

AMENDED AND RESTATED CREDIT AGREEMENT

by and among

PENDER CORPORATE BOND FUND
as Lender

And

CONIFEX TIMBER INC.,
as a Borrower

And

CONIFEX INC., CONIFEX MACKENZIE FOREST PRODUCTS INC., 1388434 B.C. LTD.,
CONIFEX OPERATING INC., 8006024 CANADA INC., CONIFEX FIBRE MARKETING INC.,
0318587 B.C. LTD., CONIFEX USA INC., CONIFEX CAPITAL INC., CONIFEX HOLDINGS LLC
and CONIFEX HOLDCO LLC
as Guarantors

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AMENDED AND RESTATED CREDIT AGREEMENT

THIS AMENDED AND RESTATED CREDIT AGREEMENT is entered into as of December 31, 2024 by and among CONIFEX TIMBER INC., as a borrower (together with any entity that may hereafter become party hereto as a Borrower, individually, a “Borrower” and collectively, “Borrowers”), CONIFEX INC., CONIFEX MACKENZIE FOREST PRODUCTS INC., 1388434 B.C. LTD., CONIFEX OPERATING INC., 8006024 CANADA INC., CONIFEX FIBRE MARKETING INC., 0318587 B.C. LTD., CONIFEX USA INC., CONIFEX CAPITAL INC., CONIFEX HOLDINGS LLC and CONIFEX HOLDCO LLC, as guarantors (together with any entity that may hereafter become party hereto as a Guarantor, individually, a “Guarantor” and collectively, “Guarantors”) and PENDER CORPORATE BOND FUND (“Lender”).

WHEREAS pursuant to the credit agreement entered into as of June 12, 2024 (the “Original Credit Agreement”) among the Borrowers, as borrowers, the Guarantors, as guarantors, and the Lender, as lender, the Lender agreed to make certain loan facilities available to the Borrowers; and

WHEREAS the Borrowers have requested, and the Lender has agreed, to amend and restate the Original Credit Agreement to provide for the Loan, subject to the terms and conditions of this Agreement.

THEREFORE the parties agree as follows:

1. DEFINITIONS AND CONSTRUCTION

1.1 Definitions. As used in this Agreement, the following terms shall have the following definitions:

“Accounting Changes” means changes in accounting principles required by the promulgation of any rule, regulation, pronouncement or opinion by the Chartered Professional Accountants of Canada (or successor thereto or any agency with similar functions).

“Administrative Borrower” has the meaning set forth in Section 11.8.

“Advance” means an advance made by Lender to a Borrower on account of the Loan or a Tranche, as applicable.

“Affiliate” means, as applied to any Person, any other Person who controls, is controlled by, or is under common control with, such Person. For purposes of this definition, “control” means the possession, directly or indirectly through one or more intermediaries, of the power to direct the management and policies of a Person, whether through the ownership of Equity Interests, by contract, or otherwise.

“Agreement” means this Amended and Restated Credit Agreement.

“Amendment Warrants” has the meaning ascribed thereto in Section 2.4(e)(ii).

“Anti-Corruption Laws” means: (a) the U.S. *Foreign Corrupt Practices Act of 1977*, (b) the U.K. *Bribery Act 2010*, and (c) any other anti-bribery or anti-corruption laws, regulations or ordinances in any jurisdiction in which any member of the Loan Party Group is located or doing business.

“Anti-Money Laundering Laws” means applicable laws or regulations in any jurisdiction in which any member of the Loan Party Group is located or doing business that relates to money laundering, any

predicate crime to money laundering, or any financial record keeping and reporting requirements related thereto, including, without limitation, the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) and other applicable anti-money laundering, anti-terrorist financing, government sanction and “know your client” laws, whether within Canada or elsewhere.

“Authorized Person” means any one of the individuals identified as an officer of a Loan Party or any other individual identified by Administrative Borrower in writing as an authorized person and authenticated through Lender’s electronic platform or portal in accordance with its procedures for such authentication.

“Bankruptcy Code” means Title 11 of the United States Code.

“Bare Trust Lands” means the lands legally described as PID: 023-802-201, Lot 1 District Lots 12571 and 12572 Cariboo District Plan PGP41340.

“BIA” means the *Bankruptcy and Insolvency Act* (Canada) in effect from time to time.

“Board” has the meaning set forth in Section 7.1.

“Borrower” and “Borrowers” have the respective meanings set forth in the preamble to this Agreement.

“Business Day” means any day that is not a Saturday, Sunday, or other day on which banks are authorized or required to close in the Province of British Columbia.

“Canadian Defined Benefit Plan” means any Canadian pension plan which contains a “defined benefit provision” as defined in subsection 147.1(1) of the *Income Tax Act* (Canada).

“Canadian Dollars” or “\$” means the lawful currency of Canada, as in effect from time to time.

“Cancelled Warrants” has the meaning ascribed thereto in Section 2.4(e)(ii).

“Capital Lease” means a lease that is required to be capitalized for financial reporting purposes in accordance with GAAP.

“Cash Equivalents” means (a) marketable direct obligations issued by, or unconditionally guaranteed by, the United States or Canada or issued by any agency thereof and backed by the full faith and credit of the United States or Canada, in each case maturing within 1 year from the date of acquisition thereof, (b) marketable direct obligations issued or fully guaranteed by any state of the United States or province of Canada or any political subdivision of any such state or province or any public instrumentality thereof maturing within 1 year from the date of acquisition thereof and, at the time of acquisition, having one of the two highest ratings obtainable from either Standard & Poor’s Rating Group (“S&P”) or Moody’s Investors Service, Inc. (“Moody’s”), (c) commercial paper maturing no more than 270 days from the date of creation thereof and, at the time of acquisition, having a rating of at least A-1 from S&P or at least P-1 from Moody’s, (d) certificates of deposit, time deposits, overnight bank deposits or bankers’ acceptances maturing within 1 year from the date of acquisition thereof issued by any bank organized under the laws of Canada, any bank organized under the laws of the United States or any state thereof or the District of Columbia or any United States branch of a foreign bank having at the date of acquisition thereof combined capital and surplus of not less than \$1,000,000,000, (e) Deposit Accounts maintained with (i) any bank that satisfies the criteria described in clause (d) above, or (ii) any other bank organized under the laws of Canada

or the United States or any state thereof so long as the full amount maintained with any such other bank is insured by the Canada Deposit Insurance Corporation or Federal Deposit Insurance Corporation, as applicable, (f) repurchase obligations of any commercial bank satisfying the requirements of clause (d) of this definition or recognized securities dealer having combined capital and surplus of not less than \$1,000,000,000, having a term of not more than seven days, with respect to securities satisfying the criteria in clauses (a) or (d) above, (g) debt securities with maturities of six months or less from the date of acquisition backed by standby letters of credit issued by any commercial bank satisfying the criteria described in clause (d) above, and (h) Investments in money market funds substantially all of whose assets are invested in the types of assets described in clauses (a) through (g) above.

“Cash Management Bank” has the meaning set forth in Section 5.10.

“CCAA” means the *Companies’ Creditors Arrangement Act* (Canada), in effect from time to time.

“Change in Law” means the occurrence after the date of this Agreement of: (a) the adoption or effectiveness of any law, rule, regulation, judicial ruling, judgment or treaty, (b) any change in any law, rule, regulation, judicial ruling, judgment or treaty or in the administration, interpretation, implementation or application by any Governmental Authority of any law, rule, regulation, guideline or treaty, or (c) the making or issuance by any Governmental Authority of any request, rule, guideline or directive, whether or not having the force of law; provided, that, notwithstanding anything in this Agreement to the contrary, (i) the *Dodd-Frank Wall Street Reform and Consumer Protection Act* and all requests, rules, guidelines or directives thereunder or issued in connection therewith, and (ii) all requests, rules, guidelines or directives concerning capital adequacy promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States, Canada or foreign regulatory authorities shall, in each case, be deemed to be a “Change in Law,” regardless of the date enacted, adopted or issued.

“Change of Control” means that: (a) Administrative Borrower fails to own and control, directly or indirectly, 100% of the Equity Interests of each other Loan Party; (b) any Person or two or more Persons acting in concert, shall have acquired beneficial ownership, directly or indirectly, of Equity Interests of Administrative Borrower (or other securities convertible into such Equity Interests) representing [Redacted] or more of the combined voting power of all Equity Interests of Administrative Borrower entitled (without regard to the occurrence of any contingency) to vote for the election of members of the Board, provided that for any Change of Control pursuant to this paragraph (b) over [Redacted], Lender shall have received all documentation required by any “know-your-customer” rules and regulations satisfactory to Lender within 10 Business Days after such Change of Control; (c) any Person or two or more Persons acting in concert, shall have acquired by contract or otherwise, or shall have entered into a contract or arrangement that, upon consummation thereof, will result in its or their acquisition of the power to exercise, directly or indirectly, a controlling influence over the management or policies of Administrative Borrower or control over the Equity Interests of such Person entitled to vote for members of the Board on a fully diluted basis (and taking into account all such Equity Interests that such Person or group has the right to acquire pursuant to any option right) representing [Redacted] or more of the combined voting power of such Equity Interests, provided that for any Change of Control pursuant to this paragraph (c) over [Redacted], Lender shall have received all documentation required by any “know-your-customer” rules and regulations satisfactory to Lender within 10 Business Days after such Change of Control; or (d) replacement by Administrative Borrower of the chair of the Board unless Lender has received all documentation required by any “know your customer” rules and regulations satisfactory to Lender at least 10 Business Days prior to such replacement.

“claim” has the meaning set forth in Section 10.3.

“Closing Date” means December 31, 2024.

“Collateral” means all assets and interests in assets and proceeds thereof now owned or hereafter acquired by any Person in or upon which a Lien is granted, or is purported to be granted, by such Person to Lender under any of the Loan Documents including without limitation the Lands.

“Collection Account” means each deposit account of a Borrower identified on Schedule J as a collection account and such other deposit accounts as may be established after the Original Closing Date in accordance with the terms hereof in each case used exclusively to receive payments on accounts and proceeds of other Collateral.

“Commitment” means the commitment of Lender to make the Loan or otherwise provide any credit or services to a Borrower under this Agreement.

“Compliance Certificate” means a certificate in the form provided by Lender to a Borrower, as such form, subject to the terms hereof, may from time to time be modified by Lender, which is duly completed (including all schedules thereto), and delivered by or on behalf of a Borrower to Lender.

“Control Agreement” means a control agreement, in form and substance reasonably satisfactory to Lender, executed and delivered by a Loan Party, Lender, and the applicable securities intermediary (with respect to a securities account) or bank (with respect to a deposit account).

“Credit Facility” means the Loan provided to or for the benefit of each Borrower pursuant to Section 2.1 or other financial accommodations provided for under the Loan Documents.

“Currency Due” has the meaning set forth in Section 11.10.

“Default Rate” means, for any Obligation (including, to the extent permitted by law, interest not paid when due), two percent plus the interest rate otherwise applicable thereto.

“Deposit Account” means a demand, time, savings, passbook or like account maintained with a bank, savings and loan association, credit union or like organization, other than an account evidenced by a certificate of deposit, in each case, subject to a Control Agreement.

“Equity Interests” means, with respect to a Person, all of the shares, options, warrants, interests, participations, or other equivalents (regardless of how designated) of or in such Person, whether voting or nonvoting, including capital stock or partnership or other equity ownership or profit interests or units, preferred stock, or any other equity interest of or in such Person.

“Event of Default” has the meaning set forth in Section 8.1.

“Excluded Swap Obligation” means, with respect to any Loan Party, any Swap Obligation if, and to the extent that, all or a portion of the guaranty of such Loan Party of, or the grant by such Loan Party of a security interest to secure, such Swap Obligation (or any guaranty thereof) is or becomes illegal under the *Commodity Exchange Act* (7 U.S.C. § 1 et seq.), and any successor statute or any rule, regulation or order of the Commodity Futures Trading Commission (or the application or official interpretation of any thereof) due to such Loan Party’s failure for any reason to constitute an “eligible contract participant” as defined in the *Commodity Exchange Act* (7 U.S.C. § 1 et seq.), and any successor statute and the regulations thereunder at the time the guaranty of such Loan Party or the grant of such security interest becomes effective with respect to such Swap Obligation. If a Swap Obligation arises under a master agreement governing more

than one swap, such exclusion shall apply only to the portion of such Swap Obligation that is attributable to swaps for which such guaranty or security interest is or becomes illegal.

“GAAP” means generally accepted accounting principles as in effect from time to time in Canada, consistently applied, including International Financial Reporting Standards.

“General Security Agreement” means the general security and floating charge, dated of even date herewith, by and among each Loan Party and Lender, and any other agreement or instrument at any time executed by a Loan Party or any other Person in connection with this Agreement that is intended to (or purports to) create, perfect or evidence a Lien to secure the Obligations.

“Governing Documents” means, with respect to any Person, the certificate or articles of incorporation, certificate of formation, by-laws, limited liability company agreement, operating agreement or other organizational or governing documents of such Person.

“Governmental Authority” means the government of any nation or any political subdivision thereof, whether at the national, state, territorial, provincial, county, municipal or any other level, and any agency, authority, instrumentality, regulatory 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 bodies such as the European Union or the European Central Bank).

“Guarantee” means the Guarantee, dated of even date herewith, by each Guarantor in favour of Lender and any other guarantee of the Obligations at any time executed and delivered by a Loan Party in favour of Lender.

“Guarantor” means each Person (other than an individual) that at any time guarantees all or any portion of the Obligations.

“Hedge Agreement” means a “swap agreement” as that term is defined in Section 101(53B)(A) of the Bankruptcy Code.

“Indebtedness” as to any Person means, without duplication, (a) all obligations of such Person for borrowed money, (b) all obligations of such Person evidenced by bonds, debentures, notes, or other similar instruments and all reimbursement or other obligations in respect of letters of credit, bankers acceptances, or other financial products, (c) all obligations of such Person as a lessee under Capital Leases, (d) all obligations or liabilities of others secured by a Lien on any asset of such Person, irrespective of whether such obligation or liability is assumed, (e) all obligations of such Person to pay the deferred purchase price of assets (other than trade payables incurred in the ordinary course of business and repayable in accordance with customary trade practices and, other than royalty payments payable in the ordinary course of business in respect of non-exclusive licenses), (f) all monetary obligations of such Person owing under Hedge Agreements (which amount shall be calculated based on the amount that would be payable by such Person if the Hedge Agreement were terminated on the date of determination), and (g) any obligation of such Person guaranteeing (whether directly or indirectly guaranteed, endorsed, co-made, discounted, or sold with recourse) any obligation of any other Person that constitutes Indebtedness under any of clauses (a) through (f) above. For purposes of this definition, (i) the amount of any Indebtedness represented by a guarantee or other similar instrument shall be the lesser of the principal amount of the obligations guaranteed and still outstanding and the maximum amount for which the guaranteeing Person may be liable pursuant to the terms of the instrument embodying such Indebtedness, and (ii) the amount of any Indebtedness which is limited or is non-recourse to a Person or for which recourse is limited to an identified asset shall be valued

at the lesser of (A) if applicable, the limited amount of such obligations, and (B) if applicable, the fair market value of such assets securing such obligation.

"Indemnified Liabilities" has the meaning set forth in Section 9.2.

"Indemnified Person" has the meaning set forth in Section 9.2.

"Insolvency Proceeding" means any proceeding commenced by or against any Person under any provision of the Bankruptcy Code, the CCAA, the BIA or under any other state, provincial or federal bankruptcy or insolvency law, assignments for the benefit of creditors, formal or informal moratoria, compositions, extensions generally with creditors, receivership proceeding (whether court or privately appointed), interim receivership proceeding, or proceedings seeking liquidation, reorganization, arrangement, winding-up or other similar relief, including any proceeding for the compromise or arrangement of creditor claims pursuant to the arrangement or reorganization provisions of any corporate statute.

"Interest Rate" means 14.0% per annum or such other rate or rates of interest as may be agreed to in writing by Lender and a Borrower with respect to the Loan.

"Investment" means, with respect to any Person, any investment by such Person in any other Person (including Affiliates) in the form of loans, guarantees, advances, capital contributions (excluding (a) commission, travel, and similar advances to officers and employees of such Person made in the ordinary course of business, (b) bona fide accounts receivable arising in the ordinary course of business), or acquisitions of Indebtedness, Equity Interests, or all or substantially all of the assets of such other Person (or of any division or business line of such other Person), and (c) any other items that are or would be classified as investments on a balance sheet prepared in accordance with GAAP. The amount of any Investment shall be the original cost of such Investment plus the cost of all additions thereto, without any adjustment for increases or decreases in value, or write-ups, write-downs, or write-offs with respect to such Investment.

"Judgment Currency" has the meaning set forth in Section 11.10.

"Lands" means the lands and premises as more particularly described in Schedule A hereto.

"Lender" has the meaning set forth in the preamble to this Agreement.

"Lender Expenses" has the meaning set forth in Section 5.13.

"Lender Nominee" has the meaning set forth in Section 7.1.

"Lender Payment Account" means such account of Lender as Lender may from time to time designate in writing to a Borrower as the Lender Payment Account for purposes of the Loan Documents.

"Lien" means any mortgage, deed of trust, pledge, hypothecation, assignment, charge, deposit arrangement, encumbrance, easement, lien (statutory or other), security interest, or other security arrangement and any other preference, priority, or preferential arrangement of any kind or nature whatsoever, including any conditional sale contract or other title retention agreement, the interest of a lessor under a Capital Lease and any synthetic or other financing lease having substantially the same economic effect as any of the foregoing.

“Loan” means the \$41,000,000.00 term loan facility made or to be made by Lender to a Borrower under this Agreement comprised of the following:

- (a) a non-revolving tranche of \$33,500,000 (“Tranche 1”) to be made available as follows:
 - (i) an Advance of \$22,500,000 on the Original Closing Date; and
 - (ii) further Advances of up to \$11,000,000 on dates to be determined by the Lender and Borrower, provided that all such additional Advances will be at the absolute discretion of the Lender; and
- (b) a non-revolving tranche of up to \$7,500,000 (“Tranche 2”) to be made available during the 18 month period after the Original Closing Date by way of one or more Advances in increments of \$500,000 upon 10 days written notice from the Borrower.

“Loan Account” has the meaning set forth in Section 2.3(g).

“Loan Documents” means this Agreement and all of the security documents set forth in Schedule D, any note or notes executed by a Borrower in connection with this Agreement and payable to Lender, any subordination agreement, and any other instrument or agreement entered into, now or in the future, by any Loan Party in connection with this Agreement, but excluding, for greater certainty, the **[Redacted: Commercially Sensitive Information]**.

“Loan Parties” means every Borrower and Guarantor and “Loan Party” means any one of them.

“Loan Party Group” means (a) each Loan Party, (b) the parent of each Loan Party, (c) any Affiliate or Subsidiary of any Loan Party, (d) any guarantor of the Obligations, (e) the owner of any Collateral securing any part of the Obligations, and (f) any officer, director or agent acting on behalf of any of the parties referred to in items (a) through (e) with respect to the Credit Facility.

“Material Adverse Effect” means (a) a material adverse effect in the business, operations, results of operations, assets, liabilities or financial condition of the Loan Parties, taken as a whole, (b) a material impairment of the ability of Loan Parties to perform their obligations under the Loan Documents to which they are a party or of Lender’s ability to enforce the Obligations or realize upon the Collateral (other than as a result of an action taken or not taken that is solely in the control of Lender), or (c) a material impairment of the enforceability or priority of the Liens of Lender with respect to all or a material portion of the Collateral.

“Material Amount” means **[Redacted: dollar amount]**

“Material Indebtedness” means Indebtedness (other than the Loan) of a Loan Party in an aggregate principal amount exceeding the Material Amount. For purposes of determining Material Indebtedness, the “principal amount” of the obligations of a Loan Party in respect of any Hedge Agreement at any time shall be the maximum aggregate amount (giving effect to any netting agreements) that a Loan Party would be required to pay if such Hedge Agreement were terminated at such time.

“Maturity Date” means June 12, 2029.

“Maximum Credit” means an amount equal to 50% of the book value or market value of the Collateral over which Lender maintains a first priority charge as determined by Lender acting reasonably and as more particularly laid out in Schedule I hereto.

“Non-Material Subsidiaries” means **[Redacted]**

“Obligations” means all loans, debts, principal, interest (including any interest that accrues after the commencement of an Insolvency Proceeding, regardless of whether allowed or allowable in whole or in part as a claim in any such Insolvency Proceeding), premiums, liabilities (including all amounts charged to any Loan Account), obligations, fees, expenses (and any fees or expenses that accrue after the commencement of an Insolvency Proceeding, regardless of whether allowed or allowable in whole or in part as a claim in any such Insolvency Proceeding), guarantees, and all covenants and duties of any other kind and description owing by any Loan Party arising out of, under, pursuant to, in connection with, or evidenced by any Loan Document and whether or not for the payment of money, whether direct or indirect, absolute or contingent, due or to become due, now existing or hereafter arising, and including all interest not paid when due, and all other expenses or other amounts that any Loan Party is required to pay or reimburse by the Loan Documents or by law or otherwise in connection with the Loan Documents, provided, that, notwithstanding anything to the contrary contained herein, the Obligations shall exclude any Excluded Swap Obligation. Without limiting the generality of the foregoing, the Obligations include the obligation to pay (i) the principal of the Loan, (ii) interest accrued on the Loan, (iii) Lender Expenses, (iv) fees payable under any Loan Document, and (v) indemnities and other amounts payable by any Loan Party under any Loan Document. Any reference in this Agreement or in the Loan Documents to the Obligations shall include all or any portion thereof and any extensions, modifications, renewals, or alterations of the Obligations, both prior and subsequent to any Insolvency Proceeding.

“OFAC” means the Office of Foreign Assets Control of the U.S. Department of the Treasury.

“Original Closing Date” means June 12, 2024.

“Original Credit Agreement” has the meaning set forth in the recitals to this Agreement.

“Patriot Act” means the *Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA Patriot Act) Act of 2001*, as amended.

“Permitted Discretion” means a determination made in the exercise of reasonable (from the perspective of a secured asset-based lender) business judgment.

“Permitted Dispositions” means each of the following:

- (a) sales, abandonment, or other dispositions of equipment that is substantially worn, damaged, or obsolete or no longer used or useful in the ordinary course of business and leases or subleases of Real Property not useful in the conduct of the business of a Loan Party;
- (b) sales of inventory to buyers in the ordinary course of business;
- (c) the use or transfer of money in a manner that is not prohibited by the terms of any Loan Document;

(d) the licensing, on a non-exclusive basis, of patents, trademarks, copyrights, and other intellectual property rights in the ordinary course of business;

(e) the granting of Permitted Liens;

(f) the sale or discount, in each case without recourse, of accounts receivable arising in the ordinary course of business, but only in connection with the compromise or collection thereof;

(g) any involuntary loss, damage or destruction of property;

(h) the sale or issuance of Qualified Equity Interests of Administrative Borrower;

(i) so long as no Event of Default has occurred and is continuing or would immediately result therefrom, transfers of assets from a Loan Party to another Loan Party;

(j) the termination of any Hedge Agreement;

(k) any involuntary condemnation, seizure or taking, by exercise of the power of eminent domain or otherwise, or confiscation or requisition of use of property;

(l) the making of Restricted Payments that are expressly permitted to be made pursuant to this Agreement;

(m) the making of Permitted Investments;

(n) the lapse, abandonment or other disposition of patents, trademarks, copyrights, and other intellectual property rights that are not material and are no longer used or useful in any material respect in the business of a Loan Party and do not appear on and are not otherwise affixed to or incorporated in any inventory or necessary in connection with the books and records of a Loan Party or do not have any material value; and

(o) sales or other dispositions of assets of a Loan Party not otherwise described in the provisions set forth in this definition, provided, that, as to any such sale or other disposition, each of the following conditions is satisfied: (i) as of the date of such sale or other disposition, and after giving effect thereto, no Event of Default exists, (ii) each such sale is an arms' length transaction and the applicable Loan Party receives at least the fair market value of the assets disposed of, (iii) the aggregate amount of the consideration received from all assets sold or disposed of permitted under this clause (o) shall not exceed the Material Amount in any fiscal year of a Loan Party, (iv) such transaction does not involve the sale or other disposition of any accounts, inventory, intellectual property or Equity Interests, and (v) the cash proceeds from any such sale or other disposition (net only of reasonable and customary direct costs related thereto and amounts required to be applied to any Permitted Indebtedness secured by such assets as a result of such sale or other disposition) shall be paid to Lender for application to the Obligations.

"Permitted Indebtedness" means:

(a) the Obligations;

(b) Indebtedness as of the Original Closing Date set forth on Schedule K and any retirements, renewals or extensions thereof on substantially the same terms as such Indebtedness;

(c) Indebtedness (including under any Capital Lease) arising after the Original Closing Date to the extent secured by Liens on equipment including all mobile equipment and rolling stock or Real Property acquired after the Original Closing Date in an aggregate outstanding principal amount not to exceed **[Redacted: dollar amount]** at any time; provided, that, (i) such Liens do not apply to any property of a Loan Party other than specific items of equipment or Real Property, (ii) the Indebtedness secured thereby does not exceed the cost of the applicable equipment or Real Property, as the case may be and (iii) as of the date any such Indebtedness is incurred and after giving effect thereto, no Event of Default shall exist;

(d) Indebtedness arising in connection with the endorsement of instruments or other payment items for deposit and unsecured Indebtedness incurred in respect of netting services, overdraft protection, and other like services, in each case, incurred in the ordinary course of business;

(e) Indebtedness up to a maximum aggregate amount of **[Redacted: dollar amount]** consisting of (i) unsecured guarantees incurred in the ordinary course of business with respect to performance bonds and similar obligations; (ii) unsecured guarantees arising with respect to customary indemnification obligations to purchasers in connection with Permitted Dispositions; or (iii) unsecured guarantees with respect to Indebtedness of a Borrower or one of its Subsidiaries, to the extent that the Person that is obligated under such guaranty could have incurred such underlying Indebtedness;

(f) Indebtedness of a Loan Party in respect of bid, payment and performance bonds, workers' compensation claims, unemployment insurance, health, disability and other employee benefits or property, casualty or liability insurance, or guarantees of the foregoing types of Indebtedness, in the ordinary course of business and consistent with current practices as of the Closing Date;

(g) the incurrence by any Loan Party of Indebtedness under Hedge Agreements with Lender or one of its Affiliates or on unsecured basis that is incurred for the bona fide purpose of hedging the interest rate, commodity, or foreign currency risks associated with such Loan Party's operations and not for speculative purposes;

(h) Indebtedness incurred in the ordinary course of business in respect of credit cards, credit card processing services, debit cards, stored value cards, commercial cards (including so-called "purchase cards", "procurement cards" or "p-cards"), or any cash management or related services;

(i) Subordinated Indebtedness; provided, that, the aggregate principal amount of such Indebtedness shall not exceed **[Redacted: dollar amount]** outstanding at any time;

(j) unsecured Indebtedness of a Borrower owing to former employees, officers, or directors (or any spouses, ex-spouses, or estates of any of the foregoing) incurred in connection with the repurchase by such Borrower of the Equity Interests of Borrower that has been issued to such Persons, so long as (i) no Event of Default has occurred and is continuing or would result from the incurrence of such Indebtedness, (ii) the aggregate amount of all such Indebtedness outstanding at any one time does not exceed **[Redacted: dollar amount]**, and (iii) such Indebtedness is subordinated to the Obligations on terms and conditions reasonably acceptable to Lender;

(k) Indebtedness composing Permitted Investments;

(l) Indebtedness existing as at the date hereof in the ordinary course of business with respect to trade payables, accrued liabilities and other payables, employee liabilities and reforestation obligations; and

(m) unsecured Indebtedness incurred after the Original Closing Date and not otherwise specifically described in this definition so long as each of the following conditions is satisfied: (i) such Indebtedness shall have a maturity date that is at least 91 days after the Maturity Date, and (ii) the aggregate principal amount of all such Indebtedness outstanding at any time shall not exceed **[Redacted: dollar amount]**.

“Permitted Investments” means each of the following:

(a) Investments in cash and Cash Equivalents, provided that any deposit or securities account in which any Cash Equivalents are held is subject to a Control Agreement;

(b) Investments in negotiable instruments deposited or to be deposited for collection in the ordinary course of business;

(c) advances made in connection with purchases of goods or services in the ordinary course of business;

(d) Investments received in settlement of amounts due to any Loan Party effected in the ordinary course of business or owing to any Loan Party as a result of Insolvency Proceedings involving an account debtor or upon the foreclosure or enforcement of any Lien in favour of a Loan Party;

(e) Investments owned by any Loan Party on the Original Closing Date and set forth on Schedule M;

(f) Equity Interests or other securities acquired in connection with the satisfaction or enforcement of Indebtedness or claims due or owing to a Loan Party (in bankruptcy of customers or suppliers or otherwise outside the ordinary course of business) or as security for any such Indebtedness or claims;

(g) deposits of cash made in the ordinary course of business to secure performance of operating leases;

(h) loans and advances to employees and officers of a Loan Party in the ordinary course of business for any business purpose and in an aggregate amount not to exceed the **[Redacted: dollar amount]** outstanding at any one time;

(i) Investments in the form of capital contributions and the acquisition of Equity Interests made by any Loan Party in any other Loan Party (other than capital contributions to or the acquisition of Equity Interests of Administrative Borrower); and

(j) so long as no Event of Default has occurred and is continuing or would result therefrom, any other Investments in an aggregate amount not to exceed **[Redacted: dollar amount]** during the term of the Agreement.

“Permitted Liens” means:

(a) Liens granted to, or for the benefit of, Lender to secure the Obligations;

(b) Liens for unpaid taxes, assessments, or other governmental charges or levies that either (i) are not yet past due, or (ii) do not have priority over the Liens of Lender and the underlying taxes, assessments, or charges or levies are being contested in good faith by appropriate proceedings diligently pursued and available to a Loan Party, which proceedings (or orders entered in connection with such

proceedings) have the effect of preventing the forfeiture or sale of the property subject to any such Lien and with respect to which adequate reserves have been set aside on its books in accordance with GAAP;

(c) judgment Liens in connection with court proceedings that do not constitute an Event of Default; provided, that, (i) such Liens are being contested in good faith by appropriate proceedings diligently pursued and available to a Loan Party, in each case prior to the commencement of foreclosure or other similar proceedings, which proceedings (or orders entered in connection with such proceeding) have the effect of preventing the forfeiture or sale of the property subject to any such Lien, and (ii) adequate reserves or other appropriate provision, if any, as are required by GAAP have been made therefor;

(d) Liens set forth on Schedule L;

(e) the interests of lessors under operating leases and non-exclusive licensors under license agreements;

(f) Liens on equipment and Real Property arising after the Original Closing Date to secure Indebtedness permitted under clause (c) of the definition of Permitted Indebtedness, whether such Indebtedness is assumed or incurred by a Loan Party;

(g) Liens arising by operation of law in favour of warehousemen, landlords, carriers, mechanics, materialmen, laborers, or suppliers, incurred in the ordinary course of business and not in connection with the borrowing of money, and which Liens either (i) are for sums not yet past due, or (ii) are being contested in good faith by appropriate proceedings diligently pursued and available to a Loan Party, in each case prior to the commencement of foreclosure or other similar proceedings, which proceedings (or orders entered in connection with such proceeding) have the effect of preventing the forfeiture or sale of the property subject to any such Lien and with respect to which adequate reserves or other appropriate provision, if any, as are required by GAAP have been made therefor;

(h) Liens on cash deposited to secure a Loan Party's obligations in connection with worker's compensation or other unemployment insurance, or to secure obligations in connection with the making or entering into of bids, tenders, or leases in the ordinary course of business and not in connection with the borrowing of money or Liens on cash deposited to secure its reimbursement obligations with respect to surety or appeal bonds obtained in the ordinary course of business;

(i) with respect to any Real Property, easements, rights of way, and zoning restrictions that do not materially interfere with or impair the use or operation thereof;

(j) non-exclusive licenses of patents, trademarks, copyrights, and other intellectual property rights in the ordinary course of business;

(k) rights of setoff or bankers' liens upon deposits of funds in favour of banks or other depository institutions, solely to the extent incurred in connection with the maintenance of such deposit accounts in the ordinary course of business;

(l) Liens in favour of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods;

(m) the reservations, limitations, provisos and conditions, if any, expressed in any original grants of real or immovable property from the Crown,

(n) Liens given to a public utility or any municipality or governmental or other public authority when required by such utility or other authority in connection with the operation of the business or the ownership of the assets of the Loan Parties, provided that such Liens do not materially reduce the value of the assets of the Loan Parties or materially interfere with their use in the operation of the business of the Loan Parties or impair any of the Loan Parties' rights and remedies under this Agreement; and

(o) Liens that are replacements of Permitted Liens so long as the replacement Liens only encumber those assets that secured the original Indebtedness.

“Person” means natural persons, corporations, limited liability companies, limited partnerships, general partnerships, limited liability partnerships, joint ventures, trusts, land trusts, business trusts, or other organizations, irrespective of whether they are legal entities, and governments and agencies and political subdivisions thereof.

[Redacted: Commercially Sensitive Information.]

[Redacted: Commercially Sensitive Information.]

“Power Entities” means Conifex Power Inc. and Conifex Power Limited Partnership.

[Redacted: Commercially Sensitive Information.]

[Redacted: Commercially Sensitive Information.]

“PPSA” shall mean the *Personal Property Security Act* (British Columbia) and the Regulations thereunder, as from time to time in effect; provided, that if attachment, perfection or priority of Lender’s security interests in any Collateral are governed by the personal property security laws of any jurisdiction other than British Columbia, PPSA shall mean those personal property security laws in such other jurisdictions for the purposes of the provisions hereof relating to such attachment, perfection or priority and for the definitions related to such provisions.

“Projections” means forecasted balance sheets, profit and loss statements, and cash flow statements with respect to a Timber Party, all prepared on a basis consistent with its historical financial statements, together with appropriate supporting details and a statement of underlying assumptions.

“Qualified Equity Interest” means any common shares or warrants (or similar equity-linked securities) convertible into common shares issued by Administrative Borrower (and not by one or more of its Subsidiaries).

“Real Property” means any estates or interests in real property now owned or hereafter acquired by any Loan Party and the improvements located thereon and all licenses, easements and appurtenances relating thereto, wherever located, except for the Bare Trust Lands.

“Restricted Payment” means any (a) dividend or other distribution (whether in cash, securities or other property) with respect to any Equity Interests of a Loan Party, or any payment (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any such Equity Interests or on account of any return of capital to the stockholders, partners or members (or the equivalent Person thereof) of a Loan Party, or payment made to redeem, purchase, repurchase or retire, or to obtain the surrender of, any outstanding warrants, options or other rights to acquire any Equity Interests of a Loan Party, or any setting apart of funds or property for any of the foregoing, or (b) the payment by a Loan Party of any management, advisory or consulting fee to any Person or the payment of any extraordinary salary, bonus or other form of compensation to any Person who is, in each case, directly or indirectly a significant partner, shareholder, owner or executive officer of any such Person, to the extent such extraordinary salary, bonus or other form of compensation is not included in the corporate overhead of a Loan Party.

“Sanction” or “Sanctions” means any and all economic or financial sanctions, sectoral sanctions, secondary sanctions, trade embargoes and anti-terrorism laws imposed, administered or enforced from time to time by: (a) the United States of America, including those administered by OFAC, the U.S. State Department, the U.S. Department of Commerce, or through any existing or future Executive Order, (b) the United Nations Security Council, (c) the European Union, (d) the United Kingdom, or (e) any other Governmental Authority in any jurisdiction in which (i) any member of the Loan Party Group is located or conducts business, (ii) in which any of the proceeds of the Credit Facility will be used, or (iii) from which repayment of the Credit Facility will be derived.

“Sanctioned Target” means any target of Sanctions, including: (a) Persons on any list of targets identified or designated pursuant to any Sanctions, (b) Persons, countries, or territories that are the target of any territorial or country-based Sanctions program, (c) Persons that are a target of Sanctions due to their ownership or control by any Sanctioned Target(s), or (d) otherwise a target of Sanctions, including vessels, planes and ships, that are designated under any Sanctions program.

“Solvent” means, with respect to any Person as of any date of determination, that (a) at fair valuations, the sum of such Person’s debts (including contingent liabilities) is less than all of such Person’s assets, (b) such Person is not engaged or about to engage in a business or transaction for which the remaining assets of such Person are unreasonably small in relation to the business or transaction or for which the property remaining with such Person is an unreasonably small capital, (c) such Person has not incurred and does not intend to incur, or reasonably believe that it will incur, debts beyond its ability to pay such debts as they become due (whether at maturity or otherwise), and (d) such Person is “solvent” or not “insolvent”, as applicable within the meaning given those terms and similar terms under applicable laws relating to avoidable transfers, fraudulent transfers and conveyances. For purposes of this definition, the amount of any contingent liability at any time shall be computed as the amount that, in light of all of the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability.

“Subordinated Indebtedness” means any Indebtedness of any Loan Party incurred from time to time that is subordinated in right of payment to the Obligations and is subject to a subordination agreement in form and substance satisfactory to Lender, and is otherwise on terms (including maturity, interest, fees, repayment, covenants and subordination) satisfactory to Lender.

“Subsidiary” means, with respect to any Person, a corporation, partnership, limited liability company, or other entity in which that Person directly or indirectly owns or controls the Equity Interests having ordinary voting power to elect a majority of the board of directors (or equivalent) of such corporation, partnership, limited liability company, or other entity.

“Swap Obligation” means, with respect to any Loan Party, any obligation to pay or perform under any agreement, contract or transaction that constitutes a “swap” within the meaning of section 1a(47) of the *Commodity Exchange Act*.

“Termination Date” means the earliest to occur of (a) the Maturity Date, or (b) the date on which the maturity of the Obligations is accelerated (or deemed accelerated) and the Commitment is terminated (or deemed terminated).

“Timber Parties” means the Loan Parties.

“Timber Tenure Asset” means Forest Licence A15385.

“Tranche” means either Tranche 1 or Tranche 2, as applicable, as defined under the definition of “Loan” herein.

“Warrant Shares” has the meaning ascribed thereto in Section 2.4(e)(i).

“Warrants” has the meaning ascribed thereto in Section 2.4(e)(i).

1.2 Accounting Terms. All accounting terms not specifically defined herein shall be construed in accordance with GAAP; provided, that, if a Borrower notifies Lender that Borrowers request an amendment to any provision hereof to eliminate the effect of any Accounting Changes occurring after the Original Closing Date or in the application thereof on the operation of such provision (or if Lender requests an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such Accounting Change or in the application thereof, then Lender and Borrowers agree that they will negotiate in good faith amendments to the provisions of this Agreement that are directly affected by such Accounting Change with the intent of having the respective positions of Lender and Borrowers after such change conform as nearly as possible to their respective positions immediately before such Accounting Change took effect and, until any such amendments have been agreed upon and agreed to by Lender, the provisions in this Agreement shall be calculated as if no such Accounting Change had occurred. A Loan Party shall (to the extent not already included in the financial statements) deliver to Lender at the same time as the delivery of any financial statements given in accordance with the provisions of Section 5.1, (a) a description in reasonable detail of any material change in the application of accounting principles employed in the preparation of such financial statements from those applied in the most recently preceding monthly, quarterly or annual financial statements and (b) a reasonable estimate of the effect on the financial statements on account of such changes in application. When used herein, the term “financial statements” shall include the notes and schedules thereto. Notwithstanding anything to the contrary contained herein, (i) all financial statements delivered hereunder shall be prepared, and all financial covenants contained herein shall be calculated, without giving effect to any election under the Statement of Financial Accounting Standards Board’s Accounting Standards Codification Topic 825 (or any similar accounting principle) permitting a Person to value its financial liabilities or Indebtedness at the fair value thereof, and (ii) the term “unqualified opinion” as used herein to refer to opinions or reports provided by accountants shall mean an opinion or report that is (A) unqualified, and (B) does not include any explanation, supplemental comment, or other comment concerning the ability of the applicable Person to continue as a going concern or concerning the scope of the audit.

1.3 PPSA Terms. Any terms used in this Agreement that are defined in the PPSA shall be construed and defined as set forth in the PPSA, unless otherwise defined herein.

1.4 Construction. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words “include,” “includes” and “including” shall be deemed to be followed by the phrase “without limitation.” The word “will” shall be construed to have the same meaning and effect as the word “shall” and vice-versa. Unless the context requires otherwise, (a) any definition of or reference to any agreement, instrument or other document shall be construed as referring to such agreement, instrument or other document as from time to time amended, modified, supplemented, extended, renewed, restated or replaced (subject to any restrictions on such amendments, supplements or modifications set forth in any Loan Document), (b) any reference herein to any Person shall be construed to include such Person’s successors and assigns, (c) the words “herein,” “hereof” and “hereunder,” and words of similar import when used in any Loan Document, shall be construed to refer to such Loan Document in its entirety and not to any particular provision thereof, (d) all references in a Loan Document to Sections, Exhibits and Schedules shall be construed to refer to Sections of, and Exhibits and Schedules to, the Loan Document in which such references appear, (e) any reference to any law shall include all statutory and regulatory provisions consolidating, amending, replacing, recodifying, supplementing or interpreting such law and any reference to any law or regulation shall, unless otherwise specified, refer to such law or regulation as amended, modified or supplemented from time to time, and (f) the words “asset” and “property” shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights. Section headings in any Loan Document are included for convenience of reference only and shall not affect the interpretation of this Agreement or any other Loan Document. Each schedule and exhibit to this Agreement is incorporated by reference herein and is made a part of this Agreement. Any capitalized term used in any schedule or exhibit to this Agreement shall have the meaning assigned to such term herein, unless otherwise defined in such schedule or exhibit. An Event of Default shall exist or continue until such Event of Default is waived in accordance with Section 9.5 in accordance with the terms hereof. Each Loan Party shall have the burden of establishing any alleged negligence, misconduct or lack of good faith by Lender under any Loan Document. Any reference to an obligation of a Borrower or a Loan Party or to Borrowers or Loan Parties, or to any Borrower or any Loan Party, as the case may be, shall mean that each Borrower or each Loan Party, as the case may be, is jointly and severally liable with each other Borrower or Loan Party in respect of such obligation. Any reference to an agreement or other matter being “reasonably satisfactory” to Lender shall mean a determination made in the exercise of reasonable judgment from the perspective of a secured asset-based lender. Any reference to expenses of Lender in any Loan Document shall include all Lender Expenses. Reference to a Loan Party’s “knowledge” or similar concept means actual knowledge of an Authorized Person, or knowledge that an Authorized Person would have obtained if he or she had engaged in good faith and diligent performance of his or her duties, including reasonably specific inquiries of employees or agents and a good faith attempt to ascertain the matter.

1.5 Time References. Unless the context of this Agreement or any other Loan Document clearly requires otherwise, all references to time of day refer to Pacific time, as in effect in Vancouver, British Columbia on such day. For purposes of the computation of a period of time from a specified date to a later specified date, unless otherwise expressly provided, the word “from” means “from and including” and the words “to” and “until” each means “to and including”; provided, that, with respect to a computation of fees or interest payable to Lender, such period shall in any event consist of at least one full day.

1.6 Payment in Full. Any reference in any Loan Document to the satisfaction, repayment, or payment in full of the Obligations shall mean (a) the payment in full in cash of the principal and accrued and unpaid interest with respect to the Loan, (b) the payment in full in cash of all fees, charges and expenses that have accrued and are unpaid regardless of whether payment has been demanded or is otherwise due, and (c) the termination of the Commitment and the financing arrangements provided by Lender to each Borrower hereunder.

1.7 Rounding. Any financial ratios required to be maintained by a Loan Party pursuant to this Agreement shall be calculated by dividing the appropriate component by the other component, carrying the result to one place more than the number of places by which such ratio is expressed herein and rounding the result up or down to the nearest number (with a rounding-up if there is no nearest number).

1.8 Resolution of Drafting Ambiguities. Each Loan Party acknowledges and agrees that it was represented by counsel in connection with the execution and delivery of the Loan Documents, that it and its counsel reviewed and participated in the preparation and negotiation of the Loan Documents and that any rule of construction to the effect that ambiguities are to be resolved against Lender as the drafting party shall not be applicable in the interpretation of the Loan Documents.

1.9 Currency. Unless otherwise specified herein, all statements of or references to dollar amounts in this Agreement shall mean lawful money of Canada.

2. CREDIT FACILITY

2.1 Loan.

Subject to, and upon the terms and conditions contained herein, on and after the Original Closing Date until the Termination Date, Lender agrees to make the Loan to a Borrower.

2.2 Borrowing Procedures.

(a) Each Advance on account of the Loan shall be made by a written request by or on behalf of a Borrower delivered to Lender, and in respect of each Advance made after the date hereof, received by Lender no later than 12:00 p.m. ten days prior to the requested date that the Advance be made, specifying (i) the amount of such Advance, and (ii) the date of such Advance, which shall be a Business Day.

(b) Any Advance shall be conclusively presumed to have been made to, and at the request of and for the benefit of, a Borrower when advanced to a Borrower or otherwise disbursed or established in accordance with the instructions of a Borrower or its solicitors.

2.3 Payments; Prepayments.

(a) Principal Payments. In addition to the monthly interest payments and Lender Expenses noted in Section 2.4, commencing on the first day of the month that is 12 months after the month during which the first Advance is made and continuing on the same day each year thereafter (or if such day is not a Business Day, on the next Business Day thereafter) until the Maturity Date, the Borrowers will make annual principal payments on account of Tranche 1 in the amount of \$2,000,000, so that the amount outstanding under Tranche 1 will reduce by \$2,000,000 each year commencing on the first anniversary of the Original Closing Date, subject to Section 2.3(c).

(b) Maturity Date. The outstanding balance of the Loan together with any other amounts outstanding hereunder will be due and payable on the Maturity Date unless sooner determined by Lender due to the occurrence of an Event of Default.

(c) Tranche 2 Payment. On December 12, 2025, any outstanding balance on account of Tranche 2 will be added to Tranche 1 and shall be deemed to form a part of Tranche 1, and payable as to principal and interest as forming a part of Tranche 1 in all respects.

(d) Payments by Borrowers. Except as otherwise expressly provided herein, all payments by a Borrower shall be made to the Lender Payment Account or such other place as Lender may designate in writing to a Borrower from time to time and shall be made in immediately available funds, no later than 1:30 p.m. on the date specified herein. Any payment received by Lender later than 1:30 p.m. shall be deemed to have been received (unless Lender, in its discretion, elects to credit it on the date received) on the following Business Day and any applicable interest or fee shall continue to accrue until such following Business Day. All payments of Obligations shall be made in Canadian Dollars, without offset, counterclaim or defense of any kind, free and clear of (and without deduction for) any taxes, levies, imposts, duties, fees, assessments or other charges of whatever nature now or hereafter imposed by any jurisdiction or by any political subdivision or taxing authority thereof or therein, and all interest, penalties or similar liabilities with respect thereto. No Loan Party will fund any repayment of the Credit Facility with proceeds, or provide as Collateral any property, that is directly or indirectly derived from any transaction or activity that is prohibited by Sanctions, Anti-Money Laundering Laws or Anti-Corruption Laws, or that could otherwise cause Lender or any other party to any Loan Document to be in breach of Sanctions, Anti-Money Laundering Laws or Anti-Corruption Laws.

(e) Application of Payments. Subject to the other terms and conditions contained herein, Lender shall apply payments received or collected from a Borrower or for the account of a Borrower (including the monetary proceeds of collections or of realization upon any Collateral) as follows, so long as no Event of Default exists: first, to the payment in full of any fees, indemnities, or expense reimbursements then due to Lender; second, to the payment in full of interest due in respect of the Loan; third, to the payment in full of principal in respect of the Loan, whether or not then due; and fourth, to pay or prepay any other Obligations, whether or not then due, in such order and manner as Lender directs. Such payments shall be applied as Lender determines at any time an Event of Default exists.

(f) Prepayments. A Borrower may make prepayments on account of the Loan, subject to this Section 2.3(f).

(i) A Borrower may prepay:

- (1) Tranche 1 in whole or part at any time provided that a Borrower pays prepayment compensation on the principal prepaid equal to: (i) 5.0% of the amount prepaid for payments made from the Original Closing Date up to and including the 36 month anniversary of the Original Closing Date; or (ii) 3.0% of the amount prepaid for payments made from the 36 month anniversary of the Original Closing Date up to and including the 48 month anniversary of the Original Closing Date.
- (2) Tranche 2 in whole or part at any time provided that, if the prepayment arises as a result of the **[Redacted: Commercially Sensitive Information]**, a Borrower pays prepayment compensation on the principal prepaid equal to: (i) 8.0% of the amount prepaid for payments made from the Closing Date up to and including the 12 month anniversary of the Closing Date; or (ii) 4.0% of the amount prepaid for payments made from the 12 month anniversary of the Closing Date up to and including the 24 month anniversary of the Closing Date.

(ii) Notwithstanding Section 2.3(f)(i), no prepayment compensation is payable for:

- (1) prepayments made on account of Tranche 1 after the 48 month anniversary of the Original Closing Date;
- (2) prepayments made on account of Tranche 2 after the 24 month anniversary of the Closing Date; or
- (3) mandatory prepayments required hereunder, other than mandatory prepayments arising as a result of a Change of Control, acceleration of the Loan or the **[Redacted: Commercially Sensitive Information]** as contemplated by Section 2.3(f)(i)(2) above.

(g) Maintenance of Loan Account; Statements of Obligations. Lender shall maintain an account on its books in the name of each Borrower (the “Loan Account”) evidencing the Obligations, including the Loan, interest, fees and Lender Expenses. Any such records shall be presumptively correct, absent manifest error, provided that, the failure to make any such entry or the existence of any error in such records, shall not affect any of the Obligations. Lender shall make available to a Borrower monthly statements regarding the Loan Account, including the principal amount of the Loan, interest, fees and Lender Expenses. Each such statement, absent manifest error, shall be conclusively presumed to be correct and accurate and constitute an account stated between each Borrower and Lender unless, within 30 days after Lender first makes such a statement available to a Borrower, such Borrower shall deliver to Lender written objection thereto describing any error contained in such statement.

(h) Evidence of Debt. Lender may request that the Loan made by it be evidenced by a promissory note. In such event, each Borrower shall execute and deliver to Lender a promissory note payable to the order of Lender (or, if requested by Lender, to Lender and its registered assigns) and in a form approved by Lender. Thereafter, the Loan evidenced by such promissory note and interest thereon shall at all times be represented by one or more promissory notes in such form payable to the order of the payee named therein (or, if such promissory note is a registered note, to such payee and its registered assigns).

(i) Charges to Loan Account. At the election of Lender, all payments of principal, interest, fees, expenses and other amounts payable under the Loan Documents may be paid from the proceeds of the Loan made hereunder whether made following a request by a Borrower or a deemed request as provided in this Section 2.3(i). Each Borrower is hereby irrevocably deemed to request that Lender, and Lender is hereby authorized to, (i) make an Advance on account of the Loan for the purpose of paying each payment of principal, interest, fees, expenses and other amounts as it becomes due under any Loan Document and agrees that all such amounts charged shall constitute an advance on the Loan, and (ii) make an Advance to preserve or protect the Collateral, or any portion thereof.

(j) Repayment on Termination Date. Each Borrower shall make payment in full of the Obligations on the Maturity Date or if earlier, any other Termination Date.

(k) Indemnity for Returned Payments. If after any payment, or proceeds of Collateral, are applied to the payment of any of the Obligations, Lender is required to surrender or return such payment or proceeds to any Person for any reason, then the Obligations intended to be satisfied by such payment or proceeds shall be reinstated and continue and this Agreement shall continue in full force and effect as if such payment or proceeds had not been received by Lender. Each Loan Party shall be liable to pay to Lender, and does hereby agree to indemnify and hold Lender harmless for, the amount of any payments or proceeds surrendered or returned. This Section 2.3(k) shall remain effective notwithstanding any contrary

action which may be taken by Lender in reliance upon such payment or proceeds. This Section 2.3(k) shall survive the payment in full of the Obligations and the termination of this Agreement.

(l) Crediting Payments. The receipt of any payment item by Lender shall not be required to be considered a payment on account unless such payment item is a wire transfer of immediately available funds made to the Lender Payment Account or unless and until such payment item is honoured when presented for payment. Should any payment item not be honoured when presented for payment, then a Loan Party shall be deemed not to have made such payment. Notwithstanding anything to the contrary contained herein, any payment item shall be deemed received by Lender only if it is received into the Lender Payment Account on a Business Day on or before 1:30 p.m. If any payment item is received into the Lender Payment Account on a non-Business Day or after 1:30 p.m. on a Business Day (unless Lender, in its discretion, elects to credit it on the date received), it shall be deemed to have been received by Lender as of the opening of business on the immediately following Business Day.

2.4 Interest and Fees.

(a) Rates and Payment of Interest.

(i) All Obligations shall bear interest at the Interest Rate, except Obligations shall bear interest at the Default Rate (whether before or after any judgment) automatically on and after an Event of Default (while such Event of Default continues) under Section 8.1(d), and upon written notice by Lender to a Borrower on and after any other Event of Default (while such Event of Default continues).

(ii) Interest shall accrue from the date an Advance is made or Obligation is incurred or payable, as the case may be, until paid in full by a Borrower. Interest accrued on the Loan shall be due and payable in arrears, on the first day of each calendar month, and in each case, in any event on the Termination Date. Interest accrued on any other Obligations shall be due and payable as provided in the Loan Documents and, if no payment date is specified, shall be due and payable on earlier of the first day of the calendar month after incurred or demand or the Termination Date. Notwithstanding the foregoing, interest accrued at the Default Rate shall be due and payable on demand.

(b) Computation of Interest and Fees. Interest shall be calculated on a per annum basis on the outstanding daily balance based on the number of days actually elapsed in a 365 day year. Each determination by Lender of any interest, fees or interest rate hereunder shall be final, conclusive and binding for all purposes, absent manifest error. All fees shall be fully earned when due and shall not be subject to rebate, refund or proration.

(c) Fees; Expenses. Each Borrower shall pay to Lender the fees and Lender Expenses in the amounts and at the time specified in Schedule B.

(d) Calculation of Interest. For the purposes of the *Interest Act* (Canada) and disclosure thereunder, whenever any interest or any fee to be paid hereunder or in connection herewith is to be calculated on the basis of 360-day or 365-day year, the yearly rate of interest to which the rate used in such calculation is equivalent is the rate so used multiplied by the actual number of days in the calendar year in which the same is to be ascertained and divided by 360 or 365, as applicable. The rates of interest under this Agreement are nominal rates, and not effective rates or yields. The principle of deemed reinvestment of interest does not apply to any interest calculation under this Agreement.

(e) Warrants.

(i) In consideration of the extension of the Loan, the Administrative Borrower acknowledges and agrees that in addition to any other amounts payable pursuant to this Agreement, Lender shall be entitled to acquire up to 5,904,000 common share purchase warrants (each, a "Warrant") to purchase up to 5,904,000 common shares in the capital of the Administrative Borrower (each, a "Warrant Share") (assuming that the Loan is fully advanced) at an exercise price of \$0.50 per Warrant Share, for a period expiring 5 years after the date of issuance thereof, based on the form of warrant certificate attached hereto as Schedule C (the "Amendment Warrants"). The Borrower acknowledges and agrees that the Amendment Warrants are exercisable and transferable in whole or in part at any time up to and including the expiry date of the Amendment Warrants. The Borrower shall use reasonable commercial efforts to deliver 4,320,000 Amendment Warrants to the Lender on or before December 31, 2024. Any failure to provide the 4,320,000 Amendment Warrants to the Lender prior to January 31, 2025 will be an Event of Default, unless such failure is due to a delay or denial of approval of such issuance by the Toronto Stock Exchange, in which case the Administrative Borrower shall have 120 days from the Closing Date to provide the 4,320,000 Amendment Warrants to the Lender.

(ii) On or before the date of issuance of the 4,320,000 Amendment Warrants contemplated in Section 2.4(e)(i) above, the Lender shall surrender to the Administrative Borrower for cancellation Warrant Certificate No. 2024-06-12-01 representing Warrants entitling the Lender to purchase up to 3,600,000 Warrant Shares, issued on June 12, 2024 (the "Cancelled Warrants") and that effective as of the date of issuance of the 4,320,000 Amendment Warrants contemplated in Section 2.4(e)(i) above, all of the Cancelled Warrants shall be, and shall be deemed to be, cancelled and terminated and Warrant Certificate No. 2024-06-12-01 shall cease to represent any right or claim whatsoever.

2.5 Intent to Limit Charges to Maximum Lawful Rate. If any provision of this Agreement would oblige a Borrower to make any payment of interest or other amount payable to Lender in an amount or calculated at a rate which would be prohibited by law or would result in a receipt by Lender of "interest" at a "criminal rate" (as such terms are construed under the *Criminal Code* (Canada)), then, notwithstanding such provision, such amount or rate of interest, as the case may be, as would not be so prohibited by applicable law or so result in a receipt by Lender of "interest" at a "criminal rate", such adjustment to be effected, to the extent necessary (but only to the extent necessary), as follows;

- (a) first, by reducing the amount or rate of interest; and
- (b) thereafter, by reducing any fees, commissions, costs, expenses, premiums and other amounts required to be paid which would constitute interest for purposes of section 347 of the *Criminal Code* (Canada).

2.6 Increased Costs. If any Change in Law shall: (a) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, Lender; (b) subject Lender to any taxes, levies, imposts, duties, fees, assessments or other charges of whatever nature now or hereafter imposed by any jurisdiction or by any political subdivision or taxing authority thereof or therein, and all interest, penalties or similar liabilities with respect thereto of any kind whatsoever with respect to any Loan Document, or change the basis of taxation of payments to Lender in respect thereof; and the result of any of the foregoing shall be to increase the cost to Lender or to reduce the amount of any sum received or receivable by Lender hereunder (whether of principal, interest or any other amount) then, upon request of Lender, each Borrower will pay to Lender, such additional amount or amounts as will compensate Lender, as the case may be, for such additional costs incurred or reduction suffered.

2.7 Certificates for Reimbursement. A certificate of Lender setting forth the amount or amounts necessary to compensate Lender or its holding company, as the case may be, as specified in Section 2.6 and delivered to any Borrower shall be conclusive absent manifest error. Each Borrower shall pay Lender the amount shown as due on any such certificate within 30 days after receipt thereof.

2.8 Delay in Requests. Failure or delay on the part of Lender to demand compensation pursuant to Section 2.6 shall not constitute a waiver of Lender's right to demand such compensation, provided that a Borrower shall not be required to compensate Lender pursuant to this Section 2.8 for any increased costs incurred or reductions occurring more than 180 days prior to the date that Lender becomes aware of the event giving rise to Lender's claim for compensation therefor (except that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the 180-day period referred to above shall be extended to include the period of retroactive effect thereof).

3. CONDITIONS; TERM OF AGREEMENT

3.1 Conditions Precedent to the Initial Advance. The obligation of Lender to make the initial Advance is subject to the satisfaction of each of the conditions precedent set forth in Part 1 of Schedule D.

3.2 Post Closing Date Conditions. In consideration of the monies advanced by the Lender to the Borrower, the Borrower has agreed to complete each of the conditions set forth in Part 2 of Schedule D on or before January 31, 2025.

3.3 Conditions Precedent to all Subsequent Advances. The obligation of Lender to make any subsequent Advance at any time shall be subject to the following conditions precedent:

(a) as of the date of such Advance, the representations and warranties of each Loan Party contained in the Loan Documents shall continue to be true and correct in all material respects;

(b) as of the date of any such Advance or the use of the proceeds thereof, and after giving effect to any of the foregoing, no Event of Default, or event or condition which with notice, or passage of time, or both, would constitute an Event of Default, shall exist;

(c) Lender shall have received a request for such Advance (or for the amendment, renewal or extension thereof) in accordance with the requirements of the Loan Documents; and

(d) as of the date of any such Advance or the use of the proceeds thereof, and after giving effect to any of the foregoing, the aggregate principal amount of the Loan shall not exceed the Maximum Credit.

Each request for an Advance by a Borrower shall be deemed to be a representation and warranty by each Borrower that the conditions specified in Section 3.3 have been satisfied on and as of the date of the applicable Advance and after giving effect thereto. The making of any Advance shall not be deemed a modification or waiver by Lender of any of the terms of any Loan Document or any Event of Default or event or condition which with notice, or passage of time, or both, would constitute an Event of Default.

3.4 Maturity. The Commitment shall continue in full force and effect for a term ending on the Maturity Date (unless terminated earlier in accordance with the terms hereof).

3.5 Effect of Maturity. On the Maturity Date, the Commitment shall automatically terminate and all of the Obligations shall become due and payable without notice or demand and each Borrower shall be required to pay in full all of the Obligations. No termination of the Commitment shall relieve or discharge any Loan Party of its duties, obligations, or covenants under any Loan Document and the Liens of Lender in the Collateral shall continue to secure the Obligations and shall remain in effect until payment in full of all Obligations.

4. REPRESENTATIONS AND WARRANTIES

Each Loan Party represents and warrants to Lender the following:

4.1 Due Organization and Qualification. Each Loan Party (a) is duly organized and existing and in good standing under the laws of the jurisdiction of its organization, (b) is qualified to do business in any jurisdiction where the failure to be so qualified could reasonably be expected to have a Material Adverse Effect, and (c) has all requisite power and authority to own and operate its assets, to carry on its business as now conducted and as proposed to be conducted, to enter into the Loan Documents to which it is a party and to carry out the transactions contemplated thereby.

4.2 Due Authorization; No Conflict. The execution, delivery, and performance by each Loan Party of the Loan Documents to which it is a party have been duly authorized by all necessary action on the part of such Loan Party. The execution, delivery, and performance by each Loan Party of the Loan Documents to which it is a party do not and will not (a) violate any material provision of federal, state, provincial or territorial, or local law or regulation applicable to any Loan Party, the Governing Documents of any Loan Party, or any order, judgment, or decree of any court or other Governmental Authority binding on any Loan Party, (b) result in or require the creation or imposition of any Lien upon any assets of any Loan Party, other than Permitted Liens, or (c) require any approval of any holder of Equity Interests of a Loan Party, other than consents or approvals that have been obtained and that are still in force and effect.

4.3 Binding Obligations; Perfected Liens.

(a) Each Loan Document has been duly executed and delivered by each Loan Party that is a party thereto and is the legally valid and binding obligation of such Loan Party, enforceable against such Loan Party in accordance with its respective terms, except as enforcement may be limited by equitable principles or by bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or limiting creditors' rights generally.

(b) The Lender's Liens in the Collateral are validly created, perfected and first priority Liens, subject as to priority, only to Permitted Liens which are non-consensual Permitted Liens, permitted purchase money Liens, or the interests of lessors under Capital Leases and subject only to the filing of financing statements in the appropriate filing offices.

4.4 Title to Assets; No Encumbrances. Each Loan Party has (a) good, sufficient and legal title to (in the case of fee interests in Real Property), (b) valid leasehold interests in (in the case of leasehold interests in real or personal property), and (c) good and marketable title to (in the case of all other personal property), all of its assets reflected in its most recent financial statements delivered to Lender, in each case except for assets disposed of since the date of such financial statements to the extent permitted by any Loan Document. All of such assets are free and clear of Liens except for Permitted Liens.

4.5 Litigation. Except as set forth on Schedule E, there are no actions, suits, proceedings or investigations pending or, to the knowledge of a Loan Party, threatened in writing against a Loan Party,

that (a) relate to any Loan Document or transaction contemplated thereby or (b) either individually or in the aggregate has or could reasonably be expected to have a Material Adverse Effect.

4.6 Compliance with Laws. No Loan Party (a) is in violation of any applicable laws, rules, regulations, executive orders, or codes that, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect, or (b) is subject to or in default with respect to any final judgments, writs, injunctions, decrees, rules or regulations of any court or any federal, state, provincial, territorial, municipal or other governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, that, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect.

4.7 No Material Adverse Effect. All historical financial statements relating to each Loan Party that have been delivered by a Loan Party to Lender have been prepared in accordance with GAAP (except, in the case of unaudited financial statements, for the lack of footnotes and being subject to year-end audit adjustments) and present fairly in all material respects, the financial condition of such Loan Party as of the date thereof and results of operations for the period then ended. Since March 31, 2024, no event, circumstance, or change has occurred that has or could reasonably be expected to have a Material Adverse Effect.

4.8 Solvency. Each Loan Party is Solvent.

4.9 Environmental Condition. Except as set forth on Schedule F, each Loan Party and its Subsidiaries are in compliance in all material respects with all applicable federal, state, provincial, territorial and local environmental, hazardous waste, health and safety statutes, and any rules or regulations related to such statutes, which govern or affect the operations or properties of such Loan Party and its Subsidiaries. None of the operations of any Loan Party or its Subsidiaries is the subject of any federal, state, provincial, territorial or local investigation evaluating whether any remedial action involving a material expenditure is needed to respond to a release of any toxic or hazardous waste or substance into the environment. No Loan Party has any material contingent liability in connection with any release of any toxic or hazardous waste or substance into the environment.

4.10 Complete Disclosure; Projections. All factual information taken as a whole (other than forward-looking information and projections and information of a general economic nature and general information about each Loan Party) furnished by or on behalf of any Loan Party in writing to Lender in connection with any Loan Document, and all other such factual information taken as a whole (other than forward-looking information and projections and information of a general economic nature and general information about any Loan Party) hereafter furnished by or on behalf of a Loan Party in writing to Lender will be true and accurate, in all material respects, on the date as of which such information is dated or certified and not incomplete by omitting to state any fact necessary to make such information (taken as a whole) not misleading in any material respect at such time in light of the circumstances under which such information was provided. Projections delivered to Lender represent the good faith estimate of each Loan Party, on the date such Projections are delivered, of the future performance of such Loan Party for the periods covered thereby based upon assumptions believed by such Loan Party to be reasonable at the time of the delivery thereof to Lender (it being understood that such Projections are subject to significant uncertainties and contingencies, many of which are beyond the control of a Loan Party, and no assurances can be given that such Projections will be realized).

4.11 Taxes. Except as otherwise permitted under Section 5.6, all tax returns and reports of each Loan Party required to be filed by it have been timely filed, and all taxes shown on such tax returns to be due and payable and all other taxes upon a Loan Party and upon its assets, income, businesses and franchises

that are due and payable have been paid when due and payable. Each Loan Party has made adequate provision in accordance with GAAP for all taxes not yet due and payable. To the knowledge of any Loan Party, there is no proposed tax assessment against a Loan Party that is not being contested in good faith by appropriate proceedings diligently pursued and available to a Loan Party, in each case prior to the commencement of foreclosure or other similar proceedings, which proceedings (or orders entered in connection with such proceeding), and adequate reserves or other appropriate provision, if any, as are required by GAAP have been made therefor.

4.12 OFAC; Sanctions; Anti-Corruption Laws; Anti-Money Laundering Laws; Patriot Act. (a) No member of the Loan Party Group is a Sanctioned Target or is owned or controlled by, or is acting on behalf of, a Sanctioned Target, (b) each member of the Loan Party Group has instituted, maintains and complies with policies, procedures and controls reasonably designed to assure compliance with Sanctions, Anti-Money Laundering Laws and Anti-Corruption Laws, and (c) to the knowledge of any Loan Party, no member of the Loan Party Group is under investigation by a Governmental Authority for non-compliance with Sanction(s), Anti-Money Laundering Laws or Anti-Corruption Laws. As of the Original Closing Date, the information included in the certification regarding beneficial ownership as required by 31 C.F.R. §1010.230 received by Lender from any Loan Party that is a “legal entity customer” as defined in such regulation, is true and correct in all respects.

4.13 Employee and Labor Matters. There is (a) no unfair labor practice complaint pending or, to the knowledge of any Loan Party, threatened against any Loan Party before any Governmental Authority and no grievance or arbitration proceeding pending or threatened against any Loan Party which arises out of or under any collective bargaining agreement and that could reasonably be expected to result in a material liability, (b) no strike, labor dispute, slowdown, stoppage or similar action or grievance pending or threatened in writing against any Loan Party that could reasonably be expected to result in a material liability, (c) no complaint, claim, civil action or proceeding by any current or former employee of any Loan Party pending (or, to the knowledge of any Borrower, threatened in writing) against any Loan Party before any Governmental Authority that could reasonably be expected to result in a Material Adverse Effect, and (d) no pending petitions for certification or certification orders with respect to a union seeking bargaining rights over any of the employees of any Loan Party. Except as described on Schedule G, no Loan Party is party to or bound by any collective bargaining agreement, management agreement, consulting agreement, labour contract, letter of understanding, letter of intent, voluntary recognition agreement or legally binding commitment or written communication to any labour union, trade union or employee organization or group which may qualify as a trade union in respect of or affecting employees or independent contractors nor is a Loan Party currently engaged in any labour negotiation or subject to any union organization effort.

Each Loan Party has complied, in all material respects, with applicable laws pertaining to labour and employment standards, occupational health and safety, employment or pay equity and human rights, except to the extent that any instances of non-compliance could not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect. All material payments due from any Loan Party on account of wages and employee health and welfare insurance, workers’ compensation and other benefits have been paid or accrued as a liability on the books of Borrowers, except where the failure to do so could not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect.

4.14 Employee Benefits. No Loan Party and none of its subsidiaries has, maintains, administers or contributes to any Canadian Defined Benefit Plan or has any liability in respect of any Canadian Defined Benefit Plan.

4.15 Capitalization and Subsidiaries. Schedule H sets forth (a) a correct and complete list of the name and entity type of each Subsidiary of each Loan Party and each such Subsidiary's relationship to each Loan Party, and (b) a true and complete list of each class of the authorized Equity Interests of each Loan Party, all of which issued Equity Interests are validly issued, outstanding, fully paid and non-assessable, and owned beneficially and of record by the Persons identified on Schedule H.

4.16 Brokers. There are no brokerage commissions, finder's fees or investment banking fees payable by any Loan Party in connection with any transactions contemplated by the Loan Documents other than those payable to, or to affiliates of, Raymond James Ltd.

4.17 Existing Obligations. Each of the Loan Parties acknowledges and agrees that each of them is liable to Lender for all the Obligations, plus interest and costs related thereto, pursuant to the Original Credit Agreement.

4.18 Original Credit Agreement and Loan Documents. Each of the Loan Parties acknowledges and agrees that each of them is bound by the Loan Documents delivered in connection with the Original Credit Agreement to which they are a party and that the same remain in full force and effect and that there are no defences, set-offs or counterclaims available to any one of them in respect of the enforcement thereof existing as of the date hereof and that the execution and delivery of this Agreement or the enforcement by Lender of its rights hereunder, will not give rise to any defence, set-off or counterclaim.

5. AFFIRMATIVE COVENANTS

Unless otherwise hereafter agreed in writing by Lender:

5.1 Financial Statements; Other Information. Administrative Borrower (a) will deliver to Lender each of the financial statements, reports, and other items set forth on Schedule I no later than the times specified therein, (b) will maintain a system of accounting that enables each Loan Party to produce financial statements in accordance with GAAP, and (c) will (i) keep a reporting system that shows all additions, sales, claims, returns, and allowances with respect to its sales, and (ii) maintain its billing systems and practices substantially as in effect as of the Original Closing Date and will only make material modifications thereto as may be necessary for good, sound business reasons, and with prior notice to Lender.

5.2 Notices of Material Events. Each Loan Party will promptly (but in any event within five Business Days) notify Lender in writing of: (a) any event, condition or circumstance that, with the giving of notice, the passage of time, or both, would be an Event of Default or the occurrence of any Event of Default, (b) any matter that has, or could reasonably be expected to have, a Material Adverse Effect, (c) any breach of Section 4.12 or Section 6.13, (d) any dispute, litigation, investigation (other than in the ordinary course of business), proceeding or suspension between a Loan Party and any Governmental Authority or the commencement of, or any material development in, any litigation or proceeding affecting a Loan Party, (e) any material change in accounting policies or financial reporting practices of a Loan Party, (f) any change in the senior executive officers of a Loan Party, (g) the discharge by a Loan Party of its independent accountants or any withdrawal or resignation by such accountants, (h) any collective bargaining agreement or other labor contract to which a Loan Party becomes a party, or the application for the certification of a collective bargaining agent, (i) the filing of any Lien for unpaid taxes against any Loan Party in excess of 50% of the Material Amount, (j) any termination or cancellation of insurance which a Loan Party is required to maintain under the Loan Documents (other than insurance which is replaced as of the date of termination or cancellation), or any loss, damage, or destruction to, or commencement of any action or proceeding for the taking under eminent domain, condemnation or similar proceeding, of

Collateral in the amount of 50% of the Material Amount or more, whether or not covered by insurance, (k) any dispute or claims by any customers of a Loan Party exceeding the Material Amount individually or **[Redacted: dollar amount]** in the aggregate during any fiscal year, and (l) any transaction occurring after the Original Closing Date consisting of: (i) the incurrence of Material Indebtedness, (ii) the making of any Permitted Investments in excess of 50% of the Material Amount (not including those Permitted Investments contemplated by paragraphs (a), (b), (c), or (h) of the definition of Permitted Investments), and (iii) mergers, amalgamations or acquisitions permitted under Section 6.3; provided, that, each such notice under these clauses (i), (ii) and (iii) will be received by Lender not less than 10 Business Days prior thereto, together with such other information with respect thereto as Lender may reasonably request. Each notice pursuant to this Section 5.2 will be accompanied by a statement of an Authorized Person of a Loan Party setting forth details of the occurrence referred to therein and stating what action each Loan Party has taken and proposes to take with respect thereto.

5.3 Existence. Each Loan Party (other than a Non-Material Subsidiary, after providing at least ten (10) days advance notice in writing to Lender) will preserve and keep in full force and effect such Person's valid existence and good standing in its jurisdiction of organization and, except as could not reasonably be expected to have a Material Adverse Effect, good standing with respect to all other jurisdictions in which it is qualified to do business and any rights, franchises, permits, licenses, accreditations, authorizations, or other approvals material to their businesses.

5.4 Maintenance of Properties. Each Loan Party will maintain and preserve all of its assets that are necessary or useful in the proper conduct of its business in good working order and condition, ordinary wear, tear, casualty, and condemnation and Permitted Dispositions excepted.

5.5 [Redacted: Commercially Sensitive Information.]

5.6 Taxes. Each Loan Party will pay in full before delinquency or before the expiration of any extension period all taxes imposed, levied, or assessed against it, or any of its assets or in respect of any of its income, businesses, or franchises (including taxes, levies, imposts, duties, fees, assessments or other charges of whatever nature now or subsequently imposed by any Governmental Authority and all related interest, penalties or similar liabilities), except where (a) the validity or amount thereof is being contested in good faith by appropriate proceedings, (b) such Loan Party has set aside on its books adequate reserves with respect thereto in accordance with GAAP and (c) such liabilities would not exceed the Material Amount and none of the Collateral would become subject to forfeiture or loss; provided, that, each Loan Party will make timely payment or deposit of all withholding taxes and other payroll taxes to the appropriate Governmental Authority as and when claimed to be due, notwithstanding the foregoing exceptions, and

will, upon request, furnish Lender with proof reasonably satisfactory to Lender indicating that such Loan Party has made such payments or deposits.

5.7 Insurance. Each Loan Party will maintain with financially sound and reputable carriers (a) insurance in such amounts (with no greater risk retention) and against such risks and such other hazards, as is customarily maintained by companies of established repute engaged in the same or similar businesses operating in the same or similar locations and (b) all insurance required pursuant to the Loan Documents. Each Loan Party will from time to time upon Lender's request furnish to Lender correct and complete copies of any insurance policies and such other information in reasonable detail as to the insurance so maintained as Lender may request.

5.8 Field Examinations; Appraisals. Upon the request of Lender after reasonable prior notice to Administrative Borrower, Administrative Borrower will permit Lender or a firm engaged by Lender for such purpose to conduct appraisals of the Collateral in form, scope and methodology acceptable to Lender, provided, that, (i) Lender shall not conduct, at the expense of a Borrower, more than one appraisal in any 12 month period so long as no Event of Default has occurred and is continuing (ii) Lender may conduct, at the expense of a Borrower, such other appraisals as Lender may request at any time as required by law or regulation or when an Event of Default exists and (iii) Lender may conduct additional appraisals at any time at its own expense. Upon the request of Lender, after reasonable prior notice to a Borrower when no Event of Default exists, as part of any field examination or at other reasonable times during normal business hours when no Event of Default exists or such other times as Lender may request otherwise, each Loan Party will permit representatives and other professionals (including investment bankers, consultants, accountants, and lawyers) engaged by Lender for such purpose to visit and inspect any of its properties and to discuss its affairs, finances and accounts with its directors, officers, and accountants, at the expense of a Borrower.

5.9 Compliance with Laws; OFAC; Sanctions, Etc. Each Loan Party will subject to the terms below, comply with the requirements of all applicable laws, rules, regulations, and orders of any Governmental Authority, other than laws, rules, regulations, and orders the non-compliance with which, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect. Each Loan Party will, and will cause each other member of the Loan Party Group to, (a) comply with Sanctions and (b) comply with Anti-Money Laundering Laws and Anti-Corruption Laws in all material respects.

5.10 Cash Management; Collection of Proceeds of Collateral.

(a) Each Loan Party will establish and maintain, at its expense, deposit accounts and cash management services of a type and on terms, and with the banks, set forth on Schedule J and, subject to Section 5.10(b), such other banks as a Loan Party may hereafter select (such other banks, together with the banks set forth on Schedule J, collectively, the "Cash Management Banks" and individually, a "Cash Management Bank"). Each Loan Party will deliver, or cause to be delivered to Lender, a Control Agreement with respect to each of its deposit accounts duly authorized, executed and delivered by each Cash Management Bank where a deposit account is maintained; provided, that, a Loan Party will not be required to deliver a Control Agreement with a Cash Management Bank as to any deposit account that is specifically and exclusively used for payroll, payroll taxes and other employee wage and benefit payments to or for the benefit of the salaried employees of a Loan Party. Each Loan Party will direct all account debtors or other obligors in respect of any amounts payable to a Loan Party to make payment of all such amounts to a Collection Account and otherwise take all reasonable actions to cause such payments to be made to a Collection Account. Each Loan Party and its respective employees, agents and Affiliates will, acting as trustee for Lender, receive, as the property of Lender, any monies, checks, notes, drafts or any other payment relating to, or proceeds of, accounts or other Collateral which come into its possession or

under its control and promptly upon receipt thereof, will deposit or cause the same to be deposited in a Collection Account, or remit the same or cause the same to be remitted, in kind, to Lender. In no event will the same be commingled with a Loan Party's own funds or the funds of any other Person. Without limiting any other rights or remedies of Lender, Lender may, at its option, instruct the depository bank at which the Collection Account is maintained to transfer all available funds received or deposited into the Collection Account to the Lender Payment Account at any time that an Event of Default exists. At all times that Lender shall have notified any depository bank to transfer funds from the Collection Account to the Lender Payment Account, all payments made to the Collection Account shall be treated as payments to Lender in respect of the Obligations and therefore shall constitute the property of Lender to the extent of the then outstanding Obligations.

(b) So long as no Event of Default exists, upon not less than five Business Days' prior written notice to Lender, a Loan Party may amend Schedule J to add or replace a deposit account or Cash Management Bank and will upon such addition or replacement provide to Lender an amended Schedule J; provided, that, (i) such prospective Cash Management Bank shall be satisfactory to Lender in its Permitted Discretion, and (ii) at or prior to the time of the opening of such deposit account a Loan Party and such prospective Cash Management Bank will have executed and delivered to Lender a Control Agreement. Notwithstanding the foregoing, a Loan Party will not be required to deliver a Control Agreement with a Cash Management Bank as to any deposit account that is specifically and exclusively used for payroll, payroll taxes and other employee wage and benefit payments to or for the benefit of salaried employees of a Loan Party. A Loan Party will close any of its deposit accounts (and establish replacement deposit accounts in accordance with the foregoing sentence) as promptly as practicable and in any event within 60 days after notice from Lender that the operating performance, funds transfer, or availability procedures or performance of the Cash Management Bank with respect to deposit accounts or Lender's liability under any Control Agreement with such Cash Management Bank is no longer satisfactory to Lender in its Permitted Discretion.

5.11 Further Assurances. Without limiting the foregoing, each Loan Party will take such actions and execute and deliver to Lender such instruments and documents as Lender may from time to time request in its Permitted Discretion (including using reasonable commercial efforts to obtain agreements from third parties) to create, maintain, perfect, establish, preserve and protect Lender's Liens in the Collateral (and the priority thereof) and rights in the Collateral and to carry out the terms and conditions of the Loan Documents. To the extent applicable, Lender shall not accept delivery of any joinder to any Loan Document with respect to any Subsidiary of any Loan Party that is not a Loan Party, if such Subsidiary qualifies as a "legal entity customer" under 31 C.F.R. Section 1010.230, unless such Subsidiary has delivered a certification regarding beneficial ownership as required by such regulation in relation to such Subsidiary and Lender has completed its Patriot Act searches, OFAC/PEP searches and customary individual background checks for such Subsidiary, the results of which shall be satisfactory to Lender.

5.12 End of Fiscal Years; Fiscal Quarters. Each Loan Party will, for financial reporting purposes, cause its fiscal year to end on December 31 of each year, and fiscal quarters to end on the last day of each of March, June, September and December of each year.

5.13 Costs and Expenses. Each Loan Party will pay to Lender at the time specified in Schedule B all reasonable costs, expenses, filing fees and taxes paid or payable in connection with the preparation, negotiation, execution, delivery, recording, administration, collection, liquidation, enforcement and defense of the Obligations, Lender's rights in the Collateral, the Loan Documents and all other documents related thereto, including any amendments, supplements or consents which may hereafter be contemplated (whether or not executed) or entered into in respect thereof (all of the foregoing being referred to herein collectively, as "Lender Expenses"), including: (a) all costs and expenses of filing or

recording (including PPSA financing statement filing taxes and fees, documentary taxes, intangibles taxes and mortgage recording taxes and fees, if applicable), (b) costs and expenses and fees for insurance premiums, environmental audits, title insurance premiums, surveys, assessments, engineering reports and inspections, appraisal fees and search fees, background checks, costs and expenses of remitting loan proceeds, collecting checks and other items of payment, together with Lender's customary charges and fees with respect thereto, (c) costs and expenses of preserving and protecting the Collateral, (d) costs and expenses paid or incurred in connection with obtaining payment of the Obligations, enforcing the Liens of Lender in the Collateral, selling or otherwise realizing upon the Collateral, and otherwise enforcing the provisions of the Loan Documents or defending any claims made or threatened against Lender arising out of the transactions contemplated thereby (including preparations for and consultations concerning any such matters), (e) subject to the limitations set forth in Section 5.8, all reasonable out-of-pocket expenses and costs heretofore and from time to time hereafter incurred by Lender during the course of periodic field examinations, plus a per diem charge at Lender's then standard rate for Lender's examiners in the field and office (which rate as of the Original Closing Date is \$1,000 per person per day), and (f) the reasonable fees and disbursements of counsel (including legal assistants) to Lender in connection with any of the foregoing.

6. NEGATIVE COVENANTS

6.1 Indebtedness.

(a) Each Loan Party will not create, incur, assume, suffer to exist, guarantee, or otherwise become or remain, directly or indirectly, liable with respect to any Indebtedness, except for Permitted Indebtedness.

(b) Each Loan Party will not allow Conifex Power Inc. or Conifex Power Limited Partnership to incur any additional secured debt or permit the total obligations to Fiera Infrastructure Private Debt Fund LP to exceed **[Redacted: dollar amount]** (or any replacement lender(s) in respect thereof) without the prior written consent of Lender.

(c) Each Loan Party will not permit any material amendments to the credit facility with Fiera Infrastructure without providing the Lender not less than 10 days prior written notice of any such amendments.

6.2 Liens.

(a) Each Loan Party will not create, incur, assume, or suffer to exist, directly or indirectly, any Lien on or with respect to any of its assets, of any kind, whether now owned or hereafter acquired, or any income or profits therefrom, except for Permitted Liens.

(b) Each Loan Party will not permit any Lien over the assets of Conifex Power Inc. or Conifex Power Limited Partnership other than the Lien in favour of Fiera Infrastructure Private Debt Fund LP existing as at the date hereof (or any replacement lender(s) thereof as contemplated by Section 6.1(b)) or otherwise approved by Lender in writing.

6.3 Restrictions on Fundamental Changes. Each Loan Party will not (a) enter into any merger, amalgamation, consolidation, reorganization, recapitalization, division or plan of division, or reclassify its Equity Interests, except for any merger or amalgamation, as applicable, between Loan Parties, provided, that, in the case of a Borrower entering into any of the transactions described in this Section 6.3, a Borrower must be the surviving entity of any such merger or amalgamation, as applicable, to which it is a party, (b) form any Subsidiary or directly or indirectly, purchase or otherwise acquire all or substantially

all of the assets of (or any division or business line of) any other Person, or 50% or more of any class of Equity Interests of any other Person (unless such Subsidiary or Person becomes a Loan Party hereunder), (c) excluding any Non-Material Subsidiary, liquidate, wind up, or dissolve itself (or suffer any liquidation or dissolution), (d) excluding any Non-Material Subsidiary, suspend or cease operating a substantial portion of its business, provided that such suspension or cessation of operations negatively impacts the lumber segment business, in Lender's sole discretion, or (e) change its classification/status for income tax purposes.

6.4 Asset Dispositions. Each Loan Party will not convey, sell, lease, license, assign, transfer, or otherwise dispose of any of its assets (including by an allocation of assets among newly divided limited liability companies pursuant to a "plan of division"), except for Permitted Dispositions and transactions permitted under Section 6.3. All other asset dispositions shall require the prior written consent of Lender in its absolute discretion (which consent may require a \$150,000.00 consent fee (or such larger amount as required by Lender) payable to Lender in respect of the transaction and a full indemnity for all reasonable legal costs incurred by Lender in connection with the proposed transaction).

6.5 Nature of Business. Each Loan Party will not (a) engage in any business other than the business of such Loan Party conducted or contemplated on the Original Closing Date and any business reasonably related or ancillary to such business of such Loan Party on the Original Closing Date or (b) acquire any properties or assets that are not reasonably related or ancillary thereto.

6.6 Establishment of Canadian Defined Benefit Plan. Notwithstanding any other term or provision of this Agreement or any other Loan Document to the contrary, each Loan Party agrees that it shall not (i) establish or commence contributing to any Canadian Defined Benefit Plan or (ii) acquire an interest in any Person if such Person sponsors, administers, maintains or contributes to, or has any liability in respect of, any Canadian Defined Benefit Plan.

6.7 Prepayments and Amendments. Each Loan Party will not:

(a) prepay, redeem, defease, purchase or otherwise acquire any Indebtedness of any Loan Party or make, directly or indirectly, any optional or voluntary payment in respect of any such Indebtedness, except for payments of: (i) the Obligations; (ii) obligations under Hedge Agreements; (iii) secured Indebtedness that becomes due as a result of the voluntary sale or transfer of the assets securing such Indebtedness to the extent such sale or transfer is permitted hereunder; (iv) Indebtedness owing to another Loan Party; and (v) other Permitted Indebtedness in cash, provided, that, as of the date of any such payment under this clause (v) and after giving effect thereto, there is no Event of Default (and in the case of any Subordinated Indebtedness, in any event only to the extent permitted under the terms of the subordination thereof);

(b) directly or indirectly, amend, modify, or change any of the terms or provisions of:

(i) any agreement, instrument, document or other writing evidencing or concerning Permitted Indebtedness except (A) the Obligations in accordance with this Agreement, (B) obligations under Hedge Agreements, (C) Indebtedness permitted under clauses (b), (c), (f) and (g) of the definition of Permitted Indebtedness, (D) Subordinated Indebtedness to the extent permitted under the subordination agreement with respect thereto, or (E) in the case of any other Material Indebtedness, after prior written notice to Lender, to amend or modify the terms thereof to forgive or cancel any portion of such Indebtedness (other than pursuant to payment thereof) or to reduce the interest rate or any fees in connection therewith, or to make the terms thereof less restrictive or burdensome to such Loan Party; or

(ii) the Governing Documents of any Loan Party if the effect thereof, either individually or in the aggregate, could reasonably be expected to be materially adverse to the interests of Lender.

6.8 Maximum Credit. Each Loan Party will not allow the Loan at any time to exceed the Maximum Credit as more particularly described in Schedule I hereto.

6.9 Restricted Payments. Each Loan Party will not declare or make, or agree to pay or make, directly or indirectly, any Restricted Payment without the prior written consent of Lender, except: (a) Equity Interests of Administrative Borrower in connection with stock awards issued under its long-term incentive plan dated September 25, 2024, provided that as of the date thereof and after giving effect thereto, no Event of Default shall exist; (b) a Loan Party may make a Restricted Payment to another Loan Party; and (c) a Loan Party may make Restricted Payments pursuant to and in accordance with any management equity subscription agreement, employee agreement or stock award agreement or other agreement with such officer, director or employee or former officer, director or employee, provided that the aggregate cash consideration paid for all such payments shall not in any fiscal year of such Loan Party exceed [Redacted: dollar amount] on a non-cumulative basis.

6.10 Accounting Methods. Each Loan Party will not modify or change its fiscal year or its method of accounting (other than as may be required to conform to GAAP).

6.11 Investments. Each Loan Party will not, directly or indirectly, make or acquire any Investment or incur any liabilities (including contingent obligations) for or in connection with any Investment except for Permitted Investments.

6.12 Transactions with Affiliates. Each Loan Party will not, directly or indirectly, purchase, acquire or lease any property from, or sell, transfer or lease any property to, any officer, director or other Affiliate of a Loan Party, except pursuant to the reasonable requirements of the business of such Loan Party and upon fair and reasonable terms no less favourable to such Loan Party than such Loan Party would obtain in a comparable arm's length transaction with a Person that is not an Affiliate, except for: (a) the payment of reasonable compensation, severance, or employee benefit arrangements to employees, officers, and outside directors of a Loan Party, and any indemnity provided for the benefit of directors (or comparable managers) of a Loan Party, (b) transactions among Loan Parties, (c) Restricted Payments permitted under Section 6.9; or (d) in connection with any Permitted Investments.

6.13 Use of Proceeds. Each Loan Party will not use the proceeds of the Loan for any purpose other than (a) on the Original Closing Date or the Closing Date, as applicable, payments to each of the Persons listed in the disbursement direction letter furnished by Administrative Borrower to Lender on or about the Original Closing Date or the Closing Date, as applicable, and to pay the fees, costs and expenses in connection with the Loan Documents and the transactions contemplated thereby and (b) thereafter, for working capital, capital expenditure and other business purposes of the Borrowers. Each Loan Party will not, and will cause each other member of the Loan Party Group not to, directly or indirectly, use any of the Credit Facility to fund, finance or facilitate any activities, business or transactions that would be prohibited by (i) Sanctions, Anti-Money Laundering Laws or Anti-Corruption Laws or (ii) Sanctions if conducted by Lender, or any other party hereto.

6.14 Negative Pledge (Timber Tenure Asset). No Loan Party shall create, issue, incur, assume or permit to exist any Lien or security interest on any Timber Tenure Asset except for Permitted Liens.

7. LENDER BOARD REPRESENTATION

7.1 Appointment of Lender Nominee. Commencing on the Closing Date and for so long as any Obligations remain outstanding, the Lender shall be entitled, but not obligated, to nominate one individual (the “Lender Nominee”) to the board of directors of the Administrative Borrower (the “Board”). Within 10 days following receipt of written notice from the Lender identifying the individual it intends to nominate as its Lender Nominee and upon receipt of evidence there are Obligations that remain outstanding, the Administrative Borrower will cause the Lender Nominee to be appointed to the Board in accordance with applicable laws and the Administrative Borrower’s constating documents, provided that, if such notice is received by the Administrative Borrower after the date that is 15 Business Days prior to the date a management proxy circular must be finalized in order that it is delivered to shareholders in connection with a meeting to elect directors pursuant to the time periods set out in applicable law and the constating documents of the Administrative Borrower but prior to the date upon which the election of directors at such meeting takes place, the Administrative Borrower will cause the individual nominated by the Lender as its Lender Nominee to be appointed to the Board within 10 days following the date of such meeting. For so long as the Lender is entitled to nominate or appoint a Lender Nominee under this Section 7.1 (and provided that the Lender shall provide the name of the Lender Nominee as well as any information requested by the Administrative Borrower that it reasonably requires relating to such Lender Nominee, sufficiently in advance of, but no less than 15 Business Days prior to, the mailing or filing date of the management information circular for such meeting), the Administrative Borrower shall include the Lender Nominee on management’s form of proxy and the Administrative Borrower shall present and recommend that its shareholders elect the Lender Nominee to the Board on all proxies solicited by management, and in all proxy solicitation materials and any other meeting related materials, in respect any meeting at which directors are to be elected. If, at any time, the Lender ceases to be entitled to nominate a Lender Nominee, the Lender will, if and when requested by the Administrative Borrower to do so, promptly procure the resignation of the incumbent Lender Nominee. Notwithstanding anything herein to the contrary, the Administrative Borrower shall not be obligated to cause to be nominated for election to the Board or recommend to the shareholders the election of any individual as a director of the Administrative Borrower if the Board determines in good faith, after consultation with legal counsel, that such action would be inconsistent with its fiduciary duties or the standards set out in applicable securities laws or the rules or policies of any stock exchange on which the Administrative Borrower's securities are then listed; provided, however, that if the Board determines, after consultation with legal counsel, that such action would be inconsistent with its fiduciary duties or the standards set out in applicable securities laws or the rules or policies of any stock exchange on which the Administrative Borrower's securities are then listed, the Administrative Borrower shall promptly, and sufficiently in advance of any meetings of the shareholders called with respect to such election of nominees, notify the Lender of such determination and the Lender will have the right to propose additional individuals to the Board until the Board has nominated such individual(s) for election to the Board. Notwithstanding the foregoing, the failure of the Borrower to appoint a Lender Nominee within 60 days of receiving such request from the Lender will, at the option of the Lender, be considered an Event of Default.

7.2 Replacement of Lender Nominee. If the Lender Nominee is disqualified, resigns, is removed or otherwise ceases to be a director of the Administrative Borrower, then the Lender shall be entitled to designate a replacement director who shall be appointed by the Board as soon as reasonably practicable and without undue delay, in accordance with the notice procedures and timeframe set out at Section 7.1, except where the Lender would have otherwise ceased to be entitled to appoint a director pursuant to Section 7.1.

7.3 Qualifications. Any Lender Nominee identified or designated by the Lender (including for greater certainty a Lender Nominee designated pursuant to Section 7.2) shall, at the time of election or

appointment to the Board and at all times thereafter, meet the qualification requirements to serve as a director under the rules and policies of the stock exchanges on which the Administrative Borrower's securities are listed from time to time, and shall be eligible under applicable corporate and securities law to serve as a director.

7.4 Costs and Expenses. All costs and expenses of and in connection with nominating, appointing and replacing the Lender Nominee will be for the account of the Administrative Borrower, including but not limited to the costs of D&O insurance for the Lender Nominee.

8. EVENTS OF DEFAULT AND REMEDIES

8.1 Events of Default. The occurrence of any of the following will constitute an “Event of Default” under any Loan Document:

(a) Payments. A Borrower (i) fails to make any payment of principal or interest hereunder when due or (ii) fails to pay fees, Lender Expenses or any of the other Obligations within three Business Days after the due date thereof.

(b) Covenants. A Loan Party:

(i) fails to perform any of the covenants contained in Section 5.1 (provided such failure in Section 5.1 continues for a period of more than two Business Days),

(ii) fails to perform or observe the covenant contained in Section 5.3 provided such failure continues for a period of 15 days;

(iii) fails to perform any of the covenants contained in Sections 5.2, 5.7, 5.9, 5.10 and Articles 3 and 6, or

(iv) a Loan Party fails to perform any of the terms, covenants, conditions or provisions contained in any Loan Document other than those otherwise described in this Article 8 and such failure shall continue for 30 days; provided, that, such 30 day period shall not apply in the case of any failure to observe any such covenant which is not capable of being cured at all or within such 30 day period or which has been the subject of a prior failure within a six month period.

(c) Judgments. One or more judgments, orders, or awards for the payment of money in excess of **[Redacted: dollar amount]** in any one case or in the aggregate (except to the extent fully covered (other than to the extent of customary deductibles) by insurance pursuant to which the insurer has not denied or disputed coverage) is entered or filed against a Loan Party, or with respect to any of its assets, shall remain undischarged or unvacated for a period in excess of 30 days or execution shall at any time not be effectively stayed, or any judgment other than for the payment of money, or injunction, attachment, garnishment or execution is rendered against a Loan Party or any of the Collateral having a value in excess of **[Redacted: dollar amount]** in any one case or in the aggregate.

(d) Voluntary Bankruptcy, Involuntary Bankruptcy, Etc. (i) An Insolvency Proceeding is commenced by a Loan Party or (ii) an Insolvency Proceeding is commenced against a Loan Party or all or any part of its properties and such petition, application or other originating process is not dismissed within 30 days after the date of its filing or such Loan Party shall file any answer admitting or not contesting such petition, application or other originating process or indicates its consent to, acquiescence in or approval of, any such action or proceeding or the relief requested is granted sooner.

(e) Default Under Other Agreements. Any default in respect of any Material Indebtedness, which default continues for more than the applicable cure period, if any, with respect thereto, or the subordination provisions contained in any agreement related to any Subordinated Indebtedness shall cease to be in full force and effect or to give Lender the rights purported to be created thereby.

(f) Representations, Etc. Any warranty, representation, certificate, statement, or record made in any Loan Document or delivered in writing to Lender in connection with any Loan Document proves to be untrue in any material respect (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality or Material Adverse Effect) as of the date of issuance or making or deemed making thereof.

(g) Guarantee. If the obligation of any Loan Party under a Guarantee, or other Person under any guarantee of any Obligations, is limited or terminated by operation of law or by such Loan Party or other Person (other than in accordance with the terms of any Loan Document) or any Loan Party or such other Person repudiates or revokes or purports to repudiate or revoke such Guarantee or any such guarantee.

(h) Loan Documents. (i) The validity or enforceability of any Loan Document shall at any time for any reason (other than solely as the result of an action or failure to act on the part of Lender) be declared to be null and void, or a proceeding shall be commenced by a Loan Party, or by any Governmental Authority having jurisdiction over a Loan Party, seeking to establish the invalidity or unenforceability of any Loan Document, or a Loan Party shall deny that such Loan Party has any liability or obligation purported to be created under any Loan Document or (ii) any Loan Document that purports to create a Lien shall, for any reason, fail or cease to create a valid and perfected and (except to the extent of Permitted Liens which are non-consensual Permitted Liens, permitted purchase money Liens or the interests of lessors under Capital Leases) first priority Lien on the Collateral covered thereby, except (A) as a result of a disposition of the applicable Collateral in a transaction permitted under any Loan Document, or (B) as the result of an action or failure to act on the part of Lender.

(i) Change of Control. A Change of Control shall occur, whether directly or indirectly.

8.2 Remedies.

(a) At any time an Event of Default exists, Lender shall have any and all rights and remedies provided in any Loan Document, the PPSA and other applicable law, all of which rights and remedies may be exercised without notice to or consent by a Loan Party, except as such notice or consent is expressly provided for under any applicable Loan Document or required by applicable law. All rights, remedies and powers granted to Lender under any Loan Document, the PPSA or other applicable law are cumulative, are not exclusive and are enforceable, in Lender's discretion, alternatively, successively, or concurrently on any one or more occasions, and shall include the right to apply to a court of equity for an injunction to restrain a breach or threatened breach by a Loan Party of any Loan Document. Lender may, at any time, an Event of Default exists, proceed directly against one or more Loan Party to collect the Obligations without prior recourse to the Collateral.

(b) Without limiting the generality of the foregoing, at any time an Event of Default exists, Lender may (i) accelerate the payment of all or any portion of the Obligations and demand immediate payment thereof to Lender (provided, that, upon the occurrence of any Event of Default described in Section 8.1(d) all Obligations shall automatically become immediately due and payable), (ii) terminate the Commitment (provided, that, upon the occurrence of any Event of Default described in Section 8.1(d), the Commitment and any other obligation of Lender under any Loan Document shall automatically terminate), or (iii) cease making Advances. The Borrower acknowledges and agrees that the acceleration of the

Obligations prior to the Maturity Date will be deemed to be a prepayment, and the Borrower will pay any prepayment compensation set out in Section 2.3(f).

9. NOTICES, AMENDMENTS, WAIVERS, INDEMNIFICATION, ETC.

9.1 Demand; Protest; Counterclaims, Etc. Each Loan Party waives demand, protest, notice of protest, notice of default or dishonour, notice of payment and nonpayment, nonpayment at maturity, release, compromise, settlement, extension, or renewal of documents, instruments, chattel paper, and guarantees at any time held by Lender on which any Loan Party may in any way be liable. No notice to or demand on a Loan Party which Lender may elect to give shall entitle a Loan Party to any other or further notice or demand in the same, similar or other circumstances. Each Loan Party waives all rights to interpose any claims, deductions, setoffs or counterclaims of any nature (other than compulsory counterclaims) in any action or proceeding with respect to any Loan Document, the Obligations, the Collateral or any matter arising therefrom or relating hereto or thereto.

9.2 Indemnification. Each Loan Party shall pay, indemnify, defend, and hold Lender and its Affiliates, officers, directors, employees, lawyers, and agents (each, an “Indemnified Person”) harmless (to the fullest extent permitted by law) from and against any and all claims, demands, suits, actions, investigations, proceedings, liabilities, fines, costs, penalties, and damages, and all reasonable fees and disbursements of lawyers, experts, or consultants and all other costs and expenses actually incurred in connection therewith or in connection with the enforcement of this indemnification (as and when they are incurred and irrespective of whether suit is brought), at any time asserted against, imposed upon, or incurred by any of them (a) in connection with or as a result of or related to the execution and delivery, enforcement, performance, or administration (including any restructuring or workout with respect hereto) of any Loan Document, or the transactions contemplated thereby, (b) with respect to any actual or prospective investigation, litigation, or proceeding related to any Loan Document, the making of any Advance or the use of the proceeds of the Loan (whether or not any Indemnified Person is a party thereto), or any act, omission, event, or circumstance in any manner related thereto, and (c) in connection with or arising out of any presence or release of hazardous materials at, on, under, to or from any assets or properties owned, leased or operated by any Loan Party or otherwise related to compliance with applicable environmental laws (each and all of the foregoing, the “Indemnified Liabilities”). The foregoing to the contrary notwithstanding, no Loan Party shall have any obligation to any Indemnified Person under this Section 9.2 with respect to any Indemnified Liability that a court of competent jurisdiction finally determines to have resulted from the gross negligence or willful misconduct of such Indemnified Person or its officers, directors, employees, lawyers, or agents. This provision shall survive the termination of this Agreement and the repayment in full of the Obligations. If any Indemnified Person makes any payment to any other Indemnified Person with respect to an Indemnified Liability as to which a Loan Party was required to indemnify the Indemnified Person receiving such payment, the Indemnified Person making such payment is entitled to be indemnified and reimbursed by each Loan Party with respect thereto. THE FOREGOING INDEMNITY SHALL APPLY TO EACH INDEMNIFIED PERSON WITH RESPECT TO INDEMNIFIED LIABILITIES WHICH IN WHOLE OR IN PART ARE CAUSED BY OR ARISE OUT OF ANY NEGLIGENT ACT OR OMISSION OF SUCH INDEMNIFIED PERSON OR OF ANY OTHER PERSON.

9.3 Notices. Unless otherwise provided in this Agreement, all notices or demands relating to any Loan Document shall be in writing and shall be personally delivered or sent by registered or certified mail (postage prepaid, return receipt requested), overnight courier, or electronic mail (at such email addresses as a party may designate in accordance herewith). In the case of notices or demands to any Loan Party or Lender, as the case may be, they shall be sent to the address set forth next to its signature hereto. Any party hereto may change the address at which they are to receive notices hereunder, by notice in writing

in the foregoing manner given to the other parties. All notices or demands sent in accordance with this Section 9.3 shall be deemed received on the earlier of the date of actual receipt or three Business Days after the deposit thereof in the mail; provided, that, (a) notices sent by overnight courier service shall be deemed to have been given when received, (b) notices by facsimile shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next Business Day for the recipient) and (c) notices by electronic mail shall be deemed received upon the sender's receipt of an acknowledgment from the intended recipient (such as by the "return receipt requested" function, as available, return email or other written acknowledgment).

9.4 Assignments; Successors. This Agreement shall bind and inure to the benefit of the respective successors and assigns of each of the parties; provided, that, no Loan Party may assign this Agreement or any rights or duties hereunder without Lender's prior written consent and any prohibited assignment shall be absolutely void ab initio. No consent to assignment by Lender shall release any Loan Party from its Obligations. Lender may assign the Loan Documents in whole or in part and its rights and duties thereunder with the prior written consent of Administrative Borrower provided, that no consent of Administrative Borrower shall be required if (i) an Event of Default has occurred and is continuing (ii) Lender is assigning the Agreement to an Affiliate (other than natural persons) of Lender, or (iii) Lender is granting participations in the Obligations; provided further, that Administrative Borrower shall be deemed to have consented to a proposed assignment unless it objects thereto by written notice to Lender within 5 Business Days after having received notice thereof.

9.5 Amendments; Waivers. No amendment or modification of any Loan Document shall be effective unless it has been agreed to by Lender and Administrative Borrower in a writing that specifically states that it is intended to amend or modify such Loan Document. No failure by Lender to exercise any right, remedy, or option under any Loan Document, or delay by Lender in exercising the same, will operate as a waiver thereof. No waiver by Lender will be effective unless it is in writing, and then only to the extent specifically stated. No waiver by Lender on any occasion shall affect or diminish Lender's rights thereafter to require strict performance by any Loan Party of any provision of any Loan Document. Lender's rights under the Loan Documents will be cumulative and not exclusive of any other right or remedy that Lender may have.

10. JURY TRIAL WAIVER; OTHER WAIVERS CONSENTS; GOVERNING LAW.

10.1 Governing Law. The validity of the Loan Documents (unless expressly otherwise provided therein), the construction, interpretation, and enforcement thereof, the rights of the parties thereto with respect to all matters arising thereunder or related thereto, and any claims, controversies or disputes arising thereunder or related thereto shall be determined under, governed by, and construed in accordance with the laws of the Province of British Columbia.

10.2 Forum Non Conveniens. The parties agree that all actions or proceedings arising in connection with the Loan Documents shall be tried and litigated only in the provincial and, to the extent permitted by applicable law, federal courts located in the Province of British Columbia; provided, that, any suit seeking enforcement against any collateral or other property may be brought, at Lender's option, in the courts of any jurisdiction where Lender elects to bring such action or where such collateral or other property may be found. Each Loan Party and Lender waive, to the extent permitted under applicable law, any right each may have to assert the doctrine of forum non conveniens or to object to venue to the extent any proceeding is brought in accordance with this Section 10.2.

10.3 Waiver of Jury Trial. To the maximum extent permitted by applicable law, each Loan Party and Lender hereby waive their respective rights, if any, to a jury trial of any claim, controversy,

dispute or cause of action directly or indirectly based upon or arising out of any Loan Document or any transaction contemplated therein, including contract claims, tort claims, breach of duty claims, and all other common law or statutory claims (each a “claim”). Each Loan Party and Lender represents that it has reviewed this waiver and each knowingly and voluntarily waives its jury trial rights following consultation with legal counsel. In the event of litigation, a copy of this Agreement may be filed as a written consent to a trial by the court.

10.4 Submission to Jurisdiction. Each Loan Party hereby irrevocably and unconditionally submits to the exclusive jurisdiction of the provincial and federal courts located in the Province of British Columbia, in any action or proceeding arising out of or relating to any Loan Document, or for recognition or enforcement of any judgment. 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 any Loan Document shall affect any right that Lender may otherwise have to bring any action or proceeding relating to any Loan Document against any Loan Party or its properties in the courts of any jurisdiction.

10.5 Waiver of Claims. No claim may be made by any Loan Party against Lender or any Affiliate, director, officer, employee, counsel, representative, agent, or attorney-in-fact of any of them for any special, indirect, consequential, punitive or exemplary damages or losses in respect of any claim for breach of contract or any other theory of liability arising out of or related to the transactions contemplated by any Loan Document, or any act, omission, or event occurring in connection therewith, and each Loan Party hereby waives, releases, and agrees not to sue upon any claim for such damages, whether or not accrued and whether or not known or suspected to exist in its favor.

11. GENERAL PROVISIONS

11.1 Effectiveness; Section Headings; Severability. This Agreement shall be binding and deemed effective when executed by each Loan Party and Lender whose signature is provided for on the signature pages hereof. Headings and numbers have been set forth herein for convenience only. Unless the contrary is compelled by the context, everything contained in each Section applies equally to this entire Agreement. Each provision of this Agreement shall be severable from every other provision of this Agreement for the purpose of determining the legal enforceability of any specific provision.

11.2 Counterparts; Electronic Execution. This Agreement may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, shall be deemed to be an original, and all of which, when taken together, shall constitute but one and the same Agreement. Delivery of an executed counterpart of this Agreement by telefacsimile or other electronic method of transmission shall be equally as effective as delivery of an original executed counterpart of this Agreement. Any party delivering an executed counterpart of this Agreement by telefacsimile or other electronic method of transmission also shall deliver an original executed counterpart of this Agreement but the failure to deliver an original executed counterpart shall not affect the validity, enforceability, and binding effect of this Agreement. The foregoing shall apply to each other Loan Document mutatis mutandis.

11.3 Restatement. The Original Credit Agreement is hereby amended, restated, and replaced in its entirety as and from the date of this Agreement, with the intent that, subject to any future amendments, this Agreement and the Loan Documents contain the whole agreement between the parties with respect to the Loan.

11.4 Syndication. The Lender shall have the right to syndicate or grant participations in all or any portion of the Loan. In the event that the Lender elects to syndicate or grant a participation the Loan Parties shall execute such modifications and confirmations in respect of the Loan Documents as may reasonably be required by the co-lenders to evidence such syndication or participation.

11.5 Patriot Act. Lender hereby notifies each Loan Party that pursuant to the requirements of the Patriot Act it is required to obtain, verify and record information that identifies each Person or corporation who opens an account or enters into a business relationship with it, which information includes the name and address of such Loan Party and other information that will allow Lender to identify such Person in accordance with the Patriot Act and any other applicable law. Each Loan Party is hereby advised that any Advance is subject to satisfactory results of such verification. Lender shall have the right to periodically conduct due diligence on each Loan Party, its senior management and key principals and legal and beneficial owners. Each Loan Party agrees to cooperate in respect of the conduct of such due diligence and further agrees that the reasonable costs and charges for any such due diligence by Lender shall constitute Lender Expenses for which Lender is entitled to reimbursement as provided herein and be for the account of Borrowers.

11.6 Integration. The Loan Documents reflect the entire understanding of the parties with respect to the transactions contemplated hereby and shall not be contradicted or qualified by any other agreement, oral or written, before the Original Closing Date.

11.7 Disclosure. Lender may disclose information concerning the terms and conditions of the Loan Documents in its marketing or promotional materials, with such information to consist of deal terms and other information customarily found in such marketing or promotional materials and may otherwise use the name, logos, and other insignia of any Loan Party and the Commitment provided hereunder in any “tombstone” or other advertisements, on its website or in other marketing materials of Lender. Nothing contained in this Section 11.7 shall or shall be deemed to transfer any intellectual property rights held by a Loan Party.

11.8 Conifex Timber Inc. as Agent for Borrowers. Each Loan Party hereby irrevocably appoints Conifex Timber Inc. as the borrowing agent and attorney-in-fact for all Loan Parties (the “Administrative Borrower”) which appointment shall remain in full force and effect unless and until Lender shall have received prior written notice signed by each Loan Party that such appointment has been revoked and that another Loan Party has been appointed Administrative Borrower. Each Loan Party hereby irrevocably appoints and authorizes Administrative Borrower (a) to provide Lender with all notices with respect to the Loan and all other notices and instructions under the Loan Documents (and any notice or instruction provided by Administrative Borrower shall be deemed to be given by Loan Parties hereunder and shall bind each Loan Party), (b) to receive all notices, instructions and other information from Lender (and any notice, instructions or other information provided by Lender to Administrative Borrower shall be deemed to have been given to each Loan Party), and (c) to take such action as Administrative Borrower deems appropriate on its behalf to obtain the Loan and to exercise such other powers as are reasonably incidental thereto to carry out the purposes of this Agreement. Each Loan Party agrees that the handling of the Credit Facility, with Loan Parties and Collateral in a combined fashion, as more fully set forth herein, is done solely as an accommodation to Loan Parties in order to utilize the collective borrowing powers of Borrowers in the most efficient and economical manner and at their request, and that Lender shall not incur liability to any Loan Party as a result hereof. Each Loan Party expects to derive benefit, directly or indirectly, from the handling of the Credit Facility, with Loan Parties and Collateral in a combined fashion, since the successful operation of each Loan Party is dependent on the continued successful performance of the integrated group. Each Loan Party hereby agrees to indemnify Lender and hold Lender harmless against any and all liability, expense, loss or claim of damage or injury, made against Lender by any Loan Party or

by any third party whosoever, arising from or incurred by reason of (i) the handling of the Credit Facility as herein provided, or (ii) Lender relying on any instructions of Administrative Borrower. This Section 11.8 shall survive the termination of this Agreement and the payment in full of the Obligations.

11.9 Anti-Money Laundering. The Borrowers acknowledge that, pursuant to Anti-Money Laundering Laws, Lender may be required to obtain, verify and record information regarding each Loan Party, its directors, authorized signing officers, direct or indirect shareholders or other Persons in control of each Loan Party, and the transactions contemplated hereby. The Borrowers shall promptly provide all such information, including supporting documentation and other evidence, as may be reasonably requested by Lender, or any prospective assign or participant of Lender, in order to comply with any applicable Anti-Money Laundering Laws, whether now or hereafter in existence.

11.10 Currency Indemnity. If, for the purposes of obtaining judgment in any court in any jurisdiction with respect to this Agreement or any other Loan Document, it becomes necessary to convert into a particular currency (the “Judgment Currency”) any amount due under this Agreement or under any other Loan Document in any currency other than the Judgment Currency (the “Currency Due”), then conversion shall be made at the rate of exchange prevailing on the Business Day before the day on which judgment is given. For this purpose “rate of exchange” means the rate at which Lender is able, on the relevant date, to purchase the Currency Due with the Judgment Currency in accordance with its normal practice through its bankers. In the event that there is a change in the rate of exchange prevailing between the Business Day before the day on which the judgment is given and the date of receipt by Lender of the amount due, the Borrowers will, on the date of receipt by Lender, pay such additional amounts, if any, or be entitled to receive reimbursement of such amount, if any, as may be necessary to ensure that the amount received by Lender on such date is the amount in the Judgment Currency which when converted at the rate of exchange prevailing on the date of receipt by Lender is the amount then due under this Agreement or such other Loan Document in the Currency Due. If the amount of the Currency Due which Lender is so able to purchase is less than the amount of the Currency Due originally due under this Agreement or any other Loan Document, the Borrowers shall indemnify and save Lender harmless from and against all loss or damage arising as a result of such deficiency. This indemnity shall constitute an obligation separate and independent from the other obligations contained in this Agreement and the other Loan Documents, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by Lender from time to time and shall continue in full force and effect notwithstanding any judgment or order for a liquidated sum in respect of an amount due under this Agreement or any other Loan Document or under any judgment or order.

The parties have caused this Agreement to be executed as of the date on page 1.

PENDER CORPORATE BOND FUND

By /s/ Geoff Castle
Name Geoff Castle
Title Lead Portfolio Manager, Fixed Income

Address:
Suite 1830 - 1066 West Hastings Street
Vancouver, BC V6E 3X2
Canada
Attention: Geoff Castle
Email: gcastle@pendersfund.com

CONIFEX TIMBER INC.

By _____
Name _____
Title _____

Address: _____

Attention: _____
Email: _____

CONIFEX INC.

By _____
Name _____
Title _____

Address: _____

Attention: _____
Email: _____

**CONIFEX MACKENZIE FOREST
PRODUCTS INC.**

By _____
Name _____
Title _____

Address: _____

Attention: _____
Email: _____

The parties have caused this Agreement to be executed as of the date on page 1.

PENDER CORPORATE BOND FUND

By _____
Name Geoff Castle
Title Lead Portfolio Manager, Fixed Income

Address:
Suite 1830 - 1066 West Hastings Street
Vancouver, BC V6E 3X2
Canada
Attention: Geoff Castle
Email: gcastle@penderfund.com

CONIFEX TIMBER INC.

By /s/ Trevor Pruden
Name Trevor Pruden
Title Chief Financial Officer

Address:
980 - 700 West Georgia Street
P.O. Box 10070
Vancouver, BC Canada V7Y 1B6
Attention: Trevor Pruden
Email: trevor.pruden@conifex.com

CONIFEX INC.

By /s/ Trevor Pruden
Name Trevor Pruden
Title Chief Financial Officer

Address:
980 - 700 West Georgia Street
P.O. Box 10070
Vancouver, BC Canada V7Y 1B6
Attention: Trevor Pruden
Email: trevor.pruden@conifex.com

**CONIFEX MACKENZIE FOREST
PRODUCTS INC.**

By /s/ Trevor Pruden
Name Trevor Pruden
Title Chief Financial Officer

Address:
980 - 700 West Georgia Street
P.O. Box 10070
Vancouver, BC Canada V7Y 1B6
Attention: Trevor Pruden
Email: trevor.pruden@conifex.com

1388434 B.C. LTD.

By /s/ Trevor Pruden
Name Trevor Pruden
Title Chief Financial Officer

Address:
980 - 700 West Georgia Street
P.O. Box 10070
Vancouver, BC Canada V7Y 1B6
Attention: Trevor Pruden
Email: trevor.pruden@conifex.com

CONIFEX OPERATING INC.

By /s/ Trevor Pruden
Name Trevor Pruden
Title Secretary

Address:
980 - 700 West Georgia Street
P.O. Box 10070
Vancouver, BC Canada V7Y 1B6
Attention: Trevor Pruden
Email: trevor.pruden@conifex.com

8006024 CANADA INC.

By /s/ Trevor Pruden
Name Trevor Pruden
Title Secretary

Address:
980 - 700 West Georgia Street
P.O. Box 10070
Vancouver, BC Canada V7Y 1B6
Attention: Trevor Pruden
Email: trevor.pruden@conifex.com

CONIFEX FIBRE MARKETING INC.

By /s/ Trevor Pruden
Name Trevor Pruden
Title Director

Address:
980 - 700 West Georgia Street
P.O. Box 10070
Vancouver, BC Canada V7Y 1B6
Attention: Trevor Pruden
Email: trevor.pruden@conifex.com

0318587 B.C. LTD.

By /s/ Trevor Pruden
Name Trevor Pruden
Title Director

Address:
980 - 700 West Georgia Street
P.O. Box 10070
Vancouver, BC Canada V7Y 1B6
Attention: Trevor Pruden
Email: trevor.pruden@conifex.com

CONIFEX USA INC.

By /s/ Trevor Pruden
Name Trevor Pruden
Title Secretary and Treasurer

Address:
980 - 700 West Georgia Street
P.O. Box 10070
Vancouver, BC Canada V7Y 1B6
Attention: Trevor Pruden
Email: trevor.pruden@conifex.com

CONIFEX CAPITAL INC.

By /s/ Trevor Pruden
Name Trevor Pruden
Title Chief Financial Officer and Secretary

Address:
980 - 700 West Georgia Street
P.O. Box 10070
Vancouver, BC Canada V7Y 1B6
Attention: Trevor Pruden
Email: trevor.pruden@conifex.com

CONIFEX HOLDINGS LLC

By /s/ Trevor Pruden
Name Trevor Pruden
Title Chief Financial Officer and Secretary

Address:
980 - 700 West Georgia Street
P.O. Box 10070
Vancouver, BC Canada V7Y 1B6
Attention: Trevor Pruden
Email: trevor.pruden@conifex.com

CONIFEX HOLDCO LLC

By /s/ Trevor Pruden
Name Trevor Pruden
Title Chief Financial Officer and Secretary

Address:
980 - 700 West Georgia Street
P.O. Box 10070
Vancouver, BC Canada V7Y 1B6
Attention: Trevor Pruden
Email: trevor.pruden@conifex.com

Schedule A
TO
AMENDED AND RESTATED CREDIT AGREEMENT

Lands

[Redacted: Confidential Business Information.]

[Redacted: Confidential Business Information.]

Schedule B
TO
AMENDED AND RESTATED CREDIT AGREEMENT

Fees and Expenses

1. Unused Standby Fee. Commencing on the first Advance and continuing for 18 months, the Borrower shall pay to Lender a monthly standby fee at a rate (on a per annum basis) equal to **[Redacted]** on any undrawn portion of Tranche 2. Such fees shall be payable on the first day of each calendar month in arrears.

2. Lender Expenses. The Borrower shall pay to Lender the Lender Expenses on the earlier of (a) the first day of the month following the date on which the applicable Lender Expenses were first incurred, or (b) the date on which demand therefor is made by Lender (it being acknowledged and agreed that any charging of such costs, expenses or Lender Expenses to the Loan Account shall be deemed to constitute a demand for payment thereof for the purposes hereof). The Borrower agrees that its obligations contained in this Section 2 shall survive payment in full of all other Obligations.

3. Change of Control. In the event of a Change of Control, the Borrower shall pay to Lender an additional fee (the "Change of Control Fee") equal to **[Redacted]** of the amount of the Loan actually made available to Borrower. This Change of Control Fee shall be paid on the earlier of the Maturity Date and the repayment of the Loan. The Borrower acknowledges that the Change of Control Fee is in addition to any prepayment compensation payable pursuant to Section 2.3(f).

Schedule C
TO
AMENDED AND RESTATED CREDIT AGREEMENT
Warrants

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE _____, 202[4]. THE WARRANTS REPRESENTED BY THIS CERTIFICATE ARE TRANSFERRABLE, SUBJECT TO APPLICABLE SECURITIES LAWS.

THE WARRANTS EVIDENCED HEREBY ARE EXERCISABLE ON OR BEFORE 5:00 P.M. (VANCOUVER TIME) ON _____, 20[29], AFTER WHICH TIME THE WARRANTS EVIDENCED HEREBY SHALL BE DEEMED TO BE VOID, OF NO FURTHER FORCE OR EFFECT AND OF NO VALUE.

WARRANT

to acquire common shares of

CONIFEX TIMBER INC.

Warrant Certificate

No. _____

Certificate for _____ Warrants, each entitling the holder to acquire one common share of Conifex Timber Inc.

THIS CERTIFIES that, for value received, Pender Corporate Bond Fund, the registered holder hereof (the "**Warrantholder**"), has the right to purchase from Conifex Timber Inc. (the "**Company**"), in respect of each warrant (each a "**Warrant**") represented by this certificate or by any replacement certificate (the "**Warrant Certificate**"), and upon and subject to the terms and conditions herein, as fully paid and non-assessable, _____ common shares of the Company (the "**Shares**"), as constituted on the date hereof, subject to adjustments as set out herein, at the price of \$0.50 per Share (the "**Exercise Price**"), at any time up to 5:00 p.m. Vancouver time on _____, 20[29] (the "**Expiry Time**").

The right to purchase the Shares may be exercised, in whole or in part (but, for greater certainty, no Warrant may be exercised in part), by the Warrantholder within the times hereinbefore set out, by:

- (a) completing and executing the Subscription Form attached hereto in the manner therein indicated;
- (b) surrendering this Warrant Certificate, together with the completed Subscription Form attached as Schedule "A", to the Company at Suite 980, 700 West Georgia Street, PO Box 10070, Vancouver, British Columbia V7Y 1B6 (or such other address as the Company may provide); and
- (c) paying the Exercise Price in full for the number of Shares subscribed for either in cash, wire transfer or by certified cheque payable to the Company.

Upon such surrender and payment as aforesaid, the Warrantholder shall be deemed for all purposes to be the holder of record of the number of Shares to be so issued. No later than three (3) Business Days following such surrender and payment, the Company shall issue to the Warrantholder the number of Shares subscribed for and will deliver to the Warrantholder at the address set forth on the Subscription

Form, or at such other address as the Warrantholder may direct in writing, a certificate or certificates, or DRS statement(s), as applicable, evidencing the number of Shares subscribed for. If the Warrantholder subscribes for a number of Shares which is less than the number of Shares permitted by this Warrant Certificate, the Company shall forthwith cause to be delivered to the Warrantholder a further Warrant Certificate in respect of the balance of Shares referred to in this Warrant Certificate not then being subscribed for.

The Warrantholder is purchasing the Warrants as principal and qualifies as an "accredited investor", as such term is defined in National Instrument 45-106 – *Prospectus Exemptions* promulgated by the Canadian Securities Administrators.

Adjustments

The Exercise Price and the number of Shares issuable to the Warrantholder upon the exercise of the Warrants shall be subject to adjustment from time to time in the events and in the manner provided as follows:

- a) If at any time during the period commencing on the date of issue of the Warrants and ending at the Expiry Time (the "**Adjustment Period**") the Company shall:
 - (i) subdivide, redivide or change the outstanding Shares into a greater number of Shares;
 - (ii) consolidate, combine or reduce the outstanding Shares into a lesser number of Shares;
 - (iii) fix a record date for the issue of, or issue, Shares to the holders of all or substantially all of the outstanding Shares by way of a stock dividend; or
 - (iv) fix a record date for the distribution to, or make a distribution to, the holders of all or substantially all of the outstanding Shares payable in Shares or securities exchangeable for or convertible into Shares,

(any of such events being herein called a "**Share Reorganization**"), the Exercise Price shall be adjusted on the earlier of the record date on which holders of Shares are determined for the purposes of the Share Reorganization and the effective date of the Share Reorganization to the amount determined by multiplying the Exercise Price in effect immediately prior to such record date or effective date, as the case may be, by a fraction:

- A. the numerator of which shall be the number of Shares outstanding on such record date or effective date, as the case may be, before giving effect to such Share Reorganization; and
- B. the denominator of which shall be the number of Shares which will be outstanding immediately after giving effect to such Share Reorganization (including in the case of a distribution of securities exchangeable for or convertible into Shares the number of Shares that would have been outstanding had such securities been exchanged for or converted into Shares on such date).

To the extent that any adjustment in the Exercise Price occurs pursuant to this clause as a result of the fixing by the Company of a record date for the distribution of securities exchangeable for or convertible into Shares, the Exercise Price shall be readjusted immediately after the expiry of any relevant exchange or conversion right to the Exercise Price which would then be in effect based upon the number of Shares actually issued and remaining issuable after such expiry and shall be further readjusted in such manner

upon the expiry of any further such right. Any Warrantholder who has not exercised his right to subscribe for and purchase Shares on or prior to the record date of such dividend or distribution or the effective date of such subdivision or consolidation, as the case may be, upon the exercise of such right thereafter prior to the Expiry Time shall be entitled to receive and shall accept in lieu of the number of Shares then subscribed for and purchased by such Warrantholder, at the Exercise Price determined in accordance with this clause the aggregate number of Shares that such Warrantholder would have been entitled to receive as a result of such Share Reorganization (which, in the case of a distribution of securities exchangeable for or convertible into Shares, is the proportionate number of Shares that the Warrantholder would have been entitled to if all such securities exchangeable for or convertible into Shares had been exchanged for or converted into such Shares on such date), if, on such record date or effective date, as the case may be, such Warrantholder had been the holder of record of the number of Shares so subscribed for and purchased.

For the purposes of b) and c) below, unless there is something in the subject matter or context inconsistent therewith, the "**Current Market Price**" of the Shares at any date means the price per share equal to the weighted average price at which the Shares have traded on the principal stock exchange on which the Shares may then be listed and traded, or, if the Shares are not then listed on any stock exchange, in the over-the-counter market, during the period of 20 consecutive trading days ending five trading days before such date; provided that the weighted average price shall be determined by dividing the aggregate sale price of all Shares sold on the said exchange or market, as the case may be, during such 20 consecutive trading days by the total number of Shares so sold. Notwithstanding the foregoing, if the Shares are not then listed on any stock exchange or traded in the over-the-counter market, then the Current Market Price shall be equal to the Warrantholder's choice of either: (i) the issue price for the Shares under the last completed private placement of the Company or (ii) the Current Market Price determined by a firm of independent chartered accountants selected by the directors of the Company;

b) If at any time during the Adjustment Period the Company shall fix a record date for the issue or distribution to the holders of all or substantially all of the outstanding Shares of rights, options or warrants pursuant to which such holders are entitled, during a period expiring not more than 45 days after the record date for such issue (such period being the "**Rights Period**"), to subscribe for or purchase Shares or securities exchangeable for or convertible into Shares at a price per Share to the holder (or in the case of securities exchangeable for or convertible into Shares, at an exchange or conversion price per share) at the date of issue of such securities of less than 95% of the Current Market Price of the Shares on such record date (any of such events being called a "**Rights Offering**"), the Exercise Price shall be adjusted effective immediately after the record date for such Rights Offering to the amount determined by multiplying the Exercise Price in effect on such record date by a fraction:

(i) the numerator of which shall be the aggregate of

A. the number of Shares outstanding on the record date for the Rights Offering, and

B. the quotient determined by dividing

(1) either (a) the product of the number of Shares offered during the Rights Period pursuant to the Rights Offering and the price at which such Shares are offered, or, (b) the product of the exchange or conversion price of the securities so offered and the number of Shares for or into which the securities offered pursuant to the Rights Offering may be exchanged or converted, as the case may be, by

- (2) the Current Market Price of the Shares as of the record date for the Rights Offering; and
- (ii) the denominator of which shall be the aggregate of the number of Shares outstanding on such record date and the number of Shares offered pursuant to the Rights Offering (including in the case of the issue or distribution of securities exchangeable for or convertible into Shares the number of Shares for or into which such securities may be exchanged or converted).

If by the terms of the rights, options, or warrants referred to in this clause there is more than one purchase, conversion or exchange price per Share, the aggregate price of the total number of additional Shares offered for subscription or purchase, or the aggregate conversion or exchange price of the convertible or exchangeable securities so offered, shall be calculated for purposes of the adjustment on the basis of the lowest purchase, conversion or exchange price per Share, as the case may be. Any Shares owned by or held for the account of the Company or any subsidiary of the Company shall be deemed not to be outstanding for the purpose of any such calculation. To the extent that any adjustment in the Exercise Price occurs pursuant to this clause as a result of the fixing by the Company of a record date for the issue or distribution of rights, options or warrants referred to in this clause, the Exercise Price shall be readjusted immediately after the expiry of any relevant exchange, conversion or exercise right to the Exercise Price which would then be in effect based upon the number of Shares actually issued and remaining issuable after such expiry and shall be further readjusted in such manner upon the expiry of any further such right. If any adjustment to the Exercise Price shall occur in connection with a Rights Offering, then the number of Shares purchasable upon the subsequent exercise of the Warrants shall be simultaneously adjusted or readjusted, as the case may be, by multiplying the number of Shares purchasable upon the exercise of the Warrants immediately prior to such adjustment or readjustment by a fraction which shall be the reciprocal of the fraction used in the adjustment or readjustment of the Exercise Price.

- c) If at any time during the Adjustment Period the Company shall fix a record date for the issue or distribution to the holders of all or substantially all of the outstanding Shares of:
 - (i) shares of the Company or another company of any class other than Shares;
 - (ii) rights, options or warrants to acquire Shares or securities exchangeable for or convertible into Shares or property or other assets of the Company (other than pursuant to a Rights Offering);
 - (iii) evidences of indebtedness; or
 - (iv) cash, securities or other property or assets,

and if such issue or distribution does not constitute a Share Reorganization or a Rights Offering (any of such non-excluded events being herein called a "**Special Distribution**"), the Exercise Price shall be adjusted effective immediately after the record date for the Special Distribution to the amount determined by multiplying the Exercise Price in effect on the record date for the Special Distribution by a fraction:

A. the numerator of which shall be the difference between

- (1) the product of the number of Shares outstanding on such record date and the Current Market Price of the Shares on the record date, and
- (2) the fair value, as determined by the directors of the Company (acting reasonably and subject to approval of the principal stock exchange on which the Shares may then be

listed and traded) of the shares, rights, options, warrants, evidences of indebtedness or property or assets to be issued or distributed in the Special Distribution (provided that, if the Warrantholder, acting in good faith, objects to the determination of the fair value, as determined by the directors of the Company, of the shares, rights, options, warrants, evidences of indebtedness or property or assets to be issued or distributed in the Special Distribution, then the fair value shall be determined by a firm of independent chartered accountants selected by the directors of the Company, the costs of which shall be borne by the Warrantholder only in the event that the fair value, as determined by the firm of independent chartered accountants, is within 5% of the fair value, as initially determined by the directors of the Company), and

B. the denominator of which shall be the product obtained by multiplying the number of Shares outstanding on such record date by the Current Market Price of the Shares on the record date.

Any Shares owned by or held for the account of the Company or any subsidiary of the Company shall be deemed not to be outstanding for the purpose of such calculation. To the extent that any adjustment in the Exercise Price occurs pursuant to this clause as a result of the fixing by the Company of a record date for the issue or distribution of rights, options or warrants to acquire Shares or securities exchangeable for or convertible into Shares referred to in this clause, the Exercise Price shall be readjusted immediately after the expiry of any relevant exercise, exchange or conversion right to the amount which would then be in effect based upon the number of Shares issued and remaining issuable after such expiry and shall be further readjusted in such manner upon the expiry of any further such right. If any adjustment to the Exercise Price shall occur in connection with a Special Distribution, then the number of Shares purchasable upon the subsequent exercise of the Warrants shall be simultaneously adjusted or readjusted, as the case may be, by multiplying the number of Shares purchasable upon the exercise of the Warrants immediately prior to such adjustment or readjustment by a fraction which shall be the reciprocal of the fraction used in the adjustment or readjustment of the Exercise Price.

Upon the occurrence of one or more events involving the capital reorganization or reclassification of the capital stock of the Company, or the merger, arrangement, amalgamation, or other corporate combination of the Company with, or the sale or transfer of (or undertaking to sell or transfer) all or substantially all of its assets to, one or more other Persons, or of any other events in which new securities of any nature are delivered in exchange for the Shares and such Shares are cancelled (other than a Share Reorganization) (each a **"Fundamental Change"**, and collectively, the **"Fundamental Changes"**), then, at the time of any valid exercise of the Warrants in accordance with the terms hereof taking place after the effective date of any Fundamental Change(s), and in lieu of issuing the Shares which, but for any such Fundamental Change(s) and this provision, would have been issued upon such exercise, the Warrantholder shall be entitled to receive and shall accept, the kind and aggregate number of shares and other securities or property resulting from such Fundamental Change(s) which the Warrantholder would have been entitled to receive as a result of such Fundamental Change(s) if, on the record date or effective date thereof, as applicable, the Warrantholder had been the registered holder of the number of Shares which the Warrantholder was entitled to purchase or receive upon the exercise of the Warrants, provided that the provisions set forth herein will be economically equivalent or better for the Warrantholder to the effect of the Fundamental Change. The adjustments provided for in this paragraph, including the Exercise Price and the kind and aggregate number of shares or other securities or property which are to be received on the exercise hereunder, are cumulative. **"Person"** means and includes individuals, corporations, bodies corporate, limited or general partnerships, joint stock companies, limited liability companies, joint ventures, associations, companies, trusts, banks, trust companies, governmental bodies or any other type of organization or entity, whether or not a legal entity.

The adjustments provided for in this Warrant Certificate are cumulative and will be made successively whenever an event referred to in this Warrant Certificate occurs.

If at any time while this Warrant, or any replacement hereof, is outstanding:

- (a) the Company proposes to pay any dividend of any kind upon its Shares or make any distribution to the holders of its Shares;
- (b) the Company proposes to offer for subscription pro rata to the holders of its Shares any additional shares of stock of any class or other rights;
- (c) the Company proposes any capital reorganization or classification of its Shares or the merger, arrangement or amalgamation of the Company with another corporation, or the sale or transfer of (or undertaking to sell or transfer) all or substantially all of its assets to, one or more other Persons; or
- (d) there is a voluntary dissolution, liquidation or winding-up of the Company,

including for the avoidance of doubt, if the Company proposes to complete a Share Reorganization, Rights Offering, Special Distribution or Fundamental Change, the Company shall give to the Warrantholder at least fourteen (14) Business Days' prior written notice (the "**Notice**") of the date on which the books of the Company are to close or a record is to be taken for such dividend, distribution or subscription rights, or for determining rights to vote with respect to such reorganization, reclassification, consolidation, merger, amalgamation, arrangement, sale, dissolution, liquidation, winding-up, Share Reorganization, Rights Offering, Special Distribution or Fundamental Change and shall specify the particulars of such event and, if determinable, the required adjustment and the calculation of such adjustment. The Notice shall specify, in the case of any such dividend, distribution or subscription rights, the date on which holders of Shares will be entitled to exchange Shares for securities or other property deliverable upon any reorganization, reclassification, consolidation, merger, amalgamation, sale, dissolution, liquidation or winding-up, as the case may be, and other material information in respect of the applicable transaction as well as, if determinable, the required adjustment and the calculation of such adjustment. If the Notice has been provided and the adjustment is not then determinable, the Company shall promptly, after the adjustment is determinable, deliver to the Warrantholder a certificate providing the computation of the adjustment.

In case the Company after the date of issuance of this Warrant Certificate takes any action affecting the Shares, other than an action described in this Warrant Certificate, which in the opinion of the board of directors of the Company would materially affect the rights of the Warrantholder, the Exercise Price and the number of Shares issuable upon exercise of the Warrants will be adjusted in such manner, if any, and at such time, by action of the directors of the Company as they may determine to be equitable to the Warrantholder in such circumstances, acting reasonably and in good faith, but subject in all cases to any necessary regulatory approval and provided that no such action shall be taken unless and until the Warrantholder has been provided with notice of such proposed action and the consequences thereof.

As a condition precedent to the taking of any action which would require an adjustment pursuant hereto, including the Exercise Price and the number or class of Common Shares or other securities which are to be received upon the exercise thereof, the Company shall take any action which may, in the opinion of counsel to the Company, be necessary in order that the Company may validly and legally issue as fully paid and non-assessable shares, all of the Shares or other securities which the Warrantholder is entitled to receive in accordance with the provisions of this Warrant Certificate.

In the absence of a resolution of the directors fixing a record date, the Company shall be deemed to have fixed as the record date therefor the date of the issue of the securities issued.

General

The holding of this Warrant Certificate shall not constitute the Warrantholder a shareholder of the Company, and does not grant any voting rights as a shareholder of the Company.

The Company hereby covenants and agrees that: (a) all Shares issued pursuant to the valid exercise of Warrants shall be issued as fully-paid and non-assessable and at all times prior to the Expiry Time, it will reserve and there will remain unissued a sufficient number of Shares to satisfy the right of purchase provided for in this Warrant Certificate; and (b) it will use commercial best efforts to obtain the listing of such Shares (subject to issue or notice of issue) on each other stock exchange or over-the-counter market on which the Shares may be listed from time to time.

The Company hereby represents and warrants that this Warrant Certificate is a valid and enforceable obligation of the Company, enforceable in accordance with the provisions of this Warrant Certificate and the number of Shares to satisfy the right of purchase provided for in this Warrant Certificate have been conditionally approved for listing on the Toronto Stock Exchange, subject only to customary deliveries to be made by the Company to the Toronto Stock Exchange (which deliveries the Company covenants and agrees that it will at its expense expeditiously use its commercial best efforts to deliver).

Nothing contained herein confers any right upon the Warrantholder or any other person to subscribe for or purchase any Shares of the Company at any time subsequent to the Expiry Time and from and after such time, this Warrant and all rights hereunder shall be void, of no further force or effect and of no value.

The Warrants represented by this Warrant Certificate are transferrable, subject to applicable securities laws and delivery to the Company of an instrument in writing in the form attached as Schedule "B".

Any Shares issued pursuant to this Warrant prior to _____, 202[4] will bear a legend substantially in the following form:

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY SHALL NOT TRADE THE SECURITY BEFORE _____, 202[4].

If required by the rules and policies of the Toronto Stock Exchange (the "TSX"), an additional legend substantially in the following form:

WITHOUT PRIOR WRITTEN APPROVAL OF THE TSX AND COMPLIANCE WITH ALL APPLICABLE SECURITIES LEGISLATION, THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY NOT BE SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE TRADED ON OR THROUGH THE FACILITIES OF THE TSX OR OTHERWISE IN CANADA OR TO OR FOR THE BENEFIT OF A CANADIAN RESIDENT UNTIL _____, 202[4].

and, any additional legend determined by legal counsel to the Company to be required pursuant to United States securities laws.

This Warrant Certificate may be exchanged for Warrant Certificates in any other denomination representing in the aggregate the same number of underlying Shares provided, however, that no Warrant Certificates for fractional Shares shall be given. The Warrantholder may exercise this right by surrendering this Warrant Certificate, together with a written direction, to the Company at the address of the Company and the Company shall cause the new Warrant Certificates to be delivered to the Warrantholder at the address specified in such direction within ten days of said surrender as aforesaid.

In case this Warrant Certificate shall become mutilated or be lost, destroyed or stolen, the Company shall, issue and deliver a new Warrant Certificate of like date and tenor in exchange for and in place of the one mutilated, lost, destroyed or stolen and upon surrender and cancellation of such mutilated Warrant Certificate or in substitution for such lost, destroyed or stolen Warrant Certificate. The applicant for the issue of a new Warrant Certificate shall bear the cost of the issue thereof and in case of loss, destruction or theft shall, as a condition precedent to the issue thereof, furnish to the Company such evidence of ownership and of the loss, destruction or theft of the Warrant Certificate so lost, destroyed or stolen as shall be reasonably satisfactory to the Company and such applicant may be required to furnish an indemnity in amount and form satisfactory to the Company.

Time shall be of the essence hereof.

This Warrant Certificate shall be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein, and the Warrantholder attorns to the exclusive jurisdiction of the courts of the Province of British Columbia situated in Vancouver, British Columbia.

If any term or provision of this Warrant Certificate is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Warrant Certificate or invalidate or render unenforceable such term or provision in any other jurisdiction.

This Warrant Certificate shall enure to the benefit of the Warrantholder and its successors and be binding upon the Company and its successors including successors by way of amalgamation.

The Company shall notify the Warrantholder forthwith of any change of the Company's address. Any notice or other communication given hereunder shall be in writing and: if delivered by hand shall be deemed to have been validly and effectively given on the date of such delivery if such date is a Business Day and such delivery is received before 4:00 p.m. at the place of receipt; otherwise, it shall be deemed to be validly and effectively given on the Business Day next following the date of delivery. Any notice of communication which is transmitted by electronic mail as aforesaid, shall be deemed to have been validly and effectively given on the date of transmission if such date is a Business Day and such transmission was received before 4:00 p.m. at the place of receipt; otherwise it shall be deemed to have been validly and effectively given on the next Business Day following such date of transmission. "**Business Day**" means any day, other than a Saturday, Sunday or statutory holiday in Vancouver, British Columbia or a day on which banks are generally closed in such location.

IN WITNESS WHEREOF the Company has caused this Warrant Certificate to be signed by its duly authorized officer as of the ____ day of _____, 202[4].

CONIFEX TIMBER INC.

Per:

Authorized Signing Officer

SCHEDULE “A”

SUBSCRIPTION FORM

TO: CONIFEX TIMBER INC.
Suite 980, 700 West Georgia Street, PO Box 10070
Vancouver, B.C. V7Y 1B6

THE UNDERSIGNED Holder of the within Warrants hereby irrevocably subscribes for the number of common shares of **Conifex Timber Inc.**, set forth below, issuable pursuant to the within Warrants on the terms specified in the Warrant Certificate.

The undersigned hereby directs that the said common shares be issued as follows:

SHARE REGISTRATION NAME AND FULL ADDRESS	EMAIL ADDRESS FOR DRS DELIVERY OR ADDRESS FOR CERTIFICATE DELIVERY	NUMBER OF COMMON SHARES

Please note, all shares will be delivered electronically in DRS form unless a physical certificate is requested.

Dated this _____ day of _____, 20____.

Signature

Print Full Name

Address In Full

SCHEDULE “B”

TRANSFER FORM

TO: CONIFEX TIMBER INC. (THE “COMPANY”)
Suite 980, 700 West Georgia Street, PO Box 10070
Vancouver, B.C. V7Y 1B6

FOR VALUE RECEIVED, the undersigned (the “**Transferor**”) hereby sells, transfers and assigns to (name) _____ (the “**Transferee**”), _____ warrants of the Company registered in the name of the undersigned represented by this warrant certificate and does hereby irrevocably appoint the Company as its attorney with full power of substitution to transfer the said warrants on the appropriate register of the transfers for the said warrants.

DATED this ____ day of _____, 20__.

Signature of Registered Holder

Name of Registered Holder (Please Print)

(The following to be completed by the transferee)

Signature of Transferee

Date

Name of Transferee (Please Print)

Schedule D
TO
AMENDED AND RESTATED CREDIT AGREEMENT

CONDITIONS PRECEDENT

PART 1: CONDITIONS PRECEDENT TO INITIAL ADVANCE ON ACCOUNT OF THE LOAN

The obligation of Lender to make its initial Advance on the Original Closing Date is subject to the satisfaction of the conditions precedent provided for in Section 3.3 and each of the following conditions precedent (except as Lender may otherwise agree in writing):

1. Know Your Customer; Patriot Act. Lender shall have received at least 3 Business Days prior to the Original Closing Date (a) all documentation and information as is requested by Lender in connection with applicable “know your customer” and anti-money-laundering rules and regulations, (b) customary individual background searches for each Loan Party’s senior management and key principals, and (c) for each Loan Party that qualifies as a “legal entity customer” under 31 C.F.R. §1010.230, a certification in form and substance reasonably satisfactory to Lender regarding beneficial ownership as required by such regulation and in the case of (a), (b) and (c), which certification shall be complete and accurate in all respects, and the results of which are reasonably satisfactory to Lender.
2. Financial Statements. Lender shall have received at least 3 Business Days prior to the Original Closing Date: (a) audited financial statements of the Administrative Borrower with respect to the lumber segment for each of the three fiscal years immediately preceding the Original Closing Date, and (b) interim unaudited consolidated financial statements of the Administrative Borrower with respect to the lumber segment as of March 31, 2024 for the fiscal year to date since the last audited consolidated financial statements received by Lender.
3. Payment of Fees and Expenses. Lender shall have received payment of all fees due and payable by Borrowers on the Original Closing Date and reimbursement for all Lender Expenses incurred in connection with the transactions evidenced by any Loan Document invoiced or demanded on or before the Original Closing Date.
4. Legal Due Diligence. Lender and its counsel shall have completed all legal due diligence, the results of which shall be reasonably satisfactory to Lender including receipt and approval of all items set out in Schedule A to Lender’s term sheet executed by the Borrowers in connection with the Loan.
5. Good Standing Certificates. Lender shall have received a certificate of status with respect to each Loan Party, excluding any Non-Material Subsidiary, dated within 5 days of the Original Closing Date (or such earlier date as is acceptable to Lender), issued by the appropriate officer of the jurisdiction of organization of such Loan Party and each other jurisdiction where the failure to be duly qualified or licensed would constitute a Material Adverse Effect, in each case which certificate shall indicate that such Loan Party is in good standing in such jurisdiction.
6. Certificate of Directors’ Resolutions, Incumbency, Etc. Lender shall have received a certificate of an Authorized Person of a Borrower, in form and substance reasonably satisfactory to it, certifying (a) that attached copies of the Governing Documents of each Loan Party are true and complete, and in full force and effect, without amendment except as shown; (b) that an attached copy of resolutions authorizing execution, delivery and performance of the Loan Documents is true and

complete, and that such resolutions are in full force and effect, were duly adopted, have not been amended, modified or revoked, and constitute all resolutions adopted with respect to this Credit Facility; and (c) to the title, name and signature of each Person authorized to sign the Loan Documents.

7. Lien Searches. Excluding any Non-Material Subsidiary, Lender shall have received the results of a recent Lien search in each jurisdiction where each Loan Party is organized and to the extent requested by Lender, where the assets of such Loan Party are located, and such search shall reveal no Liens on any of the assets of a Loan Party except for Permitted Liens or Liens to be discharged on or prior to the Original Closing Date pursuant to a pay-off letter or other documentation reasonably satisfactory to Lender.
8. Pledged Equity Interests; Stock Powers; Pledged Notes. Excluding any Non-Material Subsidiary, Lender shall have received (a) the original certificates representing Equity Interests pledged pursuant to any Loan Document, together with an undated stock power for each such certificate executed in blank by a duly authorized officer of the pledgor thereof and (b) each original promissory note (if any) pledged to Lender pursuant to any Loan Document endorsed (without recourse) in blank (or accompanied by an executed transfer form in blank) by the pledgor thereof.
9. Perfected Security Interest. Lender shall have received evidence that appropriate financing statements have been duly filed in such office or offices, as may be necessary or, in the opinion of Lender, desirable to perfect the security interests to be created by the Loan Documents.
10. No Material Adverse Change or Material Adverse Effect. Excluding any Non-Material Subsidiary, no material adverse change in the business, operations, profits, assets or prospects of a Loan Party or Material Adverse Effect shall have occurred since March 31, 2024.
11. Loan Documents. Lender shall have received the following documents, in form and substance reasonably satisfactory to Lender, duly executed and delivered, and each such document shall be in full force and effect and each Loan Party shall be in compliance with the terms thereof:
 - (a) this Agreement,
 - (b) **[Redacted: dollar amount]** mortgage and assignment of rents registered in favour of Lender as a first charge over the Lands, except for the Bare Trust Lands,
 - (c) a general security agreement and floating charge from the Loan Parties,
 - (d) a general security agreement executed by the Loan Parties incorporated in the U.S. for registration in the applicable U.S. jurisdictions,
 - (e) a specific assignment of all timber licenses held by the Loan Parties,
 - (f) the Guarantee by each Guarantor,
 - (g) an assignment and postponement of claims from each Guarantor,
 - (h) a general assignment of all material contracts of the Loan Parties,
 - (i) an assignment of insurance,

- (j) environmental indemnity from the Loan Parties,
- (k) a pledge of all the issued and outstanding shares in the capital of each Guarantor (other than Non-Material Subsidiaries), together with the original share certificates and associated power of attorney to transfer evidencing the same,
- (l) negative pledge with respect the Loan Parties, and
- (m) opinion letters of counsel to Borrowers in respect of all Loan Parties other than the Non-Material Subsidiaries with respect to the Loan Documents and such other matters as Lender may reasonably request.

12. The Original Closing Date shall have occurred on or before June 12, 2024.

In addition, within 30 days after the Original Closing Date, the Borrower shall use reasonable commercial efforts to deliver to Lender:

(a) certificates of insurance policies and such other evidence of insurance coverage in form, scope and substance reasonably satisfactory to Lender, and all lender's loss payee and any other endorsements required under the Loan Documents, in form and substance reasonably satisfactory to Lender;

(b) a mortgagee waiver, landlord waiver, bailee letter, or acknowledgement agreement of any lessor, warehouseman, processor, consignee, or other Person in possession of, having a Lien upon, or having rights or interests in the location of the books and records, in each case, in form and substance reasonably satisfactory to Lender, duly authorized, executed and delivered by the parties thereto, with respect to each of the following locations:

[Redacted: Confidential Business Information.]	

(c) if required, the Control Agreements.

PART 2: POST CLOSING DATE CONDITIONS

In consideration of the monies advanced by the Lender to the Borrower, the Borrower has agreed to complete the following conditions on or before January 31, 2025 (except as Lender may otherwise agree in writing):

1. Payment of Fees and Expenses. Lender shall have received payment of all fees due and payable by Borrowers on the January 31, 2025 and reimbursement for all Lender Expenses incurred in connection with the transactions evidenced by any Loan Document invoiced or demanded on or before January 31, 2025.
2. Good Standing Certificates. Lender shall have received a certificate of status with respect to each Loan Party, excluding any Non-Material Subsidiary, dated within 5 days of January 31, 2025 (or such earlier date as is acceptable to Lender), issued by the appropriate officer of the jurisdiction of

organization of such Loan Party and each other jurisdiction where the failure to be duly qualified or licensed would constitute a Material Adverse Effect, in each case which certificate shall indicate that such Loan Party is in good standing in such jurisdiction.

3. Certificate of Directors' Resolutions, Incumbency, Etc. Lender shall have received a certificate of an Authorized Person of a Borrower, in form and substance reasonably satisfactory to it, certifying that attached copies of the Governing Documents of each Loan Party are true and complete, and in full force and effect, without amendment except as shown; (b) that an attached copy of resolutions authorizing execution, delivery and performance of the Loan Documents is true and complete, and that such resolutions are in full force and effect, were duly adopted, have not been amended, modified or revoked, and constitute all resolutions adopted with respect to this Credit Facility; and (c) to the title, name and signature of each Person authorized to sign the Loan Documents.

4. No Material Adverse Change or Material Adverse Effect. Excluding any Non-Material Subsidiary, no material adverse change in the business, operations, profits, assets or prospects of a Loan Party or Material Adverse Effect shall have occurred since March 31, 2024.

5. Loan Documents. Lender shall have received the following documents, in form and substance reasonably satisfactory to Lender, duly executed and delivered, and each such document shall be in full force and effect and each Loan Party shall be in compliance with the terms thereof:

(a) **[Redacted: Dollar amount]** mortgage and assignment of rents registered in favour of Lender as a first charge over the Lands, except for the Bare Trust Lands, and

(b) opinion letters of counsel to Borrowers in respect of all Loan Parties other than the Non-Material Subsidiaries with respect to the Loan Documents and such other matters as Lender may reasonably request.

6. **[Redacted: Commercially Sensitive Information.]**

Schedule E

PENDING LITIGATION

[Redacted: Confidential Business Information.]

Schedule F
ENVIRONMENTAL MATTERS

[Redacted: Confidential Business Information.]

Schedule G

COLLECTIVE BARGAINING AGREEMENTS

[Redacted: Confidential Business Information.]

Schedule H

SUBSIDIARIES

[Redacted: Confidential Business Information.]

[Redacted: Confidential Business Information.]

[Redacted: Confidential Business Information.]

Schedule I
TO
AMENDED AND RESTATED CREDIT AGREEMENT

Financial and Collateral Reporting

Administrative Borrower will deliver, or cause to be delivered, to Lender each of the following:

1. Annual Financial Statement. As soon as available, but in any event within 120 days after the end of each fiscal year of Administrative Borrower, with respect to the Timber Parties, audited consolidated and consolidating balance sheet, income statement, statement of cash flow and statement of equity of Administrative Borrower as of the end of and for such year, setting forth in each case in comparative form the figures for the previous fiscal year, and the accompanying notes thereto, all in reasonable detail, fairly presenting in all material respects the financial position and results of operations of Administrative Borrower, together with a management discussion and analysis of such financial statements.

2. Monthly Financial Statements. As soon as available, but in any event within 30 days after the end of each fiscal month of Administrative Borrower with respect to the Timber Parties, its consolidated and consolidating balance sheet, income statement, statement of cash flow and statement of equity as of the end of and for such fiscal month, all in reasonable detail, fairly presenting in all material respects the financial position and the results of the operations of Administrative Borrower as of the end of and through such fiscal month, setting forth in each case in comparative form the figures for the corresponding period or periods of (or, in the case of the balance sheet, as of the end of) the previous fiscal year, subject to normal year-end audit adjustments and the absence of footnotes.

3. Accountant's Certificate. Concurrently with the delivery of the financial statements referred to in Section 1 above, the unqualified opinion of independent certified public accountants with respect to the audited consolidated financial statements, which independent accounting firm will be selected by a Borrower and reasonably acceptable to Lender, that such audited consolidated financial statements have been prepared in accordance with GAAP, and present fairly in all material respects the results of operations and financial condition of Administrative Borrower as of the end of and for the fiscal year then ended and stating that in making the examination necessary therefor no knowledge was obtained of any Event of Default, or if any such Event of Default shall exist, stating the nature and status of such event.

4. Compliance Certificate. Within 30 days after the end of each fiscal quarter, a Compliance Certificate by or on behalf of a Borrower, along with a schedule (substantially in the form of Exhibit A attached hereto), as of the end of such month, the ratio of Obligations to the current value (market or book value) of the Collateral over which Lender maintains a first charge and timber accounts receivable and inventory over which Lender maintains at least a second charge.

5. Annual Projections. As soon as available, but in any event no later than the end of, and no earlier than 30 days prior to the end of, each fiscal year of Administrative Borrower, Projections on a monthly basis for each month of the upcoming fiscal year in form reasonably satisfactory to Lender.

6. Collateral Reports. Weekly, if the Obligations exceed the Maximum Credit (until such time as the Obligations are less than the Maximum Credit for a period of 60 consecutive days), and at any time requested by Lender if an Event of Default exists (until such time as such Event of Default shall not exist for a period of 60 consecutive days), a report setting out the value (market or book value) of the

Collateral over which Lender maintains a first Lien and the value of the timber accounts receivable and inventory over which Lender maintains at least a second Lien relative to the Maximum Credit setting out the calculation and basis of such valuation.

7. Additional Collateral Items. Promptly upon Lender's request:

- (a) [reserved];
- (b) copies of purchase orders, invoices, and shipping and delivery documents in connection with any equipment purchased by a Borrower; and
- (c) commencing upon such request, weekly or at such other times as may be requested by Lender, as soon as available but in any event within two days of the end of each calendar week and at such other times, as of the period then ended, each Borrower's sales journal, cash receipts journal (identifying trade and non-trade cash receipts) and debit memo/credit memo journal.

8. Management Letters, Etc. Promptly (but in any event within 10 Business Days after receipt by any Loan Party), copies of any detailed audit reports, management letters or recommendations submitted to the board of directors or equivalent governing body (or the audit committee of the board of directors or such equivalent governing body) of a Loan Party by independent accountants in connection with the accounts or books of each Loan Party, or any audit of any of them.

9. Insurance. As soon as possible after the annual renewal, replacement or modification by each Loan Party of its insurance (and in any event within 10 Business Days thereafter), a certificate by an Authorized Person of a Borrower attaching the insurance binder or other evidence of insurance for any insurance coverage of each Loan Party that was renewed, replaced or modified.

10. Additional Information.

(a) as soon as possible after the end of each calendar month (but in any event within 10 Business Days after the end thereof), on a monthly basis or more frequently as Lender may request, a certificate by an Authorized Person of a Borrower consisting of: (i) the addresses of all locations of each Loan Party acquired or opened since the date of the most recent certificate delivered to Lender containing the information required under this clause, and (ii) a report of any new deposit account or securities account established or used by each Loan Party with any bank or other financial institution and any existing deposit account or securities account currently established or used by each Loan Party with any bank or other financial institution that is at any time identified after the Original Closing Date and was not set forth in Schedule 5.10 or in the schedules to the General Security Agreement, including in each case, the account number, the name and address of the financial institution at which such account is maintained, the purpose of such account and, if any, the amount held in such account on or about the date of such report;

(b) as soon as possible after the end of each calendar quarter (but in any event within 10 Business Days after the end thereof), on a quarterly basis or more frequently as Lender may request a detailed list of the customers of each Loan Party with address and contact information (provided, that, in any event such list shall be provided to Lender annually at the same time as the delivery of the annual financial statements as set forth in Section 1 above);

(c) upon Lender's request, (i) summary reports on sales and use tax collections, deposits and payments, including monthly sales and use tax accruals, and (ii) true, correct and complete copies of all agreements, documents or instruments evidencing or otherwise related to Indebtedness that Lender has not otherwise received; and

(d) promptly following any request therefor, such other information regarding the operations, business affairs, financial condition and Collateral of a Loan Party or compliance with the terms of the Agreement.

Any documents, schedules, invoices or other papers delivered to Lender may be destroyed or otherwise disposed of by Lender one year after the same are delivered to Lender.

EXHIBIT A

[Redacted: Commercially Sensitive Information.]

Schedule J

DEPOSIT ACCOUNTS AND SECURITIES ACCOUNTS

[Redacted: Confidential Business Information.]

[Redacted: Confidential Business Information.]

[Redacted: Confidential Business Information.]

Schedule K

EXISTING INDEBTEDNESS

[Redacted: Confidential Business Information.]

[Redacted: Confidential Business Information.]

Schedule L
EXISTING LIENS

[Redacted: Confidential Business Information.]

Schedule M

EXISTING INVESTMENTS

[Redacted: Confidential Business Information.]