to PFL in quantity corresponding to the Contract Quantity (as defined in the PPF2 Agreement) of Gold.
- (C) Certain Specified Defaults (as defined in paragraph 4 of section "Preliminary Statements" of the PPF Amendment No. 1 (as such term is defined below)) have occurred under the PPF Agreement whereto the Seller has acceded as a guarantor. The parties to the PPF Agreement have therefore entered into an Amendment and Forbearance Agreement No. 1 to the PPF Agreement on October 15, 2018 (the "**PPF Amendment No. 1**"), ensuring, among other things, continuing financing of the Seller's operations, which requires that certain amendments are made to the PPF2 Agreement.
- (D) The Parties have entered into the following security documents as part of the arrangements referred to above:
  - (i) a security agreement dated 8 December 2017 between the Seller as Pledgor and PFL as Pledgee concerning the Seller's bank accounts, real estate, intragroup receivables and insurance receivables;
  - (ii) a security agreement dated 8 December 2017 between the Seller as Pledgor and the Buyer as Pledgee concerning a business mortgage granted by the Seller and certain mining concessions (the "**Finnish OpCo PPF2 Security Agreement**");
  - (iii) a security agreement dated 8 December 2017 between the Buyer as Pledgor and PFL as Pledgee concerning the Buyer's intragroup receivables as well as rights under the PPF2 Agreement and the Finnish OpCo PPF2 Security Agreement (the "**Firesteel Security Agreement**");

(iv) a direct agreement dated 8 December 2017 between the Buyer, the Seller and PFL; and

(v) a share pledge agreement dated 5 February 2018 between Marknad as initial pledgor, the Buyer as post-merger pledgor and PFL as pledgee, concerning shares in the Seller;

the agreements in (i) - (v) above together, the "**Security Documents**".

- (F) The Seller as owner, the Buyer as guarantor and PFL as holder have on or about the date hereof entered into a net smelter returns royalty agreement (the "**Royalty Agreement**") pursuant to which the Seller is to pay to PFL certain royalty payments in connection with its mining operations.
- (E) The Parties now desire to amend certain terms of the PPF2 Agreement and the Security Documents as provided herein.

**IT IS AGREED** as follows:

1. **INCORPORATION OF DEFINED TERMS AND INTERACTION WITH TRANSACTION DOCUMENTS**
  - 1.1 Unless expressly defined in this First Amendment and Restatement Agreement or a contrary indication appears, a term defined in the Amended and Restated PPF2 Agreement has the same meaning in this First Amendment and Restatement Agreement.
  - 1.2 In this First Amendment and Restatement Agreement, the following capitalised words and expressions shall have the meanings ascribed to them below:
    - "**Contingent Effective Date**" has the meaning specified in Section 6 of the the PPF Amendment No. 1.
    - "**Collateral**" has the meaning given to such term in the PPF Agreement.
    - "**Secured Obligations**" has the meaning given to such term in the Security Documents, as applicable.
    - "**Seller Event of Default**" has the meaning given to such term in the PPF Agreement.
    - "**Transaction Documents**" has the meaning given to such term in the PPF Agreement.
  - 1.3 The principles of construction set out in the PPF2 Agreement shall have effect as if set out in this First Amendment and Restatement Agreement.
  - 1.4 This First Amendment and Restatement Agreement shall be a Transaction Document under the PPF Agreement.

## 2. **AMENDMENT AND RESTATEMENT OF THE PPF2 AGREEMENT**

2.1 The Buyer and the Seller agree that the PPF2 Agreement shall, with effect from the Contingent Effective Date, be amended and restated in accordance with and in the form set out in Schedule 1 (*Amended and Restated PPF2 Agreement*) ("**Amended and Restated PPF 2 Agreement**") hereto.

2.2 Save as amended by this First Amendment and Restatement Agreement, the existing PPF2 Agreement shall remain in full force and effect together with each other Transaction Document.

## 3. **AMENDMENT OF THE SECURITY DOCUMENTS**

3.1 The Buyer, the Seller, Marknad and PFL agree that any reference to "Transaction Documents" in any of the Security Documents shall be construed so as to exclude the Royalty Agreement from the definition of "Transaction Documents".

3.2 The Buyer, the Seller and PFL agree that the definition of "Nordic Mines Mining Rights" in the Finnish OpCo PPF2 Security Agreement shall be amended to read as follows:

**"Nordic Mines Mining Rights"** means the Exploration Rights, the Ore Prospecting Permits, the Mining Right and any similar rights and licenses held by the Pledgor at any time, including any expansions, modifications, alterations, pending applications of renewal and outstanding exclusive renewal rights thereof;

3.3 Save as amended by this First Amendment and Restatement Agreement, the Security Documents shall remain in full force and effect together with each other Transaction Document.

## 4. **REPRESENTATIONS, WARRANTIES AND UNDERTAKINGS**

The representations and warranties set out in Clauses 4.1 through 4.3 are made by the Seller, the Buyer and Marknad on the date of this First Amendment and Restatement Agreement and the Buyer, the Seller and Marknad each undertake to comply with the undertaking in Clause 4.4 below as of the Contingent Effective Date and as long as any Secured Obligations are outstanding.

### 4.1 **Power and authority**

It has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, this First Amendment and Restatement Agreement and the transactions contemplated by this First Amendment and Restatement Agreement.

**4.2 Binding obligations**

The obligations expressed to be assumed by it in this First Amendment and Restatement Agreement are, subject to any general principles of mandatory law limiting its obligations, legal, valid, binding and enforceable obligations.

**4.3 Non-conflict with other obligations**

The entry into and performance by it of, and the transactions contemplated by, this First Amendment and Restatement Agreement do not and will not conflict with:

- (a) any law or regulation applicable to it;
- (b) its the constitutional documents; or
- (c) any agreement or instrument binding upon it or any of its assets.

**4.4 Undertaking**

In the event that PFL seeks to exercise any of its rights or remedies under any Transaction Document following the occurrence of a Seller Event of Default, neither the Buyer nor the Seller or Marknad shall impede or delay PFL's exercise of such rights or remedies, including without limitation any applicable rights of PFL to appoint managers or directors of the Seller.

**5. CONFIRMATION BY THE SELLER, THE BUYER AND MARKNAD**

The Seller, the Buyer and Marknad each confirm that:

- (a) it agrees to the amendment and restatement of the PPF2 Agreement as contemplated by this First Amendment and Restatement Agreement and to the increase of the Contract Quantity in accordance therewith;
- (b) its respective obligations under the Transaction Documents (including any amendments made thereto) will continue in full force and effect notwithstanding the execution of this First Amendment and Restatement Agreement and the occurrence of the Contingent Effective Date and that any and all security, guarantees and indemnities created or given by it under any Transaction Document will extend to and secure and guarantee the liabilities and obligations of the Seller to the Buyer and PFL and those of the Buyer and Marknad to PFL, as applicable, under the Transaction Documents as amended by the PPF Amendment No. 1 and this First Amendment and Restatement Agreement; and
- (c) all references to the PPF2 Agreement or any of the Security Documents in any of the Transaction Documents is a reference to the PPF2 Agreement or the relevant Security Document, as applicable, as amended and restated by this First Amendment and Restatement Agreement.

6. **FORBEARANCE**

6.1 The Seller specifically acknowledges each of the Specified Defaults.

6.2 The Buyer confirms that the Specified Defaults are deemed temporarily waived in relation to the PPF2 Agreement (the "**PPF2 Forbearance**"); it being understood that the PPF2 Forbearance shall not preclude the Buyer or PFL from taking any act, whether through court action, arbitration or otherwise, to preserve and protect its rights and interests in the Collateral.

7. **APPLICABLE LAW AND JURISDICTION**

7.1 This First Amendment and Restatement Agreement is governed by the laws of Finland.

7.2 In relation to any dispute arising out of or in connection with this Agreement (including a dispute relating to the existence, validity or termination of this First Amendment and Restatement Agreement or any non-contractual obligation arising out of or in connection with this First Amendment and Restatement Agreement PFL shall elect to settle any such dispute either in accordance with Clause 7.3 or in accordance with Clause 7.4 of this First Amendment and Restatement Agreement.

7.3 Subject to Clause 7.2, any controversy, dispute or claim arising out of or relating to this First Amendment and Restatement Agreement shall be settled by the District Court of Helsinki ("*Helsingin käräjäoikeus*") as the court of first instance.

7.4 Subject to Clause 7.2, each of the Seller and the Buyer and Marknad irrevocably and unconditionally submits, for itself and its property, to the non-exclusive jurisdiction of the Federal courts sitting in the City of New York, in any action or proceeding arising out of or relating to this First Amendment and Restatement Agreement, or for recognition or enforcement of any judgment and each of the Parties irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such court. Each Party hereby irrevocably waives, to the fullest extent it may effectively do so, the defense of inconvenient forum to the maintenance of such action or proceeding. Each of the Parties agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this First Amendment and Restatement Agreement shall affect any right that PFL may otherwise have to bring any action or proceeding relating to this First Amendment and Restatement Agreement against the Seller or the Buyer or Marknad or their properties in the courts of Finland or any other jurisdiction unless specifically permitted by the terms of such document. EACH OF THE PARTIES HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAWS, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS FIRST AMENDMENT AND RESTATEMENT AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

[Signature page to follow]

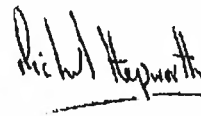
6 (7)

This First Amendment and Restatement Agreement may be executed in any number of counterparts and all of the counterparts taken together shall be deemed to constitute one and the same instrument.

IN WITNESS WHEREOF the parties have caused this First Amendment and Restatement Agreement to be executed by their duly authorised representatives on the day first above written.

NORDIC GOLD OY  
as the Seller

NORDIC GOLD CORP.  
as the Buyer

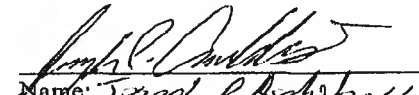
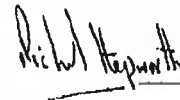


\_\_\_\_\_  
Name: Michael Hepworth  
Title: Authorized Signatory

\_\_\_\_\_  
Name: Michael Hepworth  
Title: Authorized Signatory

PFL RAAHE HOLDINGS LP

NORDIC MINES MARKNAD AB

  
\_\_\_\_\_  
Name: Joseph P. Archibald  
Title: Authorized Signatory

\_\_\_\_\_  
Name: Michael Hepworth  
Title: Authorized Signatory

**SCHEDULE 1  
AMENDED AND RESTATED  
SECOND PRE-PAID FORWARD GOLD PURCHASE AGREEMENT**



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**SECOND PRE-PAID FORWARD GOLD PURCHASE AGREEMENT**

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**originally dated**

**8 December, 2017**

**between**

**NORDIC GOLD OY**  
**(formerly Nordic Mines Oy)**  
**as Seller**

**and**

**NORDIC GOLD CORP.**  
**(formally Firesteel Resources Inc.)**  
**as Buyer**

**as amended and restated on 8 November 2018**

Section 1	Definitions .....	1
Section 2	Interpretation.....	11
Section 3	Conditions Precedent .....	12
Section 4	Sale and Purchase .....	12
Section 5	Delivery .....	12
Section 6	Title and Risk.....	14
Section 7	Purchase Price, Use of Proceeds and Other Payments.....	14
Section 8	Payments .....	18
Section 9	Events of Default .....	20
Section 10	Remedies.....	21
Section 11	Indemnities and Limitations of Liability .....	21
Section 12	Confidentiality .....	22
Section 13	Governing Law and Jurisdiction.....	23
Section 14	Notices .....	24
Section 15	Taxes and Other Taxes .....	25
Section 16	Rights of Set-Off and Suspension of Delivery Obligations.....	26
Section 17	Judgment Currency .....	28
Section 18	Miscellaneous .....	28
Section 19	General.....	29
Section 20	Supplemental and Equity Financing Remedies .....	29

**SCHEDULES**

**Schedule A — Sites**

**Schedule B — Production Forecast**

**Schedule C — Required Terms of Mineral Sales Contract/Refining Agreement**

**Schedule D — Mining Concessions and Current Ownership**

**Schedule E — Permits**

**Schedule F — Delivery Schedule**

## SECOND PRE-PAID FORWARD GOLD PURCHASE AGREEMENT

This **PRE-PAID FORWARD GOLD PURCHASE AGREEMENT** (this “**Agreement**”) dated November 10, 2017 is made among NORDIC GOLD OY (formerly known as Nordic Mines Oy) (the “**Seller**”), a company incorporated under the laws of Finland, and NORDIC GOLD CORP. (formally known as Firesteel Resources Inc.) (the “**Buyer**”), a company incorporated under the laws of Alberta. The Buyer and the Seller shall be considered each a “**Party**” and together the “**Parties.**”

### RECITALS

**WHEREAS** the Seller owns and/or has rights to, and operates the Sites (as defined below) in Finland and expects to produce gold, among other Minerals (as defined below), from the Mine (as defined below) throughout the term of this Agreement;

**AND WHEREAS** the Seller wishes to sell to the Buyer, and the Buyer wishes to purchase from the Seller, the Contract Quantity (as defined below) of Gold. The Buyer has from the Seller receivables of approximately EUR 31.1 million (the “**Firesteel Receivable**”), approximately US\$3,000,000 equivalent to the Supplemental Tranche 1 Gold Prepayment Amount (the “**Tranche 1 Payment**”) and approximately US\$4,000,000 equivalent to the Supplemental Tranche 2 Gold Prepayment Amount (the “**Tranche 2 Payment**”). In consideration for such sale of Gold, an amount corresponding to USD 20,600,000 of the Firesteel Receivable and the full amounts of the Tranche 1 Payment and the Tranche 2 Payment shall be treated as the Gold Prepayment Amount under this Agreement and the remainder of the Firesteel Receivable shall remain owing as money debt by the Seller to the Buyer. In addition, the Buyer shall pay the remainder of the consideration for such sale of Gold, if any, following Delivery, on and subject to the terms and conditions specified herein;

**AND WHEREAS** the Buyer has on November 10, 2017 entered into a pre-paid forward gold purchase agreement as seller with PFL Raahe Holdings LP (“**PFL**”) as buyer, as amended by an amendment and forbearance No. 1 to the pre-paid forward gold purchase agreement dated October 15, 2018 (the “**PPF Agreement**”) under which the Buyer shall sell Gold to PFL in quantity corresponding to the Contract Quantity (as defined below) of Gold;

**AND WHEREAS** the Buyer, the Seller and PFL have on or about the date hereof entered into a direct agreement (the “**Direct Agreement**”) relating to PFL's rights to exercise certain rights of the Parties to this Agreement hereunder on and subject to the terms and conditions specified in the Direct Agreement;

**NOW THEREFORE** in consideration of the premises, mutual covenants, representations and warranties made herein, and of the mutual benefits to be derived hereby, and for other good, fair and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the Parties, the Parties hereby agree as follows:

### **Section 1 Definitions**

As used in this Agreement, the following terms have the following meanings:

“**Actual Monthly Quantity**” means, with respect to each Monthly Delivery Date, the amount of Gold in Ounces actually Delivered by or on behalf of the Seller to the Buyer on such Monthly Delivery Date.

“**Additional Gold Payment Amount**” has the meaning given to it in Section 7(2).

**“Additional Gold Payment Date”** means, in respect of each Monthly Delivery Date, the date that falls two (2) Business Days after such Monthly Delivery Date.

**“Affiliate”** means, with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

**“Agreement”** has the meaning specified in the Preamble.

**“Applicable Laws”** means all laws, statutes, regulations, Environmental Laws, Applicable Securities Laws, ordinances, codes of practice, circulars, guidance, common law, civil law, rules, by-laws, policies, guidelines, treaties and regulations, and all directives, orders, judgments, decisions, injunctions, awards and decrees of any Authority, and interpretations of any applicable laws by any Authority, in each case whether or not having the force of law.

**“Applicable Securities Laws”** means all applicable securities laws of Canada, Finland, Sweden, the European Union, and the United States, as applicable, and the respective rules and regulations under such laws together with applicable published fee schedules, prescribed forms, policy statements, national or multilateral instruments, orders, blanket rulings and other applicable regulatory instruments of the securities regulatory authorities in any of Canada, Finland, Sweden, the European Union, and the United States, as applicable, and such other jurisdictions as may be mutually acceptable to the Seller and the Buyer.

**“Authority”** means any national, regional, state, municipal or local government or governmental, administrative, fiscal, judicial, arbitral or government-owned body, department, commission, authority, tribunal, agency or entity, or central bank (or any Person, whether or not government-owned and howsoever constituted or called, that exercises the functions of a central bank), including but not limited to the Finnish Authority.

**“Base Minimum Price”** has the meaning specified in Section 7(3)(a)(iii).

**“Base Spot Price”** means US\$1,200.

**“Business Day”** means any day other than a Saturday or Sunday on which commercial banks in London, New York City, Toronto and Helsinki are open for general business and on which the Gold Price is published on the Reference Price Source.

**“Buyer”** has the meaning specified in the Preamble.

**“Buyer Event of Default”** means, as applicable, an Event of Default with respect to the Buyer.

**“Buyer’s Unallocated Gold Account”** means the unallocated gold account of the Buyer or PFL to be designated by the Buyer in accordance with this Agreement on or prior to the PPF2 Effective Date.

**“Contract Quantity”** means a quantity of Gold to be Delivered as follows:

- (a) (i) 0 Ounces of Gold for each of the 24 calendar months following the calendar month in which the Gold Prepayment Amount is paid on the Effective Date, (ii) 2,200 Ounces of Gold for the 1 calendar month thereafter, (iii) 2,070 Ounces of Gold for each of the 12 calendar months thereafter, (iv) 1,940 Ounces of Gold for each of the 12 calendar months

thereafter, (v) 980 Ounces of Gold for each of the 12 calendar months thereafter; and 1,090 Ounces of Gold for each of the 8 calendar months thereafter; *plus*

- (b) each of the Supplemental Tranche Quantities; *plus*
- (c) any Ounces of Gold to be delivered pursuant to Section 7(3) under this Agreement.

For the avoidance of doubt, the quantities of Gold listed in subclauses (a) through (c) hereof shall be in addition to the quantities of Gold listed in each other subclause hereof, as applicable.

“**Control**” of any Person means the power (whether by way of ownership of shares, proxy, contract, agency or otherwise) to, directly or indirectly, (a) cast, or control the casting of, more than 50% of the maximum number of votes that might be cast at a general meeting of such Person; (b) appoint or remove all, or the majority, of the directors or other equivalent officers of such Person; or (c) otherwise direct or cause the direction of the management of such Person.

“**Debt**” of any Person means (a) all indebtedness of such Person for borrowed money or on account of borrowings of commodities, bankers’ acceptances, letters of credit or letters of guarantee, (b) all indebtedness of such Person for the deferred purchase price of property or services represented by a note, bond, debenture or other evidence of Debt, (c) all indebtedness created or arising under any conditional sale or other title retention agreement with respect to property acquired by such Person (even though the rights and remedies of the vendor under such agreement in the event of default are limited to repossession or sale of such property), (d) all current liabilities of such Person represented by a note, bond, debenture or other evidence of Debt, (e) all obligations under leases that have been or should be, in accordance with GAAP or IFRS, as applicable, recorded as capital leases in respect of which such Person is liable as lessee, (f) all obligations of such Person in respect of a prepaid purchase or forward purchase transaction and all obligations that would in accordance with GAAP or IFRS, as applicable, be accounted for as deferred revenue, (g) any royalty obligations and (h) any guarantee, indemnification or other similar obligation in respect of an obligation of any other Person of the type referred to in (a) to (h), above. For the avoidance of doubt, any trade accounts payable incurred in the ordinary course of business and not past due for more than 91 days after the date on which each such trade payable or account payable was created are excluded from the definition hereof.

“**Default Interest Rate**” means, as of any date of calculation, a rate equal to LIBOR for such date plus 2% *per annum*.

“**Defaulting Party**” has the meaning specified in Section 10(1)

“**Delivery**” means the delivery of Gold by the Seller to the Buyer by means of credit to the Buyer’s Unallocated Gold Account and “**Deliver**” and “**Delivered**” shall have corresponding meanings. For the avoidance of doubt, Delivery shall be deemed to have occurred at the time that Gold is credited to the Buyer’s Unallocated Gold Account.

“**Disclosing Party**” has the meaning specified in Section 12(1)(a).

“**Early Termination Amount**” has the meaning specified in Section 5(10).

“**Early Termination Date**” has the meaning specified in Section 10(1).

“**Environment**” means all components of the earth, including: air (including air within any building or other natural or man-made structure), water, land, flora, fauna, ecosystems and man, and any sewer system.

“**Environmental Laws**” means any and all Applicable Laws concerning pollution or the protection of the Environment, human health or welfare, the conditions of the workplace or the generation, transportation, storage, treatment or disposal of any Hazardous Substance, including civil or common law responsibility for acts of omission with respect to the Environment, and all Permits issued pursuant to such laws.

“**Environmental Liabilities**” means any cost, damage, expense, liability, obligation or other responsibility arising from or under Environmental Laws and consisting of or relating to: (a) any environmental conditions (including on-site or off-site contamination, and regulation of Hazardous Substances); (b) fines, penalties, judgments, awards, settlements, legal or administrative proceedings, damages, losses, claims, demands and responses, investigative, remedial, monitoring or inspection costs and expenses arising under Environmental Laws; (c) cleanup costs or corrective action, including any investigation, cleanup, removal, containment, monitoring or other remediation or response actions required by Environmental Laws (whether or not such has been required or requested by any Authority or any other Person) and for any natural resource damages; or (d) any other compliance, corrective, investigative, notice or remedial measures required under Environmental Laws; provided, however, that Environmental Liabilities shall not include any reclamation obligations of the Seller, or any of its respective Affiliates or the foregoing arising in the ordinary course of business under the Permits, the Mining Concessions or Applicable Laws which reclamation obligations relate to the exploration, start-up, development, expansion of production or operation of the Sites.

“**EUR**” means the lawful currency of the European Union.

“**Event of Default**” has the meaning specified in Section 9(1) in relation to the Seller and Section 9(2) in relation to the Buyer.

“**Finland**” means the Republic of Finland.

“**Finnish Authority**” means the government of Finland, or any political subdivision thereof, whether provincial, regional, territorial, municipal or local, and any agency, authority, instrumentality, judicial or administrative, regulatory body, self-regulatory authority or body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national body exercising such powers or functions), including but not limited to the Finnish Safety and Chemicals Agency (Tukes) (Fi: *Turvallisuus- ja kemikaalivirasto (Tukes)*) and the Finnish Patent and Registration Office (Fi: *Patentti- ja rekisterihallitus*).

“**Finnish OpCo PPF2 Security Agreement**” means the security agreement dated on or about the PPF2 Effective Date between the Seller, as grantor, and the Buyer, as beneficiary, relating to the Mining Concessions and business mortgage of the Seller.

“**GAAP**” means, in relation to any Person at any time, accounting principles generally accepted in Finland, applied on a basis consistent with the most recent audited financial statements of such Person (except for changes approved by the auditors of such Person).

“**Gold**” means the gold bars or unallocated gold, derived from all the Produced Gold, complying with the rules of the LBMA from time to time in effect relating to good delivery and fineness.

“**Gold Prepayment Amount**” has the meaning given to it in Section 7.

“**Gold Price**” means the LBMA Gold Price PM.

“**Gold Price Discount**” means US\$500/Ounce.

“**Gold Shortfall**” means, for any Monthly Delivery Date, the amount in Ounces (if any) by which A exceeds B, where:

A is equal to the Scheduled Monthly Quantity for such Monthly Delivery Date; and

B is equal to the Actual Monthly Quantity Delivered with respect to such Monthly Delivery Date, excluding any Gold Shortfall Delivered in respect of a prior Scheduled Delivery Month.

“**Gold Shortfall Replacement Cost**” means, for any Monthly Delivery Date, an amount in US Dollars equal to the product of the Gold Shortfall and the Gold Price on such Monthly Delivery Date.

“**Hazardous Substance**” means any substance, product, liquid, waste, pollutant, chemical, contaminant, insecticide, pesticide, gaseous or solid matter, organic or inorganic matter, fuel, micro-organism, ray, odor radiation, energy, vector, plasma, constituent or material that: (a) is or becomes listed, regulated or addressed under any Environmental Law; or (b) is, or is deemed to be alone or in any combination, hazardous, hazardous waste, toxic, a pollutant, a deleterious substance, a contaminant or a source of pollution or contamination under any Environmental Law, including, asbestos, petroleum and polychlorinated byphenyls, including petroleum or petroleum distillates, asbestos or asbestos-containing materials, polychlorinated byphenyls, radon gas, infectious or medical wastes and all other substances or wastes of any nature regulated pursuant to any Environmental Law.

“**IFRS**” means, in relation to any Person at any time, the International Financial Reporting Standards, applied on a basis consistent with the most recent audited financial statements of such Person (except for changes approved by the auditors of such Person).

“**Indemnified Person**” has the meaning given to it in Section 11.

“**Judgment Currency**” has the meaning specified in Section 17(2).

“**Laiva Project**” means the gold mining project of the Seller referred to as the Laiva Project, located within the boundaries of Northern Ostrobothnia, western Finland, centered on 2328500 mE, 7161000 mN (Finnish Coordinate System Zone 2), situated 20 km southeast of the nearest town, Raahe, and 70 km south of Oulu, which is the closest regional centre, and all properties, assets, facilities, equipment, rights, titles, interests, contracts, Consents and Permits associated directly or indirectly in any manner whatsoever therewith.

“**LBMA**” means the London Bullion Market Association or its successor.

“**LBMA Gold Price PM**” means, with respect to any pricing date, the afternoon London gold price per troy ounce of gold for delivery in London through a member of the LBMA authorized to effect such delivery, stated in US Dollars, as calculated and administered by independent service provider(s), pursuant to an agreement with the LBMA. In the event that such reference price ceases to exist, the LBMA Gold Price PM will be based on a comparable, publicly available and widely recognized source or mechanism as determined in the sole and absolute discretion of the Buyer, acting reasonably.



**“LIBOR”** means: (a) for any calculation date that is a Business Day, an interest rate *per annum* equal to the average of the rates which leading banks in the London interbank markets shall quote and offer to the Buyer for placing overnight deposits on such day with the Buyer in US Dollars (“LIBOR”) at approximately 10:00 a.m. (London time) two Business Days prior to such date; and (b) for any calculation date that is not a Business Day, LIBOR at approximately 10:00 a.m. (London Time) on the Business Day prior to such date. Notwithstanding the foregoing, if LIBOR shall be less than 0%, such rate shall be deemed to be 0% for purposes of this Agreement.

**“Lien”** means any mortgage, charge (whether fixed, floating or otherwise), pledge, hypothecation, security interest, assignment, trust encumbrance (whether transferred in trust, security trust or otherwise), lien (statutory or otherwise), 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.

**“Material Adverse Effect”** has the meaning given to such term in the PPF Agreement.

**“Mine”** means the Site named as the Laiva Project, located in Northern Ostrobothnia, western Finland, centred on 2328500 mE, 7161000 mN (Finnish Coordinate System, Zone 2), situated 20 km southeast of the nearest town, Raahe, and 70 km south of Oulu, which is the closest regional centre.

**“Mine Properties”** means the real estate owned by the Seller where the Mine is located, namely the property registered under real estate register number 678-411-15-68 with an area of 287.3 hectares located in Raahe registered on August 25, 2012 and 678-412-88-5 with an area of 610.6 hectares located in Raahe registered on July 29, 2011.

**“Minerals”** means any and all marketable minerals or materials (including gold) in whatever form or state that is mined, extracted, removed, produced or otherwise recovered from the Mining Concessions, including any such material derived from any processing or reprocessing of any tailings, waste rock or other waste products originally derived from the Mining Concessions, and including ore and/or mineralized rock or other products resulting from the further milling, processing or other beneficiation of Minerals, including concentrates or doré bars.

**“Mineral Sales Contract/Refining Agreement”** means the Mineral Sales Contract/Refining Agreement, to be executed by and among the Seller and/or any gold producing Subsidiaries of the Buyer, as depositors; the Buyer and/or PFL; and an Offtaker, to purchase or refine all gold-containing concentrate or doré produced by the Seller and/or any gold producing Subsidiaries of the Buyer.

**“Minimum Price”** has the meaning specified in Section 7(3)(a)(iii).

**“Minimum Price Protection Adjustment”** has the meaning specified in Section 7(3)(a)(iv).

**“Mining Concessions”** means those certain mining concession rights granted by any Finnish Authority to the Seller, or to third parties, as listed in Schedule D as amended and supplemented from time to time, including all “step-in” rights, interests, privileges and mining rights under Applicable Laws, and any amendment or modification to the aforesaid concession or any future extraction concession relating to any area within the such concession, including any rights, privileges and interests that the Seller may acquire in the surface, mineral and subsurface lands and other property rights within the area of said concession.

**“Monthly Delivery Date”** means the fourth Business Day prior to the last calendar day of the Scheduled Delivery Month.

**“Monthly Delivery Pricing Date”** means the last Business Day of the Scheduled Delivery Month.

**“Monthly Payable Production”** means the quantity of gold produced from the Laiva Project attributable to the Seller and paid for by or on behalf of the Seller for each calendar month, determined in accordance with the relevant Mineral Sales Contract/Refining Agreement.

**“Non-Defaulting Party”** has the meaning specified in Section 10.

**“Obligors”** has the meaning specified in the Preamble.

**“Offtaker”** means any Person that purchases Minerals from the Seller or that takes delivery of Minerals for the purpose of smelting, refining or other beneficiation of such Minerals for the benefit of the Seller.

**“Original Currency”** has the meaning specified in Section 17(2).

**“Other Taxes”** means any present or future stamp or documentary taxes or any other exercise or property taxes, charges, financial institutions duties, debits taxes or similar levies, together with any interest and any penalties, additions to tax or additional amounts with respect thereto.

**“Ounce”** means a fine troy ounce.

**“Party”** has the meaning specified in the Preamble.

**“Paying Party”** has the meaning specified in Section 17(3).

**“Permits”** means any permit, license, certificate, consent, approval, registration, waiver or other authorization issued or required to be issued, by any Authority, including any such Permit required under Environmental Law and any and all Permits that are necessary and required to be obtained at any particular time to undertake and conduct the business of the Seller, including (i) the start-up, development, expansion of development or operation of Sites or the Mining Concessions; or (ii) the financial condition of the Seller; each set out in Schedule E.

**“Person”** means a natural person, partnership, corporation, joint stock company, trust, unincorporated association, joint venture or Authority, and pronouns have a similarly extended meaning.

**“PPF2 Effective Date”** means the Effective Date referred to in the PPF Agreement.

**“Pre-Supplemental Tranche 2 Equity”** means the aggregate amount of equity raised by the Buyer prior to the Supplemental Tranche 2 Date.

**“Prepayment Date”** has the meaning specified in Section 7(5)(b).

**“Prepayment Notice”** means a notice, in such form as the Buyer and PFL may approve, by the Seller to make a prepayment in order to reduce the Seller’s obligations to deliver the Supplemental Tranche Quantities.

**“Prepayment Periods”** means each of the Supplemental Tranche 1 Prepayment Period and the Supplemental Tranche 2 Prepayment Period.

**“Prepayment Period End Date”** means June 30, 2019.

**“Price Point”** has the meaning specified in Section 7(3)(a).

**“Produced Gold”** means any and all gold in whatever form or state that is mined, produced, extracted or otherwise recovered from the Mining Concessions and the Mine, including any gold derived from any processing or reprocessing of any tailings, waste rock or other waste products originally derived from the Mining Concessions, and including gold contained in any ore and/or mineralized rock or other products resulting from the further milling, processing or other beneficiation of Minerals, including concentrates and doré bars.

**“Production Forecast”** means an annually updated forecast of production of gold from the Mine for a period commencing on the date of such update and ending on the eight (8) year anniversary of the PPF2 Effective Date, which includes (a) forecasted production for the next 21 months of operation on a monthly basis and (b) forecasted production thereafter on an annual basis, and is in the form attached as Schedule B hereto.

**“Quantity”** has the meaning specified in Section 7(3)(b).

**“Receiving Party”** has the meaning specified in Section 17(3).

**“Recipient”** has the meaning specified in Section 12.

**“Reference Price Source”** mean, with respect to gold, Bloomberg, any other comparable index or any comparable, publicly available and widely recognized source or mechanism, each as determined in the sole and absolute discretion of the Buyer.

**“Related Party”** means in respect of the Seller or any of its Affiliates: (a) a Person which alone or in combination with others holds a sufficient number of securities or has contractual rights sufficient to affect materially the control of Seller, or any of its Affiliates; (b) a Person in respect of which a Person referred to in clause (a) alone or in combination with others holds a sufficient number of securities or has contractual rights sufficient to affect materially its control; (c) a Person in respect of which the Seller, or any of its Affiliates alone or in combination with others holds a sufficient number of securities or has contractual rights sufficient to affect materially its control; (d) a Person who beneficially owns, directly or indirectly, voting securities of the Seller, or any of its Affiliates or who exercises control or direction over voting securities of the Seller, or any of its Affiliates or a combination of both carrying more than 10% of the voting rights attached to all voting securities of the Seller, or any of its Affiliates for the time being outstanding; (e) a director or senior officer of the Seller, or its Affiliates, or related party of the Seller, or its Affiliate; or (f) an Affiliate of any of the foregoing.

**“Scheduled Delivery Month”** means the 69 calendar months following the month in which the PPF2 Effective Date occurs, in accordance with this Agreement and including any months pursuant to Section 7(3) under this Agreement.

**“Scheduled Monthly Quantity”** means:

- (a) (i) 0 Ounces of Gold for each of the 24 calendar months following the calendar month in which the Gold Prepayment Amount is paid on the PPF2 Effective Date, (ii) 2,200 Ounces of Gold for the 1 calendar months thereafter, (iii) 2,070 Ounces of Gold for each of the 12 calendar months thereafter, (iv) 1,940 Ounces of Gold for each of the 12 calendar months thereafter, and (v) 980 Ounces of Gold for each of the 12 calendar months thereafter; and 1,090 Ounces of Gold for each of the 8 calendar months thereafter; *plus*
- (b) each of the Supplemental Tranche Quantities; *plus*

(c) any Ounces of Gold to be delivered pursuant to Section 7(3) under this Agreement.

For the avoidance of doubt, the quantities of Gold listed in subclauses (a) through (c) hereof shall be in addition to the quantities of Gold listed in each other subclause hereof, as applicable.

“**Seller**” has the meaning specified in the Preamble.

“**Seller Event of Default**” means an Event of Default with respect to the Seller.

“**Settlement Price**” means, with respect to gold, the LBMA Gold Price PM.

“**Sites**” means all assets needed to conduct mining activities by Seller on the Mining Concessions, including but not limited to the Mining Concessions, real property, lands, rights to use or possess real property or lands, mills, equipment, tools, spare parts, infrastructure, roads, permits, etc., identified as belonging to the Seller, as set out in Schedule A.

“**Specified Quantity**” has the meaning specified in Section 7(3)(a)(ii).

“**Subsidiary**” means, with respect to any Person at any time, any other Person the accounts of which would be consolidated with those of such Person in such Person’s consolidated financial statements if such financial statements were prepared in accordance with IFRS as well as any other Person (a) of which securities or other ownership interests representing more than 50% of the equity or more than 50% of the ordinary voting power or, in the case of a partnership, more than 50% of the general partnership interests are, as of such date, owned, controlled or held, by such Person or (b) that is, as of such date, otherwise Controlled by such Person.

“**Supplemental Tranche 1 Date**” means the date on which (a) the conditions precedent set forth in Section 3(2) of the PPF Agreement have been satisfied in accordance with the terms thereof and (b) PFL makes an installment payment of the Gold Prepayment Amount to the Buyer / the Seller in an amount equal to the Supplemental Tranche 1 Gold Prepayment Amount.

“**Supplemental Tranche 1 Gold Prepayment Amount**” means US\$3,000,000.

“**Supplemental Tranche 1 Prepayment Period**” means the period beginning on the Supplemental Tranche 1 Date and ending on the Prepayment Period End Date (including the days on which such period begins and ends).

“**Supplemental Tranche 1 Quantity**” means (a) 0 Ounces of Gold for each of the 14 calendar months following the calendar month in which the Gold Prepayment Amount is paid on the Supplemental Tranche 1 Date, (b) 220 Ounces of Gold for the 1 calendar month thereafter, (c) 200 Ounces of Gold for each of the 12 calendar months thereafter, (d) 180 Ounces of Gold for each of the 12 calendar months thereafter, (e) 245 Ounces of Gold for each of the 12 calendar months thereafter; and (f) 230 Ounces of Gold for each of the 8 calendar months thereafter; provided that the Supplemental Tranche 1 Quantity may be reduced pursuant to Section 7(5).

“**Supplemental Tranche 2 Date**” means the date on which (a) the conditions precedent set forth in Section 3(3) of the PPF Agreement have been satisfied in accordance with the terms thereof and (b) PFL makes an installment payment of the Gold Prepayment Amount to the Buyer/the Seller in an amount equal to the Supplemental Tranche 2 Gold Prepayment Amount.

**“Supplemental Tranche 2 Gold Prepayment Amount”** means US\$4,000,000, less the Pre-Supplemental Tranche 2 Equity; provided that in no event shall the Supplemental Tranche 2 Gold Prepayment amount be less than zero.

**“Supplemental Tranche 2 Prepayment Period”** means the period beginning on the Supplemental Tranche 2 Date and ending on the Prepayment Period End Date (including the days on which such period begins and ends).

**“Supplemental Tranche 2 Quantity”** means (a) 0 Ounces of Gold for each of the 13 calendar months following the calendar month in which the Gold Prepayment Amount is paid on the Effective Date, (b) 275 Ounces of Gold for the 1 calendar month thereafter, (c) 255 Ounces of Gold for each of the 12 calendar months thereafter, (d) 220 Ounces of Gold for each of the 12 calendar months thereafter, (e) 345 Ounces of Gold for each of the 12 calendar months thereafter, and (f) 330 Ounces of Gold for each of the 8 calendar months thereafter; provided that the Supplemental Tranche 2 Quantity may be reduced pursuant to Section 7(5).

**“Supplemental Tranche Quantities”** means each of the Supplemental Tranche 1 Quantity and the Supplemental Tranche 2 Quantity.

**“Supplemental Tranches Dollar Equivalent”** means:

$$B_1 + B_2 + 16.6\% * (B_1 * (D_1 / 360) + B_2 * (D_2 / 360))$$

where  $B_1$  is the Supplemental Tranche 1 Gold Prepayment Amount,  $B_2$  is the Supplemental Tranche 2 Gold Prepayment Amount,  $D_1$  is the total number of days occurring during the Supplemental Tranche 1 Prepayment Period, and  $D_2$  is the total number of days occurring during the Supplemental Tranche 2 Prepayment Period.

**“Suspension Month”** has the meaning specified in Section 16(2).

**“Tax”** or **“Taxes”** means all national, federal, state, regional, provincial, municipal local, foreign and other net income, gross income (“income tax”), gross receipts, sales (“VAT or IVA”), use, ad valorem, transfer, franchise, profits, license, lease, service, goods and services, harmonized sales, value added, withholding, payroll, employment, excise, severance, stamp (“timbre”), occupation premium, property, windfall profits, fuel, gas import, customs, duties or other taxes, fees, assessments or charges of any kind whatsoever imposed by any Authority, whether in effect at the time of this Agreement or thereafter imposed, together with any interest and any penalties, additions to tax or additional amounts with respect thereto.

**“Term of this Agreement”** means the period commencing on the PPF2 Effective Date and ending on the final Monthly Delivery Date or the Early Termination Date, as applicable.

**“United States”** and **“US”** means the United States of America.

**“US Dollar,” “US\$,”** and **“\$”** means the lawful currency of the United States.

## Section 2 Interpretation

- (1) In this Agreement, unless the contrary intention appears, a reference:
  - (a) To a document (including this Agreement or the Finnish OpCo PPF2 Security Agreement) is to that document as varied, amended, novated or replaced from time to time, otherwise than in breach of this Agreement or of that document;
  - (b) To the singular includes the plural and vice versa, and to a gender includes all genders;
  - (c) To any rules, statute or to any treaty or statutory provision includes any modification or re-enactment of it or any treaty or provision substituted for it, and all protocols, rules, guidelines, procedures, ordinances, by-laws, regulations, rules and statutory instruments (however described) issued under it;
  - (d) To a date or time is to that date or time in New York unless otherwise specified; and
  - (e) To the words “including” and “include” shall mean “including without limitation” and “include without limitation,” respectively.
- (2) The headings do not affect the interpretation of this Agreement and the Schedules form part of this Agreement.
- (3) For purposes of this Agreement, weights in Ounces and prices per Ounce shall be rounded to two decimal places (in each case with 0.005 being rounded upward).
- (4) In this Agreement the words “Section” or “Sections” and “Schedule” or “Schedules” refer to Sections of and Schedules to this Agreement.
- (5) Accounting Terms and Determinations: GAAP. Except as otherwise expressly provided herein, all terms of an accounting or financial nature shall be construed in accordance with GAAP, as in effect from time to time; provided that, if the Seller notifies the Buyer that the Seller requests an amendment to any provision hereof to eliminate the effect of any change occurring after the date hereof in GAAP or in the application thereof on the operation of such provision (or if the Buyer notifies the Seller that the Buyer requests an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith. Notwithstanding any other provision contained herein, all terms of an accounting or financial nature used herein shall be construed, and all computations of amounts and ratios referred to herein shall be made (i) without giving effect to any election under Accounting Standards Codification 825-10-25 (previously referred to as Statement of Financial Accounting Standards 159) (or any other Accounting Standards Codification or Financial Accounting Standard having a similar result or effect), to value any Debt or other liabilities of the Seller or any Subsidiary at “fair value,” as defined therein, (ii) without giving effect to any treatment of Debt in respect of convertible debt instruments under Accounting Standards Codification 470-20, to value any such Debt in a reduced or bifurcated manner as described therein, and such Debt shall at all times be valued at the full stated principal amount thereof and (iii) without giving effect to any change to lease accounting rules from those in effect on the date hereof pursuant to Accounting Standards Codification 840 and other lease accounting guidance as in effect on the date hereof.

- (6) Time of Day. Unless otherwise specified, all references herein to time of day shall be references to Eastern time (daylight or standard, as applicable).
- (7) Currency Equivalents. For purposes of determining aggregate amounts and percentages across amounts in different currencies, all such amounts in all currencies shall be expressed in their respective US Dollar equivalents, which equivalents shall be determined by the Buyer in good faith using currency exchange rates in effect on the date of such determination.

### **Section 3 Conditions Precedent**

- (1) The obligation of the Buyer to purchase Gold and to pay the purchase price therefor pursuant to this Agreement shall become effective on the PPF2 Effective Date.
- (2) The conditions precedent set out in Section 3(2) of the PPF Agreement shall apply to the Supplemental Tranche 1 Date.
- (3) The conditions precedent set out in Section 3(3) of the PPF Agreement shall apply to the Supplemental Tranche 2 Date.

### **Section 4 Sale and Purchase**

- (1) Subject to the terms and conditions of this Agreement, the Seller shall sell to the Buyer and the Buyer shall buy from the Seller the Contract Quantity of Gold free and clear of all Liens.
- (2) The Contract Quantity of Gold shall be Delivered during the Term of this Agreement on each Monthly Delivery Date by Delivery of the Scheduled Monthly Quantity in accordance with the provisions of this Agreement.
- (3) The purchase price shall be paid during the Term of this Agreement in accordance with Section 7 hereof.

### **Section 5 Delivery**

- (1) Notwithstanding any other Section of this Agreement, the Seller may satisfy its obligations relating to Delivery of Gold to the Buyer under this Agreement by making such Delivery to PFL.
- (2) Subject to any reduction pursuant to Section 20(3), on each Monthly Delivery Date, the Seller shall Deliver or shall cause to be Delivered to the Buyer the Scheduled Monthly Quantity of Gold for such Monthly Delivery Date. All Gold required to be Delivered pursuant to this Agreement shall be "Gold" as defined herein and shall be Delivered to Buyer free and clear of any Liens and any adverse claims of any description.
- (3) On each Monthly Delivery Date, the Seller shall Deliver to the Buyer the Scheduled Monthly Quantity of Gold for such Monthly Delivery Date. All Gold required to be Delivered pursuant to this Agreement shall be "Gold" as defined herein and shall be Delivered to Buyer free and clear of any Liens and any adverse claims of any description.
- (4) The Seller shall have the right, but not the obligation, to Deliver or cause to be Delivered to the Buyer, at any time prior to the end of the preceding calendar month, the Scheduled Monthly Quantity of Gold for the immediately succeeding Monthly Delivery Date to fulfill its obligation

- to Deliver Gold with respect to such Monthly Delivery Date. In connection with such Delivery, the Seller shall be deemed to have satisfied its obligation to Deliver Gold with respect to such immediately succeeding Monthly Delivery Date and have the right to receive all proceeds from the Offtaker during the month to which such Monthly Delivery Date relates with respect to any gold produced by the Seller. In connection with such Delivery, the date of Delivery shall be specified by the Seller and pricing date for such Delivery shall be the next Business Day following Delivery. The settlement date for such Delivery shall be two (2) Business Days following the pricing date.
- (5) The Seller agrees to convey and properly transfer all legal and beneficial right, interest and title in the Actual Monthly Quantity upon each Delivery.
  - (6) All costs, charges or expenses pertaining to the deposit of the Gold to the Buyer's Unallocated Gold Account and the credit of such Gold to such account, including but not limited to those associated with the production, transport, warehousing (including insurance), customs, taxes, royalties and fees payable to the Finnish government, refining and Delivery of any Gold shall be borne by the Seller and will not affect in any manner the Contract Quantity of Gold to be credited to the Buyer's Unallocated Gold Account.
  - (7) Any obligation to Deliver Gold on a Monthly Delivery Date that is not performed in full on such Monthly Delivery Date shall be converted into, to the extent of the Gold Shortfall, an obligation of the Seller to pay to the Buyer in US Dollars an amount equal to the product of the Gold Shortfall and the Gold Price Discount on such Monthly Delivery Date. Such obligation shall bear interest at the Default Interest Rate and shall be payable on demand.
  - (8) If the Seller notifies the Buyer at least two Business Days prior to any Monthly Delivery Date that the Seller will not be able to Deliver all or any portion of the Scheduled Monthly Quantity of Gold on such Monthly Delivery Date but that the Seller reasonably expects to be able to deliver the Gold Shortfall, as adjusted in accordance with this Section 5(8), within thirty (30) days of such Monthly Delivery Date, then the Seller shall Deliver a quantity of Gold within thirty (30) days of such Monthly Delivery Date with a value (based on the Gold Price and the Gold Price Discount on the date of actual delivery) equal to the sum of (i) the product of the Gold Shortfall and the Gold Price Discount on the Monthly Delivery Date; and (ii) the interest on an amount equal to the product of the Gold Shortfall and the Gold Price Discount from the Monthly Delivery Date to the date of actual delivery, calculated based on the Default Interest Rate. The Seller may exercise the rights set forth in this Section 5(8) no more frequently than twice in total during the Term of this Agreement and no more frequently than once during any twelve (12) month period. If the Seller fails to perform in accordance with this Section 5(8), then the Seller shall be obligated to make the payment provided for in Section 5(7) within ten (10) days following such failure (with Seller's obligation under Section 5(7) bearing interest at the Default Interest Rate from the Monthly Delivery Date), all as if this Section 5(8) had never applied.
  - (9) If the Seller notifies the Buyer at least thirty (30) days prior to any Monthly Delivery Date that the Seller will not be able to Deliver all or any portion of the Scheduled Monthly Quantity of Gold on such Monthly Delivery Date, but that the Seller reasonably expects to be able to deliver the Gold Shortfall within thirty (30) days of such Monthly Delivery Date, then the Seller shall deliver such quantity of Gold within thirty (30) days of such Monthly Delivery Date with a value (based on the Gold Price and the Gold Price Discount on the date of actual delivery) equal to the sum of (i) the product of the Gold Shortfall and the Gold Price Discount on the Monthly Delivery Date; and (ii) the interest on an amount equal to the product of the Gold Shortfall and the Gold Price Discount from the Monthly Delivery Date to the date of actual delivery, calculated based on



the Default Interest Rate. The Seller may exercise the rights set forth in this Section 5(9) no more frequently than twice in total during the Term of this Agreement and no more frequently than once during any six (6) month period. The Seller's rights set forth in this Section 5(9) may not be combined with any other curative provision, including the curative provisions in Section 5(8). If the Seller fails to perform in accordance with this Section 5(9), then the Seller shall be obligated to make the payment provided for in Section 5(7) within ten (10) days following such failure (with Seller's obligation under Section 5(7) bearing interest at the Default Interest Rate from the Monthly Delivery Date), all as if this Section 5(9) had never applied.

- (10) Subject to Section 20(4), at any time, the Seller may request a calculation of the amount then required to prepay its Gold Delivery obligations (the "**Early Termination Amount**"). Upon thirty (30) days' prior written notice, the Seller may cause the early termination of this Agreement by delivering to the Buyer a payment equal to the Early Termination Amount. The Early Termination Amount means an amount equal to:
- (i) the product of the amount of Contract Quantity of Gold that has not been Delivered on any Monthly Delivery Date excluding the amounts of Gold satisfied by conversion into an obligation of the Seller to pay the Buyer in US Dollars pursuant to Section 5(7), and the Gold Price Discount;
  - (ii) *less* the value of any minimum price protection adjustment as described in Section 7(3) (as determined by the Buyer in a commercially reasonable manner);
  - (iii) *plus* any other unpaid amounts due and owing to the Buyer;
  - (iv) *less* any unpaid amounts due and owing to the Seller;
  - (v) *plus* the greater of zero and the product of (A) 50% of the Monthly Payable Production of gold for the later of (x) 69 months following the PPF2 Effective Date and (y) the final Scheduled Delivery Month, as applicable; and (B) an amount equal to the then current Settlement Price minus the applicable Base Spot Price; provided that any amounts that have been satisfied or paid to the Buyer prior to the date of any early termination pursuant to this Section 5(10) shall only be considered once for purposes of any calculation under this Section 5(10).

#### Section 6 Title and Risk

- (1) Upon each Delivery of the Gold pursuant to this Agreement, all legal and beneficial title to such Gold will pass irrevocably from the Seller to the Buyer, or subject to Section 5(1) to PFL, as applicable, free and clear of any Liens and third party claims.
- (2) Until Delivery has occurred, all costs of transport, warehousing, (including insurance), customs and Taxes and risk of loss and any other related costs and expenses shall be borne by the Seller.

#### Section 7 Purchase Price, Use of Proceeds and Other Payments

- (1) The amount corresponding to USD 20,600,000 of the Firesteel Receivable *plus* the full amount of the Tranche 1 Payment as of the Supplemental Tranche 1 Date *plus* the full amount of the Tranche 2 Payment as of the Supplemental Tranche 2 Date shall be treated as the Gold

Prepayment Amount under this Agreement. The remainder of the Firesteel Receivable shall remain owing as money debt between the Seller (as debtor) and the Buyer (as creditor).

- (2) On each Additional Gold Payment Date, the Buyer shall pay to the Seller an amount (an “Additional Gold Payment Amount”) equal to the greater of:
- (a) Zero; and
  - (b) The product of:
    - (i) the Actual Monthly Quantity of Gold Delivered on the Monthly Delivery Date, and
    - (ii) an amount equal to:
      - (A) the Gold Price on the Monthly Delivery Pricing Date for the relevant Scheduled Delivery Month,
      - minus*
      - (B) the Gold Price Discount.
  - (c) If, however, on an Additional Gold Payment Date, the Actual Monthly Quantity is less than the Scheduled Monthly Quantity such that a Gold Shortfall arises, then the Additional Gold Payment Amount shall be reduced by an amount equal to (or the maximum amount up to) the Gold Shortfall Replacement Cost.
  - (d) If the Gold Price on the Monthly Delivery Pricing Date for the relevant Scheduled Delivery Month is less than the Gold Price Discount, the Seller shall deliver on the Monthly Delivery Pricing Date additional Gold at a price of zero in such quantity to have the net value of the Gold received by the Buyer equal the Scheduled Monthly Quantity multiplied by the Gold Price Discount.
  - (e) The Buyer shall have the right to set off and to apply, to the fullest extent permitted by Applicable Law, any obligation of the Seller under this Agreement or the Finnish OpCo PPF2 Security Agreement against the obligations of the Buyer hereunder, including, without limitation, the obligations of the Buyer in respect of the Gold Prepayment Amount and the Additional Gold Payment Amount, irrespective of whether or not the Buyer has made demand under this Agreement or the Finnish OpCo PPF2 Security Agreement and although such obligations may be unmaturing or contingent.
  - (f) The settlement date for the Additional Gold Payment Amount shall be two (2) Business Days following the Monthly Delivery Pricing Date.
- (3) Additional Sale and Minimum Price Protection Adjustment.
- (a) If during the Term of this Agreement, the gold spot price per fine troy ounce of .999 gold for good delivery in London as stated in US Dollars referenced on Bloomberg falls below US\$1,160/oz (the “Price Point”), as reasonably determined by the Buyer, the Buyer may, subject to receipt of a written consent from PFL in advance, by written notice require the

Seller to sell an additional 10 Ounces of Gold to the Buyer for each Scheduled Delivery Month thereafter according to the following terms:

- (i) The sale price for the additional 10 Ounces of Gold will be the Gold Price plus the amount of the Minimum Price Protection Adjustment (as defined in Section 7(3)(a)(iv)).
- (ii) The Buyer may specify from time to time the monthly quantity of gold, in each case in the Buyer's sole discretion, up to 100% of the Production Forecast that will be subject to the Minimum Price Protection Adjustment (each such quantity being a "Specified Quantity").
- (iii) The Buyer and Seller shall agree upon a price required to calculate the Minimum Price Protection Adjustment which will not be less than US\$1,160/oz for gold (the "**Base Minimum Price**"), such agreed upon price being the "**Minimum Price**".
- (iv) The "**Minimum Price Protection Adjustment**" for each Scheduled Delivery Month is and shall be calculated as equal to the greater of:
  - (A) Zero; and
  - (B) The product of:
    - 1. the Specified Quantity for the Scheduled Delivery Month, and
    - 2. an amount equal to:
      - a. the Minimum Price  
*minus*
      - b. the Settlement Price on the respective pricing date for the relevant Scheduled Delivery Month.
- (b) Notwithstanding that the gold spot price may not have fallen below the threshold set forth in Section 7(3)(a), the Seller may, subject to receipt of a written consent from PFL in advance, voluntarily establish an additional sale of 10 Ounces of Gold for each Scheduled Delivery Month pursuant to a Minimum Price Protection Adjustment on terms set out in Section 7(3)(a)(i) and Section 7(3)(a)(iii). The Seller may specify any amount of gold for the Minimum Price Protection Adjustment (a "**Quantity**"). Any such Quantity will be deducted from the quantity of Production Forecast that otherwise may be specified as a Specified Quantity.
- (c) Costs for establishing any Minimum Price Protection Adjustment will be determined by the Buyer on commercially reasonable terms and paid by the Seller within seven (7) Business Days.
- (d) The pricing date for additional Ounces of Gold and the Minimum Price Protection Adjustment on gold shall be the 3rd Business Day prior to the last calendar day of the Scheduled Delivery Month. The settlement date for the additional 10 Ounces of Gold

plus the Minimum Price Protection Adjustment on gold shall be two (2) Business Days following the Monthly Delivery Pricing Date.

(4) Upside Participation Amount. The Seller shall pay an amount equal to the greater of zero and the sum of the amount determined for gold (for the avoidance of doubt, which may be a positive or negative number) as follows:

- (a) If the Buyer fails to raise the equity and prepay all of the Supplemental Tranches Dollar Equivalent required under Section 12(1)(gg) of the PPF Agreement, then: the product of (i) 50% of the quantity of gold produced from the Mine during each calendar month and (ii) an amount equal to the price as determined pursuant to the Mineral Sales Contract/Refining Agreement (or any similar agreement) for gold for the corresponding Monthly Payable Production minus the Base Spot Price for gold, payable by the owner of the Mine to the Buyer within two (2) Business Days following the end of such calendar month, continuing in perpetuity, it being the intent of the parties hereto that such payments shall constitute a covenant running with and binding upon the title to the Mine, the Minerals, the Mine Properties, and the Mining Concessions and all accessions thereto and all successions or renewals or replacements thereof, whether created privately or through action of any Authority, and binding upon the successors and assigns of the Seller and the successors in title to the Mine Properties; or
- (b) otherwise: the product of (i) 50% of the Monthly Payable Production of gold for the later of (x) 69 months following the Effective Date and (y) the final Scheduled Delivery Month, as applicable, and (ii) an amount equal to the price as determined pursuant to the Mineral Sales Contract/Refining Agreement for gold for the corresponding Monthly Payable Production minus the Base Spot Price for gold, payable by the Seller to the Buyer within two (2) Business Days following the relevant Monthly Delivery Date or relevant month, as applicable.

(5) Supplemental Tranche Prepayments

- (a) Prepayments. The Seller may, upon notice to the Buyer and PFL, at any time during the Prepayment Periods, make prepayments in cash, up to a maximum aggregate amount equal to the Supplemental Tranches Dollar Equivalent, in order to reduce its obligations to deliver the Supplemental Tranche Quantities, subject to the requirements of this Section 7(5).
- (b) Notices. Each such notice pursuant to this Section 7(5) shall be in the form of a written Prepayment Notice, appropriately completed and signed by an officer of the Seller, or may be given by telephone to the Buyer and PFL (if promptly confirmed by such a written Prepayment Notice consistent with such telephonic notice) and must be received by the Buyer and PFL not later than 11:00 a.m. (New York City time) three Business Days before the date of prepayment (such date of prepayment, the “**Prepayment Date**”). Each Prepayment Notice shall specify (i) the Prepayment Date and (ii) the amount to be prepaid. Each Prepayment Notice shall be irrevocable.
- (c) Application of Equity. On the Supplemental Tranche 2 Date, the Pre-Supplemental Tranche 2 Equity shall be applied ratably to reduce the quantity of Gold to be delivered in each Scheduled Delivery Month as part of the Supplemental Tranche Quantities according to the following formula:

$$C_E = (\text{US\$7,000,000} - E) / \text{US\$7,000,000},$$

where  $C_E$  is the coefficient (which in no event shall be less than zero) to be multiplied by the Supplemental Tranche Quantities to be Delivered by the Seller in each Scheduled Delivery Month, and E is the Pre-Supplemental Tranche 2 Equity.

- (d) Application of Prepayments. The prepayments made by the Seller from time to time during the Prepayment Periods shall be applied ratably to reduce the quantity of Gold to be delivered in each Scheduled Delivery Month as part of each of the Supplemental Tranche Quantities according to the following formula:

$$C_P = (B - P) / B,$$

where  $C_P$  is the coefficient (which in no event shall be less than zero) to be multiplied by the Supplemental Tranche Quantities to be Delivered by the Seller in each Scheduled Delivery Month, B is the Supplemental Tranches Dollar Equivalent, and P is the total amount in US Dollars of the prepayments made by the Seller on or prior to the Prepayment Period End Date.

- (e) Cumulative Application. For the avoidance of doubt, any reduction in the Supplemental Tranche Quantities resulting from the application of clause (c) or clause (d) of this Section 7(5) shall be cumulative with any reduction resulting from the application of the other clause thereof.

## Section 8 Payments

- (1) Each Party shall make all cash payments in US Dollars by wire transfer in immediately available funds.
- (2) If any payment shall be due on a day that is not a Business Day, then the date for payment shall be the next succeeding Business Day and, in the case of any payment accruing interest on the basis of the Default Interest Rate, interest shall be payable for the period of such extension.
- (3) Any cash amount that is not paid to the Buyer or the Seller when due shall bear interest at a rate equal to the Default Interest Rate payable on demand.
- (4) All interest payable on the basis of the Default Interest Rate and other amounts deemed to be interest under this Agreement shall accrue daily and shall be calculated on the basis of a year of three hundred sixty (360) days, and, for the purposes of the *Interest Act* (Canada), with respect to all such interest and other amounts deemed to be interest under this Agreement, the principle of deemed reinvestment of interest shall not apply to any calculations under this Agreement, and the Default Interest Rate is intended to be a nominal rate and not an effective rate or yield.
- (5) If any provision of this Agreement or the Finnish OpCo PPF2 Security Agreement would obligate any party to make any payment of interest or other amount payable to the Buyer in an amount or calculated at a rate that would be prohibited by Applicable Laws or would result in a receipt by the Buyer of interest at a criminal rate, then, notwithstanding such provision, such amount or rate shall be deemed to have been adjusted with retroactive effect to the maximum amount or rate of interest as the case may be, as would not be so prohibited by Applicable Laws or so result in a receipt by the Buyer of interest at a criminal rate, such adjustment to be effected, to the extent necessary, as follows:

- (i) firstly, by reducing the amount or rate of interest required to be paid to the Buyer under this Agreement or the Finnish OpCo PPF2 Security Agreement, as applicable, and
  - (ii) thereafter, by reducing any fee payments, commissions, costs, expenses, premiums and other amounts required to be paid to the Buyer that would constitute interest for purposes of Applicable Laws.
- (6) All payments shall be made to the Parties in accordance with the following instructions (or as otherwise agreed in writing between the Parties):

(a) Payments to the Seller:

Bank Name: Danske Bank Plc  
 Swift Code DABAFIHH  
 Institution #: N/A  
 Beneficiary Account #: FI11 8900 8710 6382 37  
 Bank Address: Hiililaiturinkuja 2  
 00075 DANSKE BANK  
 Beneficiary Name: Nordic Mines Oy  
 Beneficiary Address: Laivakankaantie 503  
 92230 Mattilanperä  
 Transit & Account No: N/A

(b) Payments to the Buyer:

Bank Name: Royal Bank of Canada  
 Swift Code ROYCCAT2  
 Institution #: 003  
 Beneficiary Account #: 404 – 649 – 6  
 Bank Address: 1025 West Georgia Street  
 Vancouver, BC V6E 3N9  
 Beneficiary Name: Firesteel Resources Inc.  
 Beneficiary Address: 1001-409 Granville Street, Vancouver, BC, V6C 1T2  
 Transit & Account No: 00010

- (7) Subject to the provisions of Section 5(4) herein, all Gold Delivered to the Buyer that is not otherwise required to be applied in a specific manner hereinafter shall be applied to the Scheduled Monthly Quantities in reverse order of maturity.
- (8) All amounts received by the Buyer from the Offtaker or PFL on behalf of the Seller or from Seller or received in respect of any Lien or the exercise of any other remedy and not otherwise required to be applied in a specific manner pursuant to this Agreement shall be applied by the Buyer as follows (i) first, in reduction of the Seller's obligation to pay any unpaid interest and fees which are due and owing, (ii) second, in reduction of the Seller's obligation to pay any amounts referred to in this Section 8 and (iii) third, in reduction of the Seller's obligation to pay any other amounts that are due and owing under this Agreement or the Finnish OpCo PPF2 Security Agreement.

### **Section 9 Events of Default**

- (1) Events of Default in Relation to the Seller. The occurrence of any Event of Default (as defined in the PPF Agreement) under Section 13(1) of the PPF Agreement shall constitute an "Event of Default" in relation to the Seller for purposes of this Agreement.
- (2) Events of Default in relation to the Buyer. The following shall be Events of Default in relation to the Buyer for purposes of this Agreement:
- (a) The Buyer fails to make, when due, any payment under this Agreement if such failure is not remedied on or before fifteen (15) Business Days following notification of such failure by the Seller;
  - (b) Any representation or warranty or certification made or deemed to be made by the Buyer, this Agreement shall prove to have been incorrect when made or deemed to be made, and such breach would, in the opinion of PFL (in its sole and absolute discretion, acting reasonably), have a Material Adverse Effect on the ability of the Buyer to perform its obligations hereunder; or
  - (c) The Buyer (i) becomes insolvent or generally not able to pay its debts as they become due; (ii) admits in writing its inability to pay its debts generally or makes a general assignment for the benefit of creditors; (iii) institutes or has instituted against it by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of incorporation or organization or the jurisdiction of its head or home office, any proceeding seeking (x) to adjudicate it a bankrupt or insolvent, (y) liquidation, winding-up, reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors including any plan of compromise or arrangement or other corporate proceeding involving or affecting its creditors, or (z) the entry of an order for relief or the appointment of a receiver, receiver and manager, trustee, monitor, custodian or other similar official for it or for any substantial part of its properties and assets, and in the case of any such proceeding instituted against it (but not instituted by it), either the proceeding remains undismissed or unstayed for a period of thirty (30) days, or any of the actions sought in such proceeding (including the entry of an order for relief against it or the appointment of a receiver, receiver and manager, trustee, monitor, custodian or other similar official for it or for any substantial part of its properties and assets) occurs; or (iv) takes any corporate action to authorize any of the above actions.

## Section 10 Remedies

- (1) Following the occurrence of an Event of Default described in Section 9 of this Agreement: the other party (the “**Non-Defaulting Party**”) may, by giving written notice to the defaulting party (the “**Defaulting Party**”), terminate this Agreement with immediate effect (“**Early Termination Date**”); provided that the Non-Defaulting Party has received PFL’s consent to giving such notice and if such Event of Default has resulted by reason of force majeure or act of state the Defaulting Party is unable to make any absolute or contingent payment or delivery under this Agreement, the Defaulting Party and the Non-Defaulting Party shall first use their good faith efforts to reschedule the Delivery obligations for a period of up to sixty (60) calendar days, after which time the Non-Defaulting Party may trigger an Early Termination Date by giving written notice to the Defaulting Party.
- (2) If notice designating an Early Termination Date is given under Section 10(1), the Early Termination Date will occur on the date so designated, whether or not the relevant Event of Default is then continuing.
- (3) Upon the designation of an Early Termination Date, no further payments or Deliveries under Section 5(1) or Section 7(1) to Section 7(4), inclusive, will be required to be made, but without prejudice to the other provisions of this Agreement.
- (4) If the Defaulting Party is the Seller, (i) the Buyer may demand payment of the Early Termination Amount in accordance with Section 5(10), (ii) the Buyer may enforce against the collateral granted under the Finnish OpCo PPF2 Security Agreement, in whole or in part, (iii) the Buyer shall have the right to fully or partially enforce the pledge under the Finnish OpCo PPF2 Security Agreement, and (iv) any and all enforcement actions thereof shall be made in accordance with the terms of Applicable Laws.
- (5) Interest on all amounts due and unpaid hereunder shall accrue, from the date due, at the Default Interest Rate.

## Section 11 Indemnities and Limitations of Liability

- (1) The Buyer shall have no responsibility or liability whatsoever in relation to the operation or management of the Sites or the production or refining of gold therefrom.
- (2) The Seller shall indemnify the Buyer, and each officer, director, employee or agent of any of them (each such Person being called an “**Indemnified Person**”) against, and hold each Indemnified Person harmless from any and all losses, claims, damages, liabilities and related expenses, including the fees, charges and disbursements of any counsel for any Indemnified Person, incurred by any Indemnified Person or asserted against any Indemnified Person by any Person arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement or any agreement or instrument contemplated hereby, the performance or non-performance by the Seller hereto of its respective obligations hereunder or the consummation or non-consummation of the transactions contemplated hereby; (ii) the use or the proposed use of the proceeds therefrom by the Seller hereunder; (iii) the operation or management of the Sites or the production or refining of gold or gold bearing ores therefrom; (iv) any Environmental Laws, Environmental Liabilities, Permits or any actual or alleged presence or release of Hazardous Substances on, at, in, under or from any property owned, occupied, managed or operated by the Seller, any of its respective Affiliates or any Related Parties, or any liability under Environmental Laws related in any way to any Obligors, any of their respective Affiliates or any Related Party;



or (v) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by any Party, any of their respective Affiliates or any Related Party and regardless of whether any Indemnified Person is a party thereto, provided that such indemnity shall not, as to any Indemnified Person, be available to the extent that such losses, claims, damages, liabilities or related expenses are determined by a court of competent jurisdiction by final and non-appealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnified Person.

- (3) The obligations of the Seller under this Section 11 shall survive the payment and performance of the Seller's obligations hereunder and the termination this Agreement and under the Finnish OpCo PPF2 Security Agreement for a period of two (2) years from and after the termination of this Agreement.

## **Section 12 Confidentiality**

- (1) The Parties undertake that during the operation of, and after the expiration, termination or cancellation of, this Agreement for any reason, they will keep confidential:
- (a) Any information that a Party ("**Disclosing Party**") communicates to the other Party ("**Recipient**") and which is stated to be, or by its nature is, or is intended to be, confidential; and
  - (b) All other information of the same confidential nature concerning the business of a Disclosing Party that comes to the knowledge of the Recipient while it is engaged in negotiating the terms of this Agreement or after its conclusion, including:
    - (i) details of the Disclosing Party's financial structures and operating results; and
    - (ii) details of the Disclosing Party's strategic objectives and planning.
- (2) Each Party undertakes, subject to Section 12(3) to Section 12(6), inclusive, not to (a) disclose any information that is to be kept confidential in accordance with the terms of this Section 12, or (b) use such information for its own or anyone else's benefit, except in connection with this Agreement and the Finnish OpCo PPF2 Security Agreement.
- (3) A Recipient shall be entitled to disclose any information to be kept confidential if and to the extent only that the disclosure is:
- (a) bona fide and necessary for the purposes of carrying out its duties under this Agreement;
  - (b) required by any Applicable Law;
  - (c) required by the rules of any competent authority or securities exchange on which securities of the Recipient are listed; or
  - (d) required by any court of competent jurisdiction or any competent judicial, governmental, supervisory or regulatory body.

- (4) The obligation of confidentiality placed on the Parties in terms of this Section 12 shall cease to apply to a Recipient in respect of any information which:
- (a) is or becomes generally available to the public other than by the negligence or default of the Recipient or by the breach of this Agreement by the Recipient;
  - (b) the Disclosing Party confirms in writing is disclosed on a non-confidential basis;
  - (c) has lawfully become known by, or come into the possession of, the Recipient on a non-confidential basis from a source other than the Disclosing Party having the legal right to disclose same; or
  - (d) is disclosed pursuant to a requirement or request by operation of law, regulation or court order, to the extent of compliance with such requirement or request only and not for any other purpose.
- (5) In the event that the Recipient is required to disclose confidential information of the Disclosing Party as contemplated above, the Recipient will to the extent possible and legally permissible:
- (a) advise the Disclosing Party thereof in writing prior to disclosure;
  - (b) take such steps to limit the disclosure to the minimum extent required to satisfy such requirement;
  - (c) afford the Disclosing Party a reasonable opportunity to intervene in the proceedings;
  - (d) comply with the Disclosing Party's reasonable requests as to the manner and terms of any such disclosure; and
  - (e) notify the Disclosing Party of the receipt of, and the form and extent of, any such disclosure or announcement immediately after it is made.
- (6) Notwithstanding any other provisions of this Section 12, the Buyer may disclose any information about the Obligors, their respective Affiliates, the Sites, this Agreement or the Finnish OpCo PPF2 Security Agreement to any potential assignee, participant hedging counterparty or insurer, subject to such Person agreeing to adhere to the same confidentiality undertakings contained in this Section 12.

### **Section 13 Governing Law and Jurisdiction**

- (1) This Agreement is governed by the laws of Finland.
- (2) In relation to any dispute arising out of or in connection with this Agreement (including a dispute relating to the existence, validity or termination of this Agreement or any non-contractual obligation arising out of or in connection with this Agreement), the Buyer shall elect to settle any such dispute either in accordance with Section 13(3) or in accordance with Section 13(4).
- (3) Subject to Section 13(2), any controversy, dispute or claim arising out of or relating to this Agreement shall be settled by the District Court of Helsinki ("*Helsingin käräjäoikeus*") as the court of first instance.

- (4) Subject to Section 13(2), the Seller irrevocably and unconditionally submits, for itself and its property, to the non-exclusive jurisdiction of the Federal courts sitting in the City of New York, in any action or proceeding arising out of or relating to this Agreement or the Finnish OpCo PPF2 Security Agreement, or for recognition or enforcement of any judgment and each of the Parties irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such court. Each Party hereby irrevocably waives, to the fullest extent it may effectively do so, the defense of inconvenient forum to the maintenance of such action or proceeding. Each of the Parties agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement or the Finnish OpCo PPF2 Security Agreement shall affect any right that the Buyer may otherwise have to bring any action or proceeding relating to this Agreement or the Finnish OpCo PPF2 Security Agreement against the Seller or their properties in the courts of Finland or any other jurisdiction unless specifically permitted by the terms of such document. EACH OF THE PARTIES HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAWS, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

#### Section 14 Notices

- (1) Any notice or other communication (including, without limitation, any consent or waiver by the Buyer or PFL hereunder or in connection herewith) to be given under this Agreement or the Finnish OpCo PPF2 Security Agreement shall be in writing and must be sent to each party to the below email addresses designated below, to the party to be served:

- (a) to the Seller, at:

Nordic Gold Oy  
Laivakankaantie 503  
92230 Mattilanperä  
Finland

Attention: Torbjörn Bygdén  
Email: torbjorn.bygden@azets.com

- (b) to the Buyer at:

Nordic Gold Corp.  
1001-409 Granville Street  
Vancouver, British Columbia  
V6C 1T2

Attention: Michael Hepworth  
Email: mhepworth@nordic.gold

With a copy to the Seller's legal counsel at:

Aird & Berlis LLP  
181 Bay Street, Suite 1800  
Toronto, Ontario

M5J 2T9

Attention: Thomas A. Fenton  
Email: [tfenton@airdberlis.com](mailto:tfenton@airdberlis.com)

(c) to PFL at:

PFL Raahe Holdings LP  
437 Madison Avenue, 28<sup>th</sup> Floor  
New York, NY 10022

Attention: Joseph Archibald  
Email: [jarchibald@pandionmetals.com](mailto:jarchibald@pandionmetals.com)

or at such other address as it may have notified to the other parties in accordance with this Section 14.

- (2) Any notice or other formal communication shall be deemed to have been given and shall be effective:
- (a) if sent by mail, at the time of delivery; or
  - (b) if sent by email, on the date of transmission, if transmitted before 3:00 pm (New York time) on any Business Day, and in any other case on the Business Day following the date of transmission.
- (3) In proving service of a notice or other formal communication it shall be sufficient to prove that delivery was made or that the envelope containing the communication was properly addressed and posted either by prepaid first class airmail (as the case may be) and that the email was properly addressed and transmitted.
- (4) This Section 14 shall not apply in relation to the service of any claim form, notice, order, judgment or other document relating to or in connection with any proceedings, suit or action arising out of or in connection with this Agreement.

#### **Section 15 Taxes and Other Taxes**

- (1) All payments and Deliveries by, or on account of any obligation of, the Seller under this Agreement or the Finnish OpCo PPF2 Security Agreement shall be made free and clear of and without deduction or withholding for any and all Taxes, unless such Taxes are required by Applicable Laws to be deducted or withheld.

If the Seller shall be required by Applicable Laws to deduct or withhold any such Taxes from or in respect of any amount payable or Delivered under this Agreement or the Finnish OpCo PPF2 Security Agreement, (i) the amount payable or Delivered shall be increased (and for the avoidance of doubt, in the case of interest, the amount of interest shall be increased) as may be necessary so that after making all required deductions or withholdings (including deductions or withholdings applicable to any additional amounts paid under this Section 15(1)), the Buyer receives an amount equal to the amount it would have received if no such deduction or withholding had been made; (ii) the Seller shall make such deductions or withholdings; and (iii) the Seller shall immediately pay the full amount deducted or withheld to the relevant Authority in

- accordance with Applicable Laws.
- (2) The Seller agrees to immediately pay when due any Other Taxes that arise from any payment or Delivery made by the Seller under this Agreement or the Finnish OpCo PPF2 Security Agreement or from the execution, delivery or registration of, or otherwise with respect to this Agreement or the Finnish OpCo PPF2 Security Agreement.
  - (3) The Seller shall indemnify the Buyer for the full amount of Taxes or Other Taxes paid by the Buyer and any liability (including penalties, interest and expenses) arising from or with respect to such Taxes or Other Taxes, whether or not they were correctly or legally asserted, excluding Taxes imposed on the Buyer's net income, capital taxes or receipts and franchise taxes. Payment under this indemnification shall be made within thirty (30) days from the date the Buyer makes written demand for it. A certificate as to the amount of such Taxes or Other Taxes submitted in good faith by the Buyer to the Seller shall be conclusive evidence, absent manifest error, of the amount due from the Seller to Buyer.
  - (4) The Seller shall furnish to the Buyer the original or a certified copy of a receipt evidencing payment of Taxes or Other Taxes made by the Seller within thirty (30) days after the date of any payment of Taxes or Other Taxes.
  - (5) If the Buyer is, in its sole opinion, entitled to claim a refund or able to apply for or otherwise take advantage of any tax credit, tax deduction or similar benefit by reason of any withholding or deduction made by the Seller in respect of a payment made by it under this Agreement, which payment shall have been increased pursuant to this Section 15, then the Buyer will use its reasonable efforts to obtain the refund, credit, deduction or benefit and upon credit or receipt of it will pay to the Seller, the amount (if any) not exceeding the increased amount paid by the Seller, as equals the net after-tax value to the Buyer of that part of the refund, credit, deduction or benefit as it considers is allocable to such withholding or deduction having regard to all of its dealings giving rise to similar credits, deductions or benefits in relation to the same tax period and to the cost of obtaining the same. Nothing contained in this Section 15 shall interfere with the right of the Buyer to arrange its tax affairs in whatever manner it deems fit and in particular, the Buyer shall be under no obligation to claim relief from its corporate profits or similar tax liability in respect of any deduction or withholding in priority to any other relief, claims, credits or deductions available to it and the Buyer shall not be obligated to disclose to the Seller any information regarding its tax affairs, tax computations or otherwise.
  - (6) The provisions of this Section 15 shall survive the termination of this Agreement and the payment and performance of all outstanding obligations hereunder and under the Finnish OpCo PPF2 Security Agreement.

#### **Section 16 Rights of Set-Off and Suspension of Delivery Obligations**

- (1) Without limiting Buyer's rights set forth in Section 7, upon the occurrence and during the continuance of the Seller Event of Default, the Buyer is authorized at any time and from time to time, to the fullest extent permitted by law (including general principles of common law), to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other indebtedness at any time owing by it to or for the credit or the account of the Seller (including any amount owing from the Buyer to the Seller pursuant to Section 7(3)), against any and all of the obligations of the Seller under this Agreement or the Finnish OpCo PPF2 Security Agreement, irrespective of whether or not the Buyer has made demand under this Agreement or the Finnish OpCo PPF2 Security Agreement and although such obligations may be

unmatured or contingent. If an obligation is unascertained, the Buyer may, in good faith, estimate the obligation and exercise its right of set-off in respect of the estimate, subject to providing the Seller with an accounting when the obligation is finally determined. The Buyer shall promptly notify the Seller after any set-off and application is made by it, provided that the failure to give notice shall not affect the validity of the set-off and application. The rights of the Buyer under this Section 16 are in addition to any other rights and remedies (including all other rights of set-off) that the Buyer may have.

- (2) Upon the occurrence and during the continuance of a Buyer Event of Default, the Seller shall have the right, upon notice to the Buyer, at Seller's option to suspend its obligations to Deliver Gold under this Agreement. However, for each such month (a "**Suspension Month**") of suspension:
- (a) the Scheduled Monthly Quantity for that Suspension Month will be credited against the Contract Quantity as if such Scheduled Monthly Quantity had been Delivered; and
  - (b) Seller shall deliver to Buyer two (2) Business Days following the Monthly Delivery Pricing Date a cash payment equal to the greater of:
    - (i) Zero; and
    - (ii) The amount calculated as follows:
      - (A) the product of the Scheduled Monthly Quantity for that Suspension Month and the Gold Price Discount;
      - minus*
      - (B) the sum of (i) any unpaid amounts due and owing from the Buyer to the Seller together with interest accrued thereon, (ii) the value of any minimum price protection adjustment as described in Section 7(3), and (iii) the value of any upside participation as described in Section 7(4) for the Suspension Month.
  - (c) Seller's obligations to Deliver Gold under this Agreement shall recommence as of the date the Buyer cures the Buyer's Event of Default in full or Seller delivers a payment under Section 16(2)(b).
  - (d) Interest on any amounts owing from the Buyer to the Seller shall accrue and be payable at the Default Interest Rate from the date of the Buyer Event of Default.
- (3) The payment obligation referred to in (b) above shall apply until Seller either recommences Delivery as set forth hereunder or designates an Early Termination Date as provided in Section 10. The rights of the Seller under this Section 16 are in addition to any other rights and remedies that the Seller may have. Notwithstanding anything set out herein, the Seller shall be allowed to sell the Scheduled Monthly Quantity for a Suspension Month with no restriction whatsoever. Only during a Suspension Month the terms of Sections 1 through 7 of Schedule C shall likewise be suspended until the Buyer cures any Event of Default.

**Section 17 Judgment Currency**

- (1) Payment of any judgment shall be effected in the lawful currency of the United States.
- (2) If, for the purposes of obtaining judgment in any court, it is necessary to convert a sum due hereunder to any party in one currency (the "**Original Currency**") into another currency (the "**Judgment Currency**"), the parties agree, to the fullest extent that they may effectively do so, that the rate of exchange used shall be that at which in accordance with normal banking procedures the Buyer could purchase the Original Currency with the Judgment Currency on the Business Day preceding that on which final judgment is paid or satisfied.
- (3) The obligations of any party (the "**Paying Party**") in respect of any sum due by the Paying Party in the Original Currency to the other Party (the "**Receiving Party**") under this Agreement or the Finnish OpCo PPF2 Security Agreement, shall, notwithstanding any judgment in any Judgment Currency, be discharged only to the extent that, on the Business Day following receipt by the Receiving Party of any sum adjudged to be so due in such Judgment Currency, the Receiving Party may in accordance with normal banking procedures purchase the Original Currency with the Judgment Currency. If the amount of the Original Currency so purchased is less than the sum originally due to the Receiving Party in the Original Currency, the Paying Party shall agree, as a separate obligation and notwithstanding any such judgment, to indemnify the Receiving Party against such loss and, if the amount of the Original Currency so purchased exceeds the sum originally due to the Receiving Party in the Original Currency, Receiving Party shall remit such excess to the Receiving Party.

**Section 18 Miscellaneous**

- (1) Save as specifically provided in this Agreement or in accordance with a security agreement entered into on or about the date hereof by the Buyer (as pledgor) with PFL (as pledgee), neither the Seller nor the Buyer may assign, transfer, novate or otherwise dispose of all or any of their respective rights, benefits or obligations under this Agreement without the prior consent of PFL.
- (2) Each of the provisions of this Agreement shall be enforceable independently of each other provision and their validity shall not be affected if any of the others are invalid. If any of those provisions is void but would be valid if some part of the provision were deleted, the provision in question shall apply with such modification as may be necessary to make it valid.
- (3) This Agreement may be executed in any number of counterparts, all of which, taken together, shall constitute one and the same agreement, and any Party (including any duly authorized representative of a Party) may enter into this Agreement by executing a counterpart. Facsimile signatures shall be valid and binding to the same extent as the original signatures.
- (4) Each of the Parties acknowledges that in entering into this Agreement it has not relied on any oral or written representation, warranty or other assurance (except as provided for or referred to in this Agreement) and waives all rights and remedies that might otherwise be available to it in respect thereof, except that nothing in this Agreement will limit or exclude any liability of a party for fraud.
- (5) The Buyer or PFL, as applicable, shall have no responsibility for good faith errors or omissions in respect of any calculations or determinations contemplated herein, and its calculations and determinations shall, in the absence of manifest error, be final, conclusive and binding on the Seller and the Buyer.

- (6) The Seller acknowledges that the execution and performance of this Agreement and the Finnish OpCo PPF2 Security Agreement is a commercial activity and to the extent that the Seller has or hereafter may acquire any immunity from any legal action, suit or proceedings, from jurisdiction of any court or from set off or any legal process (whether through service or notice, attachment prior to judgment, attachment in aid of execution of judgment, execution of judgment or otherwise) with respect to itself or any of its property or assets, whether or not held for its own account, the Seller hereby irrevocably and unconditionally waives and agrees not to plead or claim such immunity in respect of the obligations to the extent permitted by the Applicable Laws.

#### **Section 19 General**

- (1) A waiver (whether express or implied) by any Party of any of the provisions of this Agreement or of the Finnish OpCo PPF2 Security Agreement or of any breach of or default by the other Party in performing any of those provisions shall not constitute a continuing waiver and that waiver shall not prevent the waiving Party from subsequently enforcing any of the provisions of this Agreement not waived or from acting on any subsequent breach of or default by the other Party under any of the provisions of this Agreement.
- (2) Delay in exercising or non-exercise of any right of a Party under this Agreement is not a waiver of that right.
- (3) Nothing in this Agreement shall be deemed to constitute a partnership or joint venture between the Parties nor constitute any Party to be the agent of any other Party for any purpose.
- (4) The Seller, and each of its respective Affiliates, shall, upon request, at its own expense, at all times from the date of this Agreement, do or procure the doing of all things as may be required to give full effect to this Agreement, including the execution of all deeds and documents.
- (5) Any variation of this Agreement shall not be binding on the Parties unless set out in writing and signed by authorized representatives of each of the Parties.

#### **Section 20 Supplemental and Equity Financing Remedies**

If the Buyer fails to raise the equity and make the prepayments required under Section 12(1)(gg) of the PPF Agreement on or prior to the Prepayment Period End Date:

- (1) The Buyer shall procure that the Seller shall provide to PFL a security package over the upside participation amount described in Section 7(4) of the PPF Agreement, to be governed by definitive security documentation acceptable to PFL in its sole discretion.
- (2) The Base Minimum Price and Price Point shall be updated on the Prepayment Period End Date, as determined by PFL in its sole discretion, as specified in a definitive amendment to this Agreement to be executed by the parties hereto.
- (3) Following the Prepayment Period End Date, on the Monthly Delivery Date of the Scheduled Delivery Month following the end of each Financial Quarter, the Buyer shall pay to PFL an amount in US Dollars equal to the amount of consolidated cash balance held by the Obligors (as defined in the PPF Agreement) in excess of US\$2,000,000 on the last day of such Financial Quarter. Such payment shall reduce the Seller's obligations to Deliver Gold pursuant to Section 5 by the quotient of: (x) the amount of such cash payment received by PFL on such Monthly



Delivery Date, divided by (y) the Gold Price Discount. Such reduction shall be applied to the Delivery obligations as follows:

- (a) first, in reverse order of maturity according to the Scheduled Delivery Month for each Delivery, and
- (b) second, where multiple quantities of Gold are due to be Delivered on the same Monthly Delivery Date:
  - (i) first, to any Supplemental Tranche 2 Quantity to be Delivered on such Monthly Delivery Date;
  - (ii) second, to any Supplemental Tranche 1 Quantity to be Delivered on such Monthly Delivery Date; and
  - (iii) third, to any other portion of the Scheduled Monthly Quantity for such Monthly Delivery Date;

in each case, which has not already been extinguished pursuant to this Section 20(3) or Delivered.

- (4) The upside participation obligations under Section 7(4) shall survive the termination of this Agreement, including any termination of this Agreement by means of the payment by the Seller of an Early Termination Amount, and any applicable upside participation obligations owing to the Buyer shall not be included in the calculation of any Early Termination Amount.

*[signature pages follow]*

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers thereunto duly authorized, as of the date first written above.

**NORDIC GOLD OY,**

as the Seller

By: \_\_\_\_\_

Name:

Title: Authorized Signatory

**NORDIC GOLD CORP.,**

as the Buyer

By: \_\_\_\_\_  
Name:  
Title: Authorized Signatory

**SCHEDULES**

**Schedule A — Sites**

**Schedule B — Production Forecast**

**Schedule C — Required Terms of Mineral Sales Contract/Refining Agreement**

**Schedule D — Mining Concessions and Current Ownership**

**Schedule E — Permits**

**Schedule F — Delivery Schedule**

**Schedule A — Sites**

- a) **Name of the Site: Laiva Mine**
- b) **Mining concessions relating to the site, including title number of each concession**
  - See Schedule D.
- c) **Description of the type of infrastructure the Seller has on the Site (mills, equipment, tools, spare parts, roads):**
  - See list of assets attached.
- d) **Description of the type of real property and lands on the sites owned by the Seller.**
  - The Seller owns the Mine Properties.

Schedule B — Production Forecast

		Production Forecast - Monthly Ramp-Up - 100% Ownership																						
Cumulative Project Month	Units	Total	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	
Month End			Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	
		<b>Production Forecast - Annual - 100% Ownership</b>																						
Cumulative Project Year	Units	Total	-1	1	2	3	4	5	6	7	8													
Year End			Jul-18	Jul-19	Jul-20	Jul-21	Jul-22	Jul-23	Jul-24	Jul-25	Jul-26													
Production Days			-	336	350	350	350	350	350	350	350													
Ore	13,000,000		-	1,500,000	1,750,000	2,000,000	2,000,000	2,000,000	2,000,000	1,750,000	-													
Waste	75,250,000		-	12,000,000	9,625,000	11,000,000	11,000,000	11,000,000	11,000,000	9,625,000	-													
<b>Total Mined</b>	<b>88,250,000</b>		-	<b>13,500,000</b>	<b>11,375,000</b>	<b>13,000,000</b>	<b>13,000,000</b>	<b>13,000,000</b>	<b>13,000,000</b>	<b>11,375,000</b>	-													
Contained Gold	581,009		-	71,191	85,735	91,859	85,735	85,735	85,735	75,018	-													
Recovered Gold	517,206		-	60,512	75,018	82,673	77,162	77,162	77,162	67,517	-													
<b>Net Payable Gold</b>	<b>516,124</b>		-	<b>60,386</b>	<b>74,862</b>	<b>82,500</b>	<b>77,000</b>	<b>77,000</b>	<b>77,000</b>	<b>67,375</b>	-													

**Schedule C — Required Terms of Mineral Sales Contract/Refining Agreement**

1. The Offtaker hereby acknowledges and agrees that in order to provide that the Contract Quantity of Gold shall be Delivered directly by the Offtaker and credited to the Buyer's Unallocated Gold Account on behalf of Seller, according to the Monthly Delivery Date, but not later than once a month and for the monthly Gold payable to Buyer or PFL, that the Offtaker pays the Minerals, including but not limited to gold, to the Seller.
2. The Offtaker hereby acknowledges and agrees that all amounts then due and owing to the Buyer or PFL in respect of any Contract Quantity of Gold to be delivered and any other amounts of Gold to be delivered by the Seller hereunder shall first be credited to the Buyer's Unallocated Gold Account prior to any credit or remittance to the Seller or an account of the Seller.
3. Each of the Seller and the Offtaker hereby acknowledge and agree that there shall be no amendment to any Offtake Agreement without the prior written consent of the Buyer and PFL.
4. The Offtaker hereby acknowledges and agrees to take direction from the Buyer or PFL regarding the amount of Gold and/or Minerals to be delivered to it and will not accept conflicting instructions from the Seller.
5. The Mineral Sales Contract/Refining Agreement shall also include the possibility for the Buyer or PFL to be credited to the Buyer's Unallocated Gold Account amounts deriving from minerals different than gold that are processed by the Offtaker, in case that the Actual Monthly Quantity in a specific month is not accomplished as provided in the Scheduled Delivery Month.
6. The Buyer or PFL shall have the right to be credited to its Buyer's Unallocated Gold Account amounts deriving from minerals other than gold that are processed by the Offtaker, in case that the Actual Monthly Quantity delivered is less than the amounts required to be delivered in such Scheduled Delivery Month.
7. The Offtaker acknowledges that upon notice in writing from the Seller of the occurrence of a Suspension Month, Sections 1 through 7 of this Schedule C shall not apply until the Seller has advised Offtaker and Buyer and PFL in writing within three (3) Business Days following a cure of a Suspension Month that a Suspension Month no longer exists.

## Schedule D — Mining Concessions and Current Ownership

Mining permit	In force	7803	Laiva	Seller	N/A	15.4.2009	Until further notice	Gold
Ore prospecting permit	Application pending	ML2013:0054-01	Laiva 1, 4-5	Seller	20.9.2013	N/A	N/A	Gold
Exploration permit	In force	9024/4	Laiva 10	Seller	13.8.2010	28.4.2014	28.4.2019	Gold
Exploration permit	In force	9024/5	Laiva 11	Seller	13.8.2010	28.4.2014	28.4.2019	Gold
Exploration permit	In force	9024/6	Laiva 12	Seller	13.8.2010	28.4.2014	28.4.2019	Gold
Ore prospecting permit	Application for extension period pending	ML2013:0055-01	Laiva 13-15	Seller	20.9.2013	N/A	N/A	Gold
Ore prospecting permit	Application for extension period pending	ML2014:0035-01	Laiva 16-33, 41	Seller	25.4.2014	11.2.2015	14.3.2018	Gold
Exploration permit	In force	8857/1	Laiva 34	Seller	5.11.2009	23.11.2012	23.11.2017	Gold
Exploration permit	In force	8857/2	Laiva 35	Seller	5.11.2009	23.11.2012	23.11.2017	Gold
Exploration permit	In force	8857/3	Laiva 36	Seller	5.11.2009	23.11.2012	23.11.2017	Gold
Exploration permit	In force	8857/4	Laiva 37	Seller	5.11.2009	23.11.2012	23.11.2017	Gold
Exploration permit	In force	8857/5	Laiva 38	Seller	5.11.2009	23.11.2012	23.11.2017	Gold
Exploration permit	In force	8857/6	Laiva 39	Seller	5.11.2009	23.11.2012	23.11.2017	Gold
Exploration permit	In force	8857/7	Laiva 40	Seller	5.11.2009	23.11.2012	23.11.2017	Gold
Exploration permit	In force	9024/1	Laiva 6	Seller	13.8.2010	28.4.2014	28.4.2019	Gold



Exploration permit	In force	9024/7	Laiva 6 b	Seller	13.8.2010	28.4.2014	28.4.2019	Gold
Exploration permit	In force	9024/2	Laiva 8	Seller	13.8.2010	28.4.2014	28.4.2019	Gold
Exploration permit	In force	9024/3	Laiva 9	Seller	13.8.2010	28.4.2014	28.4.2019	Gold
Ore prospecting permit	Extension to ore prospecting permit applied on 16 August 2017. Application pending.	ML2012:0155	Oltava 1	Seller	22.8.2012	19.8.2014	19.9.2017	Gold
Ore prospecting permit	Application pending	ML2013:0102-01	Oltava 2-5	Seller	5.11.2013	15.10.2014	18.11.2017	N/A
Ore prospecting permit	Application pending	ML2012:0069-01	Oltava 6	Seller	4.4.2012	15.10.2014	18.11.2018	N/A
Ore prospecting permit	Application pending	ML2013:0043-01	Tormua 1-7	Seller	31.7.2013	N/A	N/A	Gold
Exploration permit	Probation period, no applications for extension period pending	8855/1	Tormua 8	Seller	4.11.2009	20.7.2012	20.7.2017	Gold
Exploration permit	Probation period, no applications for extension period pending	8855/2	Tormua 9	Seller	4.11.2009	20.7.2012	20.7.2017	Gold

**Schedule E — Permits**

In addition to the permits listed in Schedule D:

<b>Permit Type</b>	<b>Applicant</b>	<b>Authority</b>	<b>Permit number</b>	<b>Date</b>
Environmental permit	Nordic Mines Ab	Environmental Permit Authority of Northern Finland	84/09/2	24 November 2009
Environmental permit	Nordic Mines Ab	Environmental Permit Authority of Northern Finland	86/09/2	24 November 2009
Environmental permit	Nordic Mines Ab	Environmental Permit Authority of Northern Finland	85/09/2	24 November 2009
Approval of energy efficiency review	Nordic Mines Oy	Regional State Administrative Agency of Northern Finland	80/12/1	13 August 2012
Permit for water resource management projects	Nordic Mines Oy	Regional State Administrative Agency of Northern Finland	75/11/2	5 December 2011
Environmental permit	Nordic Mines Oy	Regional State Administrative Agency of Northern Finland	25/2013/1	15 March 2013
Environmental permit	Nordic Mines Oy	Regional State Administrative Agency of Northern Finland	4/2016/1	7 January 2016
Permit for water resource management projects	Nordic Mines Oy	Regional State Administrative Agency of Northern Finland	15/12/2	23 February 2012
Mining waste management plan	Nordic Mines Oy	Regional State Administrative Agency of Northern Finland	65/2014/1	30 June 2014
Environmental permit and permit for	Nordic Mines Oy	Regional State Administrative Agency of	54/12/1	12 June 2012

water resource management projects		Northern Finland		
Approval of mine after care plan	Nordic Mines Oy	Regional State Administrative Agency of Northern Finland	66/2014/1	30 June 2014
Environmental permit	Nordic Mines Oy	Regional State Administrative Agency of Northern Finland	76/2016/1	1 June 2016
Environmental permit	Nordic Mines Oy	Regional State Administrative Agency of Northern Finland	100/10/1	29 October 2010
Approval of monitoring plan	Nordic Mines Oy	Centre for Economic Development, Transport and the Environment for North Ostrobothnia	POPELY/100/07.00/2010	22 July 2014
Approval of monitoring plan	Nordic Mines Oy	Centre for Economic Development, Transport and the Environment for North Ostrobothnia	POPELY/100/07.00/2010	9 November 2011
Dam classification and dam safety monitoring program approval	Nordic Mines Oy	Centre for Economic Development, Transport and the Environment for Kainuu	KAIELY/51/07.02/2011	20 December 2013
Dam safety monitoring program approval	Nordic Mines Oy	Centre for Economic Development, Transport and the Environment for Kainuu	KAIELY/51/07.02/2011	25 April 2014
Dam classification and dam safety monitoring	Nordic Mines Oy	Centre for Economic Development, Transport and the	KAIELY/51/07.02/2011	25 November 2011

program approval		Environment for Kainuu		
Dam classification and dam safety monitoring program approval	Nordic Mines Oy	Centre for Economic Development, Transport and the Environment for Kainuu	KAIELY/51/07.02/2011	26 February 2014
Monitoring plan	Nordic Mines Oy	Centre for Economic Development, Transport and the Environment for North Ostrobothnia	POPELY/2663/2015	1 June 2016
Radio permit	Nordic Mines Oy	Finnish Communications Regulatory Authority	PMR1157569	28 July 2014
Safety permit in accordance with the Finnish Radiation Act	Nordic Mines Oy	Radiation and Nuclear Safety Authority (STUK)	5867/L5/17	22 September 2017
Safety permit in accordance with the Finnish Radiation Act	Information not available	Radiation and Nuclear Safety Authority (STUK)	5627/L2/11	24 September 2011

Schedule F — Delivery Schedule

	Month	Prepay Amount (US\$)	Effective Date Tranche Quantity (Au oz / mo)	Supplemental Tranche 1 Quantity (Au oz / mo)	Supplemental Tranche 2 Quantity (Au oz / mo)	Total Quantity (Au oz / mo)
	Dec-17	20,000,000				
1	Jan-18		-			-
2	Feb-18		-			-
3	Mar-18		-			-
4	Apr-18		-			-
5	May-18		-			-
6	Jun-18		-			-
7	Jul-18		-			-
8	Aug-18		-			-
9	Sep-18		-			-
10	Oct-18	3,000,000	-			-
11	Nov-18	4,000,000	-			-
12	Dec-18		-			-
13	Jan-19		-			-
14	Feb-19		-			-
15	Mar-19		-			-
16	Apr-19		-			-
17	May-19		-			-
18	Jun-19		-			-
19	Jul-19		-			-
20	Aug-19		-			-
21	Sep-19		-			-
22	Oct-19		-			-
23	Nov-19		-			-
24	Dec-19		-			-
25	Jan-20		(2,200)	(220)	(270)	(2,690)
26	Feb-20		(2,070)	(200)	(260)	(2,529)
27	Mar-20		(2,070)	(200)	(260)	(2,529)
28	Apr-20		(2,070)	(200)	(260)	(2,529)
29	May-20		(2,070)	(200)	(260)	(2,529)
30	Jun-20		(2,070)	(200)	(260)	(2,529)
31	Jul-20		(2,070)	(200)	(260)	(2,529)
32	Aug-20		(2,070)	(200)	(260)	(2,529)
33	Sep-20		(2,070)	(200)	(260)	(2,529)
34	Oct-20		(2,070)	(200)	(260)	(2,529)
35	Nov-20		(2,070)	(200)	(260)	(2,529)
36	Dec-20		(2,070)	(200)	(260)	(2,529)
37	Jan-21		(2,070)	(200)	(260)	(2,529)
38	Feb-21		(1,940)	(180)	(220)	(2,340)
39	Mar-21		(1,940)	(180)	(220)	(2,340)
40	Apr-21		(1,940)	(180)	(220)	(2,340)
41	May-21		(1,940)	(180)	(220)	(2,340)
42	Jun-21		(1,940)	(180)	(220)	(2,340)
43	Jul-21		(1,940)	(180)	(220)	(2,340)
44	Aug-21		(1,940)	(180)	(220)	(2,340)
45	Sep-21		(1,940)	(180)	(220)	(2,340)
46	Oct-21		(1,940)	(180)	(220)	(2,340)
47	Nov-21		(1,940)	(180)	(220)	(2,340)
48	Dec-21		(1,940)	(180)	(220)	(2,340)
49	Jan-22		(1,940)	(180)	(220)	(2,340)
50	Feb-22		(900)	(245)	(345)	(1,570)
51	Mar-22		(900)	(245)	(345)	(1,570)
52	Apr-22		(900)	(245)	(345)	(1,570)
53	May-22		(900)	(245)	(345)	(1,570)
54	Jun-22		(900)	(245)	(345)	(1,570)
55	Jul-22		(900)	(245)	(345)	(1,570)
56	Aug-22		(900)	(245)	(345)	(1,570)
57	Sep-22		(900)	(245)	(345)	(1,570)
58	Oct-22		(900)	(245)	(345)	(1,570)
59	Nov-22		(900)	(245)	(345)	(1,570)
60	Dec-22		(900)	(245)	(345)	(1,570)
61	Jan-23		(900)	(245)	(345)	(1,570)
62	Feb-23		(1,000)	(230)	(330)	(1,600)
63	Mar-23		(1,000)	(230)	(330)	(1,600)
64	Apr-23		(1,000)	(230)	(330)	(1,600)
65	May-23		(1,000)	(230)	(330)	(1,600)
66	Jun-23		(1,000)	(230)	(330)	(1,600)
67	Jul-23		(1,000)	(230)	(330)	(1,600)
68	Aug-23		(1,000)	(230)	(330)	(1,600)
69	Sep-23		(1,000)	(230)	(330)	(1,600)
70	Oct-23					-
71	Nov-23					-
72	Dec-23					-
73	Jan-24					-
74	Feb-24					-
	<b>TOTAL</b>	<b>27,000,000</b>	<b>(70,000)</b>	<b>(1,000)</b>	<b>(12,700)</b>	<b>(83,700)</b>

**DIRECT AGREEMENT**

dated 8 December 2017

between

**PFL RAAHE HOLDINGS LP**

**FIRESTEEL RESOURCES INC.**

**NORDIC MINES OY**

**DITTMAR & INDRENIUS**

## TABLE OF CONTENTS

1.	DEFINITIONS AND CONSTRUCTION.....	3
2.	ACKNOWLEDGEMENTS .....	5
3.	NO ENFORCEMENT .....	6
4.	STEP-IN AND STEP-OUT .....	6
5.	APPLICATION OF PROCEEDS .....	6
6.	DURATION.....	7
7.	NO LIABILITY .....	7
8.	INDEMNITY .....	7
9.	EXPENSES AND TAXES .....	7
10.	SET-OFF.....	7
11.	MISCELLANEOUS .....	8

This **AGREEMENT** ("**Agreement**") is made between:

1. **PFL RAAHE HOLDINGS LP**, a limited partnership organized under the laws of Ontario, Canada, and having its registered office at 40 King Street West, Suite 2100, Toronto, Ontario M5H 3C2 (Canadian business identifier number (BIN) 270976798) (the "**Buyer**");
2. **FIRESTEEL RESOURCES INC.**, a company organized under the laws of Alberta, Canada, and having its registered office at Suite 1001–409 Granville Street, Vancouver, British Columbia V6C 1T2 (Canadian register number 205104383) ("**Firesteel**"); and
3. **NORDIC MINES OY**, a company organized under the laws of Finland, and having its registered office at Laivakankaantie 503, 92230 Mattilanperä, Finland (business identity code 2296579-4) (the "**Finnish OpCo**").

**WHEREAS**

- A. Pursuant to a pre-paid forward gold purchase agreement dated 10 November 2017 between Firesteel as seller, Finnish OpCo as guarantor and the Buyer as buyer, and each other person that may from time to time become a guarantor (the "**PPF Agreement**"), Firesteel has agreed to sell a certain quantity of gold to the Buyer and the Buyer has agreed to make certain prepayments to Firesteel, subject to the terms and conditions of the PPF Agreement.
- B. Pursuant to a pre-paid forward gold purchase agreement dated 8 December 2017 between Finnish OpCo as seller and Firesteel as buyer (the "**PPF2 Agreement**"), Finnish OpCo has agreed to sell a certain quantity of gold to Firesteel and Firesteel has agreed to make certain prepayments to Finnish OpCo, subject to the terms and conditions of the PPF2 Agreement.
- C. The entry into this Agreement is a condition under the PPF Agreement.

**IT IS AGREED** as follows:

1. **DEFINITIONS AND CONSTRUCTION**

1.1 **Definitions**

Capitalized terms used but not defined herein shall, except where the context otherwise requires, have the meaning ascribed to them in the PPF2 Agreement.

In this Agreement:

<b>"Business Day"</b>	has the meaning given to it in the PPF2 Agreement;
<b>"Discharge Date"</b>	means the date on which all Secured Obligations have been unconditionally and irrevocably discharged in full to the satisfaction of the Buyer;
<b>"Finnish OpCo Enforcement Action"</b>	means the taking of any step by Finnish OpCo towards: <ol style="list-style-type: none"> <li>(a) terminating, rescinding, repudiating or cancelling the PPF2 Agreement;</li> <li>(b) suspending performance of any material obligation under the PPF2 Agreement;</li> <li>(c) commencing, petitioning for or otherwise being a party to any proceedings relating to the insolvency of Firesteel;</li> <li>(d) commencing or continuing any enforcement action against Firesteel or any part of its property, undertaking or assets including execution, distress, attachment or other legal process; or</li> <li>(e) commencing or continuing any legal proceedings or other legal process against Firesteel.</li> </ol>
<b>"Firesteel Enforcement Action"</b>	means the taking of any step by Firesteel towards: <ol style="list-style-type: none"> <li>(a) terminating, rescinding, repudiating or cancelling the PPF2</li> </ol>



	Agreement;
	(b) suspending performance of any material obligation under the PPF2 Agreement;
	(c) commencing, petitioning for or otherwise being a party to any proceedings relating to the insolvency of Finnish OpCo;
	(d) commencing or continuing any enforcement action against Finnish OpCo or any part of its property, undertaking or assets including execution, distress, attachment or other legal process; or
	(e) commencing or continuing any legal proceedings or other legal process against Finnish OpCo;
"Firesteel Event of Default"	means an Event of Default in relation to the Seller (as defined in the PPF Agreement) referred to in Section 13(1) of the PPF Agreement or an Event of Default in relation to the Buyer (as defined in the PPF2 Agreement) referred to in Section 9(2) of the PPF2 Agreement;
"Obligor"	has the meaning given to it in the PPF Agreement;
"PPF Agreement"	has the meaning given to it in Recital A;
"PPF2 Agreement"	has the meaning given to it in Recital B;
"Secured Obligations"	mean all present and future obligations and liabilities (whether actual or contingent, whether owed jointly, severally or in any other capacity whatsoever and whether originally incurred by an Obligor or any other person) of each Obligor to the Buyer under the Transaction Documents, together with all costs, charges and expenses incurred by the Buyer in connection with the protection, preservation or enforcement of its respective rights under the Transaction Documents, or any other document evidencing or securing any such liabilities;
"Step-out Date"	has the meaning given to it in Clause 4.2;
"Transaction Documents"	has the meaning given to it in the PPF Agreement; and
"Transferee Entity"	has the meaning given to it in Clause 4.1(b).

## 1.2 Construction

### 1.2.1 Unless a contrary indication appears, any reference in this Agreement to:

- (a) any person or party shall be construed so as to include its successors in title, permitted assigns and permitted transferees to, or of, its rights and/or obligations under the Transaction Documents;
- (b) any provision of law shall be deemed to refer to such provision as amended or re-enacted from time to time;
- (c) a "person" includes any individual, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium or partnership (whether or not having separate legal personality);
- (d) in computing any period of time under this Agreement, the day of the act, event or default from which such period begins to run shall be included;
- (e) any "Transaction Document" or any other agreement or document shall be deemed to refer to such agreement or document as the same may have been, or may from time to

time be, amended, novated, varied, restated, extended, supplemented and/or replaced from time to time; and

- (f) "Party" means a party to this Agreement.

1.2.2 The Clause headings are for ease of reference only.

## 2. ACKNOWLEDGEMENTS

### 2.1 Security

Each of Firesteel and Finnish OpCo represents to the Buyer that it has not granted or received notice of any pledge or security interest in relation to the PPF2 Agreement except as set out in the Transaction Documents.

### 2.2 Amendments

The Parties acknowledge that, until the occurrence of the Discharge Date, neither Finnish OpCo nor Firesteel may, without the prior written consent of the Buyer (such consent not to be unreasonably withheld or delayed):

- (a) make, agree or concur with any amendment to or variation of the PPF2 Agreement or any provision thereof (other than amendments that are solely administrative, mechanical, corrective or otherwise non-material);
- (b) make, agree or concur with any waiver or release of any obligation of Finnish OpCo under the PPF2 Agreement or any provision thereof (for the avoidance of doubt including but not limited to any waiver or release of any security interest granted in relation to the PPF2 Agreement);
- (c) rescind, cancel, repudiate or terminate the PPF2 Agreement or agree, concur with or accept any rescission, cancellation, repudiation or termination of the PPF2 Agreement or any claim that the PPF2 Agreement is frustrated (whether in whole or in part);
- (d) assign or transfer the PPF2 Agreement to a third party, save as specified in this Agreement; or
- (e) exercise any discretions or make any determinations under the PPF2 Agreement in a manner which, in the opinion of the Buyer, is likely to negatively affect the security position, or otherwise negatively affect the position, of the Buyer under the Transaction Documents.

### 2.3 Liabilities

The Buyer shall not have any obligation or liability to Finnish OpCo under or in respect of the PPF2 Agreement, save as specified in this Agreement.

### 2.4 Information

Each of Firesteel and Finnish OpCo shall promptly deliver to the Buyer copies of all material notices delivered to or by either of them and any other documentation or information as the Buyer may reasonably request in connection with the PPF2 Agreement or this Agreement.

### 2.5 Representations and warranties

Each of Firesteel and Finnish OpCo represents and warrants to the Buyer that:

- (a) it is incorporated in accordance with the laws of its place of incorporation, validly exists under those laws and has capacity to sue in its own name and to own its property and conduct its business as it is being conducted;
- (b) it has power, authority and capacity unconditionally to execute, deliver and comply with its obligations under this Agreement;
- (c) it has taken all necessary action to authorize the unconditional execution, delivery of and the compliance with its obligations under this Agreement;

- (d) the copy of the PPF2 Agreement delivered to the Buyer on or before the date of this Agreement is a true and complete copy; and
- (e) each document that is material to the PPF2 Agreement or that has the effect of varying the PPF2 Agreement has been disclosed to the Buyer in writing.

### 3. NO ENFORCEMENT

The Parties agree that until the Discharge Date Finnish OpCo shall not take any Finnish OpCo Enforcement Action and Firesteel shall not take any Firesteel Enforcement Action other than with the prior written consent of the Buyer.

Promptly after becoming aware of the same, Finnish OpCo and/or Firesteel, as the case may be, will notify the Buyer of any default, event or circumstance which would give Finnish OpCo a right to take any Finnish OpCo Enforcement Action or Firesteel the right to take any Firesteel Enforcement Action, as applicable.

### 4. STEP-IN AND STEP-OUT

#### 4.1 Step-in

Upon the occurrence of a Firesteel Event of Default and as long as the same is continuing the Buyer may:

- (a) give notice to Firesteel and Finnish OpCo that the Buyer will exercise all or some of the rights and/or obligations of Firesteel under the PPF2 Agreement on behalf of Firesteel. For the avoidance of doubt, despite the exercise of any rights by the Buyer under this Clause 4.1(a), (i) Finnish OpCo shall continue to owe its other obligations under the PPF2 Agreement to Firesteel except to the extent rights have been exercised by the Buyer hereunder; and (ii) Firesteel shall continue to owe all its obligations to Finnish OpCo under the PPF2 Agreement (except to the extent the Buyer has discharged any such obligations of Firesteel in which case Firesteel shall owe those obligations to the Buyer); and/or
- (b) assume all the rights and all future obligations of Firesteel under the PPF2 Agreement and become a party to the PPF2 Agreement in place of Firesteel or nominate a transferee entity (the "**Transferee Entity**") which shall assume all the rights and all future obligations of Firesteel under the PPF2 Agreement and become a party to the PPF2 Agreement in place of Firesteel (in each case by giving Firesteel and Finnish OpCo not less than 10 Business Days' notice of such assumption of Firesteel's rights and obligations), and each of Firesteel and Finnish OpCo agrees and undertakes promptly upon request to enter into all agreements and documents and do all necessary acts and things which the Buyer might reasonably require in order to effect such assumption of rights and obligations including conclusion of a transfer agreement. For the avoidance of doubt, despite the exercise of any rights by the Buyer under this Clause 4.1(b), Firesteel shall continue to owe all its obligations towards Finnish OpCo that were outstanding at the time of the assumption referred to in this Clause 4.1(b).

#### 4.2 Step-out

The Buyer or the Transferee Entity, as applicable, may give Firesteel and Finnish OpCo notice that it will no longer exercise any rights and/or obligations of Firesteel under the PPF2 Agreement as provided for in Clause 4.1(a) or Clause 4.1(b) above as and from the date falling not earlier than 30 days after the date of that notice (the "**Step-out Date**"). On and from the Step-out Date, Firesteel shall automatically resume its position under the PPF2 Agreement.

On and from the Step-out Date, the Buyer or the Transferee Entity, as applicable, shall be released from all future obligations to Finnish OpCo and Firesteel under the PPF2 Agreement.

### 5. APPLICATION OF PROCEEDS

Any net proceeds obtained by the Buyer from the exercise of its rights hereunder shall be applied towards the payment or discharge of the Secured Obligations or any part of them. After

all the Secured Obligations have been fully, unconditionally and irrevocably paid and discharged, the surplus (if any) shall be paid to the party entitled thereto.

6. **DURATION**

This Agreement shall commence on the date hereof and shall continue in full force and effect until the Discharge Date or, if earlier, the termination of the PPF2 Agreement by the Buyer, in each case without prejudice to any accrued rights and obligations existing at the date of termination.

7. **NO LIABILITY**

The Buyer shall not be liable for any losses arising in connection with the exercise or purported exercise of the Buyer's rights, powers and discretion under this Agreement unless directly caused by gross negligence or deliberate default.

Notwithstanding any provision of this Agreement, the PPF Agreement or the PPF2 Agreement to the contrary, the Buyer shall not in any event be liable for: (a) loss of profit, loss of business, loss of goodwill or loss of opportunity, whether direct or indirect; or (b) special, indirect, punitive or consequential loss or damage of any kind whatsoever, whether or not foreseeable and whether or not the Buyer can reasonably be regarded as having assumed responsibility at the time this Agreement is entered into, even if the Buyer has been advised of the likelihood of such loss or damage.

8. **INDEMNITY**

Firesteel and Finnish OpCo shall immediately on demand, with joint and several liability, pay to the Buyer and any Transferee Entity, agent or other person appointed by the Buyer hereunder the amount of all costs, losses, liabilities and expenses (including legal fees) incurred by them or him in relation to:

- (a) the negotiation, preparation and execution of this Agreement;
- (b) any breach or non-observance by Firesteel and/or Finnish OpCo of the terms and conditions of this Agreement and/or the PPF2 Agreement;
- (c) the execution or purported execution of any rights, powers, authorities or discretion vested in them or him pursuant to this Agreement and/or the PPF2 Agreement (including but not limited to any amendment, waiver or consent) or by law;
- (d) the establishing, maintaining, preserving, protecting, safe-keeping, perfecting or enforcing of its rights under this Agreement and/or the PPF2 Agreement; and
- (e) against all actions, costs, claims and demands in respect of any matter or things done or omitted under or in relation to this Agreement and/or the PPF2 Agreement, and the Buyer may retain any part of any moneys in its possession pursuant to or relating to this Agreement, the PPF Agreement or the PPF2 Agreement necessary to effect such indemnity and also remuneration of Firesteel and/or Finnish OpCo.

9. **EXPENSES AND TAXES**

Firesteel and Finnish OpCo shall immediately on demand, with joint and several liability, pay all registration fees, stamp duties or any other duty, fee or tax incurred by the Buyer in relation to this Agreement.

10. **SET-OFF**

The Buyer may set off any matured obligation due from Firesteel and/or Finnish OpCo under the Transaction Documents against any matured obligation owed by the Buyer to Firesteel and/or Finnish OpCo, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Buyer may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off.

Each of Firesteel and Finnish OpCo waives any right it may have to set-off obligations owed by it against obligations owed by the Buyer.

**11. MISCELLANEOUS**

**11.1 Notices**

The notice provisions contained in clause 18 (*Notices*) of the PPF Agreement shall apply, *mutatis mutandis*, to this Agreement.

**11.2 Applicable Law**

This Agreement shall be governed by and construed in accordance with the laws of Finland.

**11.3 Dispute Resolution**

Any controversy, dispute or claim arising out of or relating to this Agreement shall be settled by the District Court of Helsinki ("Helsingin käräjäoikeus") as the court of first instance.

The submission to the jurisdiction of the District Court of Helsinki shall not limit the right of the Buyer to take proceedings against any other Party in any other court of competent jurisdiction nor shall the taking of proceedings in any one or more jurisdictions preclude the taking of proceedings in any other jurisdiction (whether concurrently or not) if and to the extent permitted by applicable law.

**11.4 Disclosure and Confidentiality**

The disclosure and confidentiality provisions contained in clause 16 (*Confidentiality*) of the PPF Agreement shall apply, *mutatis mutandis*, to this Agreement.

**11.5 Assignment**

Save as specifically provided in this Agreement, neither Firesteel nor Finnish OpCo may assign, transfer, novate or otherwise dispose of all or any of their respective rights, benefits or obligations under this Agreement without the prior consent of the Buyer.

The Buyer is entitled at any time to assign, transfer, charge and/or pledge all or any part of its rights hereunder to any person to which it has transferred, or has succeeded it in respect of, the whole or any part of its rights and obligations under the PPF Agreement.

**11.6 Waiver**

The failure by any Party to enforce any of the obligations of this Agreement shall not constitute a waiver of the same or affect that Party's right hereunder to enforce the same.

**11.7 Integration**

This Agreement represents the entire agreement between the Parties relating to the subject matter hereof and supersedes all prior agreements, representations and arrangements, if any, between the Parties relating to the subject matter hereof.

**11.8 Invalidity**

If a part of this Agreement is held to be invalid or unenforceable by any court, tribunal, competition or other authority having jurisdiction, that shall not affect the legality, validity or enforceability (i) the rest of this Agreement or (ii) in other jurisdictions of that or any other provision of this Agreement.

**11.9 Amendments**

This Agreement can be modified only by an instrument in writing signed by the Buyer, Firesteel and Finnish OpCo.

27.5

This Agreement may be executed in any number of counterparts and all of the counterparts taken together shall be deemed to constitute one and the same instrument.

IN WITNESS WHEREOF the Parties have caused this Agreement to be executed by their duly authorized representatives on the day first above written.


PFI. RAAHE HOLDINGS LP

FIRESTEEL RESOURCES INC.

\_\_\_\_\_  
Name:

\_\_\_\_\_  
Name:

NORDIC MINES OY

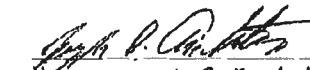
  
Name: Torbjörn Bygdén

This Agreement may be executed in any number of counterparts and all of the counterparts taken together shall be deemed to constitute one and the same instrument.

IN WITNESS WHEREOF the Parties have caused this Agreement to be executed by their duly authorized representatives on the day first above written.

PFL RAAHE HOLDINGS LP

FIRESTEEL RESOURCES INC.

  
Name: Joseph P. Arabi, Esq.  
Author: and signatory

\_\_\_\_\_  
Name:

NORDIC MINES OY

\_\_\_\_\_  
Name: Torbjörn Bygdén

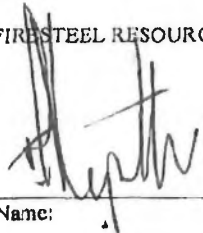


This Agreement may be executed in any number of counterparts and all of the counterparts taken together shall be deemed to constitute one and the same instrument.

IN WITNESS WHEREOF the Parties have caused this Agreement to be executed by their duly authorized representatives on the day first above written.

PFL RAAHE HOLDINGS LP

FIRESTEEL RESOURCES INC.



\_\_\_\_\_  
Name:

\_\_\_\_\_  
Name:

NORDIC MINES OY

\_\_\_\_\_  
Name: Torbjørn Bygdén

This is **Exhibit "E"** referred to in Affidavit #1 of **Joseph Archibald**, sworn before me at Windsorfield Connecticut, United States of America, on January 7, 2022.

Anne Ferris Cassidy  
A Notary Public in and for the  
State of Connecticut

**ANNE FERRIS CASSIDY**  
Notary Public, State of Connecticut  
My Commission Expires March 31, 2024

**SECURITY AGREEMENT  
(PPF2 AGREEMENT)**

dated 8 December 2017

between

**NORDIC MINES OY**

as the Pledgor

**FIRESTEEL RESOURCES INC.**

as the Pledgee

**DITTMAR & INDRENIUS**

**TABLE OF CONTENTS**

1.	DEFINITIONS AND CONSTRUCTION.....	2
2.	SECURITY INTEREST .....	4
3.	CONTINUING SECURITY .....	6
4.	FURTHER ASSURANCES.....	6
5.	REPRESENTATIONS AND WARRANTIES .....	6
6.	UNDERTAKINGS .....	7
7.	ENFORCEMENT OF SECURITY .....	8
8.	POWER OF ATTORNEY .....	8
9.	PROVISIONS RELATING TO THE SECURITY INTEREST .....	8
10.	RELEASE OF SECURITY.....	10
11.	INDEMNITY .....	11
12.	EXPENSES AND TAXES .....	11
13.	MISCELLANEOUS .....	11

**SCHEDULES**

SCHEDULE 1	The Business Mortgage Note
SCHEDULE 2	Form of Power of Attorney (Finnish Note Nullification)
SCHEDULE 3	Notice of Pledge of Nordic Mines Mining Rights
SCHEDULE 4	Ore Prospecting Permits and Exploration Rights
SCHEDULE 5	Form of Power of Attorney (New Exploration Right Certificates)

This SECURITY AGREEMENT ("**Agreement**") is made between:

1. **NORDIC MINES OY**, a company organized under the laws of Finland, and having its registered office at Laivakankaantie 503, 92230 Mattilanperä, Finland (business identity code 2296579-4) (the "**Pledgor**"); and
2. **FIRESTEEL RESOURCES INC.**, a company organized under the laws of Alberta, Canada, and having its registered office at Suite 1001-409 Granville Street, Vancouver, British Columbia V6C 1T2 (Canadian register number 205104383 ) (the "**Pledgee**").

**WHEREAS**

- A. The Pledgee has on or about this date entered into a pre-paid forward gold purchase agreement as seller with PFL Raahe Holdings LP ("**Pandion**") as buyer dated 10 November 2017 (the "**PPF Agreement**") and a security agreement as pledgor and Pandion as pledgee dated on or about the date hereof pursuant to which the Pledgee has pledged and assigned its rights under this Agreement to Pandion as security for its obligations under the PPF Agreement.
- B. Pursuant to a second pre-paid forward gold purchase agreement dated 8 December 2017 between the Pledgee as buyer and the Pledgor as seller, (the "**PPF2 Agreement**"), the Pledgor has agreed to sell a certain quantity of gold to the Pledgee and the Pledgee has agreed to make certain prepayments to the Pledgor, subject to the terms and conditions of the PPF2 Agreement.
- C. The Pledgee has been assigned by Nordic Mines AB (publ) all receivables owed to it by the Pledgor, including ordinary receivables approximately in the amount of EUR 24.1 million and capital loan receivables in the amount of EUR 7 million which have on or about the date hereof been converted to ordinary receivables. Following such conversion the Pledgee has an ordinary receivable in the aggregate amount of approximately EUR 31.1 million from the Pledgor. In connection with the assignment, the Pledgee has also been assigned any security interest relating to such receivables, including the Mining Right, the Business Mortgage Note and the Movable Property (each as defined below). The Pledgee and the Pledgor are entering into this agreement to amend and restate the terms of such first priority security interests to secure the fulfilment of the Secured Obligations.
- D. The Pledgor has agreed to create a first priority security interest in the in the Exploration Rights, the Ore Prospecting Permits and other Nordic Mines Mining Rights (each as defined below) to the Pledgee, to secure the fulfilment of the Secured Obligations.
- E. The entry into this Agreement and the perfection of the security interests contemplated by it is a condition under the PPF Agreement and the PPF2 Agreement.

**IT IS AGREED** as follows:

1. **DEFINITIONS AND CONSTRUCTION**

1.1 **Definitions**

Capitalized terms used but not defined herein shall, except where the context otherwise requires, have the meaning ascribed to them in the PPF2 Agreement.

In this Agreement:

<b>"Business Day"</b>	has the meaning given to it in the PPF2 Agreement;
<b>"Business Mortgage"</b>	means a business mortgage as defined in the Business Mortgage Legislation (in Finnish " <i>yrityskiinnitys</i> ") in all Movable Property of the Pledgor;
<b>"Business Mortgage Legislation"</b>	means the Finnish Business Mortgage Act (634/1984) and the Finnish Business Mortgage Decree (778/1985), both as amended from time to time;

"Business Mortgage Note"	means the bearer mortgage note (in Finnish " <i>haltijavelkakirja</i> ") identified in <u>Schedule 1</u> ;
"Dittmar & Indrenius"	means Dittmar & Indrenius Attorneys Ltd., a Finnish law firm operating as a limited liability company (business identity code 0217099-4) with its registered office at Pohjoisesplanadi 25 A, 00100 Helsinki, Finland;
"Event of Default"	has the meaning given to it in the PPF2 Agreement;
"Exploration Rights"	means the exploration rights (in Finnish " <i>valtausoikeus</i> ") identified in <u>Schedule 4</u> ;
"Exploration Right Certificates"	means the certificates evidencing the Exploration Rights (in Finnish " <i>valtauskirja</i> ");
"Finnish Note Nullification"	has the meaning given to it in Clause 2.2.2 of this Agreement;
"Mining Right"	means the mining right (in Finnish " <i>kaivosoikeus</i> ") regarding the mining concession of Laiva situated in Raahe, Finland (mining register number 7803);
"Movable Property"	means all movable property of the Pledgor that is capable of being subject to a Business Mortgage as set forth in the Business Mortgage Legislation;
"New Exploration Right Certificates"	means the certificates evidencing the Exploration Rights which shall be applied for pursuant to Clause 2.2.9 of this Agreement;
"Nordic Mines Mining Rights"	means the Exploration Rights, the Ore Prospecting Permits, the Mining Right and any similar rights and licenses held by the Pledgor at any time, including any expansions, modifications or alterations thereof;
"Ore Prospecting Permits"	means the ore prospecting permits (in Finnish " <i>malminetsintälupa</i> ") identified in <u>Schedule 4</u> ;
"Pandion"	has the meaning given to it in Recital A;
"Pledged Assets"	means the Nordic Mines Mining Rights, the Movable Property, and the Business Mortgage Note;
"PPF Agreement"	has the meaning given to it in Recital A;
"PPF2 Agreement"	has the meaning given to it in Recital B;
"Secured Obligations"	means all present and future obligations and liabilities (whether actual or contingent, whether owed jointly, severally or in any other capacity whatsoever and whether originally incurred by the Pledgor or any other person) of the Pledgor or any other person to the Pledgee under the PPF2 Agreement, together with all costs, charges and expenses incurred by the Pledgee in connection with the protection, preservation or enforcement of its respective rights under the PPF2 Agreement, or any other document evidencing or securing any such liabilities; and

**"Transaction Documents"** has the meaning given to it in the PPF Agreement.

## 1.2 Construction

1.2.1 Unless a contrary indication appears, any reference in this Agreement to:

- (i) any "Party" or any other person or party shall be construed so as to include its successors in title, permitted assigns and permitted transferees to, or of, its rights and/or obligations under the Transaction Documents;
- (ii) any provision of law shall be deemed to refer to such provision as amended or re-enacted from time to time;
- (iii) a "person" includes any individual, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium or partnership (whether or not having separate legal personality);
- (iv) any "Transaction Document" or any other agreement or document shall be deemed to refer to such agreement or document as amended, novated, varied, restated, extended, supplemented and/or replaced from time to time.

1.2.2 The Clause and Schedule headings are for ease of reference only.

1.2.3 An Event of Default is "continuing" if it has not been waived.

## 2. SECURITY INTEREST

### 2.1 Pledge

2.1.1 As continuing first priority security for the due and punctual payment, discharge and performance of the Secured Obligations, the Pledgor hereby irrevocably and unconditionally pledges to the Pledgee as a first priority pledge all rights and title to and interest in the Exploration Rights, the Ore Prospecting Permits and other Nordic Mines Mining Rights.

2.1.2 The Pledgor has pledged to Nordic Mines AB (publ), as a first priority pledge, all rights and title to and interest in the Business Mortgage Note and the Movable Property and, as a first, second and third priority pledge, all rights and title to and interest in the Mining Right. The Parties acknowledge that the Pledgee has been assigned from Nordic Mines AB (publ) all rights, title and interest in the Mining Right, the Business Mortgage Note and the Movable Property. Therefore, the Pledgor restates that the Pledgor shall hereby as continuing first priority security for the due and punctual payment, discharge and performance of the Secured Obligations, irrevocably and unconditionally pledge to the Pledgee, as a first priority pledge, all rights and title to and interest in the Business Mortgage Note and the Movable Property, and, as a first, second and third priority pledge, all rights and title to and interest in the Mining Right.

2.1.3 The Pledgor and the Pledgee hereby agree that the terms of this Agreement shall replace any prior terms applicable to any security interest in the Mining Right, the Business Mortgage Note and the Movable Property.

### 2.2 Perfection of the Pledge

#### **Business Mortgage**

2.2.1 For the purposes of perfecting the Business Mortgage, the Pledgor shall on the date of this Agreement deliver to Dittmar & Indrenius (as advisor to Pandion):

- (i) the Business Mortgage Note; and
- (ii) a certified copy of minutes of the meeting of the board of directors of the Pledgor in which the pledge referred to in herein has been approved.

#### **Nordic Mines Mining Rights**

- 2.2.2 The Pledgor, the Pledgee and Pandion shall on the date hereof sign a lost note nullification application in respect of nullification of the Exploration Right Certificates to be lodged with the Finnish court of first instance of jurisdiction (the "**Finnish Note Nullification**") and a power of attorney in the form set forth in Schedule 2 hereto and deliver such documents to Dittmar & Indrenius, thereby authorizing Dittmar & Indrenius (as advisor to Pandion) to apply for the nullification of the Exploration Right Certificates.
- 2.2.3 The Pledgor agrees that and authorizes the Pledgee through Dittmar & Indrenius (as advisor to Pandion) to apply for registration of the pledge of the Nordic Mines Mining Rights created by this Agreement in the mining register (in Finnish "*kaivosrekisteri*") held by the Finnish Safety and Chemicals Agency (Tukes) on the date of this Agreement.
- 2.2.4 The pledge shall be noted on the original mining right certificate (in Finnish "*kaivoskirja*") relating to the Mining Right and such mining right certificate shall be handed over to the Pledgee or its order on the date of this Agreement.
- 2.2.5 The Pledgor shall on the date of this Agreement deliver to the Pledgee (or its representative) a duly signed notification in the form set forth in Schedule 3 to register the pledge of the Mining Right and the Ore Prospecting Permits and Exploration Rights set out in Schedule 4.
- 2.2.6 On the date of this Agreement, the Pledgor shall also deliver to the Pledgee a certified copy of minutes of the meeting of the board of directors of the Pledgor in which a decision on establishment of the pledge of the Nordic Mines Mining Rights pursuant to this Agreement has been made, together with such consents and other documents as may be required to enable the Pledgee to register the pledge with first ranking priority without any further action or consent from the Pledgor.
- 2.2.7 The Pledgor agrees that once any new mining right or ore prospecting permit concerning the Nordic Mines Mining Rights has been issued by the relevant authorities or the Pledgor has otherwise acquired any new mining right (in Finnish "*kaivosoikeus*"), ore prospecting permit (in Finnish "*malminetsintälupa*") or exploration right (in Finnish "*valtausoikeus*"), an application to register the pledge created by this Agreement shall within five (5) Business Days be delivered to the Finnish Safety and Chemicals Agency (Tukes) for registration. At the same time the Pledgor shall take the action set out in Clause 2.2.6 as requested by the Pledgee.
- 2.2.8 For the sake of clarity, the pledge created hereunder covers any and all Nordic Mines Mining Rights whether they are covered by one or more exploration right certificates (in Finnish "*valtauskirja*"), ore prospecting permits and/or mining right certificates (in Finnish "*kaivoskirja*") or concern one or more mining register numbers.

#### **New Exploration Right Certificates**

- 2.2.9 The Pledgor, the Pledgee and Pandion shall on the date of this Agreement execute a power of attorney in the form set forth in Schedule 5 hereto and deliver to Dittmar & Indrenius (as advisor to Pandion) to apply for the New Exploration Right Certificates as soon as practicable after the submission of the Finnish Note Nullification.
- 2.2.10 The pledge shall be noted on the New Exploration Right Certificates (in Finnish "*valtauskirja*") relating to the Exploration Rights and such New Exploration Right Certificates shall be handed over to the Pledgee (or its representative) as soon as practicable.

#### **Acknowledgement of Assignment by the Pledgee**

- 2.2.11 The Pledgor acknowledges and agrees that the Pledgee has on or about the date hereof assigned its rights under this Agreement to Pandion to secure the Pledgee's obligations under the PPF Agreement. The Parties agree that all measures required to perfect the security interests granted under this Agreement, including the endorsement of all relevant documents and certificates



pertaining to the Nordic Mines Mining Rights, shall include reference to such pledge for the benefit of Pandion and be delivered and/or registered to Pandion directly as security/assignment on a first ranking basis, as required by the relevant authorities' registration practices.

### 3. CONTINUING SECURITY

- 3.1 The security created by this Agreement shall be continuing and shall extend to the ultimate balance of all Secured Obligations, regardless of any intermediate payment or discharge in part.
- 3.2 The pledge created hereunder will remain in force irrespective of payment of the Secured Obligations if that payment is, or in the opinion of the Pledgee could be, subsequently avoided or set aside under applicable legislation (including the Finnish Act on Recovery to Bankruptcy Estate, 758/1991, as amended, the Finnish Act on Reorganization of Enterprises, 47/1993, as amended, and the Finnish Enforcement Code 705/2007, as amended) or under any other decision of a court, or for any other similar reason. In such a case, if the pledge created hereunder has been released or has terminated, the Pledgor agrees and undertakes to reinstate the pledge and to take all actions necessary to effect such reinstatement.
- 3.3 The pledge created hereunder shall be supplementary to and independent of any other pledge, guarantee or other security granted in respect of the Secured Obligations.
- 3.4 If security is provided by a party other than the Pledgor for the Secured Obligations or if the Pledgor has provided other security for the Secured Obligations, the Pledgee shall be entitled to determine in its sole discretion the order and manner in which the various security interests shall be enforced.
- 3.5 The Pledgee's rights hereunder are supplementary to and not exclusive of those provided by law.

### 4. FURTHER ASSURANCES

- 4.1 The Pledgor undertakes to (a) execute and deliver, or procure the execution and delivery of, all such documents, powers of attorney, waivers, corporate resolutions, instruments, applications, notifications and confirmations, (b) to do or procure the doing of all such acts and things, and to cause the execution of such acts and (c) to procure such inactions or omissions, in each case as are required by this Agreement or as the Pledgee in its sole discretion may request, in order to:
- (i) perfect the security interest created or purported to be created by this Agreement and to secure the Pledgee's full benefit of the Pledged Assets in accordance with this Agreement;
  - (ii) defend, preserve and protect the security (including the priority thereof) and the rights of the Pledgee created or purported to be created by this Agreement;
  - (iii) enable the Pledgee to exercise and enforce its rights and the rights of the Pledgee under this Agreement and to facilitate the enforcement and realization of the Pledged Assets in accordance with the terms of this Agreement; and
  - (iv) defend the rights and interest of the Pledgee to and in the Pledged Assets against the claims and demands of any person and to preserve the value of the Pledged Assets.

### 5. REPRESENTATIONS AND WARRANTIES

The Pledgor hereby represents and warrants that:

- (i) it is a limited liability company duly incorporated and validly existing under the laws of Finland;
- (ii) it has the power to enter into, perform and deliver, and has taken all necessary actions to authorize the entry into, performance and delivery of this Agreement and the transactions contemplated by this Agreement;

- (iii) upon perfection of the pledge in accordance with Clause 2.2, this Agreement constitutes valid and legally binding obligations of the Pledgor enforceable in accordance with its terms;
- (iv) the entry into and performance by the Pledgor of this Agreement and the transactions contemplated by this Agreement do not and will not conflict with any constitutional documents of the Pledgor or any law, regulation, agreement, or undertaking by which the Pledgor is bound;
- (v) it has acquainted itself with the Transaction Documents and the PPF2 Agreement and, after having duly considered its financial standing, determined in good faith that it is in its best commercial interest to enter into this Agreement and that doing so is consistent with its purpose and commercial benefit;
- (vi) it is the exclusive owner of the Pledged Assets free from any security interest and any interests, rights or claims of third parties of a comparable kind (except the rights of the Pledgee under this Agreement, the Transaction Documents and the PPF2 Agreement);
- (vii) all consents and authorizations required for the validity of this Agreement and the enforcement of the pledge hereunder have been obtained and are in full force and effect and there are no restrictions preventing the Pledgor from pledging the Pledged Assets;
- (viii) upon perfection of the pledge in accordance with Clause 2.2, this Agreement creates a first ranking pledge over the Pledged Assets in favor of the Pledgee; and
- (ix) the Pledgor is not aware of a matter, event or circumstance which could reasonably be expected to materially reduce the value of the Pledged Assets or adversely affect the use of the Pledged Assets.
- (x) on the date of this Agreement, the Pledgor holds no other exploration rights, ore prospecting permits or mining rights than the Exploration Rights, Ore Prospecting Rights and the Mining Right, which are pledged to the Pledgee pursuant to this Agreement.

The representations and warranties set forth in this Clause 5 are made on the date of this Agreement and are deemed to be repeated by the Pledgor on each other date on which any of the representations or warranties set forth in clause 11 (*Representations and Warranties*) of the PPF Agreement are repeated with reference to the facts and circumstances then existing.

## 6. UNDERTAKINGS

The Pledgor agrees that it will as of the signing of this Agreement and as long as any Secured Obligations are outstanding, unless required by or expressly permitted under the PPF2 Agreement:

- (i) not dispose of or otherwise deal with the Pledged Assets or any part thereof without the prior written approval of the Pledgee other than (a) as provided in the Transaction Documents or (b) in the ordinary course of the Pledgor's business;
- (ii) not create or permit to subsist any security interest or any interest, right or claim of third parties of a comparable kind on, over, with respect to or otherwise affecting the whole or any part of the Pledged Assets;
- (iii) not take any action which would cause any of the representations and warranties in Clause 5 to be or become untrue;
- (iv) promptly notify the Pledgee in writing of any event which could materially reduce the value of the Pledged Assets taken as a whole or adversely affect the security interest created hereby; and
- (v) not do, cause or permit to be done anything (by way of action or omission) which may in any way depreciate, jeopardize, prejudice or otherwise adversely affect value to the

Pledgee of the Pledged Assets or the rights of the Pledgee or which is inconsistent with the rights of the Pledgee under the Transaction Documents or the PPF2 Agreement.

**7. ENFORCEMENT OF SECURITY**

- 7.1 The pledge created under this Agreement shall become enforceable immediately upon the occurrence of an Event of Default and shall remain enforceable for so long as an Event of Default is continuing.
- 7.2 After the security created hereby has become enforceable and for so long as it remains enforceable, the Pledgee shall have the right in its absolute discretion to enforce the security created by this Agreement to the fullest extent permitted by Finnish law and for this purpose cause the sale of the Pledged Assets or any parts thereof as permitted by applicable Finnish law.
- 7.3 For the purpose of enforcing the pledge created by this Agreement in accordance with this Clause 7, the Pledgor hereby irrevocably authorizes and empowers the Pledgee, with full power of substitution, to act in the name of the Pledgor and to perform any acts and take any necessary or appropriate steps in respect of the enforcement of the rights of pledge granted hereunder on behalf of the Pledgor.
- 7.4 The parties recognize that under Finnish law, the enforcement of the Business Mortgage outside bankruptcy requires an enforcement order. If reasonably practicable before and in any event promptly after the exercise of any enforcement right under this Clause 7, the Pledgee will give notice of such intended or actual action to the Pledgor.
- 7.5 The Pledgee shall apply the proceeds of enforcement (or, as the case may be, the determined value of any seized Pledged Assets at the time of the enforcement) towards payment (or discharge) of the Secured Obligations. After all the Secured Obligations have been fully, unconditionally and irrevocably paid and discharged, the surplus (if any) shall be paid to the Pledgor.

**8. POWER OF ATTORNEY**

- 8.1 The Pledgor hereby irrevocably appoints each of the Pledgee and its delegates and sub-delegates with full right of substitution to be its attorney acting severally or jointly with any other such attorney or attorneys and on its behalf and in its name or otherwise to sign, execute, seal, deliver, acknowledge, file, register and perfect any and all such agreements and other documents and to do any and all such acts and things which the Pledgor is obliged to do under the terms of this Agreement or which, in the opinion of the Pledgee or any other such attorney, are necessary or desirable to give full effect to the pledge created under this Agreement and enable the Pledgee or other such attorney to exercise the rights conferred on it by this Agreement or by law.
- 8.2 The Pledgee or any other attorney referred to in Clause 8.1 shall have no obligation to exercise any of the powers conferred upon it above in this Clause 8. No action or omission by the Pledgee or such other attorney shall give rise to any defense, counterclaim or set off against the Pledgee or such other attorney.
- 8.3 Prior to the occurrence of an Event of Default, the Pledgee shall only be entitled to exercise the powers conferred upon it by this Clause 8 in order to take an action that the Pledgor has failed to take pursuant to this Agreement.
- 8.4 The Pledgor hereby ratifies and confirms and agrees to ratify and confirm whatever any attorney appointed under this Agreement shall do in its capacity as such.

**9. PROVISIONS RELATING TO THE SECURITY INTEREST**

**9.1 Waiver of Defenses**

Without prejudice to the rights and remedies of the Pledgee pursuant to the Transaction Documents or the PPF2 Agreement, the Pledgor agrees that the liability of the Pledgor and the

pledge of the Pledged Assets created hereunder will not be affected by and shall remain in full force and effect despite:

- (i) any amendment, novation, variation, supplement, extension, restatement or replacement (however fundamental and whether or not more onerous) of any Transaction Document or any other document including without limitation any change in the purpose of, any extension of or any increase in any facility or the addition of any new facility under any Transaction Document or other document, and any references to any of the Transaction Documents or any such other document in this Agreement shall include each such amendment, novation, variation, supplement, extension, restatement or replacement;
- (ii) any time, waiver or consent granted to, or composition with, or release of, any party to the PPF2 Agreement or other person;
- (iii) the release of any other any party to the PPF2 Agreement or any other person under the terms of any composition or arrangement with any creditor of any party to the PPF2 Agreement;
- (iv) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, any party to the PPF2 Agreement or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realize the full value of any security;
- (v) any unenforceability, illegality or invalidity of any obligation of any person under any Transaction Document, the PPF2 Agreement or any other document or security securing the Secured Obligations;
- (vi) any insolvency, restructuring or liquidation proceedings or similar proceedings in respect of the Pledgor, any party to any of the Transaction Documents or any other persons;
- (vii) any purported or actual assignment or transfer of any of the rights and/or obligations under the PPF2 Agreement or any of the Transaction Documents by the Pledgee; or
- (viii) any other circumstance (other than full, unconditional and irrevocable discharge of all Secured Obligations) which might otherwise constitute a legal discharge or defense of the Pledgor.

## 9.2 **No Liability**

9.2.1 The Pledgee shall not be liable for any losses arising in connection with the exercise or purported exercise of the Pledgee's rights, powers and discretion under this Agreement unless directly caused by gross negligence or deliberate default.

9.2.2 Notwithstanding any provision of this Agreement or the PPF2 Agreement to the contrary, the Pledgee shall not in any event be liable for: (a) loss of profit, loss of business, loss of goodwill or loss of opportunity, whether direct or indirect; or (b) special, indirect, punitive or consequential loss or damage of any kind whatsoever, whether or not foreseeable, whether or not the Pledgee can reasonably be regarded as having assumed responsibility at the time this Agreement is entered into, even if the Pledgee has been advised of the likelihood of such loss or damage.

## 9.3 **Illegality and compliance with law**

No provision of this Agreement shall oblige the Pledgee to take any steps which:

- (i) may be illegal or contrary to applicable law or regulation; or
- (ii) it expects will result in any expense or liability accruing to it, the payment of which is not, in its opinion, assured to it or it is not indemnified and/or secured and/or prefunded to its satisfaction against such liability.

The Pledgee shall be entitled to take any action or to refuse to take any action which the Pledgee regards as necessary for the Pledgee to comply with any applicable law, regulation or fiscal requirement.

**9.4 Delegation**

The Pledgee may at any time or times delegate to any person(s) all or any of its rights, powers and discretions under this Agreement on such terms (including power to sub-delegate) as the Pledgee sees fit, and employ agents, managers, employees, advisers and others on such terms as the Pledgee sees fit for any of the purposes set out in this Agreement or in any of the Transaction Documents. Provided that the Pledgee shall have exercised reasonable skill and care in the appointment of such delegate or sub-delegate, it shall not be under any obligation to supervise the proceedings or acts of any such delegate or sub-delegate or be in any way responsible for any liability incurred by reason of misconduct or default on the part of such delegate or sub-delegate.

**9.5 Exclusion of Certain Statutory Provisions**

9.5.1 The provisions of Chapter 10, Section 2 of the Finnish Commercial Code (3/1734, as amended), including the requirement to give advance notice to the Pledgor, shall not apply to the enforcement of the security interest created by this Agreement nor otherwise.

9.5.2 The Pledgor hereby, to the fullest extent permitted by law, waives its rights under the Finnish Act on Guarantees and Third Party Pledges (361/1999, as amended), and to the extent that it is expressed to be non-mandatory, it does not apply to this Agreement and the security interest created hereby.

**9.6 Non-competition**

9.6.1 The Pledgor agrees that it will not until the full, unconditional and irrevocable discharge of all the Secured Obligations to the satisfaction of the Pledgee at any time:

- (i) exercise or attempt to enforce any rights or powers that it may have based on subrogation to any rights, security or moneys held, received or receivable by the Pledgee or any right of recourse, contribution, indemnity or recovery; or
- (ii) claim, rank, prove or vote as a creditor in the bankruptcy, liquidation, re-organization or dissolution of any other party in competition with the Pledgee.

9.6.2 The Pledgor will forthwith pay or transfer to the Pledgee any payment or distribution, transfer of value or benefit of security received by it contrary to the above.

9.6.3 The Pledgor fully and irrevocably waives any right or recourse or subrogation it may have against any relevant person resulting from or arising in connection with the enforcement of the pledge created under this Agreement.

**10. RELEASE OF SECURITY**

10.1 The security interests created by this Agreement shall be released following the full, unconditional and irrevocable discharge of all the Secured Obligations (subject to Clause 3) to the satisfaction of the Pledgee and, where required by law, the Pledgee shall, at the request and cost of the Pledgor, execute all such documents and do all such other things as may be required to release the security, in each case without recourse to or any representation or warranty by or from the Pledgee.

10.2 The Pledgor shall fully indemnify the Pledgee for its costs and expenses incurred in connection with the release of the Pledged Assets.

10.3 The Pledgee will not be liable to the Pledgor or any other person for any loss, costs, claims or liabilities arising in connection with a request and/or release made under this Clause 10.

11. **INDEMNITY**

11.1 The Pledgor shall immediately on demand pay to the Pledgee and any agent or other person appointed by the Pledgee hereunder, and the Pledgee and any agent or other person appointed by the Pledgee hereunder shall also be entitled to be indemnified out of the Pledged Assets in respect of, the amount of all costs, losses, liabilities and expenses (including legal fees) incurred by them or him in relation to:

- (i) the negotiation, preparation and execution of this Agreement;
- (ii) any breach or non-observance by the Pledgor of the terms and conditions of this Agreement;
- (iii) the execution or purported execution of any rights, powers, authorities or discretion vested in them or him pursuant to this Agreement (including but not limited to any consideration by the Pledgee as to whether to realize or enforce the same and/or any amendment, waiver or consent) or by law;
- (iv) the establishing, maintaining, preserving, protecting, safe-keeping, perfecting or enforcing of its rights and the Pledged Assets under this Agreement;
- (v) the release of any part of the Pledged Assets from the security created by this Agreement; and
- (vi) against all actions, costs, claims and demands in respect of any matter or things done or omitted in any way relating to the Pledged Assets, and the Pledgee may retain any part of any moneys in its possession relating to this Agreement or the PPF2 Agreement necessary to effect such indemnity and also remuneration of the Pledgee and the Pledgee shall have a lien on such Pledged Assets for all moneys payable to it under this Clause 11.1 or otherwise.

11.2 The Pledgee shall not be liable for any losses arising in connection with the exercise or purported exercise of any of the Pledgee's rights, power and discretion under this Agreement unless caused by their gross negligence or an intentional breach of this Agreement.

12. **EXPENSES AND TAXES**

The Pledgor shall immediately on demand pay all registration fees, stamp duties or any other duty, fee or tax incurred by the Pledgee in relation to this Agreement, including any asset transfer tax incurred in connection with the enforcement of the security interest created hereby.

13. **MISCELLANEOUS**

13.1 **Notices**

The notice provisions contained in clause 14 (*Notices*) of the PPF2 Agreement shall apply, *mutatis mutandis*, to this Agreement.

13.2 **Applicable Law**

This Agreement shall be governed by and construed in accordance with the laws of Finland.

**13.3 Dispute Resolution**

- 13.3.1 Any controversy, dispute or claim arising out of or relating to this Agreement shall be settled by the District Court of Helsinki (in Finnish "*Helsingin kärjäoikeus*") as the court of first instance.
- 13.3.2 The submission to the jurisdiction of the District Court of Helsinki shall not limit the right of the Pledgee to take proceedings against the Pledgor in any other court of competent jurisdiction nor shall the taking of proceedings in any one or more jurisdictions preclude the taking of proceedings in any other jurisdiction (whether concurrently or not) if and to the extent permitted by applicable law.

**13.4 Disclosure and Confidentiality**

The disclosure and confidentiality provisions contained in clause 12 (*Confidentiality*) of the PPF2 Agreement shall apply, *mutatis mutandis*, to this Agreement.

**13.5 Assignment**

The Pledgor shall not transfer or assign (or purport to transfer or assign) this Agreement or any rights or obligations hereunder.

The Pledgee is entitled at any time to assign, transfer, charge and/or pledge all or any part of its rights hereunder to any person to which it has transferred, or has succeeded it in respect of, the whole or any part of its rights and obligations under the PPF2 Agreement.

**13.6 Waiver**

The failure by any party to enforce any of the obligations of this Agreement shall not constitute a waiver of the same or affect that party's right hereunder to enforce the same.

**13.7 Integration**

This Agreement represents the entire agreement between the parties relating to the subject matter hereof and supersedes all prior agreements, representations and arrangements, if any, between the parties relating to the subject matter hereof.

**13.8 Invalidity**

If a part of this Agreement is held to be invalid or unenforceable by any court, tribunal, competition or other authority having jurisdiction, that shall not affect the legality, validity or enforceability (i) the rest of this Agreement or (ii) in other jurisdictions of that or any other provision of this Agreement.

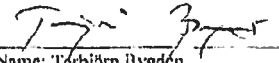
**13.9 Amendments**

This Agreement can be modified only by an instrument in writing signed by the Pledgor and the Pledgee.

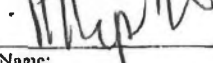
This Agreement may be executed in any number of counterparts and all of the counterparts taken together shall be deemed to constitute one and the same instrument.

IN WITNESS WHEREOF the parties have caused this Agreement to be executed by their duly authorized representatives on the day first above written.

NORDIC MINES OY  
as the Pledgor

  
Name: Torbjörn Bygdén  
Title: Authorized Signatory

FIRESTEEL RESOURCES INC.  
as the Pledgee

  
Name:  
Title: Authorized Signatory



**SCHEDULE 1  
THE BUSINESS MORTGAGE NOTE**

**BUSINESS MORTGAGE NOTE**

<b>Mortgage number</b>	<b>Amount of Note</b>	<b>Mortgage Note Number</b>
2011/001148K	EUR 700,000,000	1

**SCHEDULE 2**  
**FORM OF POWER OF ATTORNEY (FINNISH NOTE NULLIFICATION)**

**VALTAKIRJA**  
**POWER OF ATTORNEY**

Nordic Mines Oy (pantinantajana), Firesteel Resources Inc. (pantinsaajana) ja PFL Raahe Holdings LP (pantinsaajana) täten valtuuttavat asianajaja Juha-Pekka Mutasen ja asianajaja Kristian Karlssonin Dittmar & Indrenius Asianajotoimisto Oy:stä, kummankin erikseen, tai määräämänsä hakemaan seuraavien Nordic Mines Oy:n hallitsemien valtauskirjojen kadonneena kuolettamista toimivaltaisessa käräjäoikeudessa ja tällaisten valtauskirjojen poistamista kaivosrekisteristä:

*Nordic Mines Oy (as pledgor), Firesteel Resources Inc. (as pledgee) and PFL Raahe Holdings LP (as pledgee) hereby authorize attorney-at-law Juha-Pekka Mutanen and attorney-at-law Kristian Karlsson of Dittmar & Indrenius Attorneys Ltd. both solely or either of their order to apply to the district court of competent jurisdiction for the nullification of the following exploration right certificates held by Nordic Mines Oy due to such exploration right certificates being lost and the removal of such exploration right certificates from the mining register:*

Rekisterinumero Register Number	Nimi Name
9024/4	Laiva 10
9024/5	Laiva 11
9024/6	Laiva 12
8857/1	Laiva 34
8857/2	Laiva 35
8857/3	Laiva 36
8857/4	Laiva 37
8857/5	Laiva 38
8857/6	Laiva 39
8857/7	Laiva 40
9024/1	Laiva 6
9024/7	Laiva 6 b
9024/2	Laiva 8
9024/3	Laiva 9
8855/1	Tormua 8
8855/2	Tormua 9

Lisäksi valtuutamme asianajaja Juha-Pekka Mutasen ja asianajaja Kristian Karlssonin Dittmar & Indrenius Asianajotoimisto Oy:stä, kummankin erikseen, tai määräämänsä hoitamaan kaikki muut yllä mainittujen valtauskirjojen kuolettamiseksi tarvittavat toimenpiteet.

*In addition, attorney-at-law Juha-Pekka Mutanen and attorney-at-law Kristian Karlsson of Dittmar & Indrenius Attorneys Ltd. both solely or either of their order shall hereby be*

*authorised to perform all other necessary measures for the nullification of the exploration right certificates mentioned above.*

Pvm / date:

NORDIC MINES OY

FIRESTEEL RESOURCES INC.

\_\_\_\_\_

\_\_\_\_\_

PFL RAAHE HOLDINGS LP

\_\_\_\_\_

**SCHEDULE 3**  
**NOTICE OF PLEDGE OF NORDIC MINES MINING RIGHTS**

**PANTTAUSILMOITUS**  
**NOTICE OF PLEDGE**

Vastaanottaja: Turvallisuus- ja kemikaalivirasto (Tukes)  
To: Finnish Safety and Chemicals Agency (Tukes)  
PL / PO Box 66  
00521 Helsinki

Cc: Firesteel Resources Inc.  
PFL Raahе Holdings LP

Arvoisa vastaanottaja,  
Dear Sir/Madam,

Viittaamme Nordic Mines Oy:n ("**Pantinantaja**") ja Firesteel Resources Inc.:n ("**Pantinsaaaja**") päivämäärällä [●] 2017 solmimaan vakuussopimukseen ("**Vakuussopimus**"), jolla Pantinantaja on pantannut Pantinsaaajalle seuraaviin malminetsintäluviin ("**Malminetsintäluvat**") ja valtausoikeuksiin ("**Valtausoikeudet**") perustuvat etuoikeutensa:

*Reference is made to the Security Agreement dated [●] 2017 (the "**Security Agreement**") between Nordic Mines Oy (the "**Pledgor**") and Firesteel Resources Inc. (the "**Pledgee**") concerning the pledge of the following ore prospecting permits (the "**Ore Prospecting Permits**") and exploration rights ("**Exploration Rights**").*

Malminetsintäluvat Ore Prospecting Permits	
Rekisterinumero Register Number	Nimi Name
ML2013:0054-01	Laiva 1, 4-5
ML2013:0055-01	Laiva 13-15
ML2014:0035-01	Laiva 16-33, 41
ML2012:0155	Oltava 1
ML2013:0102-01	Oltava 2-5
ML2012:0069-01	Oltava 6
ML2013:0043-01	Tormua 1-7

Valtausoikeudet Exploration Rights	
Rekisterinumero Register Number	Nimi Name
9024/4	Laiva 10
9024/5	Laiva 11
9024/6	Laiva 12
8857/1	Laiva 34
8857/2	Laiva 35
8857/3	Laiva 36
8857/4	Laiva 37
8857/5	Laiva 38
8857/6	Laiva 39
8857/7	Laiva 40
9024/1	Laiva 6
9024/7	Laiva 6 b
9024/2	Laiva 8

9024/3	Laiva 9
8855/1	Tormua 8
8855/2	Tormua 9

Ilmoitamme tällä ilmoituksella Pantinantajan pantanneen parhaalla etusijalla Pantinsaajalle kaikki Malminetsintälupiin ja Valtausoikeuksiin perustuvat etuoikeutensa Vakuussopimuksessa määriteltyjen velvoitteiden vakuudeksi. Malminetsintäluvat ja Valtausoikeudet vastaavat mainituista velvoitteista koko arvollaan, eikä niihin kohdistu muita vakuusoikeuksia.

*We hereby notify you that the Pledgor has pledged to the Pledgee all its rights to the Ore Prospecting Permits and Exploration Rights as continuing, first-ranking security for the fulfilment of the Secured Obligations (as defined in the Security Agreement). The Ore Prospecting Permits and Exploration Rights are pledged to their full value, and they are subject to no other security interests.*

Lisäksi viittaamme Nordic Mines AB (publ):n (siirtäjänä) ja Firesteel Resources Inc:n (siirronsaajana) päivämäärällä [●] 2017 solmimaan lainan ja vakuuksien siirtosopimukseen ("**Lainan ja vakuuksien siirtosopimus**"), jolla Nordic Mines AB (publ) on siirtänyt Firesteel Resources Inc:lle Pantinantajalta olevat saatavansa ja niiden vakuudet, mukaan lukien panttioikeudet Raaheessa sijaitsevaan Laiva-kaivospiiriin 7803 kohdistuvan kaivosoikeuden ("**Kaivosoikeus**").

*We also hereby refer to the loan and security assignment agreement dated [●] 2017 between Nordic Mines AB (publ) (as assignor) and Firesteel Resources Inc. (as assignee) ("**Loan and Security Assignment Agreement**") whereby Nordic Mines AB (publ) has assigned to Firesteel Resources Inc. the receivables from and security granted by the Pledgor, including rights of pledge to the mining right relating to mining concession of Laiva situated in Raahe, Finland (mining register number 7803) (the "**Mining Right**").*

Lisäksi viittaamme Firesteel Resources Inc.:n (pantinantajana) ja PFL Raahe Holdings LP:n (pantinsaajana, "**PFL**") päivämäärällä [●] 2017 solmimaan vakuussopimuksen siirtosopimukseen ("**Vakuuden siirtosopimus**"), jolla Pantinsaaja on siirtänyt ja pantannut PFL:lle Vakuussopimukseen ja Lainan ja vakuuksien siirtosopimukseen perustuvat etuoikeutensa Malminetsintälupiin, Valtausoikeuksiin ja Kaivosoikeuteen.

*In addition, we refer to a Security Agreement dated [●] 2017 between Firesteel Resources Inc. (as pledgor) and PFL Raahe Holdings LP (as pledgee) (the "**Security Assignment Agreement**") whereby the Pledgee has assigned and pledged its rights to the Ore Prospecting Permits, Exploration rights and Mining Right under the Security Agreement and the Loan and Security Assignment to PFL.*

Koska Pantinsaaja on Vakuuden siirtosopimuksen mukaisesti siirtänyt Vakuussopimuksen ja Lainan ja vakuuksien siirtosopimuksen mukaiset oikeutensa PFL:lle, pyydämme tässä ilmoituksessa kuvatun pantin rekisteröimistä ensimmäisellä, toisella ja kolmannella etusijalla PFL:n hyväksi.

*As the Pledgee has assigned its rights under the Security Agreement to PFL, we hereby request the pledge of the Ore Prospecting Permits described herein be registered in favour of PFL as a first, second and third ranking security.*

Koska Valtausoikeuksia koskevat valtauskirjat ovat kadonneet, niitä ei ole liitetty tähän ilmoitukseen. Pantinantaja ja Pantinsaaja ovat hakeneet niiden kuolettamista ja ilmoittavat crikseen Tukesille kun asiakirjat on kuoletettu.

*Because the certificates evidencing the Exploration Rights have been lost, they are not enclosed to this notification. The Pledgor and the Pledgee have submitted an application to nullify the certificates and shall notify Tukes separately once the nullification is completed.*



Tätä panttausilmoitusta taikka näitä ohjeita ei voi kumota tai muuttaa ilman PFL:n ennakkoon antamaa kirjallista suostumusta. Tämä Malminetsintälupien, Valtausoikeuksien ja Kaivosoikeuden panttaus pysyy voimassa, kunnes PFL vapauttaa pantit teille toimittamallaan kirjallisella ilmoituksella.

*This notice of pledge and these instructions cannot be revoked or varied without the prior written consent of PFL. This pledge of the Ore Prospecting Permits, Exploration Rights and the Mining Right shall remain in force until it is released by a written notice issued to you by PFL.*

Liitämme oheen Kaivosoikeudesta annetun kaivoskirjan alkuperäisenä siirto- ja panttausmerkinnöin. Pyydämme ystävällisesti palauttamaan alkuperäisen kaivoskirjan PFL:n neuvonantajalle seuraavaan osoitteeseen:

*We attach the mining right certificate in relation to the Mining Right in original including endorsements of transfer and pledge. We kindly request you to return the original mining right certificate to PFL's legal advisor to the following address:*

Juha-Pekka Mutanen/Kristian Karlsson  
Dittmar & Indrenius  
Pohjoisesplanadi 25 A  
00100 Helsinki

Pyydämme ystävällisesti kuittaamaan tämän ilmoituksen vastaanottamisen kirjallisesti sekä palauttamaan kirjallisen vastaanottokuittauksenne ja tämän ilmoituksen Pantinantajalle, Pantinsaajalle ja PFL:lle seuraaviin sähköpostiosoitteisiin:

*We kindly ask you to confirm receipt of this notice in writing and returning such a written confirmation and this notice to us, the Pledgee and PFL Raahe Holdings LP by email at the following email addresses:*

(i) Nordic Mines Oy

Osoite / Address: Laivakankaantie 503, 92230 Mattilanperä  
Email: torbjorn.bygden@azets.com  
Tiedoksi / Attention: Fredrik Zettergren; Torbjörn Bygdén

(ii) Firesteel Resources Inc.

Osoite / Address: 1001-49 Granville Street, Vancouver, British Columbia V6C 1T2  
Email: mheworth@firesteelresources.com  
Tiedoksi / Attention: Michael Heworth

Sekä seuraavaan osoitteeseen / With a copy to:

Email: tfenton@airdberlis.com  
Tiedoksi / Attention: Thomas A. Fenton

(iii) PFL Raahe Holdings LP

Osoite / Address: 437 Madison Avenue, 28<sup>th</sup> Floor, New York, NY 10022  
Email: jarchibald@pandionmetals.com  
Tiedoksi / Attention: Joseph Archibald

Sekä seuraavaan osoitteeseen / With a copy to:

Email: kristian.karlsson@dittmar.fi, micke.lindholm@dittmar.fi  
Tiedoksi / Attention: Kristian Karlsson, Micke Lindholm

Viittaamme lisäksi hakemukseen, jonka nojalla Pantinantaja, Nordic Mines Marknad AB ja Nordic Mines AB (publ) ovat hakeneet Tukesilta yllä mainittujen lupien ja oikeuksien siirtoa Nordic Mines Oy:lle.

*Reference is also made to the application whereby the Pledgor, Nordic Mines Marknad AB have applied Tukes for the transfer of the above permits and rights to Nordic Mines Oy.*

[Date]

NORDIC MINES OY

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Name:

Title:

FIRESTEEL RESOURCES INC.

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Name:

Title:

NORDIC MINES MARKNAD AB

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Name:

Title:

NORDIC MINES AB (PUBL)

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Name:

Title:

**SCHEDULE 4  
ORE PROSPECTING PERMITS AND EXPLORATION RIGHTS**

Type	Status	Register no	Name	Holder	Application date	Decision date	In force until	Mineral
Ore prospecting permit	Application pending	ML2013:0054-01	Laiva 1, 4-5	Nordic Mines Oy	20.9.2013	N/A	N/A	Gold
Exploration permit	In force	9024/4	Laiva 10	Nordic Mines Oy	13.8.2010	28.4.2014	28.4.2019	Gold
Exploration permit	In force	9024/5	Laiva 11	Nordic Mines Oy	13.8.2010	28.4.2014	28.4.2019	Gold
Exploration permit	In force	9024/6	Laiva 12	Nordic Mines Oy	13.8.2010	28.4.2014	28.4.2019	Gold
Ore prospecting permit	Application for extension period pending	ML2013:0055-01	Laiva 13-15	Nordic Mines Oy	20.9.2013	N/A	N/A	Gold
Ore prospecting permit	Application for extension period pending	ML2014:0035-01	Laiva 16-33, 41	Nordic Mines Oy	25.4.2014	11.2.2015	14.3.2018	Gold
Exploration permit	In force	8857/1	Laiva 34	Nordic Mines Oy	5.11.2009	23.11.2012	23.11.2017	Gold
Exploration permit	In force	8857/2	Laiva 35	Nordic Mines Oy	5.11.2009	23.11.2012	23.11.2017	Gold
Exploration permit	In force	8857/3	Laiva 36	Nordic Mines Oy	5.11.2009	23.11.2012	23.11.2017	Gold
Exploration permit	In force	8857/4	Laiva 37	Nordic Mines Oy	5.11.2009	23.11.2012	23.11.2017	Gold
Exploration permit	In force	8857/5	Laiva 38	Nordic Mines Oy	5.11.2009	23.11.2012	23.11.2017	Gold
Exploration permit	In force	8857/6	Laiva 39	Nordic Mines Oy	5.11.2009	23.11.2012	23.11.2017	Gold
Exploration permit	In force	8857/7	Laiva 40	Nordic Mines Oy	5.11.2009	23.11.2012	23.11.2017	Gold
Exploration permit	In force	9024/1	Laiva 6	Nordic Mines Oy	13.8.2010	28.4.2014	28.4.2019	Gold
Exploration permit	In force	9024/7	Laiva 6 b	Nordic Mines Oy	13.8.2010	28.4.2014	28.4.2019	Gold
Exploration permit	In force	9024/2	Laiva 8	Nordic Mines Oy	13.8.2010	28.4.2014	28.4.2019	Gold
Exploration permit	In force	9024/3	Laiva 9	Nordic Mines Oy	13.8.2010	28.4.2014	28.4.2019	Gold
Ore prospecting permit	Extension to ore prospecting permit applied on 16 August 2017. Application	ML2012:0155	Oltava 1	Nordic Mines Oy	22.8.2012	19.8.2014	19.9.2017	Gold

	n pending.							
Ore prospecting permit	Application pending	ML2013:0102-01	Oltava 2-5	Nordic Mines Oy	5.11.2013	15.10.2014	18.11.2017	N/A
Ore prospecting permit	Application pending	ML2012:0069-01	Oltava 6	Nordic Mines Oy	4.4.2012	15.10.2014	18.11.2018	N/A
Ore prospecting permit	Application pending	ML2013:0043-01	Tormua 1-7	Nordic Mines Oy	31.7.2013	N/A	N/A	Gold
Exploration permit	Probation period, no application for extension period pending	8855/1	Tormua 8	Nordic Mines Oy	4.11.2009	20.7.2012	20.7.2017	Gold
Exploration permit	Probation period, no application for extension period pending	8855/2	Tormua 9	Nordic Mines Oy	4.11.2009	20.7.2012	20.7.2017	Gold

**SCHEDULE 5  
FORM OF POWER OF ATTORNEY  
(NEW EXPLORATION RIGHT CERTIFICATES)**

**VALTAKIRJA  
POWER OF ATTORNEY**

Nordic Mines Oy (pantinantajana), Firesteel Resources Inc. (pantinsaajana) ja PFL Raahe Holdings LP (pantinsaajana) täten valtuuttavat asianajaja Juha-Pekka Mutasen ja asianajaja Kristian Karlssonin Dittmar & Indrenius Asianajotoimisto Oy:stä, kummankin erikseen, tai määräämänsä hakemaan seuraaville valtausoikeuksille Turvallisuus- ja kemikaalivirastosta (Tukes) uusia valtauskirjoja aikaisemmin kuoletettujen tilalle sekä hakemaan niihin kohdistuvien panttioikeuksien rekisteröintiä:

*Nordic Mines Oy (as pledgor), Firesteel Resources Inc. (as pledgee) and PFL Raahe Holdings LP (as pledgee) hereby authorize attorney-at-law Juha-Pekka Mutanen and attorney-at-law Kristian Karlsson of Dittmar & Indrenius Attorneys Ltd. both solely or either of their order to apply to the Finnish Safety and Chemicals Agency (Tukes) for new exploration right certificates for the following exploration rights, to replace certificates previously nullified and apply for registration of the rights of pledge relating thereto:*

Rekisterinumero Register Number	Nimi Name
9024/4	Laiva 10
9024/5	Laiva 11
9024/6	Laiva 12
8857/1	Laiva 34
8857/2	Laiva 35
8857/3	Laiva 36
8857/4	Laiva 37
8857/5	Laiva 38
8857/6	Laiva 39
8857/7	Laiva 40
9024/1	Laiva 6
9024/7	Laiva 6 b
9024/2	Laiva 8
9024/3	Laiva 9
8855/1	Tormua 8
8855/2	Tormua 9

Lisäksi valtuutamme asianajaja Juha-Pekka Mutasen ja asianajaja Kristian Karlssonin Dittmar & Indrenius Asianajotoimisto Oy:stä, kummankin erikseen, tai määräämänsä hoitamaan kaikki muut yllä mainittujen valtauskirjojen hakemiseksi ja niihin kohdistuvan panttioikeuden julkivarmistamiseksi tarvittavat toimenpiteet sekä vastaanottamaan uudet alkuperäiset valtauskirjat.

*In addition, attorney-at-law Juha-Pekka Mutanen and attorney-at-law Kristian Karlsson of Dittmar & Indrenius Attorneys Ltd. both solely or either of their order shall hereby be authorized to perform all other necessary measures for the application for and perfection of the pledge of the exploration right certificates mentioned above and receive any new original exploration right certificates.*

Pvm / date:

NORDIC MINES OY

FIRESTEEL RESOURCES INC.

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PFL RAAHE HOLDINGS LP

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This is **Exhibit "F"** referred to in Affidavit #1 of **Joseph Archibald**, sworn before me at Windsor, Connecticut, United States of America, on January 7, 2022.

Anne Ferris Cassidy  
A Notary Public in and for the  
State of Connecticut

**ANNE FERRIS CASSIDY**  
Notary Public, State of Connecticut  
My Commission Expires March 31, 2024

MINING CERTIFICATE  
12 October 2009

Mine Number 7803

The Ministry of Employment and the Economy of Finland has, under the Mining Act, entered the following mining right to the mining register:

Date of registration: 12 October 2009

Mining register number: 7803

Name of mining patent: Laiva

The possessor of the mining right shall receive the right as described in Chapter 5 of the Mining Act to exploit the minerals in the mining patent.

#### The possessor of the mining right

Nordic Mines AB  
Kungsängsgatan 5A  
SE-753 22 Uppsala  
Sweden

#### Information on the mining patent

This mining certificate applies to the following areas:

Raahe (678)

#### The mining patent's range of use

Area Reg Nr	Area name	Village	ha
678-410-2-4	Välneva	Palo	0,71
678-410-3-16	Metsä-Aunola	Palo	38,50
678-410-4-34	Tuppukangas	Palo	47,76
678-411-1-13	Hannla	Piehinki	1,79
678-411-1-16	Honkala II	Piehinki	18,98
678-411-1-27	Rajjala	Piehinki	8,91
678-411-4-25	Lamu	Piehinki	4,51
678-411-4-27	Peltomaa	Piehinki	74,02
678-411-4-36	Polkajoki II	Piehinki	14,54
678-411-4-55	Syrjä	Piehinki	1,36
678-411-4-152	Pirttihauta	Piehinki	29,26
678-411-4-158	Kultaneva	Piehinki	3,99

MINING CERTIFICATE  
12 October 2009

Mine Number 7803

2(9)

678-411-7-48	Männistö	Piehinki	9,03
678-411-7-95	Metsälä	Piehinki	5,17
678-411-7-140	Kuusiniemi	Piehinki	5,15
678-411-9-80	Kauninmetsänkangas	Piehinki	7,19
678-411-9-115	Rämekorpi	Piehinki	17,87
678-411-9-117	Laitala	Piehinki	7,70
678-411-14-31	Hietä	Piehinki	3,26
678-411-15-30	Koskinen	Piehinki	2,19
678-411-15-52	Mäntylä	Piehinki	6,30
678-411-18-36	Vehkala	Piehinki	1,32
678-411-18-37	Kauninkangas	Piehinki	10,91
678-411-21-21	Niemelä	Piehinki	9,01
678-411-25-17	Kujala	Piehinki	6,37
678-411-25-30	Kivikangas	Piehinki	0,03
678-411-25-34	Kultahippu	Piehinki	16,11
678-411-25-35	Uusi kettukangas	Piehinki	2,03
678-411-59-0	Törmälä	Piehinki	0,94
678-411-62-2	Hentelä	Piehinki	7,74
678-411-878-38	18:1-18:3 Yhteinen Lylynova	Piehinki	0,41
...			
678-412-1-116	Einola	Saloinen	4,06
678-412-1-189	Koivulehto	Saloinen	30,79
678-412-1-200	Takajuusola	Saloinen	11,79
678-412-2-95	Kaski	Saloinen	9,92
678-412-3-9	Vaarainpalsta	Saloinen	29,72
678-412-6-314	Sappälä	Saloinen	41,01
678-412-7-127	Pyhätuoto	Saloinen	4,37
678-412-8-151	Lukkarila	Saloinen	16,08
678-412-8-226	Laivala	Saloinen	4,42
678-412-9-8	Vaarala	Saloinen	34,25
678-412-10-39	Vaaranvieri	Saloinen	5,57
678-412-11-15	Jaakolanperä	Saloinen	0,81
678-412-14-17	Piikki	Saloinen	8,04
678-412-16-32	Mikkela	Saloinen	62,09
678-412-52-6	Vaarainmetsä	Saloinen	17,27
678-412-52-7	Leinostenvaara	Saloinen	13,23
678-412-83-0	Lintula	Saloinen	1,82
678-412-84-0	Hiitolansuo	Saloinen	11,69
678-413-1-164	Maljanpelto	Savolahti	3,31
678-413-1-172	Kolokallio	Savolahti	0,28
678-413-3-8	Palonkoulu	Savolahti	6,84
678-413-3-10	Palonkoulu I	Savolahti	0,36
678-413-3-47	Takapää	Savolahti	11,69
678-413-4-37	Ispina	Savolahti	2,51

MINING CERTIFICATE  
12 October 2009

Mine Number 7803

3(9)

678-413-4-52	Lampikangas	Savolahti	0,65
678-413-4-142	Junnila	Savolahti	9,77
678-413-5-95	Eerola	Savolahti	0,24
678-413-7-304	Junnila I	Savolahti	2,05
678-413-8-19	Vaarainjärvi	Savolahti	36,30
678-413-21-5	Rinne I	Savolahti	1,09
678-413-26-2	Silta V	Savolahti	35,68
678-413-26-7	Marjakaara V	Savolahti	20,86
678-414-1-179	Wilitapello	Kopsa	3,37
678-414-2-54	Nahkakallio	Kopsa	1,27
678-414-2-64	Ispinänneva	Kopsa	19,49
678-414-3-28	Murto	Kopsa	3,61
678-414-3-84	Resuperkkiö	Kopsa	1,14
678-414-3-94	Pöksyhaan palsta	Kopsa	0,11
678-416-1-82	Jatkola	Oikijoki	60,74
678-416-3-11	Metsämaunula	Oikijoki	1,46
678-416-4-15	Metsä-hannu	Oikijoki	30,39
678-416-6-1	Wasanneva	Oikijoki	175,53
678-416-7-16	Pesuankangas	Oikijoki	12,37
678-416-7-32	Pesuansalo	Oikijoki	8,61
678-410-1-10	Nahkemctoö	Palo	7,66
678-410-11-2	Laivalanpalsta	Palo	1,64
678-411-2-154	Pohjoislaita	Piehinki	11,62
678-411-4-66	Mannakorpi	Piehinki	35,38
678-411-15-3	Sillanpää	Piehinki	1,80
678-411-15-40	Apuli	Piehinki	1,07
678-411-24-5	Kankaala	Piehinki	14,53
678-411-25-10	Kivipello	Piehinki	24,15
678-412-1-126	Metsäsalkkari	Saloinen	23,67
678-412-1-145	Jahtipala	Saloinen	12,34
678-412-6-51	Takasintuoto	Saloinen	9,90
678-412-6-52	Anttila	Saloinen	8,69
678-412-7-126	Ahtinkangas	Saloinen	3,77
678-412-7-141	Laiva-Kulju	Saloinen	17,61
678-412-10-15	Susikivi	Saloinen	5,28
678-412-12-41	Ylähörskö	Saloinen	16,03
678-412-52-8	Laivavaara	Saloinen	18,99
678-412-88-0	Mattilanperä	Saloinen	80,34
678-413-1-39	Nahkakallio	Savolahti	3,79
678-413-1-152	Perintö	Savolahti	1,86
678-413-1-154	Mäki	Savolahti	0,40
678-413-1-163	Lekkula	Savolahti	0,42
678-413-1-169	Nahkakalliot	Savolahti	2,69
678-413-2-59	Rauhala III	Savolahti	1,49

MINING CERTIFICATE  
12 October 2009

Mine Number 7803

678-413-3-201	Etupää	Savolahti	0,41
678-413-4-90	Virran metsä	Savolahti	12,94
678-413-4-84	Ispinä	Savolahti	12,32
678-413-4-90	Kujala	Savolahti	2,37
678-413-4-150	Myllymetsä	Savolahti	15,27
678-413-5-109	Tanskala	Savolahti	0,38
678-413-7-29	Metsäkiikakoski	Savolahti	2,27
678-413-7-87	Metsänlempi	Savolahti	0,76
678-413-7-69	Ukkohannala	Savolahti	3,33
678-413-7-145	Kujala	Savolahti	2,07
678-413-7-249	Koppelmaa	Savolahti	0,36
678-413-7-301	Naakkakallio	Savolahti	2,66
678-413-7-302	Pekaräme	Savolahti	0,38
678-413-21-4	Kivirinne	Savolahti	0,96
678-413-26-11	Mäntylä	Savolahti	43,23
678-413-47-0	Jaakkola	Savolahti	5,18
678-414-1-128	Pikkorainen	Kopsa	7,77
678-414-1-130	Kauppinen	Kopsa	4,78
678-414-1-132	Pekuri	Kopsa	4,30
678-414-2-116	Kliviello	Kopsa	0,13
678-414-3-7	Sleppala	Kopsa	6,27
		<b>Yhteensä ha</b>	<b>1 551,93</b>

Total amount of ha: 1,551,93

MINING CERTIFICATE  
12 October 2009

Mine Number 7803

Mining patent auxiliary area

Area Reg Nr	Area name	Village	ha
678-412-9-10	Ialvala	Saloinen	1,20
678-411-4-152	Pirttihauta	Piehinki	4,81
678-411-25-11	Jokiranta	Piehinki	2,20
678-411-59-0	Törmälä	Piehinki	1,37
678-412-1-200	Takajuusola	Saloinen	3,72
678-412-2-67	Kuuailuoto	Saloinen	7,72
678-412-2-68	Mäkiluoto	Saloinen	5,31
678-412-2-79	Alapello	Saloinen	10,72
678-412-2-80	Alanko	Saloinen	0,36
678-412-2-81	Peltoniemi 2	Saloinen	5,17
678-412-2-95	Kaski	Saloinen	17,86
678-412-6-312	Heikkilä	Saloinen	0,56
678-412-7-127	Pyhälüoto	Saloinen	0,69
678-412-8-151	Lukkarila	Saloinen	19,78
678-412-8-226	Laivala	Saloinen	10,38
678-412-8-227	Takametsä	Saloinen	10,70
678-412-10-39	Vaaranvieri	Saloinen	0,82
678-412-10-25	Pellonpää	Saloinen	3,78
678-412-14-17	Piikki	Saloinen	0,32
678-412-16-32	Mikkela	Saloinen	4,95
678-412-52-6	Vaarainmetsä	Saloinen	2,79
678-412-84-0	Hiitolansuo	Saloinen	0,87
678-411-15-40	Apuli	Piehinki	0,15
678-412-1-126	Metsäsalkkari	Saloinen	1,90
678-412-1-145	Jahtipala	Saloinen	1,34
678-412-6-51	Takasiniuoto	Saloinen	2,76
678-412-6-52	Anttila	Saloinen	2,45
678-412-7-141	Laiva-Kulju	Saloinen	1,08
678-412-9-8	Vaarala	Saloinen	9,70
678-412-10-15	Susikivi	Saloinen	0,72
678-412-12-41	Ylähörskö	Saloinen	1,94
678-412-52-8	Laivavaara	Saloinen	4,07
678-411-15-30	Koskinen	Piehinki	0,11
		<b>Yhteensä, ha</b>	<b>142,30</b>

Total amount of ha: 142,30

Location, boundaries and other aspects that have been processed in the mining patent proceedings are more accurately defined in the mining patent proceedings minutes and its appendices.

The minerals of which exploitation has been set in the mining patent: gold

**MINING CERTIFICATE**  
12 October 2009

Mine Number 7803

**Other information:**

The mining patent proceedings number: 7803/1a

The mining patent proceedings ended: 15 April 2009

The mining patent proceedings has received legal force, other than regarding compensation:  
15 May 2009

The mining work must start at its latest:

1 September 2018

**Mining patent charge**

For this mining right the possessor of the mining right shall pay, as of 2010, a mining patent charge to each landowner, the amount of which is determined by the Mining regulation. The amount is determined by the unit area and is 20 euros per hectare. The payment for each calendar year shall be made no later than 15 March of the following year.

**Payment**

According to the Ministry of Employment and the Economy's Regulation on services subject to fee (441/2009) the fee charged of this mining certificate is 1000 euros.

The party liable to pay, who considers that an error has occurred in the setting of the decision fee can demand for a rectification from the Ministry of Employment and the Economy. An appeal against the decision on the rectification can be submitted by appealing to a competent Administrative Court.

**Signed by:**

*Petri Peltonen*

*Pekka Suomela*

**Director-general**

**Senior mine inspector**

Distribution **Nordic Mines AB**

For information **Tukes (Finnish Safety and Chemicals Agency)**

**Pohjois-Pohjanmaan Maanmittauslaitos (Land survey district office of Northern Ostrobothnia)**

**Pohjois-Suomen Ympäristölupavirasto (Northern Finland environmental permit office)**

MINING CERTIFICATE  
12 October 2009

Mine Number 7803

7(9)

**Transfer of mining right:**

Nordic Mines AB is transferring this mining certificate to Nordic Mines Marknad AB.

Uppsala 10 June 2010

Nordic Mines AB

*Hannu Vehmanen*

The aforementioned transfer was accepted

Nordic Mines Marknad AB

*Hannu Vehmanen*

Pledged at first priority for the benefit of UniCredit AG, London Branch as security agent (the "Security Agent") for certain secured parties according to the contract between the Security Agent and Nordic Mines Marknad AB dated 3 March 2011.

Pledged at second priority for the benefit of Finnvera Abp, after the aforementioned first priority pledge, according to the contract between Finnvera Abp and Nordic Mines Marknad Ab, dated 3 March 2011.

*Heikki Majamaa*, with Power of Attorney

The aforesaid pledge was accepted

UniCredit Bank AG, London Branch

*Henrik Mattson*, with Power of Attorney

Finnvera Abp

*Henrik Mattson*, with Power of Attorney

Pledged at third priority for the benefit of UniCredit AG, London Branch as security agent (the "Security Agent") for certain secured parties according to the contract between the Security Agent and Nordic Mines Marknad AB dated 24 August 2011.

*Mathias Erikson*, with Power of Attorney

The aforementioned third priority pledge was accepted.



MINING CERTIFICATE  
12 October 2009

Mine Number 7803

UniCredit Bank AG, London Branch

*Mathias Erikson*, with Power of Attorney

The aforementioned pledge at first, second and third priority have on 11 December 2015 been transferred to Nordic Mines AB (publ) on the basis of a Transfer Deed dated 6 November 2015.

Nordic Mines Marknad AB

*Eva Kaijser*, with Power of Attorney

The transfer of the aforementioned pledge at first, second and third priority was accepted.

Nordic Mines AB (publ)

*Eva Kaijser*, with Power of Attorney

Pursuant to a Loan and Security Assignment Agreement and Conversion Agreement dated 8 December 2017, Nordic Mines AB (publ) hereby assigns to Firesteel Resources Inc. its first, second and third priority security interests on the mining right set out in this mining certificate.

Nordic Mines AB (publ)

*Maria Pajuniemi*, with Power of Attorney

The aforementioned transfer was accepted.

Firesteel Resources Inc.

*Maria Pajuniemi*, with Power of Attorney

Nordic Mines Marknad AB transfers this mining certificate according to the Contribution Agreement dated 8 December 2017 to Nordic Mines Oy.

Nordic Mines Marknad AB

*Maria Pajuniemi*, with Power of Attorney

The aforementioned transfer was accepted

Nordic Mines Oy

Firesteel Resources Inc. (accepts as pledgee)

*Maria Pajuniemi*, with Power of Attorney

*Maria Pajuniemi*, with Power of Attorney

MINING CERTIFICATE  
12 October 2009

Mine Number 7803

9(9)

Firesteel Resources Inc. transfers and pledges the first, second and third priority pledges of the mining right of this mining certificate according to the Security Agreement dated 8 December 2017 to PFL Raahe Holdings LP.

Firesteel Resources Inc.

*Maria Pajuniemi*, with Power of Attorney

The aforementioned transfer was accepted

PFL Raahe Holdings LP

*Kristian Karlsson*, with Power of Attorney

Nordic Gold Oy (former Nordic Mines Oy), Nordic Gold Corp. (former Firesteel Resources Inc.) and PFL Raahe Holdings LP have on 8 November 2018 agreed on the following arrangement regarding the pledges set out in this mining certificate and the mining rights related thereto:

- 1) The arrangement set out in the notification to the Finnish Safety and Chemicals Agency (Tukes) on 8 December 2017 is amended so that the second and third priority pledges are removed and the mining right is pledged at first priority to PFL Raahe Holding LP to secure obligations set out in the notification made on 8 December 2017 for full value;
- 2) Nordic Gold Oy has pledged the mining right set out in this mining certificate at second priority to PFL Raahe Holdings LP as stated in the Second Priority Security Agreement dated 8 November 2018 to secure the obligations set out therein for full value.

The aforementioned arrangement was accepted.

Nordic Gold Oy

*Micke Lindholm*,

with Power of Attorney

Nordic Gold Corp.

*Micke Lindholm*,

with Power of Attorney

PFL Raahe Holding LP

*Micke Lindholm*,

with Power of Attorney

This is **Exhibit "G"** referred to in Affidavit #1 of **Joseph Archibald**, sworn before me at ~~Bridgeport~~ Connecticut, United States of America, on January 7, 2022.



A Notary Public in and for the  
State of Connecticut

**ANNE FERRIS CASSIDY**  
Notary Public, State of Connecticut  
My Commission Expires March 31, 2024

## GENERAL SECURITY AGREEMENT

BETWEEN

**FIRESTEEL RESOURCES INC., together with the parties from time to time that become party hereto as Guarantors**

and

**PFL RAAHE HOLDINGS LP**

December \_\_, 2017



**CASSELS BROCK**  
LAWYERS

**TABLE OF CONTENTS**

<b>ARTICLE 1 INTERPRETATION .....</b>	<b>1</b>
1.01 Definitions .....	1
1.02 References to specific terms .....	5
1.03 Headings .....	5
1.04 Internal references .....	5
1.05 Number and gender .....	5
1.06 Calculation of time .....	5
1.07 Schedules .....	5
<b>ARTICLE 2 GRANT OF SECURITY .....</b>	<b>6</b>
2.01 Creation of Security Interest .....	6
2.02 Attachment .....	6
2.03 Release of Collateral .....	6
2.04 Account Debtor .....	6
2.05 Leasehold interests .....	6
2.06 Contractual rights .....	7
2.07 Intellectual Property .....	7
2.08 Commingled goods .....	7
2.09 Release of Security Interest .....	7
<b>ARTICLE 3 DEBTORS' COVENANTS .....</b>	<b>7</b>
3.01 Payment of Obligations .....	7
3.02 Care of Collateral .....	8
3.03 Liens .....	8
3.04 Proceeds held in trust .....	8
3.05 Accessions and fixtures .....	8
3.06 Notice of change .....	8
3.07 Landlords' acknowledgements .....	9
3.08 Information .....	9
3.09 Documents .....	9
3.10 Inspection .....	9
3.11 Maintenance of Intellectual Property .....	9
3.12 Delivery of certain Collateral .....	10
3.13 Registration .....	10
3.14 General indemnity .....	10
3.15 Set-off, combination of accounts, and crossclaims .....	10
3.16 Limitations on Secured Party's rights and realization .....	11
<b>ARTICLE 4 DEBTORS' RIGHTS .....</b>	<b>11</b>
4.01 Dealings with Collateral .....	11
4.02 Special provisions relating to securities .....	11
<b>ARTICLE 5 DEBTORS' REPRESENTATIONS AND WARRANTIES .....</b>	<b>13</b>
5.01 Location of Debtors .....	13
5.02 Location of Collateral .....	13
5.03 Securities and security entitlements .....	14
5.04 List of Intellectual Property .....	14
5.05 Registration of Intellectual Property .....	14
5.06 Entitlement to use Intellectual Property .....	14
5.07 No litigation re Intellectual Property .....	14

<b>ARTICLE 6 ACKNOWLEDGEMENTS .....</b>	<b>14</b>
6.01 Construction of terms .....	14
6.02 No partnership, etc.....	15
6.03 No third party beneficiaries.....	15
6.04 Payment of costs and expenses.....	15
<b>ARTICLE 7 RIGHTS AND REMEDIES.....</b>	<b>15</b>
7.01 Remedies cumulative .....	15
7.02 Security in addition.....	15
7.03 Non-merger.....	15
7.04 Survival .....	16
7.05 Severability .....	16
7.06 Waiver.....	16
7.07 Acceleration and enforcement.....	16
7.08 Floating charge .....	16
7.09 Power of entry.....	16
7.10 Power of sale .....	17
7.11 Carrying on business .....	17
7.12 Pay Liens .....	17
7.13 Dealing with Collateral .....	18
7.14 Powers re leases .....	18
7.15 Dealing with accounts .....	18
7.16 Collect rents.....	19
7.17 Dealing with securities .....	19
7.18 Dealing with Intellectual Property .....	19
7.19 File claims .....	19
7.20 Power of attorney.....	19
7.21 Retain services .....	20
7.22 Appointment of a Receiver .....	20
7.23 Effect of appointment of Receiver .....	20
7.24 Application of payments .....	20
7.25 Deficiency .....	20
7.26 Limitation of liability .....	21
7.27 Extensions of time.....	21
7.28 Secured Party or Receiver may perform .....	21
7.29 Validity of sale.....	21
7.30 No obligation to advance.....	22
<b>ARTICLE 8 GENERAL.....</b>	<b>22</b>
8.01 Entire agreement .....	22
8.02 Further assurances .....	22
8.03 Amendment.....	22
8.04 Conflict of terms .....	22
8.05 Binding effect .....	22
8.06 Debtors' amalgamation .....	22
8.07 Assignment.....	23
8.08 Notice.....	23
8.09 Governing law .....	23
8.10 Submission to jurisdiction.....	23
8.11 Judgment currency.....	23
8.12 Counterparts .....	23

8.13 Copy of agreement.....23  
8.14 Effective date .....23  
**SCHEDULE A LOCATION OF DEBTORS AND COLLATERAL ..... A-1**  
**SCHEDULE B LIST OF SECURITIES AND SECURITY ENTITLEMENTS ..... B-1**  
**SCHEDULE C LIST OF INTELLECTUAL PROPERTY ..... C-1**

## GENERAL SECURITY AGREEMENT

Dated December \_\_\_, 2017

BETWEEN:

**FIRESTEEL RESOURCES INC.**, an Alberta corporation  
(the "**Seller**")

and

Any person which hereafter signs a supplement to this Agreement substantially in the form attached hereto as Exhibit A (collectively, the "**Guarantors**" and, together with the Seller, the "**Debtors**" and each a "**Debtor**")

and

**PFL RAAHE HOLDINGS LP**, a limited partnership organized under the laws of the Province of Ontario  
(the "**Secured Party**").

### RECITALS:

A. The Seller is now and may further become indebted or otherwise obligated to the Secured Party, including under a pre-paid forward gold purchase agreement dated November 10, 2017 (as may be amended, supplemented, restated, replaced, or otherwise modified from time to time, the "**PPF Gold Purchase Agreement**").

B. The Seller has agreed, as a condition of the PPF Gold Purchase Agreement, to enter into this agreement and grant security to the Secured Party.

C. Each Guarantor has agreed to guarantee the Obligations (defined herein) on the terms of the Guarantee, and has agreed to enter into this agreement and grant security to the Secured Party.

The parties agree as follows:

## ARTICLE 1 INTERPRETATION

### 1.01 Definitions

Words and expressions defined in the PPSA and the STA are used in this agreement (capitalized or not) with the defined meanings assigned to them in those statutes, unless the context otherwise requires. For greater certainty, in this agreement each of the words "accessions," "account," "chattel paper," "consumer goods," "document of title," "equipment," "goods," "instruments," "intangible," "inventory," "investment property," "money," and "proceeds" has the same meaning as its defined meaning in the PPSA and each of the terms "certificated security," "entitlement holder," "financial asset," "securities account," "securities intermediary," "security," "security entitlement," and "uncertificated security" has the same meaning as its defined meaning in the STA. In this agreement, in addition to the terms defined above, the following definitions apply:



- 2 -

**"Account Debtor"** means a party obligated to pay under any account, chattel paper, or instrument constituting Collateral.

**"Applicable Law"** has the meaning ascribed thereto in the PPF Gold Purchase Agreement.

**"Business Day"** means a day other than a Saturday, a Sunday, or any other day on which the principal chartered banks located in Toronto, Ontario, New York, New York and London, England are not open for business.

**"Collateral"** means, collectively, all of the Debtors' present and after-acquired real and personal property (including, without limitation, all accounts, chattel paper, Documents, documents of title, mineral resources, concession rights, plant, equipment, goods, instruments, intangibles, inventory, investment property, Licences, money, securities, security entitlements, undertaking, proceeds, renewals, accretions, substitutions and Replacements, together with the Debtors' interest in any of them and including the Seller's option to acquire from the Parent Company all equity of the Project Company, and all right, title and interest of the Debtors thereto and the Material Agreements), but excludes consumer goods, securities and security entitlements in unlimited liability shares, and any interest of any Debtor in, or any rights directly relating to, the Project Company or the Mine, unless such Debtor own a 100% interest therein, and any reference in this agreement to Collateral will, unless the context otherwise requires, be deemed a reference to "Collateral or any part thereof."

**"Documents"** means all the Debtors' books, accounts, invoices, letters, papers, security certificates, documents, and other records (including customer lists and records, subject, however, to privacy, confidentiality, and access rights of customers), in any form evidencing or relating to any part of the Collateral, together with all agreements, licences, and other rights and benefits relating to any of them.

**"Indemnified Party"** has the meaning given to that term in section 3.14 (General indemnity).

**"Intellectual Property"** means all of the Debtors'

- (a) business and trade names, corporate names, brand names, and slogans,
- (b) inventions, patents, patent rights, patent applications (including all reissues, divisions, continuations, continuations-in-part, and extensions of any patent or patent application), unregistered industrial designs, applications for registration of individual designs, and registered designs.
- (c) registered copyrights and all registered and unregistered trade-marks (including the goodwill attaching to those trade-marks), registrations, and applications for trade-marks and copyrights,
- (d) rights and interests in and to processes, data, trade secrets, designs, know-how, processes, product formulae and information, manufacturing, engineering, and other drawings and manuals, technology, algorithms, blue prints, research and development reports, technical information, technical assistance, engineering data, design and engineering specifications, and similar materials recording or evidencing expertise or information,

- 3 -

- (e) other owned intellectual and industrial property rights throughout the world,
- (f) licences of the intellectual property listed in paragraphs (b) through (e) above, except for shrink-wrap or off-the-shelf software used by the Debtors that was readily available for use at the time of purchase or licensing and was not customized for the Debtors,
- (g) all future income and proceeds from any of the intellectual property listed in paragraphs (b) through (e) above and the licences listed in paragraph (g) above, and
- (h) all rights to damages and profits by reason of the infringement of any of the intellectual property listed in paragraphs (b) through (f) above.

**"Licence"** means (a) any authorization from any Authority having jurisdiction relating to the Debtors or its businesses, undertaking, or properties, (b) any authorization from any Person granting any easement or licence relating to any real or immovable property, (c) any Intellectual Property licence, and (d) any Permits.

**"Lien"** means any mortgage, charge (whether fixed, floating or otherwise), pledge, hypothecation, security interest, assignment, trust encumbrance (whether transferred in trust, security trust or otherwise), lien (statutory or otherwise), 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.

**"Mine"** has the meaning ascribed thereto in the PPF Gold Purchase Agreement.

**"Notice"** means any notice, request, direction, or other document that a party can or must make or give under this agreement.

**"Obligations"** means all of the Debtors' present and future liabilities, obligations, and indebtedness (including, without limitation, all principal, interest, fees, expenses, and other amounts), whether direct or indirect, contingent or absolute, joint or several, matured or unmatured, in any currency, and whether as principal debtor, guarantor, surety, or otherwise to the Secured Party arising under, in connection with, or relating to the PPF Gold Purchase Agreement (including by agreement, law, in equity or otherwise (a) obligations under this agreement, (b) each Guarantor's obligations under any Guarantee and any each Grantor's obligations under any other guarantee given by such Grantor to the Secured Party in connection with the obligations of any other party, and (c) all obligations of other amalgamating corporations and the amalgamated corporation described in paragraph (a) of section 8.06 (Debtors' amalgamation)).

**"Parent Company"** has the meaning ascribed thereto in the PPF Gold Purchase Agreement.

**"Permitted Liens"** has the meaning ascribed thereto in the PPF Gold Purchase Agreement.

**"Person"** includes

- (a) any corporation, company, limited liability company, partnership, Authority, joint venture, fund, trust, association, syndicate, organization, joint stock company or other entity or group of persons, whether incorporated or not, and
- (b) any natural person, including in his or her capacity as trustee, executor, administrator, or other legally appointed representative.

**"PPSA"** means the *Personal Property Security Act (Ontario)*.

**"Project Company"** has the meaning ascribed thereto in the PPF Gold Purchase Agreement.

**"Receiver"** means any privately or court appointed receiver, manager, or receiver and manager for the Collateral or for any of the Debtors' business, undertaking, or property appointed by the Secured Party under this agreement or by a court on application by the Secured Party.

**"Recovery"** means any monies received or recovered by the Secured Party after the Security Interest has become enforceable, whether under any enforcement of the Security Interest, by any suit, action, proceeding, or settlement of any claim, or otherwise.

**"Related Rights"** means all of the Debtors' rights arising under, by reason of, or otherwise in connection with, any agreement, right, Licence, or permit (including the right to receive payments under any of them).

**"Replacements"** means all increases, additions, improvements, and accessions to, and all substitutions for and replacements of, any part of the Collateral in which the Debtors now or later have rights.

**"Security Interest"** means, collectively, the grants, mortgages, charges, pledges, transfers, assignments as security, and other security interests created under this agreement including a floating charge on all of the Debtors' interest in personal, real, immovable, or leasehold property, both present and future, that is not (a) already validly and effectively charged or (b) excluded from the Collateral, which will become a fixed charge upon enforcement of the Obligations.

**"STA"** means the *Securities Transfer Act, 2006 (Ontario)*.

**"Third Party Agreements"** means all leases (true or finance), Licences, and other agreements affecting any of the Debtors' rights, title, or interest in any of the Intellectual Property.

**"Transaction Documents"** has the meaning ascribed thereto in the PPF Gold Purchase Agreement and includes this agreement and all Documents relating to any of them.

**"undertaking"** means all of the Debtors' present and future real and personal property, businesses, undertaking, and goodwill that are not accounts, chattel paper, Documents, documents of title, equipment, instruments, intangibles, inventory, money, or securities.

Capitalized terms used in this agreement and not otherwise defined have the meanings given to them in the PPF Gold Purchase Agreement.

#### **1.02 References to specific terms**

- (a) *Currency.* Unless otherwise specified, all dollar amounts expressed in this agreement refer to Canadian currency.
- (b) *"Including."* Where this agreement uses the word "including," it means "including without limitation," and where it uses the word "includes," it means "includes without limitation."
- (c) *"Knowledge."* Where any representation, warranty, or other statement in this agreement is expressed by a party to be "to its knowledge," or is otherwise expressed to be limited in scope to facts or matters known to the party or of which the party is aware, it means the actual knowledge of such Person (and, in the case of a Person that is not an individual, the actual knowledge of senior management of such Person), and the knowledge that such Person (or senior management of such Person) would have obtained after making reasonable and appropriate inquiry with respect to the particular matter in question.
- (d) *Statutes, etc.* Unless otherwise specified, any reference in this agreement to a statute includes the regulations, rules, and policies made under that statute and any provision or instrument that amends or replaces that statute or those regulations, rules, or policies.

#### **1.03 Headings**

The headings used in this agreement and its division into articles, sections, schedules, exhibits, appendices, and other subdivisions do not affect its interpretation.

#### **1.04 Internal references**

References in this agreement to articles, sections, schedules, exhibits, appendices, and other subdivisions are to those parts of this agreement.

#### **1.05 Number and gender**

Unless the context requires otherwise, words importing the singular number include the plural and vice versa; words importing gender include all genders.

#### **1.06 Calculation of time**

In this agreement, a period of days begins on the first day after the event that began the period and ends at 5:00 p.m. Eastern Time on the last day of the period. If any period of time is to expire, or any action or event is to occur, on a day that is not a Business Day, the period expires, or the action or event is considered to occur, at 5:00 p.m. Eastern Time on the next Business Day.

#### **1.07 Schedules**

The following are the schedules to this agreement:

Schedule A - Location of Debtors and Collateral

- 6 -

- Schedule B - List of Securities and Security Entitlements  
Schedule C - List of Intellectual Property

## ARTICLE 2 GRANT OF SECURITY

### 2.01 Creation of Security Interest

As general and continuing security for the due payment, observance, and performance by the Debtors of all Obligations, the Debtors hereby grant to the Secured Party a Security Interest in the Collateral.

### 2.02 Attachment

The parties acknowledge that (a) each of the Debtor's has rights in the Collateral, (b) the Secured Party has given value to the Debtors, (c) the parties have not agreed to postpone the time for attachment of the Security Interest, and (d) the Security Interest is intended to attach (i) as to Collateral in which any of the Debtors now have rights, when any such Debtor executes this agreement and (ii) as to Collateral in which any of the Debtors subsequently acquire rights, when such Debtor first obtains those rights.

### 2.03 Release of Collateral

The Secured Party may, at its discretion and at any time, release from the Security Interest any of the Collateral or any other security or surety for the Obligations either with or without sufficient consideration for that Collateral without releasing any other part of the Collateral or any Person from this agreement.

### 2.04 Account Debtor

Upon a Default or Event of Default that is continuing, the Secured Party may notify and direct any Account Debtor of the Debtors to make payment directly to the Secured Party. Upon a Default or Event of Default that is continuing, the Secured Party may, at its discretion, apply the amounts received from any Account Debtor of the Debtors and any proceeds in accordance with section 7.24 (Application of payments) or hold them as part of the Collateral.

### 2.05 Leasehold interests

- (a) The last day of the term of any lease, sublease, or agreement to lease or sublease now held or subsequently acquired by any of the Debtors is excluded from the Security Interest and does not form part of the Collateral. However, upon the Security Interest becoming enforceable, the Debtors will stand possessed of that last day and hold it in trust for the Secured Party and shall assign it as the Secured Party directs.
- (b) If any lease, sublease, or agreement to lease or sublease contains a term that provides, in effect, that it may not be assigned, sub-leased, charged, or made the subject of any Lien without the consent of the lessor, the application of the Security Interest to that agreement will be conditional upon obtaining that consent. The Debtors shall use reasonable efforts to obtain that consent as soon as reasonably practicable.

## **2.06 Contractual rights**

- (a) To the extent (and only to the extent) that the creation of the Security Interest would constitute a breach, termination or cause the acceleration, of any agreement, right, Licence, lease, property or permit to which any Debtor is a party or of which the Debtors have the benefit without the consent of a third party (a "**Necessary Consent**") which has not been obtained, the Security Interest will not attach to it until the Necessary Consent has been obtained. However, the Debtors shall hold such contractual rights in trust for the Secured Party and shall assign that agreement, right, Licence, or permit to the Secured Party immediately upon obtaining the Necessary Consent.
- (b) The Security Interest will nonetheless immediately attach to any Related Rights if, to the extent that, and as at the time that attachment to the Related Rights is not illegal, is not enforceable against the Secured Party or other third parties generally, or would not result in an ineligible transfer or a material loss or expense to the Debtors. The Debtors shall use reasonable efforts to obtain all required material approvals as soon as reasonably practicable.
- (c) To the extent permitted by Applicable Law, the Debtors shall hold in trust for the Secured Party and, after a Default occurs, provide the Secured Party with the benefits of, each agreement, right, Licence, or permit and enforce all Related Rights at the direction of and for the benefit of the Secured Party or at the direction of any other Person that the Secured Party may designate.

## **2.07 Intellectual Property**

Each Debtor grants the Security Interest in the Intellectual Property only as security. Before the Security Interest becomes enforceable under this agreement, the Secured Party will not be or be deemed to be the owner of any of the Intellectual Property. Further, the Secured Party will not be deemed to have assumed, or be deemed to be liable for, any covenant, agreement, or other obligation of the Debtors under any agreement, right, Licence, or permit relating to the Intellectual Property to which the Debtors are a party.

## **2.08 Commingled goods**

If the Collateral subsequently becomes part of a product or mass to which the security interest of another secured party attaches, the Security Interest will extend to all accounts, Replacements, or proceeds arising from any dealing with such product or mass.

## **2.09 Release of Security Interest**

Once the Debtors satisfy the Obligations in full, the Secured Party shall, within a reasonable time after it receives a written request from the Debtors, release the Security Interest and execute and deliver any releases and discharges that the Debtors may reasonably require. The Debtors shall jointly and severally pay all expenses incurred by the Secured Party in doing so.

## **ARTICLE 3 DEBTORS' COVENANTS**

### **3.01 Payment of Obligations**

Each of the Debtors shall satisfy the Obligations when due.

### 3.02 Care of Collateral

Each of the Debtors shall keep the Collateral in good condition.

### 3.03 Liens

Each of the Debtors shall keep the Collateral free of all Liens, except for Permitted Liens. The Debtors shall defend the title of the Collateral against any Person. The Secured Party may, at any time, contest the validity, effect, perfection, or priority of any Lien. No Lien may rank in priority to or *pari passu* with the Security Interest, except: (a) to the extent that it is entitled to priority as a purchase money security interest under the PPSA; or (b) with the written consent of the Secured Party. Nothing in this agreement is intended to create any rights (including subordination rights or any release of Security Interest) in favour of any Person other than the Secured Party, any Receiver, and the other Indemnified Parties.

### 3.04 Proceeds held in trust

From and after the first date on which the Secured Party exercises any remedies under Article 7 (Rights and Remedies), the Debtors shall hold any accounts, dividends, distributions, interest, proceeds, and other income that it collects in respect of the Collateral as agent and in trust for the Secured Party separate and apart from all its other property. Each of the Debtors shall pay any such amounts to the Secured Party immediately upon receipt.

### 3.05 Accessions and fixtures

Each of the Debtors shall prevent the Collateral from becoming (a) an accession to any personal property not subject to this agreement or (b) affixed to any real property unless the Security Interest ranks prior to the interests of another Person in the realty.

### 3.06 Notice of change

- (a) Each of the Debtors shall promptly give Notice to the Secured Party
  - (i) immediately of (A) any material uninsured loss of or damage to any Collateral or of any suit, action, or proceeding before any Authority that could materially adversely affect the Collateral or the Security Interest, (B) any material Intellectual Property in which it acquires rights, (C) any securities and security entitlements in which it acquires rights, or (D) any location at which Documents are situated or any event occurring that, after notice or lapse of time, would constitute a Default,
  - (ii) at least thirty (30) days prior to (A) any change of its name; and (B) any change in or addition to the chief executive office or location of Collateral from those locations referred to in section 5.02 (Location of Collateral), and
  - (iii) at least thirty (30) days prior to (A) the adoption of a French or combined English and French form of name, (B) any change in the jurisdiction where it is incorporated or continued or where the registered office or chief executive office of the Debtors are located, (C) any change in the jurisdiction where its chief executive officer or any directors, or (D) any change in its chief executive officer or directors of the Debtors identifying

- 9 -

the name and jurisdiction of residence of each new chief executive officer or director.

- (b) Each of the Debtors hereby authorizes the Secured Party, as its attorney under this agreement, to revise each schedule to reflect the information provided to the Secured Party under this section.

### **3.07 Landlords' acknowledgements**

The Debtors shall obtain a written agreement from each landlord of any of the Debtors in favour of the Secured Party, in form and substance satisfactory to the Secured Party, in which the landlord:

- (a) agrees to notify the Secured Party of any default by the Debtor under the lease and to give the Secured Party a reasonable opportunity to cure that default before the landlord exercises any remedies; and
- (b) acknowledges the Security Interest and the right of the Secured Party to enforce the Security Interest in priority to any claim of the landlord.

### **3.08 Information**

Each of the Debtors shall deliver to the Secured Party any information concerning the Collateral or the Debtors that the Secured Party may reasonably request (including aged lists of inventory and accounts and annual and monthly financial statements of the Debtors).

### **3.09 Documents**

Each of the Debtors shall keep proper Documents and shall keep the Documents at the locations specified in Schedule A (Location of Debtors and Collateral).

### **3.10 Inspection**

Upon prior written request from the Secured Party, the Debtors shall each allow the Secured Party or its representatives (a) to have access at commercially reasonable times to all premises of the Debtors at which Collateral or Documents may be located, (b) to inspect the Collateral and all Documents, (c) to have temporary custody of, make copies of, and take extracts from any Documents, and (d) to verify the existence and state of the Collateral in any reasonable manner that the Secured Party may consider appropriate. The Secured Party shall keep confidential any information that the Secured Party obtains from that inspection, except as required by the Secured Party in exercising its rights under this agreement.

### **3.11 Maintenance of Intellectual Property**

The Debtors shall perform all covenants required under any Third Party Agreement (including promptly paying all required fees, royalties, and taxes) to maintain every item of Intellectual Property in full force and effect. The Debtors shall vigorously protect, preserve, and maintain all of the value of, and all of the right, title, and interest of the Debtors in, the Intellectual Property owned by the Debtors (including the prosecution and defence against any suits concerning the validity, infringement, enforceability, ownership, or other aspects affecting any of the Intellectual Property).



### 3.12 Delivery of certain Collateral

At the request of the Secured Party, the Debtors shall deliver to the Secured Party all items of Collateral that are chattel paper, instruments, or negotiable documents of title, endorsed to the Secured Party or in blank by an effective endorsement, as the Secured Party may reasonably request.

### 3.13 Registration

Each of the Debtors shall make all necessary filings, registrations, and other recordations to protect the interest of the Secured Party in the Collateral (including all recordations in connection with patents, trade-marks, and copyrights forming part of the Intellectual Property). Each of the Debtors shall cause its representatives to immediately register, file, and record this agreement, or notice of this agreement, on behalf of the Secured Party at all proper offices where, in the opinion of the Secured Party, registration, filing, or recordation may be necessary or advantageous to create, perfect, preserve, or protect the Security Interest in the Collateral and its priority. Each of the Debtors shall subsequently cause its representatives to maintain all those registrations, filings, and recordations on behalf of the Secured Party in full force and effect (including by making timely payment of any renewal or maintenance fees).

### 3.14 General indemnity

- (a) Each of the Debtors shall, on a joint and several basis, indemnify the Secured Party, any Receiver, and their respective representatives (each, an "**Indemnified Party**") in connection with all claims, losses, and expenses that an Indemnified Party may suffer or incur in connection with
- (i) the exercise by the Secured Party or any Receiver of any of its rights under this agreement,
  - (ii) any breach by any of the Debtors of the representations or warranties of the Debtors contained in this agreement, or
  - (iii) any breach by any of the Debtors of, or any failure by any of the Debtors to observe or perform, any of the Obligations,
- except that no Debtor will be obliged to indemnify any Indemnified Party to the extent those claims, losses, and expenses are determined by a final judgment to have directly resulted from the wilful misconduct or gross negligence of the Indemnified Party.
- (b) The Secured Party will be constituted as the trustee of each Indemnified Party, other than itself, and shall hold and enforce each of the rights of the other Indemnified Parties under this section or their respective benefits.

### 3.15 Set-off, combination of accounts, and crossclaims

The Debtors shall satisfy the Obligations without regard to any equities between the Debtors and the Secured Party or any assignee of the Secured Party or any right of set-off. However, the Secured Party or any assignee of the Secured Party may set off or apply against, or combine with, the Obligations any indebtedness owing by the Secured Party or any assignee of the Secured Party to the Seller, direct or indirect, extended or renewed, actual or contingent, mutual or not, at any time before, upon, or after maturity, without demand upon or notice to

anyone, and the terms of that indebtedness and Obligations will be changed to the extent necessary to permit and give effect to the set-off, application, and combination.

### **3.16 Limitations on Secured Party's rights and realization**

To the fullest extent permitted by Applicable Law, the Debtor shall waive all of the rights, benefits, conditions, warranties, and protections given by the provisions of any existing or future statute that imposes limitations upon the rights of a secured party or upon the methods of realization of Security Interest.

## **ARTICLE 4 DEBTORS' RIGHTS**

### **4.01 Dealings with Collateral**

Except for Permitted Liens, no Debtor shall sell, exchange, transfer, assign, or otherwise dispose of, grant a lien on, or deal in any way with the Collateral, or enter into any agreement or undertaking to do so, except that, until the first date on which the Secured Party exercises any remedies under Article 7 (Rights and Remedies), the Debtors: (a) may sell, dispose of, or deal with the Collateral on ordinary commercial terms, in the ordinary course of its business, and for the purpose of carrying on its business so that the purchaser of that Collateral takes title to that Collateral free of the Security Interest as permitted (and subject to any limitations) in the PPF Gold Purchase Agreement, except that (i) no Debtor shall create, assume, or have outstanding any Lien on the Collateral other than Permitted Liens and (ii) all rights of any of the Debtors as vendor, consignor, or lessor and all resulting accounts or proceeds remain subject to the Security Interest; and (b) if required pursuant to the terms of the PPF Gold Purchase Agreement, shall deposit all accounts or proceeds collected when doing so into the account designated by the Secured Party in writing.

### **4.02 Special provisions relating to securities**

- (a) Until the Secured Party provides notice to the contrary, any certificates representing the securities may remain registered in the name of the applicable Debtor. At any time upon request by the Secured Party, the applicable Debtor shall cause any of the securities to be registered in the name of the Secured Party or its nominee; for that purpose, each Debtor hereby appoints the Secured Party as its irrevocable attorney, with full power of substitution, to cause any or all of the securities to be registered in the name of the Secured Party or its nominee.
- (b) Contemporaneously with the execution and delivery of this agreement (as to securities and securities entitlements in which the Debtors now have rights), and within five Business Days of the applicable Debtor first having rights in securities and securities entitlements (as to securities and securities entitlements in which the Debtors subsequently acquire rights), the applicable Debtor shall
  - (i) physically deliver to the Secured Party each certificated security that is in bearer form,
  - (ii) physically deliver to the Secured Party each certificated security that is in registered form and, as the Secured Party may direct and either (A) endorse the security certificate to the Secured Party or in blank by an effective endorsement or (B) register the security certificate in the name

- 12 -

of the Secured Party or its nominee, in either case in form and substance satisfactory to the Secured Party and, if relevant, the transfer agent for those securities,

- (iii) cause the issuer of any uncertificated security to agree with the Secured Party that that issuer shall comply with the Secured Party's instructions without the further consent of any of the Debtors or any other entitlement holder, and
  - (iv) as the Secured Party directs, either (A) cause the Secured Party or its nominee to become the entitlement holder of each security entitlement (B) cause the securities intermediary to agree with the Secured Party that the securities intermediary shall comply with entitlement orders in relation to each security entitlement that are originated by the Secured Party without the further consent of any of the Debtors or any other entitlement holder, or (C) cause another Person that has control on behalf of the Secured Party, or having previously obtained control, to acknowledge that the Person has control on behalf of the Secured Party of any security entitlement in the manner contemplated by paragraphs (A) or (B) above; any security (including any security entitlement) held or controlled by the Secured Party under this paragraph will be held as Collateral under this agreement.
- (c) Subject to paragraph (d) below, all rights conferred by statute or otherwise upon a registered holder of securities will (i) with respect to any securities or security entitlement held directly by the Secured Party or its representatives, be exercised as the applicable Debtor may direct, and (ii) with respect to any securities or security entitlement held directly by the applicable Debtor or its representatives, be exercised by the applicable Debtor.
- (d) Until the Secured Party enforces the Security Interest,
- (i) the Debtors may exercise all voting rights attached to, and give consents, waivers, and ratifications in connection with, the securities, except that no Debtor may cast any votes, give any consent, waiver, or ratification, or take any action that would be prejudicial to the interests of the Secured Party or that would have the effect of either reducing the value of the securities as security for the Obligations or imposing any restriction on the transferability of any of the securities, and
  - (ii) without the prior written consent of the Secured Party, no Debtor may exercise their voting rights attached to the securities in connection with the following matters relating to the issuer of the securities:
    - (A) the issuance of shares of any class in the capital stock of the issuer, or any subdivision or consolidation of any of those shares,
    - (B) any borrowing or guarantee of debt to be undertaken by the issuer,
    - (C) any investment to be made by the issuer outside the existing scope of its business,

- 13 -

- (D) any disposition by the issuer of assets outside the existing scope of its business,
  - (E) any disposition by the issuer of any securities of its affiliates or subsidiaries,
  - (F) any plan of reorganization, merger, dissolution, liquidation, winding-up, or other similar plan affecting the corporate structure or existence of the issuer, or
  - (G) any amendment or other change to the constating documents of the issuer.
- (e) If the Debtors are in Default (as such term is defined in the PPF Gold Purchase Agreement or the Guarantee) or if the Security Interest otherwise becomes enforceable, all rights of the Debtors to vote and give consents, waivers, and ratifications in respect of the securities will immediately cease. In that event, the Secured Party and its representatives may, at the Secured Party's discretion (in the name of the Debtors or otherwise), exercise or cause to be exercised in respect of any of the securities any voting rights or rights to receive dividends, interest, principal, or other payments of money forming part of the securities and all other rights conferred on or exercisable by the bearer or holder thereof.
- (f) The Secured Party's responsibility in connection with the securities in its possession is limited to exercising the same degree of care that it gives its own valuable property at its offices where any of the securities are held. The Secured Party will not be bound under any circumstances to realize upon any of the securities, to allow any of the securities to be sold, to exercise any option or right attaching thereto, or to be responsible for any loss occasioned by any sale of the securities or by its retention or other refusal to sell them. The Secured Party is not obliged to collect or see to the payment of interest or dividends on the securities. Each Debtor shall hold in trust all interest and dividends, if and when received, for the Secured Party and shall immediately pay those amounts to the Secured Party.

## ARTICLE 5 DEBTORS' REPRESENTATIONS AND WARRANTIES

Each of the Debtors hereby represents and warrants to the Secured Party, in respect of itself, himself or herself (as applicable) as follows, acknowledging that the Secured Party is relying on these representations and warranties:

### 5.01 Location of Debtors

Schedule A (Location of Debtors and Collateral) lists each Debtor's full, complete name (including any French name), its registered office, chief executive office, places of business, and the jurisdiction in which it is incorporated and in which its directors and chief executive officer are resident.

### 5.02 Location of Collateral

Schedule A (Location of Debtors and Collateral) lists the locations of the Collateral, except for (a) Collateral that is in transit to and from those locations in the ordinary course of business,

- 14 -

(b) equipment that is with repairers for repair and return to the Debtors, (c) Collateral having an aggregate value that is not material, and (d) Collateral that has been disposed of in accordance with the terms of the other Transaction Documents.

#### **5.03 Securities and security entitlements**

- (a) From time to time, the Debtors shall update Schedule B (List of Securities and Security Entitlements) such that it shall at all times include a complete list of all securities and security entitlements in which the Debtors have rights, which, if applicable, have been validly issued, fully paid, and non-assessable and constitute such percentage of all of the issued and outstanding securities of each such class or designation as set forth in Schedule B (List of Securities and Security Entitlements).
- (b) There is no agreement, option, warrant, privilege, or right related thereto that would require that the Debtors sell or otherwise dispose of any of the securities and security entitlements.
- (c) The Seller has no subsidiaries other than those issuers listed in Schedule B (List of Securities and Security Entitlements).

#### **5.04 List of Intellectual Property**

Schedule C (List of Intellectual Property) includes a complete list of all Intellectual Property owned or used by the Debtors in carrying on the Debtors' business or required to dispose of the Collateral subdivided in the following categories: (a) owned by the Debtors, (b) licensed for use to the Debtors, and (c) licensed for use by the Debtors.

#### **5.05 Registration of Intellectual Property**

The Debtors have made all necessary filings, registrations, and recordations (including all relevant renewals) to protect all of its right, title, and interest in the Intellectual Property; all those filings, registrations, and recordations have been duly and properly made, are in full force and effect, and are not subject to dispute by any Authority. All Third Party Agreements are in good standing.

#### **5.06 Entitlement to use Intellectual Property**

The Debtors own directly or are entitled to use by Licence or otherwise all Intellectual Property.

#### **5.07 No litigation re Intellectual Property**

No litigation is pending or threatened that contains allegations respecting the validity, enforceability, infringement, or ownership of any of the Intellectual Property (including any right, title, or interest of the Debtors in the Intellectual Property).

### **ARTICLE 6 ACKNOWLEDGEMENTS**

#### **6.01 Construction of terms**

The parties have each participated in settling the terms of this agreement. Any rule of legal interpretation to the effect that any ambiguity is to be resolved against the drafting party will not apply in interpreting this agreement.

**6.02 No partnership, etc.**

Nothing contained in this agreement will create a partnership, joint venture, principal-and-agent relationship, or any similar relationship between the parties.

**6.03 No third party beneficiaries**

This agreement does not confer any rights or remedies upon any Person other than the parties and their respective heirs, trustees, executors, administrators, and other legally appointed representatives, successors and permitted assigns.

**6.04 Payment of costs and expenses**

The Debtor shall pay all costs and expenses (including reasonable legal fees, as applicable, on a substantial indemnity basis) that it and the Secured Party, or its agents on its behalf, incur in connection with enforcement of the Secured Party's interest under, this agreement, which will be paid immediately upon demand and form part of the Obligations.

**ARTICLE 7  
RIGHTS AND REMEDIES**

Upon the occurrence of a Default, or if the Security Interest otherwise becomes enforceable, the Secured Party may exercise any of the following rights or remedies:

**7.01 Remedies cumulative**

The rights, remedies, and powers provided to a party under this agreement are cumulative and in addition to, and are not exclusive of or in substitution for, any rights, remedies, and powers otherwise available to that party.

**7.02 Security in addition**

This agreement and the Security Interest are in addition to and not in substitution for any other security now or later held by the Secured Party in connection with the Debtors, the Obligations, or the Collateral. The Security Interest does not replace or otherwise affect any existing or future Lien held by the Secured Party. No taking of any suit, action, or proceeding, judicial or extra-judicial, no refraining from doing so, and no dealing with any other security for any Obligations will release or affect (a) the Security Interest or (b) any of the other Liens held by the Secured Party for the payment or performance of the Obligations.

**7.03 Non-merger**

- (a) This agreement will not operate by way of a merger of the Obligations or of any guarantee, agreement, or other document or instrument by which the Obligations now, or at any time subsequently, may be represented or evidenced. Neither the taking of any judgment nor the exercise of any power of seizure or disposition will extinguish the liability of the Debtors to pay and perform the Obligations nor shall the acceptance of any payment or alternate security constitute or create any novation.
- (b) The rights, obligations, representations and warranties, and covenants under this agreement, any of the Transaction Document or under any other document entered into or delivered under this agreement will not merge in any judgment.

**7.04 Survival**

- (a) *Sections.* Section 6.04 shall survive the termination of this agreement.
- (b) *Representations and warranties.* The representations and warranties will survive for a period of seven (7) years from the date hereof.
- (c) *Covenants.* The covenants will survive until either satisfied in full or terminated in accordance with this agreement.

**7.05 Severability**

The invalidity or unenforceability of any particular term of this agreement will not affect or limit the validity or enforceability of the remaining terms.

**7.06 Waiver**

- (a) *Requirements.* No waiver of satisfaction of a condition or non-performance of an obligation under this agreement is effective unless it is in writing and signed by the party granting the waiver.
- (b) *Scope of waiver.* No waiver by a party will extend to any subsequent non-satisfaction or non-performance of an obligation under this agreement, whether or not of the same or similar nature to that which was waived.
- (c) *Rights and remedies.* No waiver by a party will affect the exercise of any other rights or remedies by that party under this agreement. Any failure or delay by a party in exercising any right or remedy will not constitute, or be deemed to constitute, a waiver by that party of that right or remedy. No single or partial exercise by a party of any right or remedy will preclude any other or further exercise by that party of any right or remedy.

**7.07 Acceleration and enforcement**

The Obligations will be accelerated and become immediately due and payable in full and the Security Interest will become immediately enforceable without the Secured Party having to take any further action.

**7.08 Floating charge**

Any floating charge will become a fixed charge and the Secured Party may register this agreement against any Debtor's lands.

**7.09 Power of entry**

The Secured Party may enter any premises owned, leased, or otherwise occupied by any of the Debtors or where any Collateral may be located to take possession of, dispose of, disable, or remove any Collateral by any method permitted by Applicable Law. Each Debtor shall grant to the Secured Party a licence to occupy any of the Debtors' premises for the purpose of storing any Collateral and shall, immediately upon demand, deliver to the Secured Party possession of any Collateral at the place specified by the Secured Party.

### 7.10 Power of sale

- (a) The Secured Party may sell, lease, consign, license, assign, or otherwise dispose of any Collateral by public auction, private tender, or private contract, with or without notice, advertising, or any other formality, all of which each Debtor hereby waives to the extent permitted by Applicable Law. The Secured Party may establish the terms of disposition (including terms and conditions as to credit, upset, reserve bid, or price). The Secured Party will credit all payments made under those dispositions against the Obligations only as they are actually received. The Secured Party may buy in, rescind, or vary any contract for the disposition of Collateral and may dispose of any Collateral again without being answerable for any resulting loss. Any disposition may take place whether or not the Secured Party has taken possession of the Collateral. The exercise by the Secured Party of any power of sale does not preclude the Secured Party from any further exercise of its power of sale in accordance with this paragraph.
- (b) The Secured Party may approach a restricted number of potential purchasers to effect the sale of any Collateral constituting securities under paragraph (a) above. A sale under those circumstances may yield a lower price for Collateral than would otherwise be obtainable if that Collateral was registered and sold in the open market. Each Debtor agrees that
  - (i) if the Secured Party sells Collateral at a private sale or sales, the Secured Party has the right to rely upon the advice and opinion of any Person who regularly deals in or evaluates securities of the type constituting the Collateral as to the best price obtainable in a commercially reasonable manner, and
  - (ii) that reliance will be conclusive evidence that the Secured Party handled that sale in a commercially reasonable manner.

### 7.11 Carrying on business

The Secured Party may carry on, or concur in the carrying on of, all or any part of the businesses or undertaking of any Debtor and may, to the exclusion of all others (including the Debtors), enter upon, occupy, and use any of the premises, buildings, and plant of, occupied or used by the Debtors and may use all or any of those premises and the equipment and other Collateral located on those premises (including fixtures) for whatever time and purposes as the Secured Party sees fit, free of charge. The Secured Party will not be liable to any of the Debtors for any act, omission, or negligence in doing so or in connection with any rent, charges, costs, depreciation, or damages in connection with that action.

### 7.12 Pay Liens

The Secured Party may pay any liability owed to any actual or threatened Lien holder against any Collateral, and borrow money to maintain, preserve, or protect any Collateral or to carry on the businesses or undertaking of the Debtors, and may charge and grant further security interests in any Collateral in priority to the Security Interest as security for the money so borrowed. Immediately upon demand by the Secured Party, the Debtors shall, jointly and severally, reimburse the Secured Party for all those payments and borrowings.



**7.13 Dealing with Collateral**

- (a) As soon as the Secured Party takes possession of any Collateral or appoints a Receiver over any Collateral, all rights of any Debtors in and to that Collateral will cease unless the Secured Party or any Receiver agrees in writing to specifically continue those rights.
- (b) The Secured Party may have, enjoy, and exercise all of the rights of and enjoyed by the Debtors in and to the Collateral or incidental, ancillary, attaching, or deriving from the ownership by the Debtors of the Collateral (including the right to (i) enter into agreements and grant licences over or relating to Collateral, (ii) demand, commence, continue, or defend any judicial or administrative proceedings for the purpose of protecting, seizing, collecting, realizing, or obtaining possession or payment of the Collateral, (iii) grant or agree to Liens and grant or reserve profits à prendre, easements, rights of ways, rights in the nature of easements, and licences over or relating to any part of the Collateral, and (iv) give valid receipts and discharges, and to compromise or give time for the payment or performance of all or any part of the accounts or any other obligation of any third party to the Debtors).
- (c) The Secured Party may take any actions to maintain, preserve, and protect the Collateral or otherwise deal with any Collateral in the manner, upon the terms, and at the times it deems advisable in its discretion without notice to the Debtors, except as otherwise required by Applicable Law (including payments on account of other security interests affecting the Collateral); provided that the Secured Party will not be required to take any of those actions or make any of those expenditures. Any of the amounts that the Secured Party pays (including legal, Receiver's, accounting, or other professional fees and expenses) will be added to the Obligations and will be secured by this agreement.
- (d) The Secured Party may accept the Collateral in satisfaction of the Obligations.
- (e) The Secured Party or any Receiver has no obligation to keep Collateral identifiable or to preserve rights against prior secured creditors in connection with any Collateral.

**7.14 Powers re leases**

The Secured Party may upon any sale by the Secured Party of any leasehold interest under this agreement for the purpose of vesting the one day residue of the term or its renewal in any purchase, by deed or writing appoint the purchaser or any other Person as a new trustee of the residue or renewal in place of the Debtors and may vest those rights in the new trustee so appointed free from any obligation in that Collateral.

**7.15 Dealing with accounts**

The Secured Party may collect, sell, or otherwise deal with accounts (including notifying any Person obligated to any of the Debtors in connection with an account, chattel paper, or an instrument to make payment to the Secured Party of all present and future amounts that are due).

**7.16 Collect rents**

The Secured Party may collect any rents, income, and profits received in connection with the business of any of the Debtors or the Collateral, without carrying on the business.

**7.17 Dealing with securities**

- (a) The Secured Party may exercise or cause to be exercised all voting rights, rights to receive dividends, interest, principal, or other payments of money attached to the securities (whether or not registered in the name of the Secured Party or its nominee), give or withhold all related consents, waivers, and ratifications, exercise any rights of conversion, exchange, subscription, or other rights, privileges, or options relating to any of the securities as if the Secured Party were the absolute owner (including the right to exchange, at its discretion, any of the securities upon the merger, consolidation, reorganization, recapitalization, or other readjustment of any issuer or upon the exercise by any issuer of any right, privilege, or option relating to any of the securities), and in doing so, to deposit or deliver any of the securities with or to any committee, depository, transfer agent, registrar, or other designated agency upon the terms and conditions it may determine.
- (b) The Secured Party may comply with any limitation or restriction in connection with any proposed sale or other disposition of the securities necessary to comply with Applicable Law (including any policy imposed by any stock exchange, securities commission, or other Authority). That compliance by the Secured Party will not result in the sale being considered or deemed not to have been made in a commercially reasonable manner, nor will the Secured Party be liable or accountable to any of the Debtors for any discount in the sale price of the securities that may be given because those securities are sold in compliance with any limitation or restriction.

**7.18 Dealing with Intellectual Property**

The Secured Party may register assignments of the Intellectual Property, and use, sell, assign, license, or sub-license any of the Intellectual Property.

**7.19 File claims**

The Secured Party may file proofs of claim and other documents in order to have the claims of the Secured Party lodged in any bankruptcy, winding-up, or other judicial proceeding relating to any of the Debtors or the Collateral.

**7.20 Power of attorney**

Each Debtor shall appoint the Secured Party, acting by any officer, director, employee, agent, or representative for the time being of the Secured Party located at its address for notices in section 8.08 (Notice), to be its attorney with full power of substitution to do on each Debtor's behalf anything that the Debtors can lawfully do by an attorney (including to do, make, and execute all agreements, deeds, acts, matters, or things, with the right to use the name of such Debtor) that it deems necessary or expedient and to carry out its obligations under this agreement, to revise and schedule to this agreement and to complete any missing information in this agreement. This power of attorney, being granted by way of security and coupled with an interest, is irrevocable until the Obligations are paid in full.

### **7.21 Retain services**

The Secured Party may retain the services of any lawyers, accountants, appraisers, and other agents, and consultants as the Secured Party deems necessary or desirable in connection with anything done or to be done by the Secured Party or with any of the rights of the Secured Party set out in this agreement and pay their commissions, fees, disbursements (which payments will constitute part of the Secured Party's disbursements reimbursable by the Debtors under this agreement). Each of the Debtors agrees on a joint and several basis to immediately on demand reimburse the Secured Party for all those payments.

### **7.22 Appointment of a Receiver**

- (a) The Secured Party may
  - (i) appoint, by instrument in writing, a Receiver for all or any of the Debtors, the Collateral, or both the Debtors and the Collateral, and no such Receiver need be appointed, need its appointment ratified, or need its actions in any way supervised, by a court,
  - (ii) appoint an officer or employee of the Secured Party as Receiver,
  - (iii) remove any Receiver and appoint another Receiver, or
  - (iv) apply, at any time, to any court of competent jurisdiction for the appointment of a Receiver or other official, who may have powers the same as, greater or lesser than, or otherwise different from, those capable of being granted to a Receiver appointed by the Secured Party under this agreement.
- (b) If two or more Receivers are appointed to act concurrently, they will act severally and not jointly and severally.

### **7.23 Effect of appointment of Receiver**

Any Receiver will have the rights set out in this Article 7 (Rights and Remedies). In exercising those rights, a Receiver will act as, and for all purposes will be deemed to be, the agent of the Debtors. However, the Secured Party will not be responsible for any act, omission, negligence, misconduct, or default of any Receiver.

### **7.24 Application of payments**

The Secured Party, or any Receiver appointed by the Secured Party in the enforcement of the Security Interest, may hold all payments made in connection with the Obligations and all monies received as security for the Obligations (including each Recovery), or may apply those payments or monies in whatever manner they determine at their discretion. The Secured Party may at any time apply or change any application of those payments, monies, or Recoveries to any parts of the Obligations as the Secured Party may determine at its discretion. The Debtors will each remain liable to the Secured Party for any deficiency. The Secured Party shall pay any surplus funds realized after the satisfaction of all Obligations in accordance with Applicable Law.

### **7.25 Deficiency**

If the proceeds of the realization of any Collateral are insufficient to repay all Obligations, the Debtors shall immediately pay or cause to be paid the deficiency to the Secured Party.

**7.26 Limitation of liability**

Neither the Secured Party nor any Receiver will be liable for any negligence in accordance with any rent, charges, costs, depreciation, or damages in connection with any of its actions. Neither the Secured Party nor any Receiver will be liable or accountable to the Debtors for any failure to seize, collect, realize, dispose of, enforce, or otherwise deal with any Collateral, nor will any of them be bound to bring any action or proceeding for any of those purposes or to preserve any rights of any Person in any of the Collateral. Neither the Secured Party nor any Receiver will be liable or responsible for any claim, loss, and expense flowing from any failure resulting from any act, omission, negligence, misconduct, or default of the Secured Party, any Receiver, or any of their respective representatives or otherwise. If any Receiver or the Secured Party takes possession of any Collateral, neither the Secured Party nor any Receiver will have any liability as a mortgagee in possession of the Collateral or be accountable for anything except actual receipts. Further, the Secured Party will not be deemed to have assumed, or be deemed to be liable for, any covenant, agreement, or other obligation of the Debtors under any agreement, right, Licence, or permit to which the Debtors are a party.

**7.27 Extensions of time**

The Secured Party and any Receiver may grant renewals, extensions of time, and other indulgences, take and give up Liens, accept compositions, grant releases and discharges, perfect or fail to perfect any Liens, release any Collateral to third parties, and otherwise deal or fail to deal with the Collateral, other Liens, the Debtors, debtors of the Debtors, guarantors of the Debtors, sureties of the Debtors, and others as the Secured Party or such Receiver may see fit, all without prejudice to the Obligations and the rights of the Secured Party or any Receiver to hold and realize upon the Security Interest. However, no extension of time, forbearance, indulgence, or other accommodation will operate as a waiver, alteration, or amendment of the Secured Party's rights or otherwise preclude the Secured Party from enforcing those rights and nothing in this agreement obligates the Secured Party to extend the time for payment or satisfaction of any of the Obligations.

**7.28 Secured Party or Receiver may perform**

If the Debtors fail to perform any Obligations, the Secured Party or any Receiver may perform those Obligations as attorney for the Debtors in accordance with section 7.20 (Power of attorney). The rights conferred on the Secured Party and any Receiver under this agreement are for the purpose of protecting the Security Interest in the Collateral and do not impose any obligation upon the Secured Party or any Receiver to exercise any of those rights. The Debtors will remain liable under each agreement to which it is party or by which it or any of its businesses, undertaking, and properties is bound and shall perform all of its obligations under each of those agreements; the Debtors will not be released from any of their obligations under any agreement by the exercise of any rights by the Secured Party or any Receiver.

**7.29 Validity of sale**

No Person dealing with the Secured Party, any Receiver, or any representative of the Secured Party or any Receiver has any obligation to enquire whether the Security has become enforceable, whether any right of the Secured Party or any Receiver has become exercisable, whether any Obligations remain outstanding, or otherwise as to the propriety or regularity of any dealing by the Secured Party or any Receiver with any Collateral or to see to the application of any money paid to the Secured Party or any Receiver. In the absence of fraud on the part of

any Person, those dealings will be deemed to be within the rights conferred under this agreement and to be valid and effective accordingly.

### **7.30 No obligation to advance**

Nothing in this agreement obligates the Secured Party to make any loan or accommodation to any of the Debtors or to extend the time for payment or satisfaction of any Obligation.

## **ARTICLE 8 GENERAL**

### **8.01 Entire agreement**

This agreement, together with each other Transaction Document:

- (a) constitutes the entire agreement; there are no representations, covenants, or other terms other than those set out in those agreements, and
- (b) supersedes any previous discussions, understandings, or agreements,

between the parties relating to its subject matter.

### **8.02 Further assurances**

Each party, upon receipt of Notice by another party, shall sign (or cause to be signed) all further documents, do (or cause to be done) all further acts, and provide all reasonable assurances as may reasonably be necessary or desirable to give effect to this agreement and the transactions contemplated by this agreement.

### **8.03 Amendment**

This agreement may only be amended by a written document signed by each of the parties.

### **8.04 Conflict of terms**

If there is any inconsistency between the terms of this agreement and those in any schedule to this agreement or in any document entered into or delivered under this agreement or under any other Transaction Document, the terms of the PPF Gold Purchase Agreement shall prevail.

### **8.05 Binding effect**

This agreement enures to the benefit of and binds the parties and their respective heirs, trustees, executors, administrators, and other legally appointed representatives, successors and permitted assigns.

### **8.06 Debtors' amalgamation**

If any of the Debtors amalgamate with any other entity or entities, this agreement will continue in full force and effect and will be binding upon the amalgamated entity, and, for greater certainty

- (a) the Security Interest will (i) continue to secure all the Obligations, (ii) secure all obligations of each other amalgamating entity to the Secured Party, and (iii) secure all obligations of the amalgamated entity to the Secured Party arising after the amalgamation,

- (b) the Security Interest will (i) continue to attach to the Collateral, (ii) attach to the Collateral of each other amalgamating entity, and (iii) attach to the Collateral of the amalgamated entity after the amalgamation, and
- (c) all defined terms and other terms of this agreement will be deemed to have been amended to reflect the amalgamation, to the extent required by the context.

#### **8.07 Assignment**

The Secured Party may assign this agreement and the Obligations in whole or in part to any Person without Notice to or the consent of the Debtors. Without the prior written consent of the Secured Party, the Debtors may not assign this agreement.

#### **8.08 Notice**

To be effective, a Notice must be in writing and delivered and effective pursuant to Section 18 of the PPF Gold Purchase Agreement.

#### **8.09 Governing law**

The laws of the Province of Ontario and the laws of Canada applicable in that province, excluding any rule or principle of conflicts of law that may provide otherwise, govern this agreement.

#### **8.10 Submission to jurisdiction**

The parties irrevocably attorn to the jurisdiction of the courts of the Province of Ontario, which will have non-exclusive jurisdiction over any matter arising out of this agreement.

#### **8.11 Judgment currency**

The provisions of Section 22 of the PPF Gold Purchase Agreement shall apply *mutatis mutandis*, as if set out in full herein.

#### **8.12 Counterparts**

This agreement may be signed in any number of counterparts, each of which is an original, and all of which taken together constitute one single document.

#### **8.13 Copy of agreement**

Each of the Debtors acknowledges receipt of an executed copy of this agreement and copies of the verification statements relating to the financing statements or financing change statements filed by the Secured Party or its representatives under the PPSA in connection with this agreement.

#### **8.14 Effective date**

This agreement is effective as of the date shown at the top of the first page, even if any signatures are made after that date.

**[The remainder of this page has been intentionally left blank]**

This agreement has been executed by the parties.

**FIRESTEEL RESOURCES INC.**

By: 

Name: Michael Hepworth  
Title: President and CEO

**PFL RAAHE HOLDINGS LP**

By: \_\_\_\_\_

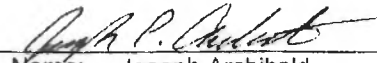
Name: Joseph Archibald  
Title: Authorized Signatory

This agreement has been executed by the parties.

**FIRESTEEL RESOURCES INC.**

By: \_\_\_\_\_  
Name: Michael Hepworth  
Title: President and CEO

**PFL RAAHE HOLDINGS LP**

By:  \_\_\_\_\_  
Name: Joseph Archibald  
Title: Authorized Signatory



**SCHEDULE A  
LOCATION OF DEBTORS AND COLLATERAL**

<b>Full Name:</b>	Firesteel Resources Inc.
<b>Jurisdiction of Incorporation or Formation:</b>	Alberta
<b>Registered Office:</b>	Suite 1001 - 409 Granville Street Vancouver B.C. V6C 1T2
<b>Chief Executive Office:</b>	Suite 1001 - 409 Granville Street Vancouver B.C. V6C 1T2
<b>Places of Business:</b>	Suite 1001 - 409 Granville Street Vancouver B.C. V6C 1T2
<b>Locations of Books and Records:</b>	Suite 1001 - 409 Granville Street Vancouver B.C. V6C 1T2 - and - 315 Cliffwood Road Toronto, O.N. M2H 2E6

**SCHEDULE B  
LIST OF SECURITIES AND SECURITY ENTITLEMENTS**

**Securities**

1,500,000 Warrants in Colorado Resources Ltd.

<b>Registered Owner</b>	<b>Issuer</b>	<b>Certificate Number</b>	<b>Description of Interest</b>	<b>% of Outstanding Interests</b>
Firesteel Resources Inc.	Colorado Resources Ltd.	WNFT-25-17	Warrants, each entitling the holder to acquire 1 flow-through common share in the capital of the issuer at any time on or before 5:00 pm (Vancouver time) on March 17, 2019 and having an exercise price of \$0.45.	N/A

**Security Entitlements**

None.

**SCHEDULE C  
LIST OF INTELLECTUAL PROPERTY**

None.

- C-2 -

**Exhibit A—Form of Guarantor Joinder Agreement  
GUARANTOR JOINDER AGREEMENT**

*[insert entity name]*

**JOINDER AGREEMENT**, dated as of *[insert date]* (this "*Joinder Agreement*"), is by and between *[insert entity name]*, a *[insert jurisdiction and company type]* (hereinafter called the "*New Guarantor*") and PFL RAAHE HOLDINGS LP, a limited partnership organized under the laws of Ontario as the buyer under the Pre-Paid Forward Agreement (as defined below) (the "*Buyer*").

**WHEREAS**, Firesteel Resources Inc. (the "*Seller*") and the Buyer, have entered into a Pre-Paid Forward Agreement, dated as of November 10, 2017 (as the same may be amended, supplemented, restated or otherwise modified from time to time, the "*Pre-Paid Forward Agreement*");

**AND WHEREAS**, the New Guarantor, a Subsidiary of the Seller, has joined in the Pre-Paid Forward Agreement as a Guarantor thereunder pursuant to Section 12(1)(dd) of the Pre-Paid Forward Agreement and has provided the Guarantee pursuant to Section 9 of the Pre-Paid Forward Agreement;

**AND WHEREAS**, the Seller, as debtor, and the Buyer, as secured party, have entered into a General Security Agreement, dated as of November [●], 2017 (as the same may be amended, supplemented, restated or otherwise modified from time to time, the "*General Security Agreement*");

**AND WHEREAS**, the New Guarantor has agreed to join the General Security Agreement and is duly authorized to enter into the General Security Agreement and all things necessary, including any necessary consents of shareholders of the New Guarantor, have been done and performed to make the General Security Agreement a valid and binding agreement of the New Guarantor;

**AND WHEREAS**, the foregoing recital is made as representations and statements of fact by the New Guarantor;

**NOW, THEREFORE**, in consideration of the premises and of the mutual covenants herein contained, the New Guarantor covenants and agrees with the Secured Party as follows:

**ARTICLE I  
INTERPRETATION**

SECTION 1.1. *Definitions*. In this Joinder Agreement:

- (a) any defined term used herein and not defined herein shall have the meaning given to such term in or pursuant to the General Security Agreement; and
- (b) the rules of interpretation set forth in Article 1 of the General Security Agreement apply to this Joinder Agreement.

SECTION 1.2. *Headings, Etc*. The division of this Joinder Agreement into Articles, Sections and subsections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Joinder Agreement.

- C-3 -

**ARTICLE II  
JOINDER AGREEMENT**

SECTION 2.1. *Representations and Warranties.* The New Guarantor hereby makes to the Buyer the representations and warranties set forth in the General Security Agreement with itself as a Debtor as of the date hereof. The New Guarantor represents and warrants to the Buyer that this Joinder Agreement has been duly authorized, executed and delivered by the New Guarantor and constitutes a legal, valid and binding obligation of the New Guarantor enforceable against the New Guarantor in accordance with its terms.

SECTION 2.2. *Undertaking.* Effective as of the date hereof, the New Guarantor undertakes all obligations of a Debtor (including, without limitation, to execute and deliver Collateral Documents) under the General Security Agreement.

**ARTICLE III  
MISCELLANEOUS**

SECTION 3.1. *Notice.* All communications and notices provided for under the General Security Agreement to the New Guarantor shall be addressed as follows:

**[insert address]**

Attention: **[insert contact]**  
Email: **[insert email]**  
Telephone: **[insert telephone]**  
Facsimile: **[insert facsimile]**

or at such other address as the New Guarantor may designate in accordance with Section 18 of the Pre- Paid Forward Agreement.

SECTION 3.2. *Miscellaneous.*

- (a) This Joinder Agreement may be signed in any number of counterparts, each of which is an original, and all of which taken together constitute one single document.
- (b) Delivery of an executed signature page to this Joinder Agreement by the New Guarantor by facsimile or other electronic transmission shall be as effective as delivery of a manually executed copy of this Joinder Agreement;
- (c) The New Guarantor acknowledges receipt of an executed copy of the General Security Agreement and copies of the verification statements relating to the financing statements or financing change statements (if any) filed by the Secured Party or its representatives under the PPSA in connection with the General Security Agreement;
- (d) This Joinder Agreement, the General Security Agreement and the rights and remedies of the Secured Party, enures to the benefit of and binds the parties and their respective heirs, trustees, executors, administrators, and other legally appointed representatives, successors and permitted assigns;
- (e) The New Guarantor acknowledges and agrees that, if it amalgamates with any other entity or entities, this Joinder Agreement will continue in full force and effect and will be binding upon the amalgamated entity, and, for greater certainty:

- C-4 -

- (i) the Security Interest will (x) continue to secure all the Obligations, (y) secure all obligations of each other amalgamating entity to the Secured Party, and (z) secure all obligations of the amalgamated entity to the Secured Party arising after the amalgamation,
  - (ii) the Security Interest will (x) continue to attach to the Collateral, (y) attach to the Collateral of each other amalgamating entity, and (z) attach to the Collateral of the amalgamated entity after the amalgamation, and
  - (iii) all defined terms and other terms of this agreement will be deemed to have been amended to reflect the amalgamation, to the extent required by the context; and
- (f) The Secured Party may assign this agreement and the Obligations in whole or in part to any Person without Notice to or the consent of the New Guarantor. Without the prior written consent of the Secured Party, the New Guarantor may not assign, sell, hypothecate or otherwise transfer any interest or obligation under this Joinder Agreement or the General Security Agreement.

SECTION 3.2. *Applicable Law.* The laws of the Province of Ontario and the laws of Canada applicable in that province, excluding any rule or principle of conflicts of law that may provide otherwise, govern this agreement. The courts of the Province of Ontario shall have non-exclusive jurisdiction to hear and determine any claims or disputes between the New Guarantor and the Secured Party pertaining to this Joinder Agreement or the General Security Agreement or to any matter arising out of, or relating to, this Joinder Agreement or the General Security Agreement.

***[Signatures begin on following page]***

- C-5 -

**IN WITNESS WHEREOF**, the New Guarantor has duly executed this Joinder Agreement as of the date first set forth above.

**[insert entity name]**

By:  
Name:  
Title:

**PFL RAAHE HOLDINGS LP, as Buyer**

By: \_\_\_\_\_  
Name:  
Title:

31054236.2

*Execution version*

**PLEDGE AGREEMENT**

dated 8 December 2017

between

**FIRESTEEL RESOURCES INC.**

as Pledgor

and

**PFL RAAHE HOLDINGS LP**

as Pledgee

relating to the shares in Nordic Mines Marknad AB

**CEDERQUIST**



**TABLE OF CONTENTS**

<b>Clause</b>	<b>Page</b>
1. Definitions and Interpretation.....	2
2. Pledge of Security Assets.....	4
3. Representations and Warranties.....	4
4. Undertakings.....	5
5. Continuing Security.....	7
6. Enforcement .....	7
7. Application of Proceeds.....	8
8. Waiver of Defences.....	8
9. Delegation.....	8
10. Waivers .....	8
11. Indemnity.....	9
12. Deferral of the Pledgor's rights.....	9
13. Power of Attorney .....	9
14. Assignment .....	10
15. Amendments .....	10
16. Notices .....	10
17. Severability .....	10
18. Release of Security Assets .....	10
19. Counterparts.....	11
20. Force Majeure; Exclusion of Liability .....	11
21. Governing Law and Jurisdiction.....	11
 <b>Schedules</b>	
Schedule 1 Form of Proxy.....	12
Execution Page.....	13

THIS AGREEMENT (this "Agreement") is dated 8 December 2017 and made between:

- (1) FIRESTEEL RESOURCES INC., corporate identity no. 205104383, a company incorporated under the laws of the Province of Alberta, Canada, having its registered office at 1001 - 409 Granville Street, Vancouver B.C. Canada, V6C 1T2, (the "Pledgor"); and
- (2) PFL RAAHE HOLDINGS LP, a limited partnership organized under the laws of Ontario, Canada, having its registered office at 437 Madison Avenue, 28<sup>th</sup> Floor, New York, NY 10022, (the "Pledgee").

**WHEREAS:**

- (A) Pursuant to a pre-paid forward gold purchase agreement dated 10 November 2017 between the Pledgor as Seller, the Pledgee as Buyer, and each other Person that may from time to time become a Guarantor (each as defined in that agreement) (the "PPF"), the Pledgor has agreed to sell a certain quantity of gold to the Pledgee and the Pledgee has agreed to make certain prepayments to the Pledgor, subject to the terms and conditions of the PPF.
- (B) Reference is also made to the first priority share pledge agreement dated 30 November 2016 (as amended by an consent and security confirmation agreement dated 27 January 2017) between Nordic Mines AB (publ) ("Nordic Mines") as Pledgor and LAO TZU Investments AB, Lau SU Holding AB and Amal Parekh as representative for Jade Global Enterprises Limited as Pledgees (each as defined in that agreement) (the "Existing Pledgees") pursuant to which Nordic Mines AB has pledged all of its rights and interest in and to the shares of the Company (as defined below) (the "First Priority Security") (the "First Priority Pledge Agreement").
- (C) Further reference is made to an assignment of debt and security agreement dated 11 September 2017, between LAO TZU Investments AB (corporate identity no. 556752-3021), Lau SU Holding AB (corporate identity no. 556860-5421) and Jade Global Enterprises Limited (the "Original Creditors") as assignors and the Pledgor as assignee, pursuant to which the Original Creditors have assigned (i) all outstanding principal balances, together with all interest, fees, costs, expenses and other amounts owing under or in connection with certain facility agreements and (ii) all rights of the Original Creditors under the First Priority Pledge Agreement to the Pledgor.
- (D) Finally, reference is made to the second priority share pledge agreement dated 30 September 2017, between Nordic Mines AB as pledgor and the Pledgor as pledgee, pursuant to which Nordic Mines AB, subject to the First Priority Pledge Agreement, has pledged all of its rights and interest in and to the shares of the Company (as defined below) (the "Second Priority Security") (the "Second Priority Pledge Agreement")
- (E) Each of the First Priority Security and the Second Priority Security shall rank ahead of the security created under this Agreement until released in accordance with the terms and provisions of the First Priority Pledge Agreement and Second Priority Pledge Agreement.

- (F) The Pledgor has, subject to each of the First Priority Security and the Second Priority Security, entered into this Agreement in order to secure the Secured Liabilities (as defined below).
- (G) The Pledgor owns 100 shares in Nordic Mines Marknad AB corporate identity no. 556767-4980 (the "**Company**"), representing 10 per cent of the registered and paid-up share capital of the Company.
- (H) It is contemplated that the Pledgor shall acquire additional 500 shares in the Company at the date of this Agreement. To the extent any shares in the Company are acquired by the Pledgor after the date of this Agreement the shares in the Company acquired by the Pledgor shall constitute Shares (as defined below) and be pledged in accordance with the terms of this Agreement.

**IT IS AGREED** as follows:

**1. DEFINITIONS AND INTERPRETATION**

**1.1** In this Agreement:

"**Articles of Association**" means the articles of association (*Sw. Bolagsordning*) of the Company.

"**Permitted Downstream Merger**" means the required downstream merger between the Company and Nordic Mines Oy, in accordance with the terms of the PPF, where the Company is dissolved and where Nordic Mines Oy is the surviving entity.

"**Related Rights**" means, in relation to the Shares, all property deriving from the Shares and all other rights or benefits of all kind accruing or otherwise deriving from the Shares, including, but not limited to dividends (whether in cash or in kind), distributions or other income paid or payable on any Share, the right to participate in new issue of shares or bonus issue of shares and the right to participate in issues of convertible debt instruments, options to subscribe for new shares or other securities.

"**Secured Liabilities**" means all present and future obligations and liabilities (whether actual or contingent, whether owed jointly, severally or in any other capacity whatsoever and whether originally incurred by an Obligor or by some other person) of each Obligor to the Pledgee (or any of them) under each of the Transaction Documents, together with all costs, charges and expenses incurred by the Pledgee in connection with the protection, preservation or enforcement of its respective rights under the Transaction Documents, or any other document evidencing or securing any such liabilities.

"**Security Assets**" means the Shares and the Related Rights.

"**Security Period**" means the period beginning on the date of this Agreement and ending on the date (as stated by the Pledgee) upon which the Secured Liabilities have been unconditionally and irrevocably paid and discharged in full.

"Share Certificates" means all the share certificates representing shares with numbers 901-1,000 and any share certificate in respect of Shares issued or transferred to the Pledgor on or after the date of this Agreement.

"Shares" means 100 shares issued by the Company and owned by the Pledgor as evidenced by the Share Certificates and all other shares from time to time issued by the Company (whether by way of new issue of shares or bonus issue of shares, conversion, redemption or otherwise) and all convertible debt instruments, option rights to subscribe for new shares or other securities issued by the Company and owned by the Pledgor, including, for the avoidance of doubt any shares in Company to the extent acquired by the Pledgor on or after the date of this Agreement.

- 1.2 In this Agreement, unless the contrary intention appears, a reference to:
- (a) a Clause or a Schedule is a reference to a clause of, or a schedule to, this Agreement except as otherwise indicated in this Agreement;
  - (b) the index to and the headings in this Agreement are for convenience only and are to be ignored in construing this Agreement;
  - (c) a law or a provision of law is a reference to that law or provision as amended or re-enacted;
  - (d) a person includes such party's successors in title and permitted transferees and assigns;
  - (e) "proceeds" includes proceeds in cash and consideration in a form other than cash; and
  - (f) this Agreement or any other document, agreement or instrument is a reference to this Agreement or any other document, agreement or instrument as amended, novated, supplemented, restated or replaced from time to time and a "Transaction Document" or any other agreement or instrument is a reference to that Transaction Document or other agreement or instrument as amended, novated, supplemented, extended or restated (however fundamentally and whether or not more onerously) and includes any change in the purpose of, any extension of or any increase in any facility or the addition of any new facility under that Transaction Document or other agreement or instrument.
- 1.3 Terms defined in the PPF shall have the same meanings when used in this Agreement (unless otherwise defined herein).
- 1.4 Where a word or expression is given a meaning, interpretation or construction in this Agreement, its other grammatical forms will have the same meaning, interpretation or construction.

- 1.5 If the Pledgee considers that in respect of an amount paid by any Obligor to the Pledgee under a Transaction Document there is a risk, in the reasonable opinion of the Pledgee, that such payment will be recovered or otherwise set aside in the liquidation, bankruptcy or administration of that Obligor or otherwise be rendered void, then that amount shall not, for the purposes of this Agreement, be considered to have been unconditionally and irrevocably paid and discharged in full.

## **2. PLEDGE OF SECURITY ASSETS**

For the purpose of constituting security for the due and punctual fulfilment by the Obligors of the Secured Liabilities, the Pledgor hereby pledges, as a third priority pledge and subject only to the First Priority Security and the Second Priority Security, the Security Assets to the Pledgee.

## **3. REPRESENTATIONS AND WARRANTIES**

### **3.1 The Pledgor represents and warrants to the Pledgee that:**

- (a) it is a limited liability company, duly incorporated and validly existing under the laws of Ontario, Canada;
- (b) it has the power to enter into and perform and has taken all necessary action to authorise the entry into and performance of this Agreement and the transactions contemplated by this Agreement;
- (c) this Agreement constitutes legally binding and valid obligations of the Pledgor and, subject to the due fulfilment of the undertaking in Clause 4.2(a)(ii), validly creates a third priority security interest which is subject only to the First Priority Security and the Second Priority Security, enforceable in accordance with its terms against the Pledgor, a liquidator, a receiver or a similar officer of the Pledgor and any third party of the Pledgor (except as such enforcement may be limited by any relevant bankruptcy, insolvency, receivership or similar laws affecting creditors' rights generally);
- (d) this Agreement does not and will not breach the constitutional documents of the Pledgor or any agreement, document, law, regulation or judicial or official order by which the Pledgor is bound;
- (e) no consent, approval or authorisation of and/or registration with any public authority is required in connection with the execution, performance, validity and enforceability of this Agreement;
- (f) subject to the Permitted Downstream Merger, it is and will remain the sole owner of the Security Assets;
- (g) no more than 1,000 shares have been issued by the Company;

- (h) the Shares are duly authorised, validly issued, fully paid and freely transferable and the Share Certificates are validly issued; and
- (i) other than as created under or pursuant to this Agreement, the First Priority Security and the Second Priority Security, the Security Assets are free from any security and any options, pre-emption rights, consent clauses, rights of first refusal, post sale purchase rights, requirements for the Company's consent with regard to disposals of Security Assets or any other provisions limiting the possibility of the Security Assets to constitute security or which are likely to be detrimental to the value of or the possibility to enforce such security.

3.2 The representations and warranties set out in Clause 3.1 are made on the date of this Agreement and, save for Clause 3.1(g) and 3.1(i), are deemed to be repeated by the Pledgor on each other date during the Security Period on which any of the representations or warranties set out in Section 11 (*Representations and Warranties*) of the PPF are repeated with reference to the facts and circumstances then existing.

#### 4. UNDERTAKINGS

4.1 Subject to the Permitted Downstream Merger, the Pledgor undertakes and agrees with the Pledgee that it shall not:

- (a) create or permit to subsist any security or grant any other right over any Security Asset other than the First Priority Security, the Second Priority Security and the security interest created by this Agreement;
- (b) sell, assign, lease, transfer or otherwise dispose of any Security Asset or permit the same to occur;
- (c) the Pledgor shall not, without the Pledgee's prior written consent, exercise its voting rights attached to the Shares in favour of any resolution to change the Articles of Association and undertakes to refrain from making use of or incorporating, and to procure that the Company refrains from making use of, any pre-emption rights, consent clauses, rights of first refusal, post sale purchase rights, requirements for the Company's consent with regard to disposals of Security Assets or any other provisions limiting the possibility of the Security Assets to constitute security or which are likely to be detrimental to the value of or the possibility to enforce such security and the Pledgor further undertakes to refrain from making use of any other such right pursuant to any agreement, in relation to or following the sale of the Security Assets or any of them pursuant to this Agreement;
- (d) take or permit the taking of any action whereby the rights attaching to any of the Security Assets are amended or further Shares or Related Rights in the Company are issued, save that it may take or permit the taking of any action whereby further Shares in the Company are issued provided that such Shares are issued in favour of the Pledgor and (if not already effected by this Agreement) the Pledgor

simultaneously pledges such Shares to the Pledgee on the terms contained in this Agreement;

- (e) the Pledgor shall not, without the Pledgee's prior written consent, exercise its voting rights attached to the Shares in favour of any resolution to take or permit the taking of any action whereby any Share is converted from certificated to uncertificated form; or
- (f) do or cause or permit to be done anything which will, or could reasonably be expected to, materially adversely affect the Security Assets or the rights of the Pledgee hereunder or which in any way is inconsistent with or materially depreciates, jeopardises or otherwise prejudices the Security Assets.

4.2 The Pledgor further undertakes and agrees with the Pledgee that it shall:

- (a) immediately deposit with the Pledgee (i) a certified copy of the share register of the Company (where the security created under this Agreement has been registered in accordance with Clause 4.2(b)), (ii) all Share Certificates (duly endorsed in blank) and (iii) any other documents of ownership in relation to the Shares and the Related Rights;
- (b) immediately notify the Company of the security created by this Agreement by procuring that the Company acknowledges the notice as set out on the execution page of this Agreement and procure that the Company registers the security interest in its share register and executes any other documentation in connection with the security created by this Agreement as the Pledgee may require;
- (c) upon the request by the Pledgee, promptly and duly take all actions and execute and deliver any and all further documents, powers of attorney, notifications and confirmations necessary for the purpose of obtaining the full benefit of this Agreement and of the rights and powers granted under it, including any that the Pledgee may require in order to perfect and/or preserve the security over the Security Assets as created under this Agreement and/or the Pledgee's rights under this Agreement;
- (d) subject to the First Priority Security and the Second Priority Security, immediately on receipt of any Security Assets, certificate or other document evidencing any entitlement to any further or other Security Assets deposit such Security Assets, certificate or document with the Pledgee duly endorsed in blank (if applicable) together with such other documents as the Pledgee may require;
- (e) at all times exercise the voting rights in respect of the Shares only in a manner which does not prejudice the interests of the Pledgee under this Agreement; and
- (f) upon the occurrence of an Event of Default issue to the Pledgee a proxy substantially in the form set out in **Schedule 1 (Form of Proxy)**. The Pledgor also undertakes, when

requested by the Pledgee, to issue a new such proxy in order to replace any expired or annulled proxy.

- 4.3 The Pledgor will make all payments which may become due in respect of any of the Security Assets and will discharge all other obligations in respect thereof and if it fails to do so the Pledgee may elect to make such payments or discharge such obligations on behalf of the Pledgor. Any sums so paid by the Pledgee shall be repayable by the Pledgor to the Pledgee promptly together with interest at the interest rate set out in Section 6 of the Swedish Interest Act (Sw. *räntelag (1975:635)*), from the date of such payment by the Pledgee and pending such payment any sums shall form part of the Secured Liabilities.

## 5. CONTINUING SECURITY

- 5.1 The security constituted by this Agreement shall be a continuing security, shall extend to the ultimate balance of the Secured Liabilities and shall continue in force notwithstanding any intermediate payment or discharge in whole or in part of the Secured Liabilities until the end of the Security Period.
- 5.2 This Agreement and the Pledgee's rights hereunder are in addition to and not exclusive of those provided by law and are not in any way prejudiced by any present or future security held by the Pledgee.
- 5.3 The Pledgee may at any time during the Security Period refrain from applying or enforcing any other security or rights held or received by it in respect of the Secured Liabilities and the Pledgor waives any right it may have of first requiring the Pledgee to proceed against or enforce any other rights or security or claim payment from any person before enforcing the security created by this Agreement.

## 6. ENFORCEMENT

- 6.1 If an Event of Default has occurred and is continuing the Pledgee shall, subject to the First Priority Security and the Second Priority Security, be entitled to immediately enforce the pledge created by this Agreement and to exercise as and when it sees fit every other power possessed by the Pledgee by virtue of this Agreement, any other Transaction Document or available to a secured creditor under applicable law and in particular (without limitation):
- (a) to realise the Security Assets, or any part thereof, by private sale or public auction or in any other manner permitted by applicable law;
  - (b) to collect, recover or compromise and give good discharge for any proceeds payable to the Pledgor in respect of the Security Assets or in connection therewith; and
  - (c) to act generally in relation to the Security Assets in such manner as the Pledgee acting reasonably shall determine.



6.2 The provisions in Chapter 10, Section 2 of the Swedish Code of Commerce (Sw. *Handelsbalken 10 kap 2 §*) shall not apply to this Agreement or any enforcement of the security constituted by this Agreement.

6.3 The Pledgor unconditionally and irrevocably authorises the Pledgee to disclose any information about the Pledgor, the Company and any of its Subsidiaries or the Transaction Documents to any person that the Pledgee shall consider appropriate in connection with any enforcement under this Clause 6.

#### 7. APPLICATION OF PROCEEDS

Any proceeds collected or received by the Pledgee after an enforcement of the pledge created hereby (or any receiver) shall be applied by the Pledgee firstly, towards the Secured Liabilities until discharged in full, and secondly, in payment of the surplus (if any) to the Pledgor.

#### 8. WAIVER OF DEFENCES

The obligations of the Pledgor under this Agreement shall not be affected by any act, omission or circumstance which might operate to release or otherwise exonerate the Pledgor from its obligations under this Agreement or prejudice or diminish those obligations in whole or in part unless such release or exoneration is a result of an action by the Pledgee and expressly intended.

#### 9. DELEGATION

9.1 The Pledgee may at any time or times delegate to any person(s) all or any of its rights, powers and discretions under this Agreement on such terms (including power to sub-delegate) as the Pledgee sees fit and employ agents, managers, employees, advisers and others on such terms as it sees fit for any of the purposes set out in this Agreement.

9.2 The Pledgee will not be liable or responsible to the Pledgor or any person for any losses, liabilities or expenses arising from any act, default, omission or misconduct on the part of such delegate or sub-delegate unless such loss is caused directly by the gross negligence or wilful misconduct of the Pledgee.

#### 10. WAIVERS

The rights of the Pledgee under this Agreement may be waived only in writing and specifically and, subject to the provisions of the Transaction Documents, on such terms as the Pledgee sees fit.

**11. INDEMNITY**

11.1 The Pledgee and each agent or attorney appointed by the Pledgee under this Agreement shall be entitled to be indemnified out of the Security Assets in respect of all liabilities, costs and expenses properly incurred by them in connection with:

- (a) the execution or purported execution of any rights, powers or discretion vested in them under this Agreement;
- (b) the preservation or enforcement of its rights under this Agreement; and
- (c) the release of any part of the Security Assets from the security created by this Agreement,

and the Pledgee and any such agent or attorney may retain and pay all sums in respect of the same out of moneys received under the powers hereby conferred.

11.2 The Pledgee shall not be liable for any losses or costs incurred by the Pledgor in connection with the exercise or purported exercise of the Pledgee's rights, powers and discretions in good faith under this Agreement.

**12. DEFERRAL OF THE PLEDGOR'S RIGHTS**

The Pledgor will not exercise any rights which it may have by reason of performance by it of its obligations under this Agreement:

- (a) to be indemnified by an Obligor;
- (b) to claim any contribution from any other pledgor of any Obligor's obligations under the Transaction Documents; and/or
- (c) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Pledgee under the Transaction Documents or of any other guarantee or security taken pursuant to, or in connection with, the Transaction Documents by the Pledgee.

**13. POWER OF ATTORNEY**

13.1 Upon the occurrence of an Event of Default and as long as it is continuing, the Pledgor (to the fullest extent permitted by applicable law) hereby irrevocably appoints the Pledgee as its attorney, with full power of substitution, subject to the First Priority Security and the Second Priority Security, to do any and all acts which the Pledgor is obliged by this Agreement to do, but in the opinion of the Pledgee has failed to do, and for the purpose of carrying out the purposes of this Agreement and to take any action and executing any instruments which the Pledgee may deem reasonably necessary or advisable to accomplish the purposes hereof. The power of attorney granted pursuant hereto and all authority conferred are granted and conferred solely to protect the interest of the Pledgee in the Security Assets and shall not

impose any duty upon the Pledgee to exercise any power. This appointment may not be revoked by the Pledgor until after the end of the Security Period.

- 13.2 The Pledgor hereby ratifies and confirms and agrees to ratify and confirm whatever any such attorney as is mentioned in Clause 13.1 shall do or purport to do in the exercise or purported exercise of all or any of the powers and authorities referred to in Clause 13.1.

#### **14. ASSIGNMENT**

- 14.1 The Pledgee may at any time assign or transfer any of its rights and/or obligations under this Agreement.

- 14.2 The Pledgor may not assign or transfer any of its rights and/or obligations under this Agreement.

#### **15. AMENDMENTS**

This Agreement may not be amended unless by an instrument in writing and signed by or on behalf of the Pledgor and the Pledgee having obtained the requisite approval in accordance with the provisions of the Transaction Documents.

#### **16. NOTICES**

The terms of Section 18 (*Notices*) of the PPF shall apply as if incorporated into this Agreement and the parties hereto agree to be bound by terms mutatis mutandis identical to those applying (pursuant to Section 18 (*Notices*) of the PPF) to the parties of that document.

#### **17. SEVERABILITY**

If a provision of this Agreement is or becomes illegal, invalid or unenforceable in any jurisdiction, that shall not affect:

- (a) the legality, validity or enforceability in that jurisdiction of any other provision of this Agreement; or
- (b) the legality, validity or enforceability in other jurisdictions of that or any other provision of this Agreement.

#### **18. RELEASE OF SECURITY ASSETS**

Upon the expiry of the Security Period, the Pledgee shall, at the request of the Pledgor and at the cost of the Pledgor, release to the Pledgor all rights and interest of the Pledgee in or to the Security Assets, or part thereof, as the case may be, and give such instructions and directions as the Pledgor reasonably may require in order to perfect such release.

**19. COUNTERPARTS**

This Agreement may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this Agreement.

**20. FORCE MAJEURE; EXCLUSION OF LIABILITY**

- 20.1 The Pledgee shall not be held responsible for any damage arising out of any Swedish or foreign legal enactment, or any measure undertaken by a Swedish or foreign public authority, or war, strike, lockout, boycott, blockade or any other similar circumstance. The reservation in respect of strikes, lockouts, boycotts and blockades applies even if the Pledgee takes such measures, or is subject of such measures.
- 20.2 Unless the Pledgee's liabilities have been explicitly limited otherwise in the Transaction Documents, any damage that may arise in other cases shall not be indemnified by the Pledgee if they have observed normal care. The Pledgee shall not in any case be responsible for any indirect damage, consequential damage and/or loss of profit.
- 20.3 Should there be an obstacle as described in Clause 20.1 for the Pledgee to take any action in compliance with this Agreement, such action may be postponed until the obstacle has been removed.

**21. GOVERNING LAW AND JURISDICTION**

- 21.1 This Agreement shall be governed by and construed in accordance with Swedish law.
- 21.2 The courts of Sweden shall have exclusive jurisdiction over matters arising out of or in connection with this Agreement. The Stockholm District Court (Sw. *Stockholms tingsrätt*) shall be the court of first instance. The submission to the jurisdiction of the Swedish Courts shall not limit the right of the Pledgee to take proceedings against the Pledgor in any court which may otherwise exercise jurisdiction over the Pledgor or any of its assets.

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This Agreement has been entered into on the date stated at the beginning of this Agreement by the parties listed on the execution page at the end of this Agreement.

**SCHEDULE 1**  
**FORM OF PROXY**

This proxy is issued pursuant to a pledge agreement (the "**Pledge Agreement**"), dated December 2017, between Firesteel Resources Inc. (the "**Pledgor**") and PFL Raahe Holdings LP (the "**Pledgee**") pursuant to which the Pledgor has pledged all its shares in the capital of Nordic Mines Marknad AB (the "**Company**").

The Pledgor hereby makes, constitutes and appoints the Pledgee as the true and lawful attorney for the Pledgor and gives to the Pledgee, in the name, place and stead of the Pledgor, the full power and authority to convene and attend all general meetings of the shareholders in the Company on behalf of the Pledgor, and to vote at such general meeting for all shares in the Company owned by the Pledgor.

This proxy is irrevocable and excludes the Pledgor from exercising any voting rights at any general meeting of the shareholders in the Company or any other rights conferred upon it as a shareholder in the Company.

This proxy is effective on the date of issuance by the Pledgor and shall remain in force for one (1) year from such date.

This proxy shall in all respects be governed by and construed in accordance with the laws of Sweden.

Date:

Place:

**FIRESTEEL RESOURCES INC.**

By:

## EXECUTION PAGE

**The Pledgor**

FIRESTEEL RESOURCES INC.

By: **The Pledgee**

PFL RAAHE HOLDINGS LP

By: \_\_\_\_\_

The company set out below (the "Company"), hereby acknowledges the pledge constituted by the above pledge agreement (the "Pledge Agreement") over the Security Assets (as defined in the Pledge Agreement) and the terms and conditions of the Pledge Agreement. Terms not otherwise defined in this acknowledgement shall have the meaning set out in the Pledge Agreement. Further, the Company:

- (a) confirms that on the date hereof there exists no pledge or agreement having the effect of conferring security over the Security Assets other than the security constituted under the Pledge Agreement, the First Priority Security and the Second Priority Security;
- (b) confirms that it will forthwith register the security constituted under the Pledge Agreement in the Company's share register;
- (c) confirms that the Pledgee is authorised to provide interested parties with information concerning inter alia the Company and the Transaction Documents in accordance with Clause 6.3 of the Pledge Agreement;
- (d) acknowledges that no payments in respect of the Shares or the Related Rights may, for as long as the pledge in favour of the Pledgee remains in force and effect (whereby it is noted that the Pledgee will notify the Company in writing when the pledge is no longer effective), be made directly to the Pledgor but shall instead be made to or through the Pledgee as in any specific case directed by the Pledgee in writing, and
- (e) acknowledges that it will do all necessary things required to be done to accomplish the purpose of the transactions contemplated under the Pledge Agreement.

## EXECUTION PAGE

The Pledgor

FIRESTEEL RESOURCES INC.

By:

The Pledgee

PFL RAAHE HOLDINGS LP

By:

*Joseph D. Hochstetler*  
*Authorized Signatory* \_\_\_\_\_

The company set out below (the "Company"), hereby acknowledges the pledge constituted by the above pledge agreement (the "Pledge Agreement") over the Security Assets (as defined in the Pledge Agreement) and the terms and conditions of the Pledge Agreement. Terms not otherwise defined in this acknowledgement shall have the meaning set out in the Pledge Agreement. Further, the Company:

- (a) confirms that on the date hereof there exists no pledge or agreement having the effect of conferring security over the Security Assets other than the security constituted under the Pledge Agreement, the First Priority Security and the Second Priority Security;
- (b) confirms that it will forthwith register the security constituted under the Pledge Agreement in the Company's share register;
- (c) confirms that the Pledgee is authorised to provide interested parties with information concerning inter alia the Company and the Transaction Documents in accordance with Clause 6.3 of the Pledge Agreement;
- (d) acknowledges that no payments in respect of the Shares or the Related Rights may, for as long as the pledge in favour of the Pledgee remains in force and effect (whereby it is noted that the Pledgee will notify the Company in writing when the pledge is no longer effective), be made directly to the Pledgor but shall instead be made to or through the Pledgee as in any specific case directed by the Pledgee in writing; and
- (e) acknowledges that it will do all necessary things required to be done to accomplish the purpose of the transactions contemplated under the Pledge Agreement.

The Company

NORDIC MINES MARKNAD AB

By: 