

BRIDGE FINANCING AGREEMENT

Dated as of June 10, 2019

WHEREAS the Borrowers (as defined below) have requested that the Bridge Lenders (as defined below) provide financing to the Borrowers during the pendency of the SISP (as defined below) and in accordance with the terms and conditions set out herein;

AND WHEREAS, the Bridge Lenders have agreed to provide financing in order to fund certain obligations of the Borrowers in order for the Borrowers to pursue and implement a Restructuring Transaction pursuant to and in accordance with the SISP;

NOW THEREFORE, the parties, in consideration of the foregoing and the mutual agreements contained herein (the receipt and sufficiency of which are hereby acknowledged), agree as follows:

1. **BORROWERS:** Stornoway Diamond Corporation ("**SWY**"), Stornoway Diamond (Canada) Inc. ("**SDCI**"), FCDC Sales and Marketing Inc., Ashton Mining of Canada Inc. (each a "**Borrower**" and collectively, the "**Borrowers**").

2. **LENDERS:** Each lender identified on the signature pages hereto (each an "**Bridge Lender**" and collectively, the "**Bridge Lenders**"), including certain funds and accounts for which a signatory hereto acts as investment manager or advisor.

Each party hereto acknowledges and agrees that the obligations of each Bridge Lender shall be several (and not joint and several). No Bridge Lender shall be responsible for the obligations of the other Bridge Lenders under this Bridge Financing Agreement, and the failure by a Bridge Lender to perform its obligations under this Bridge Financing Agreement (such defaulting party being a "**Defaulting Lender**") shall not affect the obligations of the other Bridge Lenders (such non-defaulting parties being collectively the "**Non-Defaulting Lenders**") hereunder, provided that, in the event of any such failure, (i) the Non-Defaulting Lenders shall have the right, at their option and sole discretion, to perform such Defaulting Lender's obligations (in which case all rights, including all interest and fees payable, shall accrue *pro rata* to the Non-Defaulting Lenders that perform such Defaulting Lender's obligations). The rights of the Non-Defaulting Lenders hereunder shall not prohibit or impair any remedies that the Borrowers may pursue against the Defaulting Lender.

3. **BRIDGE LENDERS' DECISIONS:** Any amendment, waiver, discharge or termination, by the Bridge Lenders, with respect to the Bridge Facility relating to the following matters, shall require the unanimous consent of the Bridge Lenders: (i) any change to what constitutes an Event of Default, (ii) the granting of any kind of waiver or forbearance regarding an Event of Default, (iii) any extension of the Maturity Date, (iv) any material change in the nature and scope of the Security Documents or the Bridge Lenders' security, except in accordance with the Common Terms and Intercreditor Agreement (v) any compromise of the interest and principal owing, (vi) the reduction or elimination of any rights of any Bridge Lender to exercise any rights or receive any information, and (vii) any consent relating to the filing by the Borrowers of Insolvency Proceedings. Other actions by the Bridge Lenders will require consent from the Required Bridge Lenders.

4. **CONFIRMATION OF GUARANTEES AND** Each of the Borrowers confirms that each Security Document (including any guarantee agreement) granted by it in favour of any Bridge Lender or Computershare Trust Company of Canada as collateral agent, security

SECURITY:

trustee, hypothecary representative or fondé de pouvoir on behalf of any Bridge Lender, as applicable, will not be affected or reduced by this Bridge Financing Agreement, will guarantee and secure the Bridge Financing Obligations, and will continue to guarantee and secure the obligations expressed to be guaranteed and secured under the Security Documents, as said obligations may be amended, restated or otherwise modified from time to time, including, without limitation, pursuant to the present Bridge Financing Agreement.

5. **DEFINED TERMS:**

Unless otherwise defined herein, capitalized words and phrases used in this Bridge Financing Agreement have the meanings given thereto in **Schedule "A"**.

6. **BRIDGE FACILITY;
DRAWDOWNS:**

A senior secured credit facility (the "**Bridge Facility**") that is non-revolving (except in respect of the portion of the Bridge Facility consisting of the 11.7 Revolving Advance (as defined below), in the amounts set forth below (as such amount may be reduced from time to time pursuant to the terms hereof, the "**Facility Amount**"), subject to the terms and conditions contained herein.

The Bridge Facility shall be utilized by the Borrowers for the purpose of allowing the Borrowers to advance and implement a Restructuring Transaction, and, more specifically, in order to fund those expenses contemplated in the Budget, subject to Permitted Variances.

- Diaquem Inc. ("**Diaquem**") shall advance to the Borrowers:

- \$11,784,243.69 (representing the amount standing in the Senior Loan Reserve Account, which amount will be applied in full to repay the Senior Loan Obligations on June 10, 2019, of which an amount of \$8,500,000 is to be made available by Diaquem on June 10, 2019), and the balance of which is to be made available as required in accordance with the Budget, until the Maturity Date; all amounts advanced hereunder may be repaid and re-advanced, up to a maximum of \$11,700,000 and in accordance with the Budget, until the Maturity Date (the "**\$11.7M Revolving Advance**");

- \$926,028.77 to be made available on June 10, 2019 (representing the royalty payment due to Diaquem on May 31, 2019 pursuant to the Diaquem Royalty Agreement) and, thereafter, within five (5) business days following each royalty payment made by the applicable Borrower as required pursuant to the Diaquem Royalty Agreement, an amount equal to the lesser of (i) each royalty payment then paid under the Diaquem Royalty Agreement, and (ii) the sum of (A) the aggregate amount then required by the Borrowers in accordance with the Budget and (B) the aggregate amount then outstanding under the \$11.7M Revolving Advance (after application of any payment made to reduce the \$11.7M Revolving Advance in accordance with the Budget), provided that, to the extent any such advance made is not equal to the royalty payment then made by the Borrowers as calculated herein, then the amount by which such royalty payment exceeds the corresponding amount advanced by Diaquem hereunder will remain available to the Borrowers, as required in accordance with the Budget, until the Maturity Date;

- within five (5) business days following each interest payment made by the applicable Borrower as required pursuant to the Senior Loan

Agreement, an amount equal to the lesser of (i) each interest payment then paid under the Senior Loan Agreement, and (ii) the sum of (A) the aggregate amount then required by the Borrowers in accordance with the Budget and (B) the aggregate amount then outstanding under the \$11.7M Revolving Advance (after application of any payment made to reduce the \$11.7M Revolving Advance in accordance with the Budget), provided that, to the extent any such advance made is not equal to the interest payment then made by the applicable Borrower as calculated herein, then the amount by which such interest payment exceeds the corresponding amount advanced by Diaquem hereunder will remain available to the Borrowers, as required in accordance with the Budget, until the Maturity Date;

- The Buyers, in proportion of their respective commitments under the Stream Agreement, shall advance to the Borrowers, within five (5) business days following each payment of "Stream Net Proceeds" made by the applicable Borrower, an amount equal to the lesser of: (i) the amount of such "Stream Net Proceeds" paid by the applicable Borrowers pursuant to the Stream Agreement and (ii) the sum of (A) the aggregate amount then required by the Borrowers in accordance with the Budget and (B) the aggregate amount then outstanding under the \$11.7M Revolving Advance (after application of any payment made to reduce the \$11.7M Revolving Advance in accordance with the Budget), provided that, to the extent any such advance made is not equal to the payment of "Stream Net Proceeds" then made by the applicable Borrower as calculated herein, then the amount by which the payment of "Stream Net Proceeds" exceeds the corresponding amount advanced by the Buyers hereunder will remain available to the Borrowers, as required in accordance with the Budget, until the Maturity Date.

The Facility Amount shall be partially advanced to the Borrowers based on the above schedule subject to the receipt of a Draw Certificate in the form of Schedule "B" (a "**Draw Certificate**"), which shall be delivered by the Borrowers to the Bridge Lenders (as well as the Bridge Lenders' financial and legal advisors) at least 3 business days prior to the contemplated release date.

Each Draw Certificate shall certify, among other things (i) that all representations and warranties of the Borrowers contained in this Bridge Financing Agreement remain true and correct in all material respects both before and after giving effect to the use of such proceeds, (ii) that all of the covenants of the Borrowers contained in this Bridge Financing Agreement and all other terms and conditions contained in this Bridge Financing Agreement to be complied with by the Borrowers, not properly waived in writing by the Bridge Lenders, have been fully complied with, (iii) that no Default or Event of Default has occurred which is continuing or would result therefrom and (iv) that proceeds of such advance will be used in accordance with the Budget (subject to Permitted Variances) and the other terms of this Bridge Financing Agreement.

Each Draw Certificate shall be deemed to be acceptable and the draw requested thereby shall be honoured unless the Bridge Lenders have issued to the Borrowers written notice advising them of the occurrence of a Default

or an Event of Default or an event or circumstance which if not remedied would constitute a Default or Event of Default.

7. **PURPOSE AND PERMITTED PAYMENTS:**

The Borrowers shall use the Facility Amount solely for the purpose of allowing the Borrowers to advance and implement the SISP and a Restructuring Transaction. More specifically, the Facility Amount and each amount advanced shall be used as follows, in the following order, in accordance with the Budget (subject to Permitted Variances):

- (a) First, to pay the reasonable and documented legal and financial advisory fees and expenses of (i) the Borrowers and (ii) the Bridge Lenders pursuant to the terms hereof, it being acknowledged by the Borrowers and the Bridge Lenders that those fees and expenses incurred to the date hereof and those provided for in the Budget as of the date hereof are reasonable;
- (b) Second, to pay the interest, fees and other amounts owing to the Bridge Lenders under this Bridge Financing Agreement; and
- (c) Third, to fund, in accordance with the Budget (subject to Permitted Variances), the Borrowers' funding requirements during the SISP in pursuit of a Restructuring Transaction, including the working capital, operating expenses and other general corporate funding requirements of the Borrowers during such period.

For greater certainty, the Borrowers may not use any of the Facility Amount to pay any obligations of the Borrowers not specifically included in the Budget (subject to Permitted Variances), or unless otherwise approved in writing by the Bridge Lenders in accordance with the terms set forth herein. In particular, the Bridge Facility may not be used in connection with any investigation (including discovery proceedings), initiation or prosecution of any claims, causes of action, adversarial proceedings of any kind (including in the context of Insolvency Proceedings) or other litigation against the Bridge Lenders or its affiliates.

8. **CONDITIONS PRECEDENT TO FUNDING ANY PORTION OF FACILITY AMOUNT:**

The Bridge Lenders' agreement to make the Facility Amount available to the Borrowers and the release of any funds to the Borrowers pursuant to a Draw Certificate as contemplated herein is subject to the satisfaction of the following conditions precedent (collectively, the "**Funding Conditions**"):

- (a) The Borrowers and the Bridge Lenders, shall have executed and delivered, as applicable, this Bridge Financing Agreement, an amendment to the Common Terms and Intercreditor Agreement and such other Credit Documents as the Bridge Lenders reasonably believe to be required to give full effect to the intent hereof;
- (b) The Borrowers shall have executed and delivered, to the Bridge Lenders' full satisfaction, such agreements providing for the waiver, suspension, forbearance and/or deferral of all amounts until December 31, 2019 which may be owing by the Borrowers to (i) the convertible bondholders and (ii) the Fonds de Solidarité du Québec (FTQ) (the "**Fonds**") and other lenders under the May 3, 2012 loan agreement of SWY as borrower (as amended), provided that this condition in (ii) shall not be a Funding Condition if on the date of the initial advance requested in Section 6 said waiver is not then available, subject to obtaining a comfort letter by the Fonds, by no later than such date, to the effect that the Fonds is in the process of

obtaining approval for such waiver, which is intended to be received by no later than June 20, 2019;

- (c) The Bridge Lenders shall be satisfied that (i) the Borrowers are in compliance with all Applicable Law, in relation with their businesses, (ii) the entering into of this Bridge Financing Agreement, the granting of the Bridge Lenders Security, the consummation of the transactions contemplated hereby and the performance hereof shall not violate any Applicable Law, (iii) the Security Documents satisfactorily securing the Bridge Financing Obligations, and (iv) each of the Borrowers has obtained all such corporate authorizations and Authorizations as may be required under Applicable Law to permit the entering into by the Borrowers of this Bridge Financing Agreement, any Bridge Lenders' Security, the amendment and confirmation of the applicable Security Documents to secure the Bridge Financing Obligations, the granting of any Bridge Lenders Security, the consummation of the transactions contemplated hereby and the performance by the Borrowers of their obligations hereunder;
- (d) There shall be no Liens ranking in priority to the Security Documents or any Bridge Lenders Security over the Collateral other than the Permitted Priority Liens, subject to the terms of the Common Terms and Intercreditor Agreement;
- (e) All reasonable and documented out-of-pocket expenses of the Bridge Lenders (including all reasonable and documented legal, financial advisory and other out-of-pocket professional fees and expenses on a full indemnity basis) incurred in connection with the Bridge Facility shall have been paid in full through deduction from the advance of the Facility Amount, provided that all such expenses that are included in the Budget shall be deemed and are agreed to be reasonable.
- (f) A structuring fee equal to \$500,000, which amount shall be capitalized and added to the principal amount of the Bridge Financing Obligations, upon execution of this Bridge Financing Agreement and the initial draw therefrom being made available to the Borrowers. The structuring fee shall be allocated pro rata amongst the Bridge Lenders on the basis of the total amounts advanced (or to be advanced) hereunder by each of them.
- (g) The Borrowers shall be in full compliance with the terms and conditions set forth in this Bridge Financing Agreement, including those related to the Borrowers' affirmative and negative covenants set forth hereunder (including their obligation to strictly comply with the Budget (subject to Permitted Variances), and no Default or Event of Default shall have occurred, which is continuing or would result from a draw of any portion of the Facility Amount;

For greater certainty, (i) the Bridge Lenders shall not be obligated to advance or otherwise make available any funds pursuant to this Bridge Financing Agreement unless and until all of the Funding Conditions have been satisfied and all of the foregoing documentation and confirmations have been obtained, each in form and substance satisfactory to the Bridge Lenders, provided further that the Bridge Lenders may, in their sole discretion, waive satisfaction of any one or more of such conditions precedent, and (ii) no Bridge Lender shall be obligated to fund its portion of the Facility Amount

unless one or more of the other Bridge Lenders fund the balance thereof.

9. COSTS AND EXPENSES

The Borrowers shall reimburse the Bridge Lenders (in their various capacities), for all reasonable and documented out-of-pocket expenses (including reasonable and documented legal, financial advisory and professional fees and expenses on a full indemnity basis) incurred (collectively, the “**Bridge Lender Expenses**”), including in connection with the Bridge Facility and this Bridge Financing Agreement (including on-going monitoring and administration and the enforcement of the Security Documents, any Bridge Lenders Security and any other security for the Bridge Financing Obligations).

The Bridge Lender Expenses shall form part of the Bridge Financing Obligations secured by the Bridge Lenders Security, and shall be paid in accordance with the terms set forth in this Bridge Financing Agreement.

10. BRIDGE FACILITY SECURITY:

All Bridge Financing Obligations (including, without limitation, the Bridge Lender Expenses) shall be secured by the Bridge Lenders Security.

The Bridge Lenders may, in their sole discretion, require the execution, filing or recording of any mortgages, security agreements, pledge agreements, control agreements, financing statements or other documents or instruments, or the taking of any possession or control of any Collateral in order to obtain a Lien on such Collateral, subject to the terms of the Common Terms and Intercreditor Agreement.

11. INTER-COMPANY ADVANCES:

Subject to the Budget (and any Permitted Variances), each of the Borrowers shall be permitted to make inter-company advances to any other Borrower in accordance with the Budget (subject to any Permitted Variances) and provided that the Borrowers shall keep accurate records of all such inter-company advances.

12. REPAYMENT:

The Bridge Facility and the Bridge Financing Obligations (including the interest accrued thereon) shall be due and repayable in full on the earlier of: (i) upon the occurrence of any Event of Default which is continuing and has not been cured or waived; (ii) the completion of a Restructuring Transaction; (iii) the filing by or against (as applicable) any of the Borrowers of proceedings under the Companies’ Creditors Arrangement Act (“**CCAA**”), the *Bankruptcy and Insolvency Act* (the “**BIA**”) or under any other applicable corporate act in respect of any Borrower (collectively, the “**Insolvency Proceedings**”), (iv) the sale of all or substantially all of the Collateral; and (v) September 16, 2019 (the date of the earliest to occur of items (i) through (v) being referred to herein as the “**Maturity Date**”). Subject to Section 25, the Maturity Date may be extended from time to time at the request of the Borrowers and with the unanimous prior written consent of the Bridge Lenders for periods not exceeding 30 days and on such terms and conditions as the Bridge Lenders may agree in their sole discretion and subject to the payment of a fee equal to 0.25% of the Facility Amount in respect of each such extension.

Without the consent of the Bridge Lenders in their sole discretion, no Insolvency Proceedings and no court order sanctioning any Plan in the context of any Insolvency Proceedings shall disclaim, suspend, compromise or otherwise affect in any way adverse to the Bridge Lenders or the Bridge Financing Obligations, or any other obligations of the Borrowers under any contracts or agreements with any of the Bridge Lenders, including, without

limitation, the Senior Loan Agreement, the Diaquem Royalty Agreement, the Stream Agreement and the Finance Documents.

13. **BUDGET AND
VARIANCE REPORTING:**

Attached hereto at Schedule "C" is a copy of the agreed Budget (excluding the supporting documentation provided to the Bridge Lenders in connection therewith) as in effect on the date hereof (the "**Initial Budget**"), which the Bridge Lenders acknowledge and agree has been reviewed and approved by them, and is in form and substance satisfactory to the Bridge Lenders. Such Initial Budget shall be the Budget referenced in this Bridge Financing Agreement until such time as a revised Budget has been approved by the Bridge Lenders in accordance with this Section 13.

The Borrowers may update and propose a revised Budget to the Bridge Lenders no more frequently than every two (2) weeks (unless otherwise consented to by the Bridge Lenders), in each case to be delivered to the Bridge Lenders and their legal and financial advisors by no earlier than the Friday of the second week following the date of the delivery of the prior Budget. If the Bridge Lenders, in their sole discretion, determine that the proposed revised Budget is not acceptable, they shall, within two (2) Business Days of receipt thereof, provide written notice to the Borrowers stating that the proposed revised Budget is not acceptable and setting out the reasons why such revised Budget is not acceptable, and until the Borrowers have delivered a revised Budget acceptable to the Bridge Lenders in their sole discretion, the prior Budget shall remain in effect. In the event that the Bridge Lenders do not deliver to the Borrowers written notice within two (2) Business Days after receipt by the Bridge Lenders of a proposed revised Budget that such proposed revised Budget is not acceptable to them, such proposed revised Budget shall automatically and without further action be deemed to have been accepted by the Bridge Lenders and become the Budget for the purposes hereof.

At any time, the latest Budget accepted by the Bridge Lenders shall be the Budget for the purpose of this Bridge Financing Agreement.

The Parties agree that, at all relevant times, the Budget shall provide for the payment when due of the following: i) any and all interest payments under the Senior Loan Agreement and all funding obligations in respect of the Senior Loan Reserve Account (as defined in the Senior Loan Agreement) in accordance with the Common Terms and Intercreditor Agreement, ii) any and all payment obligations, including "Stream Net Proceeds" under the Stream Agreement and iii) any and all payment obligations including royalty payments under the Diaquem Royalty Agreement provided, however that all of the above mentioned payments shall be subsequently advanced to the Borrowers by the applicable Bridge Lenders by wire transfer or direction of payment as determined by the Bridge Lenders. The Parties also agree that no other funded debt obligations or royalty payments shall be made except as specifically provided in the Budget.

On the last Business Day of every week, the Borrowers and their financial advisor shall deliver to the Bridge Lenders and their legal and financial advisors a variance calculation (the "**Variance Report**") setting forth actual receipts and disbursements for the preceding week (each a "**Testing Period**") and on a cumulative basis as against the then-current Budget, and setting forth all the variances, on a line-item and aggregate basis in comparison to the amounts set forth in respect thereof for such Testing Period in the Budget; each such Variance Report to be promptly discussed with the Bridge Lenders and their legal and financial advisors. Each

Variance Report shall include reasonably detailed explanations for any material variances during the relevant Testing Period.

14. **EVIDENCE OF INDEBTEDNESS:**

The Bridge Lenders' accounts and records constitute, in the absence of manifest error, *prima facie* evidence of the indebtedness of the Borrowers to the Bridge Lenders pursuant to the Bridge Facility.

15. **PREPAYMENTS:**

Provided that the Borrowers have sufficient cash reserves to satisfy amounts secured by the Permitted Priority Liens, the Borrowers may prepay any amounts outstanding under the Bridge Facility at any time prior to the Maturity Date. Other than as provided by the \$11.7M Revolving Advance, any amount repaid may not be reborrowed and any such prepayments shall be applied on a pro rata basis amongst the Bridge Lenders on the basis of the amounts advanced hereunder by each of them.

16. **INTEREST RATE:**

Interest shall be payable on the aggregate outstanding amount of the Facility Amount that has been funded from the date of the funding thereof at a rate equal to 8.25% *per annum*, compounded monthly and payable monthly, in arrears, in cash on the last Business Day of each month. Upon the occurrence and during the continuation of an Event of Default, at the election of the Bridge Lenders, all overdue amounts shall bear interest at the applicable interest rate plus 2% *per annum* payable on demand, in arrears, in cash. All interest shall be computed on the basis of a 365-day year provided that, whenever any interest is calculated on the basis of a period of time other than a calendar year, the annual rate of interest to which each rate of interest determined pursuant to such calculation is equivalent for the purposes of the *Interest Act* (Canada) is such rate as so determined multiplied by the actual number of days in the calendar year in which the same is to be ascertained and divided by the number of days used in the basis for such determination.

The parties shall comply with the following provisions to ensure that the receipt by the Bridge Lenders of any payments under this Bridge Financing Agreement does not result in a breach of section 347 of the *Criminal Code* (Canada):

- (a) If any provision of this Bridge Financing Agreement would obligate the Borrowers to make any payment to the Bridge Lenders of an amount that constitutes "interest", as such term is defined in the *Criminal Code* (Canada) and referred to in this section as "**Criminal Code Interest**", during any one-year period after the date of the funding of the Facility Amount in an amount or calculated at a rate which would result in the receipt by the Bridge Lenders of Criminal Code Interest at a criminal rate (as defined in the *Criminal Code* (Canada) and referred to in this section as a "**Criminal Rate**"), then, notwithstanding such provision, that amount or rate during such one-year period shall be deemed to have been adjusted with retroactive effect to the maximum amount or rate of interest, as the case may be, as would not result in the receipt by the Bridge Lenders during such one-year period of Criminal Code Interest at a Criminal Rate, and the adjustment shall be effected, to the extent necessary, as follows:
 - (i) *first*, by reducing the amount or rate of interest required to be paid to the Bridge Lenders during such one-year period; and
 - (ii) *thereafter*, by reducing any other amounts (other than costs and expenses) (if any) required to be paid to the Bridge

Lenders during such one-year period which would constitute Criminal Code Interest.

- (b) Any amount or rate of Criminal Code Interest referred to in this section shall be calculated and determined in accordance with generally accepted actuarial practices and principles as an effective annual rate of interest over the term that any portion of the Bridge Facility remains outstanding on the assumption that any costs, fees or expenses that constitute Criminal Code Interest shall be *pro-rated* over the period commencing on the date of the advance of the Facility Amount and ending on the relevant Maturity Date (as may be extended by the Bridge Lenders from time to time under this Bridge Financing Agreement) and, in the event of a dispute, a certificate of a Fellow of the Canadian Institute of Actuaries appointed by the Bridge Lenders shall be conclusive for the purposes of such calculation and determination.

17. CURRENCY:

Unless otherwise stated, all monetary denominations shall be in lawful currency of Canada and all payments made by the Borrowers to the Bridge Lenders under this Bridge Financing Agreement shall be in Canadian dollars. The Borrowers shall be permitted to convert amounts drawn under the Bridge Facility from Canadian dollars to U.S. dollars to the extent required by the Borrowers to fund expenditures to be made in U.S. dollars, provided that such expenditures are consistent with the Budget (subject to Permitted Variances). For greater certainty, the foregoing conversion right shall not alter the obligation of the Borrowers to make all payments to the Bridge Lenders in Canadian dollars. If any payment is received by the Bridge Lenders hereunder in a currency other than Canadian dollars, or, if for the purposes of obtaining judgment in any court it is necessary to convert a sum due hereunder in any currency (the "**Original Currency**") into another currency (the "**Other Currency**"), the parties hereby agree, to the fullest extent permitted by Applicable Law, that the rate of exchange used shall be the rate at which the particular Bridge Lender is able to purchase the Original Currency with the Other Currency after any premium and costs of exchange on the Business Day preceding that on which such payment is made or final judgment is given.

18. MANDATORY REPAYMENTS:

The Borrowers will make such repayments of the \$11.7M Revolving Advance from time to time from available cash in accordance with the Budget. Unless provided for in the Budget, the Bridge Facility shall be promptly repaid and the Facility Amount shall be permanently reduced by the amount of the Net Proceeds arising from a sale, realization or disposition of or with respect to any Collateral outside the ordinary course of business (including obsolete, excess or worn out Collateral), including any sale or disposition outside the ordinary course of business of inventory, other working capital assets, equipment, machinery and other operating or fixed assets and realizations of accounts receivable, in an amount equal to the net cash proceeds of such sale, realization or disposition (for greater certainty, net of transaction fees and applicable taxes in respect thereof). Other than as provided by the \$11.7M Revolving Advance, any amount repaid may not be reborrowed and any such prepayments shall be applied on a pro rata basis amongst the Bridge Lenders on the basis of the amounts advanced hereunder by each of them.

19. REPRESENTATIONS, WARRANTIES AND ACKNOWLEDGEMENT:

Each of the Borrowers represents and warrants to the Bridge Lenders, on a joint and several basis, upon which the Bridge Lenders are relying in entering into this Bridge Financing Agreement and the other Credit Documents, that:

- (a) The transactions contemplated by this Bridge Financing Agreement and the other Credit Documents:
 - (i) are within the corporate powers of such Borrower;
 - (ii) have been duly executed and delivered by or on behalf of such Borrower;
 - (iii) constitute legal, valid and binding obligations of the Borrowers, enforceable against the Borrowers in accordance with their terms;
 - (iv) do not require any material authorization from, the consent or approval of, registration or filing with, or any other action by, any Governmental Authority; and
 - (v) will not violate the charter documents, articles, by-laws or other constating documents of such Borrower or any Applicable Law to which such Borrower is subject;
- (b) The business operations of the Borrowers have been and will continue to be conducted in material compliance with Applicable Law;
- (c) Each Borrower has obtained, and is not in violation of, all material Authorizations required for the operation of its business, and such Authorizations remain in full force and effect in all material respects;
- (d) Except as set forth on Schedule "D", each Borrower has, in respect of all prior fiscal periods (i) filed all tax returns, except in respect of any prior fiscal period for which the due date for filing the applicable tax return has not yet occurred and (ii) paid all Taxes owing for all prior fiscal periods except for (A) any Taxes that are not yet due and payable, and (B) any Taxes which are the subject of a Permitted Contest.
- (e) The Borrowers own all of their assets;
- (f) Each Borrower is a duly incorporated or amalgamated and validly existing corporation or a duly organized and validly existing partnership, as the case may be, in accordance with the laws of its jurisdiction of incorporation, amalgamation or formation, as applicable;
- (g) Each Borrower maintains and has paid any and all fees in connection with insurance on its property and assets and in respect of third party liability claims under such policies of insurance, with such insurance companies, in such reasonable amounts and covering such insurable risks as is customary with companies carrying on the same or similar businesses and operating in the same and similar locations and acting in a prudent manner, including all-risk property insurance, comprehensive general liability insurance, business interruption insurance, fire insurance, workers' compensation insurance, casualty insurance and, where it deems it appropriate, flood insurance, in amounts with deductibles or retentions, and against such risks as would be maintained by a prudent owner carrying on a similar business in similar locations;

- (h) Each Borrower has maintained and paid all its obligations for payroll and source deductions and all Taxes, except for any such amounts which are nominal or those which are the subject of a Permitted Contest, and there are no outstanding arrears in respect of any of its other statutory obligations except for any such amounts which are relating to vacation or paid time off accruals and are nominal or those which are the subject of a Permitted Contest;
- (i) Except as set forth on Schedule "D", the Borrowers are not aware of any introduction, amendment, repeal or replacement of any law or regulation being made or proposed which could reasonably be expected to have a Material Adverse Effect on the Borrowers or their respective businesses;
- (j) Except as set forth on Schedule "D", the Borrowers have not entered into any material transaction or other written contractual relationship with any Related Party except as disclosed to the Bridge Lenders in writing prior to the effective date of this Bridge Financing Agreement as contemplated by this Bridge Financing Agreement or as disclosed by SWY in its public disclosure documents, other than currently existing employment arrangements;
- (k) Except as set forth on Schedule "D" there are no contractual provision that would entitle any officer or director of any Borrower to claim additional compensation, bonus or severance;
- (l) Except as set forth on Schedule "D", since January 1, 2019, there have been no extensions, supplements or amendments to the employment agreements of any senior officers or senior managers of the Borrowers earning \$250,000 (or its equivalent in an alternative currency) or more *per annum*, including all bonuses and other cash compensation, and there are no other written employment agreements for any such senior officers or senior managers;
- (m) All payments to shareholders, directors and senior executives of the Borrowers or any Related Party, whether under contract or otherwise, including bonus payments, transaction payments, change of control payments, management fees, consulting or advisory fees or amounts payable in respect of reimbursement, in each case occurring between December 31, 2018 and the date of this Bridge Financing Agreement have been disclosed to the Bridge Lenders in writing and, to the extent known and contemplated for future payments, have been included and specified in the Budget and will not be modified without first receiving written consent from the Bridge Lenders (separately listing each component of emolument to be paid to each individual);
- (n) Other than the claims, litigation, action, suit and other proceedings, if any set forth on Schedule "D", there are no actions, suits, counterclaims or proceedings (including any matter related to Taxes) by any Person or investigation by any Governmental Authority pending against or, to the knowledge of any Borrower, threatened against or affecting any Borrower;
- (o) No Default or Event of Default has occurred and is continuing;

- (p) The Borrowers agree and acknowledge that:
- the Stream Agreement has been validly entered into and is fully enforceable against the Borrowers in accordance with the terms thereunder, including the “*Settlement Amount*” (as defined in the Stream Agreement) to the extent same is payable to the Buyers in the circumstances set forth in the definition of “*Stream Secured Claims Amount*” in the SISP or in the circumstances set forth in the Stream Agreement;
 - the Senior Loan Agreement has been validly entered into and is fully enforceable against the Borrowers party thereto in accordance with the terms thereunder;
 - the Diaquem Royalty Agreement has been validly entered into and is fully enforceable against the Borrowers party thereto in accordance with the terms thereunder;

 - the Bridge Lenders Security and any other security interests granted for the benefit of each of the Bridge Lenders are valid, fully enforceable and effective against third parties;
 - each of the Borrowers hereby irrevocably waive and renounce to any defense, opposition, contestation or claim for set off in relation to the above, including in the context of any eventual Insolvency Proceedings, and none of the Borrowers’ respective obligations under the aforementioned agreements shall be compromised or otherwise affected in any manner whatsoever by the filing of such Insolvency Proceedings, without the consent of the Bridge Lenders.

20. AFFIRMATIVE COVENANTS:

Each Borrower agrees to do, or cause to be done, the following:

- (a) (i) Allow representatives or advisors of the Bridge Lenders reasonable access during regular business hours to the books, records, financial information and electronic data rooms of or maintained by the Borrowers, and (ii) cause management, the financial advisor and/or legal counsel of each Borrower, to cooperate with reasonable requests for information by the Bridge Lenders and their legal and financial advisors, in each case subject to solicitor-client privilege, all court orders and applicable privacy laws, in connection with matters reasonably related to the Bridge Facility or their obligations pursuant to this Bridge Financing Agreement;
- (b) Keep the Bridge Lenders apprised on a timely basis of all material developments with respect to the business and affairs of the Borrowers, including all matters relating to the SISP;
- (c) Deliver to the Bridge Lenders the reporting and other information from time to time reasonably requested by them and as set out in this Bridge Financing Agreement including, without limitation, the Variance Reports at the times set out herein;
- (d) Use the proceeds of the Bridge Facility only to cover expenses set out in this Bridge Financing Agreement or in the Budget (subject to any Permitted Variances);
- (e) Preserve, renew and keep in full force its corporate existence;

- (f) Conduct its business and manage its expenditures in a manner consistent with the Budget (subject to Permitted Variances);
- (g) Promptly notify the Bridge Lenders of the occurrence of any Default or Event of Default or any event or circumstance that would reasonably be expected to cause the Borrowers to be unable to remain in compliance with the Budget (subject to Permitted Variances), including any material change in its contractual arrangements or relationships with third parties;
- (h) Comply with Applicable Law;
- (i) Promptly provide notice to the Bridge Lenders and their counsel, and keep them otherwise apprised, of any developments which could reasonably be expected to result in a Material Adverse Effect, and of any material notices, orders, decisions, letters, or other documents, materials, information or correspondence received from any Governmental Authority having jurisdiction over the Borrowers;
- (j) Provide the Bridge Lenders with draft copies of all material letters, submissions, notices, or other materials or correspondence that any of the Borrowers intend to file with or submit to any Governmental Authority having jurisdiction over the Borrowers relating to any Material Contract, at least three (3) Business Days prior to such submission or filing or, where it is not practically possible to do so within such time, as soon as reasonably practicable;
- (k) Provide the Bridge Lenders and their legal and financial advisors from time to time with such information regarding the progress of the SISP as provided for therein;
- (l) At the request of the Bridge Lenders, execute and deliver, or cause each Borrower (as applicable), to execute and deliver, loan and collateral security documentation (including any amendments to or confirmation of the applicable Security Documents and any guarantees in respect of the Bridge Financing Obligations) including, without limitation, such security agreements, financing statements, opinions or other documents and information, in form and substance satisfactory to the Bridge Lenders and their counsel;
- (m) Complete all necessary Lien and other searches against the Borrowers, together with all registrations, filings and recordings wherever the Bridge Lenders acting reasonably, deem appropriate, to satisfy the Bridge Lenders that there are no Liens affecting the Collateral except Permitted Liens;
- (n) At all times maintain insurance on its property and assets and in respect of third-party liability claims under such policies of insurance, with such insurance companies, in such reasonable amounts and covering such insurable risks as is customary with companies carrying on the same or similar businesses and operating in the same and similar locations and acting in a prudent manner. Loss payable under such policies, in respect of any loss of or physical damage to any Collateral, subject to the rights of any holders of Permitted Priority Liens, is to be made payable to the Bridge Lenders, as their interests may appear, pursuant to a standard non contributory "mortgagee", "lender" or "secured party" clause and,

subject always to the provisions of the Restructuring Orders, such policies shall otherwise contain such other provisions as the Bridge Lenders may reasonably require to fully protect the interest of the Bridge Lenders in the Collateral and to any payments to be made under such policies in respect thereof;

- (o) Pay all Bridge Lender Expenses no less frequently than every two weeks as per the Budget;
- (p) Promptly upon becoming aware thereof, provide details of the following to the Bridge Lenders:
 - (i) any pending, or threatened claims, potential claims, litigation, actions, suits, arbitrations, other proceedings or notices received in respect of same, against any Borrower, by or before any court, tribunal, Governmental Authority or regulatory body, which, if determined adversely, would reasonably be expected to result, individually or in the aggregate, in a judgment in excess of \$100,000, and
 - (ii) any existing (or threatened in writing) default or dispute which could reasonably be expected to result in a Material Adverse Effect;
- (q) Strictly comply with the terms of the SISP;
- (r) Strictly comply with the terms of the Common Terms and Intercreditor Agreement;
- (s) Strictly comply with the Budget (subject to the Permitted Variances);
- (t) Strictly comply in all aspect with each and every one of the terms and conditions set forth in the relevant contractual agreement entered into between the Borrowers (or any of them) with the Bridge Lenders at the time of the execution of this Bridge Financing Agreement;
- (u) Deliver the Variance Reports required under Section 13;
- (v) Consult and obtain the prior written consent of the Bridge Lenders in relation with any press release to be issued in connection with the Bridge Facility, the SISP, Insolvency Proceedings (if any), and any other matters relating to the foregoing as reasonably determined by the Bridge Lenders;
- (w) Initiate Insolvency Proceedings in consultation with, and with the consent of, the Bridge Lenders in the event that: (a) no bid is made to the Borrowers and approved by the Bridge Lenders in accordance with the SISP within the applicable delays contemplated in the SISP (unless such delay is extended with the prior unanimous written consent of the Bridge Lenders), or that (b) no transaction is implemented within the applicable delays contemplated in the SISP (unless such delay is extended with the prior unanimous written consent of the Bridge Lenders. Any Insolvency Proceedings: (i) shall provide the Bridge Lenders with the exclusive right to provide any interim financing in favour of the Bridge Lenders on terms and conditions satisfactory to the Bridge Lenders, in their sole discretion, unless otherwise agreed upon by the Bridge Lenders and (ii) shall

contemplate the right for the Bridge Lenders to submit a credit-bid for the acquisition of the Collateral in accordance with the SISP.

21. NEGATIVE COVENANTS: The Borrowers covenant and agree not to do, or cause not to be done, the following, other than with the prior written consent of the Bridge Lenders or with the express consent required as specified below:

- (a) Transfer, lease or otherwise dispose of all or any part of their property, assets or undertaking outside of the ordinary course of business, except for:
 - (i) the disposition of obsolete or worn out equipment or assets no longer economically practicable to maintain or required in the conduct of the business of the Borrowers; and
 - (ii) dispositions of assets comprising Collateral solely between or among Borrowers;
- (b) Make any direct or indirect payment or prepayment to any party, including, without limitation, any direct or indirect payment or prepayment of principal, interest or fees, including to creditors ranking junior to the Bridge Lenders, unless in respect of amounts included in the Budget.
- (c) (i) Create or permit to exist any Indebtedness other than (A) the Indebtedness existing as of the date of this Bridge Financing Agreement, (B) the Bridge Financing Obligations, (C) normal course trade payables or other obligations incurred in the ordinary course of business in accordance with the Budget (subject to Permitted Variances), this Bridge Financing Agreement, (D) any guarantees of any of the foregoing permitted Indebtedness, and (E) Indebtedness arising in connection with endorsement of instruments for deposit in the ordinary course of business or (ii) make or give any financial assurances, in the form of bonds, letter of credit, financial guarantees (except as expressly permitted above) or otherwise to any Person or Governmental Authority other than with the prior written consent of the Bridge Lenders;
- (d) Make (i) any distribution, dividend, return of capital or other distributions (in cash, securities or other property or otherwise); or (ii) a retirement, redemption, purchase or repayment or other acquisition of equity or indebtedness (including any payment of principal, interest, fees or any other payments thereon), except that any Borrower may declare or pay dividends to or otherwise make distributions to any other Borrower and any Borrower (other than SWY) may redeem or repurchase its own equity;
- (e) Sell, lease or otherwise transfer any property or assets to, or purchase, lease or otherwise acquire any property or assets from, or otherwise engage in any other transactions with, any Related Party, except (a) in the ordinary course of business at prices and on terms and conditions not less favourable to the Loan Party than could be obtained on an arm's-length basis from unrelated third parties and otherwise in accordance with the Budget (subject to Permitted Variances), (b) transactions between or among the Borrowers and (c) the payment of any dividend, distribution or other payment expressly permitted by clause (d) above;

- (f) Make any investments or acquisitions of any kind, direct or indirect, in any business or otherwise other than in accordance with the Budget;
- (g) Pay, incur any obligation to pay, or establish any retainer with respect to, the fees, expenses or disbursements of a legal, financial or other advisor of any party, other than the respective legal, financial and other advisors of the Borrowers and the Bridge Lenders, in each case engaged as of the date hereof, unless specifically contemplated in the Budget;
- (h) Create or permit to exist any Liens on any of its properties or assets other than the Permitted Liens;
- (i) Challenge or fail to support the Liens and claims of the Bridge Lenders;
- (j) Make any payments or expenditures (including capital expenditures) other than in accordance with the Budget (subject to Permitted Variances);
- (k) Directly or indirectly through any representative, solicit or entertain offers from, negotiate with or accept any proposal of any person (other than the Bridge Lenders) relating to any other financing, unless with the written consent of the Bridge Lenders;
- (l) Seek to obtain or consent to or fail to oppose a motion brought by any other Person for, approval by any court of any Restructuring Transaction which is not in conformity with the SISF unless the Bridge Lenders provide their prior written consent in their sole discretion;
- (m) Amalgamate, consolidate with or merge into or sell all or substantially all of their assets to another entity, or change their corporate or capital structure (including their organizational documents) in any manner adverse to the Bridge Lenders or enter into any agreement committing to such actions except with the prior written consent of the Bridge Lenders;
- (n) Seek, obtain, support, make or permit to be made any court order or any change, amendment or modification to any court order except with the prior written consent of the Bridge Lenders, acting reasonably;
- (o) Without the prior written consent of the Bridge Lenders in their sole discretion, cease to carry on their business or activities or any material component thereof as currently being conducted or modify or alter in any material manner the nature and type of their operations or business;
- (p) Seek, or consent to the appointment of, a receiver or trustee in bankruptcy or any similar official in any jurisdiction; or
- (q) After the date hereof and except as contemplated in the Budget (and subject to any Permitted Variance), purchase any additional insurance in respect of any director or officer of any Borrower, it

being understood that the Borrowers shall seek additional insurance in respect of any director or officer of any Borrower (including any "tail" insurance) for a period of three years from the date of this Bridge Financing Agreement and that any amount payable for such insurance shall be included in the Budget.

22. EVENTS OF DEFAULT: The occurrence of any one or more of the following events shall constitute an event of default (each an "**Event of Default**") under this Bridge Financing Agreement:

- (a) Failure of the Borrowers to pay:
 - (i) principal, interest or other amounts when due pursuant to this Bridge Financing Agreement or any other Credit Documents; or
 - (ii) the Bridge Lender Expenses within ten (10) Business Days of being invoiced therefor,and in either such case, such failure remains unremedied for more than three (3) Business Days;
- (b) Failure of any Borrower to perform or comply with any term, condition, covenant or obligation pursuant to this Bridge Financing Agreement (including its obligation to strictly comply with the Budget, subject to Permitted Variances) or any other Credit Document (other than any such term, condition, covenant or obligation constituting one of the other events specifically referred to in clause (a) or any of clauses (c) through (f) of this Section 23) and such failure remains unremedied for more than five (5) days;
- (c) Any representation or warranty by a Borrower made or deemed to be made in this Bridge Financing Agreement or any other Credit Document is or proves to be incorrect or misleading in any material respect as of the date made or deemed to be made;
- (d) The commencement of Insolvency Proceedings;
- (e) (i) a Variance Report is not delivered within two (2) Business Days of when due under this Bridge Financing Agreement, (ii) in respect of any Testing Period, there shall exist a negative variance in excess of the Permitted Variance for the period for which the Variance Report is prepared, or (iii) in respect of any Testing Period, there shall exist a cumulative negative variance in excess of the Permitted Variance for the period from the Filing Date to the last day of such Testing Period, measured relative to the Initial Budget (without regard to any revised Budget delivered pursuant to this Bridge Financing Agreement);
- (f) The filing by any of the Borrowers of any motion or proceeding that (i) in any respect is adverse to the Bridge Lenders, is not consistent with any provision of this Bridge Financing Agreement, the Credit Documents or the SISP, as applicable, (ii) could otherwise reasonably be expected to have a Material Adverse Effect on the interests of the Bridge Lenders, (iii) seeks to initiate any Insolvency Proceedings in any court or jurisdiction;

- (g) The SISP is not complied with or is interrupted or terminated for any reason whatsoever;
- (h) The failure to receive Qualified Non-Binding Indication of Interest or Qualified Bids (as such terms are defined in the SISP) within the deadlines set forth in the SISP;
- (i) Any proceeding, motion or application shall be commenced or filed by any Borrower, or if commenced by another party, supported, remain unopposed or otherwise consented to by any Borrower, seeking approval of any Restructuring Transaction;
- (j) The making by any Borrower of a payment of any kind that is not permitted by this Bridge Financing Agreement or the Credit Documents or is not in accordance with the Budget (subject to Permitted Variances);
- (k) The denial or repudiation by any Borrower of the legality, validity, binding nature or enforceability of this Bridge Financing Agreement or any other Credit Documents; or
- (l) The entry of one or more final judgments, writs of execution, garnishment or attachment representing a claim in excess of \$1,000,000 in the aggregate, against any Borrower or the Collateral that is not released, bonded, satisfied, dismissed, vacated, stayed or accepted for payment by an insurer within 30 days after their entry, commencement or levy.
- (m) The occurrence of an Event of Default (as such terms are defined in the Senior Loan Agreement and the Stream Agreement) that has not been waived or cured.

23. REMEDIES:

Upon the occurrence and during the continuance of an Event of Default, the Bridge Lenders may, in their sole discretion, elect to terminate the commitments hereunder and declare the Bridge Financing Obligations to be immediately due and payable and refuse to permit further disbursements of amounts under the Bridge Facility. In addition, upon the occurrence and during the continuance of an Event of Default, the Bridge Lenders may, in their sole discretion:

- (a) apply to a court for the appointment of a receiver or a receiver and manager over the Collateral, or for the appointment of a trustee in bankruptcy of the Borrowers or any of the other Borrowers;
- (b) set-off or combine any amounts then owing by the Bridge Lender to the Borrowers against the obligations of any of the Borrowers to the Bridge Lender hereunder;
- (c) exercise all such other rights and remedies under this Bridge Financing Agreement and Applicable Law.

The application of proceeds of realization of the Bridge Lenders' Security will be made on a pro rata basis amongst the Bridge Lenders, based on the amounts advanced by each of the, hereunder, and any excess proceeds after the repayment of the Bridge Financing Obligations shall be applied in accordance with the Common Terms and Intercreditor Agreement.

24. INDEMNITY AND RELEASE:

The Borrowers agree, on a joint and several basis, to indemnify and hold harmless each Bridge Lender and its respective directors, officers, employees, agents, attorneys, counsel and advisors (all such persons and entities being referred to hereafter as “**Indemnified Persons**”) from and against any and all actions, suits, proceedings, claims, losses, damages, liabilities or expenses of any kind or nature whatsoever (excluding indirect or consequential damages and claims for lost profits) which may be incurred by or asserted against any Indemnified Person (collectively, “**Claims**”) as a result of or arising out of or in any way related to the Bridge Facility or this Bridge Financing Agreement and, upon demand, to pay and reimburse any Indemnified Person for any reasonable legal or other out-of-pocket expenses incurred in connection with investigating, defending or preparing to defend any such Claim; provided, however, the Borrowers and other Borrowers shall not be obligated to indemnify pursuant to this paragraph any Indemnified Person against any Claim or other liability expressed to be subject to the indemnity provided for herein (x) to the extent it resulted from the gross negligence, wilful misconduct or bad faith of any Indemnified Person as finally determined by a court of competent jurisdiction, or (y) to the extent arising from any dispute solely among Indemnified Persons other than any Claims arising out of any act or omission on the part of the Borrowers or the other Borrowers. The Borrowers shall not be responsible or liable to any Indemnified Person or any other person for consequential or punitive damages.

Notwithstanding anything to the contrary herein, the indemnities granted under this Bridge Financing Agreement shall survive any termination of the Bridge Facility.

25. BRIDGE LENDERS’ APPROVALS:

Unless expressly stated otherwise in this Bridge Financing Agreement, where any matter hereunder requires the approval, consent, waiver or other decision of the Bridge Lenders, it shall require the approval, consent, waiver or other decision of the Required Bridge Lenders, provided that the Maturity Date may not be extended to a date that is later than the Outside Date without the consent of all Bridge Lenders.

Any consent, approval, waiver or instruction of the Bridge Lenders or of the Required Bridge Lenders to be delivered in writing may be delivered by the Bridge Lenders or the Required Bridge Lenders or their respective counsel by way of any written instrument, including by way of electronic mail.

26. TERMINATION BY BORROWERS:

The Borrowers shall be entitled to terminate this Bridge Financing Agreement upon notice to the Bridge Lenders: (i) in the event that the Bridge Lenders have failed to fund the Facility Amount when required to do so under this Bridge Financing Agreement, or (ii) at any time following the indefeasible payment in full in immediately available funds of all of the outstanding Bridge Financing Obligations. Effective immediately upon such termination, all obligations of the Borrowers and the Bridge Lenders under this Bridge Financing Agreement shall cease, except for those obligations that explicitly survive termination.

27. TAXES:

All payments by the Borrowers and any other Borrowers under this Bridge Financing Agreement to the Bridge Lenders, including any payments required to be made from and after the exercise of any remedies available to the Bridge Lenders upon an Event of Default, shall be made free and clear of, and without reduction for or on account of, any present or future Taxes; provided, however, that if any Taxes are required by Applicable Law to be withheld (“**Withholding Taxes**”) from any amount payable to a Bridge Lender

under this Bridge Financing Agreement, the amount so payable to such Bridge Lender shall be increased to the extent necessary to yield to such Bridge Lender on a net basis after payment of all Withholding Taxes, the amount payable under this Bridge Financing Agreement at the rate or in the amount specified herein and the Borrowers shall provide evidence satisfactory to such Bridge Lender that the Taxes have been so withheld and remitted.

If the Borrowers pay an additional amount to a Bridge Lender to account for any deduction or withholding, such Bridge Lender shall reasonably cooperate with the applicable Borrowers to obtain a refund of the amounts so withheld, including filing income tax returns in applicable jurisdictions, claiming a refund of such tax and providing evidence of entitlement to the benefits of any applicable tax treaty. The Borrowers shall reimburse all reasonable expenses, legal/accounting fees and other cost incurred by the Bridge Lender in connection with the obtention of such refund. The amount of any refund so received, and interest paid by the tax authority with respect to any refund, shall be paid over by the Bridge Lenders to the applicable Borrowers promptly. If such refund is later denied or reduced by a taxing authority, the applicable Borrowers shall promptly reimburse the refund, plus any applicable interest and penalties, to the applicable Bridge Lender. If reasonably requested by the Borrowers, the Bridge Lender shall apply to the relevant taxing authority to obtain a waiver from such withholding requirement, and the Bridge Lender shall cooperate with the applicable Borrowers and assist such Borrowers to minimize the amount of deductions or withholdings required.

28. FURTHER ASSURANCES:

The Borrowers shall, at their expense, from time to time do, execute and deliver, or will cause to be done, executed and delivered, all such further acts, documents (including, without limitation, certificates, declarations, affidavits, reports and opinions) and things as the Bridge Lenders may reasonably request for the purpose of giving effect to this Bridge Financing Agreement.

29. ENTIRE AGREEMENT; CONFLICT:

This Bridge Financing Agreement, including the schedules hereto and any other Credit Documents delivered in connection with this Bridge Financing Agreement, constitute the entire agreement between the parties relating to the subject matter hereof.

30. AMENDMENTS, WAIVERS, ETC.:

No waiver or delay on the part of the Bridge Lenders in exercising any right or privilege hereunder will operate as a waiver hereof or thereof unless made in writing by the Bridge Lenders and delivered in accordance with the terms of this Bridge Financing Agreement, and then such waiver shall be effective only in the specific instance and for the specific purpose given.

31. ASSIGNMENT:

A Bridge Lender may, with the consent of the other Bridge Lenders, assign this Bridge Financing Agreement and its rights and obligations hereunder, in whole or in part, to any party acceptable to the Bridge Lenders acting reasonably (subject in all cases to the assignee entering into an agreement with the Borrowers to confirm such assignment). Neither this Bridge Financing Agreement nor any right or obligation hereunder may be assigned by any Borrower.

32. **SEVERABILITY:** Any provision in this Bridge Financing Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.
33. **NO THIRD PARTY BENEFICIARY:** No person, other than the Borrowers, the Bridge Lenders and the Indemnified Parties, is entitled to rely upon this Bridge Financing Agreement and the parties expressly agree that this Bridge Financing Agreement does not confer rights upon any other party.
34. **COUNTERPARTS AND SIGNATURES:** This Bridge Financing Agreement may be executed in any number of counterparts and by electronic transmission including "pdf email", each of which when executed and delivered shall be deemed to be an original, and all of which when taken together shall constitute one and the same instrument.
35. **ENGLISH LANGUAGE:** The parties hereto confirm that this Bridge Financing Agreement and all related documents have been drawn up in the English language at their request. *Les parties aux présentes confirment que le présent acte et tous les documents y relatifs furent rédigés en anglais à leur demande.*
36. **GOVERNING LAW AND JURISDICTION:** This Bridge Financing Agreement shall be governed by, and construed in accordance with, the laws of the Province of Quebec and the federal laws of Canada applicable therein. Without prejudice to the ability of the Bridge Lenders to enforce this Bridge Financing Agreement in any other proper jurisdiction, the Borrowers irrevocably submit and attorn to the non-exclusive jurisdiction of the courts of the Province of Quebec.
37. **SOLIDARITY:** The obligations of the Borrowers hereunder are solidary. In particular, each Borrower shall at all times be solidarily liable for all advances owed by and all obligations of any Borrower under this Bridge Financing Agreement and any other Credit Document. Each Borrower shall be liable to the Bridge Lenders in the same manner and with the same force as if it had been the primary debtor of all such advances and obligations of the other Borrower. In particular, but without limitation, each Borrower shall be liable to pay on its due date any amount owing hereunder or under any other Credit Document, without notice or demand and without any requirement that it be notified or informed of the time or manner of advances and repayments by any Borrower.
38. **FINANCE DOCUMENTS** Each of the parties hereto acknowledges and agrees that (i) this Bridge Financing Agreement constitutes a "Finance Document" for all purposes under the Common Terms and Intercreditor Agreement, and (ii) the Bridge Facility and the other transactions contemplated in this Bridge Financing Agreement (including in the waivers required pursuant to Section 8(b) shall constitute permitted transactions pursuant to covenants, restrictions and other terms and conditions applying to the Borrowers in the Common Terms and Intercreditor Agreement, the Senior Loan Agreement, the Stream Agreement and any other Finance Document. Moreover, this Bridge Financing Agreement is a "Transaction Document" for purposes of the Stream Agreement and a "Loan Document" for purposes of the Senior Loan Agreement.
39. **AMENDMENTS TO THE PLEDGE AGREEMENTS** Section 1.5 of each of the Pledge Agreements is hereby deleted in its entirety and replaced by the following:

**& THE GENERAL
SECURITY
AGREEMENTS:**

“The term “Obligations” herein shall mean the payment and performance of all obligations from time to time owing by the Pledgor to the Buyers or the Agent under the Stream Purchase Agreement, any Transaction Document, which shall include, for the avoidance of doubt, the Bridge Financing Agreement, or resulting from or contemplated by any guarantee agreement granted by, or which may in the future be granted by, the Pledgor in favour of the Buyers or the Agent.”

Section 4(c) of each of the General Security Agreements is hereby deleted in its entirety and replaced by the following:

“Obligations” means all of the present and future indebtedness, liabilities and obligations of the Obligor of any and every kind, nature and description whatsoever (whether direct or indirect, joint or several or joint and several, absolute or contingent, matured or unmatured, in any currency, and whether as principal debtor, guarantor, surety or otherwise including, without limitation, any interest that accrues thereon after or would accrue thereon but for the commencement of any case, proceeding or other action, whether voluntary or involuntary, relating to the bankruptcy, insolvency or reorganization of the Obligor, whether or not allowed or allowable as a claim in any such case, proceeding or other action) to any of the Purchaser Parties under, in connection with, relating to or with respect to the Purchase Agreement, the Co-Ownership and Services Agreement or any other Transaction Document, which shall include, for the avoidance of doubt, the Bridge Financing Agreement, or contemplated by any guarantee agreement by the Obligor relating to the aforementioned documents; and”

**40. WAIVER OF TANGIBLE
NET WORTH
COVENANTS:**

With effect as of the date hereof and until July 15, 2019, the covenants requiring maintenance of a minimum Tangible Net Worth in sections 9.6(c) of Stream Agreement and 9.04(4) of the Senior Loan Agreement are waived in full and shall not apply during such period.

41. NOTICE INFORMATION:

Any notice or other communication required or permitted to be given hereunder shall be in writing and shall be sent or delivered to the Parties at their respective addresses, facsimile numbers or e-mail addresses as set forth in, and in accordance with the applicable terms and conditions of, the Finance Documents (or at or to such other address, facsimile, number or e-mail address as shall be designated by any party in a written notice to the other parties.

42. LANGUAGE:

The parties acknowledge that, except as indicated below, they have agreed that this *Bridge Financing Agreement* and all related documents and notices be drawn up in English. Les parties ont convenu que, sous réserve de ce qui est mentionné ci-bas, le présent *Bridge Financing Agreement* et tous les documents et avis connexes soient rédigés en anglais.

As of the date of this Bridge Financing Agreement, the Caisse de Dépôt et de Placement du Québec (“**CDPQ**”) has executed a French language version the Consent and Intervention attached hereto as Schedule F (the “**Consent and Intervention**”) pursuant to which CDPQ agreed to be bound by this Bridge Financing Agreement and to perform the obligations assigned to it under this Bridge Financing Agreement, as if it had executed this Bridge Financing Agreement in the English language, subject to the covenants contained in this Section 43. The Borrowers hereby agree to cause their counsel, Norton Rose Fulbright Canada LLP, to deliver within 30 days of the date of this Bridge Financing Agreement, a French language version of this

Bridge Financing Agreement (including the Schedules thereto), which shall be executed by CDPQ, Diaquem Inc. and the Borrowers, but shall not be executed by the other parties hereto. Such French language version of this Bridge Financing Agreement (including its Schedules) shall be in form satisfactory to CDPQ, Diaquem Inc. and the other Bridge Lenders, and their respective counsel, and (ii) accompanied by an opinion of Norton Rose Fulbright LLP, counsel to the Borrowers, addressed to the Borrowers, the Bridge Lenders and Computershare Trust Company of Canada, with respect to conformity of such French language version to the English language version of this Bridge Financing Agreement, such opinion to be in a form satisfactory to CDPQ, Diaquem Inc., the other Bridge Lenders and their respective counsel.

From and after the date of the execution by CDPQ, Diaquem and the Borrowers of such French language version of this Bridge Financing Agreement, in the event of a discrepancy between the terms and conditions of the French language version of this Bridge Financing Agreement (other than the Schedules hereto) and the terms and conditions of the English language version of the Bridge Financing Agreement (other than the Schedules hereto) which impacts the interpretation of the Bridge Financing Agreement (other than the Schedules) as between one or more of the Bridge Lenders and Computershare, on one hand, and one or more of the Borrowers, on the other hand, the French language version shall prevail only to the extent that the terms and conditions which are the object of such discrepancy are more favorable to the Bridge Lenders or Computershare in the French language version, in which case such more favorable provisions of the French language version of this Bridge Financing Agreement (other than the Schedules hereto) shall be deemed to be integrated into the English language version of this Bridge Financing Agreement and may be relied upon by any and all of the Bridge Lenders and Computershare.

From and after the date of the execution by CDPQ, Diaquem Inc. and the Borrowers of such French language version of this Bridge Financing Agreement, in the event of any discrepancy between the terms and conditions of the French language version of this Bridge Financing Agreement (other than the Schedules) and the terms and conditions of the English language version of this Bridge Financing Agreement (other than the Schedules), other than the type of discrepancy referred to in the above paragraph but including for greater certainty any discrepancy which affects the interpretation of the Bridge Financing Agreement (other than the Schedules) as between one or more of the Bridge Lenders and Computershare, on one hand, and one or more of the Bridge Lenders and Computershare, on the other hand, the English language version shall prevail.

43. AGENT:

For the purposes of the Security Documents in favour of Computershare Trust Company of Canada (the “**Agent**”) governed by Belgian law, the Borrowers and the Bridge Lenders agree that the Agent shall be the joint and several creditor (together with the Bridge Lenders) of each and every Bridge Financing Obligation towards any of the Bridge Lenders and that, accordingly, the Agent will have its own separate and independent right as creditor in its own right (and not as a representative of the Bridge Lenders) to demand performance of such Bridge Financing Obligations. However, any discharge of any such Bridge Financing Obligations to the Agent or any Bridge Lender shall, to the same extent, discharge the applicable Borrowers vis-à-vis such other parties, and neither the Bridge nor the Agent shall, by virtue of this Section 44, be entitled to pursue the Borrowers concurrently for

the same Bridge Financing Obligation.

Without limiting or affecting the Agent's rights against a Borrower (whether under this section 43 or under any other provision of any Transaction Document), the Agent agrees with the Bridge Lenders that, subject as set out in the next sentence, it will exercise its rights as a joint and several creditor in accordance with the provisions of the Bridge Financing Agreement. However, for the avoidance of doubt, nothing in the previous sentence shall in any way limit the Agent's right to act in the protection or preservation of rights under or to enforce any Transaction Document as contemplated by this Bridge Financing and/or the relevant Transaction Document (or to do any act reasonably incidental to any of the foregoing).

Each of the Bridge Lenders appoints the Agent pursuant to this Bridge Financing Agreement as its representative (*vertegenwoordiger / représentant*) within the meaning of article 5 of the Belgian Financial Collateral Act of 15 December 2004 and article 3 of title XVII "Security over movable assets" of book III of the Belgian Civil Code in respect of the Security Documents governed by Belgian law to represent and act on behalf of each Bridge Lender in relation to any action required or advisable in connection with the entry into, performance, management and foreclosure of, and in respect of any dispute arising from or in connection with, any Security Document governed by Belgian law, pursuant and subject to the provisions of the Bridge Financing Agreement, which shall apply *mutatis mutandis* for the purposes of the Agent acting as representative of the applicable Bridge Lender within the meaning of this paragraph.

For the purposes of Article 1271 et seq of the Belgian Civil Code, the parties to this Bridge Financing Agreement agree that upon any novation under this Bridge Financing Agreement, the security, guarantees, indemnities, and other undertakings created under and pursuant to the relevant Transaction Documents shall continue for the benefit of the Bridge Lenders, their successors, transferees and assignees, as the case may be.

[Signature pages follow on separate pages]

IN WITNESS HEREOF, the parties hereby execute this Bridge Financing Agreement as at the date first above mentioned.



DIAQUEM INC., as Bridge Lender

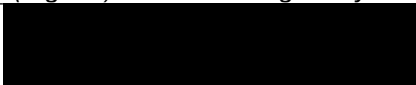
Per: (Signed) Authorized Signatory
Name: 
Title: 

Per: _____
Name: _____
Title: _____

Redacted –
personal
information

OSISKO GOLD ROYALTIES LTD, as Bridge Lender

Per: (Signed) Authorized Signatory
Name: 
Title: 

Per: (Signed) Authorized Signatory
Name: 
Title: 

Redacted –
personal
information

**TRIPLE FLAG MINING FINANCE BERMUDA LTD. ,
as Bridge Lender**

Per: (Signed) Authorized Signatory
Name:  Redacted –
Title:  personal
information

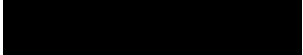
Per: _____
Name: _____
Title: _____

**ALBION EXPLORATION FUND, LLC, as Bridge
Lender, BY ALBION RIVER LLC, as Manager**

Per: (Signed) Authorized Signatory
Name:  Redacted –
Title:  personal
information

Per: _____
Name: _____
Title: _____

**WASHINGTON STATE INVESTMENT BOARD, as
Bridge Lender**

Per: (Signed) Authorized Signatory
Name:  Redacted –
Title:  personal
information

Per: _____
Name: _____
Title: _____

**STORNOWAY DIAMONDS (CANADA) INC. / LES
DIAMANTS STORNOWAY (CANADA) INC., as
Borrower**

By: (Signed) Patrick Godin

Name: Patrick Godin

Title: President and CEO

**ASHTON MINING OF CANADA INC./LES MINES
ASHTON DU CANADA INC., as Borrower**

By: (Signed) Patrick Godin

Name: Patrick Godin

Title: President and CEO

**STORNOWAY DIAMOND CORPORATION, as
Borrower**

By: (Signed) Patrick Godin

Name: Patrick Godin

Title: President and CEO

**FCDC SALES AND MARKETING INC./ VENTES ET
MARKETING FCDC INC., as Borrower**

By: (Signed) Patrick Godin

Name: Patrick Godin

Title: President and CEO

COMPUTERSHARE TRUST COMPANY OF CANADA, as Stream Agent (as such term is defined in the Common Terms and Intercreditor Agreement)

By: (Signed) Nicolas Richard

Name: *Nicolas Richard*

Title: *Gestionnaire fiduciaire
Corporate Trust Officer*

By: (Signed) Ekaterini Galouzis

Name: *Ekaterini Galouzis*

Title: *Gestionnaire fiduciaire adjointe
Associate Trust Officer*

COMPUTERSHARE TRUST COMPANY OF CANADA, as SSL/Hedger Security Trustee (as such term is defined in the Common Terms and Intercreditor Agreement)

By: (Signed) Nicolas Richard

Name: *Nicolas Richard*

Title: *Gestionnaire fiduciaire
Corporate Trust Officer*

By: (Signed) Ekaterini Galouzis

Name: *Ekaterini Galouzis*

Title: *Gestionnaire fiduciaire adjointe
Associate Trust Officer*

COMPUTERSHARE TRUST COMPANY OF CANADA, as Stream Security Trustee (as such term is defined in the Common Terms and Intercreditor Agreement)

By: (Signed) Nicolas Richard

Name: *Nicolas Richard*

Title: *Gestionnaire fiduciaire
Corporate Trust Officer*

By: (Signed) Ekaterini Galouzis

Name: *Ekaterini Galouzis*

Title: *Gestionnaire fiduciaire adjointe
Associate Trust Officer*

SCHEDULE "A"

DEFINED TERMS

\$11.7M Revolving Advance has the meaning given thereto in Section 6.

"Applicable Law" means, in respect of any Person, and any property or business of or transaction or event involving such Person, all laws, statutes, rules, by-laws and regulations and all applicable orders, judgments and decrees of any Governmental Authority having the force of law which are legally binding on such Person.

"Authorization" means with respect to any Person, any authorization, order, permit, approval, grant, licence, consent, right, franchise, privilege, certificate, judgment, writ, injunction, award, determination, direction, decree, by-law, rule or regulation of any Governmental Authority having jurisdiction over such Person, whether or not having the force of law.

"BIA" has the meaning given thereto in Section 12.

"Borrower" and **"Borrowers"** have the meanings given thereto in Section 1.

"Bridge Facility" has the meaning given thereto in Section 6.

"Bridge Financing Agreement" means the present Bridge Financing Bridge Financing Agreement.

"Bridge Financing Obligations" means, collectively, all obligations owing by the Borrowers pursuant to this Bridge Financing Agreement and the other Credit Documents, including, without limitation, all principal, interest, fees, costs, expenses, disbursements and Bridge Lender Expenses.

"Bridge Lenders" has the meaning given thereto in Section 2.

"Bridge Lenders' Agent" has the meaning given thereto in Section 3.

"Bridge Lenders Security" means each of the Security Documents entered into for and on behalf of the applicable Bridge Lenders, together with such other first ranking hypothec or security interest on the Collateral, as the Bridge Lenders may require as security for the payment of the Bridge Financing Obligations, which shall have priority on the Collateral over all Liens, other than the Permitted Priority Liens the whole subject to the terms of the Common Terms and Intercreditor Agreement.

"Bridge Lender Expenses" has the meaning given thereto in Section 9.

"Budget" means the weekly financial projections prepared by the Borrowers covering the period commencing on the week beginning June 9, 2019 and ending on the week ending September 30, 2019, on a weekly basis, which shall be in form and substance acceptable to the Bridge Lenders, acting reasonably (as to scope, detail and content), which financial projections may be amended from time to time in accordance with Section 13. For greater certainty, for purposes of this Bridge Financing Agreement, the Budget shall include all supporting documentation provided in respect thereof to the Bridge Lenders. The initial Budget as of the date of this Bridge Financing Agreement is attached hereto as Schedule "C".

"Buyers" means the buyers under and pursuant to the Stream Agreement.

“Business Day” means any day other than a Saturday, Sunday or any other day on which banks in Montreal, Quebec are not open for business.

“CCAA” has the meaning given thereto in Section 12

“CDPQ” has the meaning given thereto in Section 42.

“Claims” has the meaning given thereto in Section 24.

“Collateral” means all now owned or hereafter acquired assets and property of each of the Borrowers, real and personal, tangible or intangible.

“Common Terms and Intercreditor Agreement” means the amended and restated common terms and intercreditor agreement dated as of October 2, 2018 entered into amongst the Borrowers, Diaquem, Computershare Trust Company of Canada, in its respective capacities as security trustee of Diaquem and certain hedge counterparties, as security trustee of the Buyers and indenture trustee of certain unsecured convertible debentureholders and each hedge counterparty from time to time party thereto, as such agreement is to be amended by a first amending agreement dated as of the date hereof and as may be further amended, restated or otherwise modified from time to time.

“Consent and Intervention” has the meaning given thereto in Section 42.

“Credit Documents” means this Bridge Financing Agreement, the Common Terms and Intercreditor agreement, the Bridge Lenders’ Security and any other document delivered in connection with or relating to this Bridge Financing Agreement from time to time.

“Criminal Code Interest” has meaning given thereto in Section 16(a).

“Criminal Rate” has meaning given thereto in Section 16(a).

“Default” means an event or circumstance which, after the giving of notice or the passage of time, or both, will result in an Event of Default.

“Defaulting Lender” has the meaning given thereto in Section 2.

“Diaquem” means Diaquem Inc., and its successors and assigns.

“Diaquem Royalty Agreement” means the Restated Royalty Agreement by and between Diaquem Inc. and SDCI dated as of April 1, 2011.

“Draw Certificate” has the meaning given thereto in Section 6.

“Event of Default” has the meaning given thereto in Section 22.

“Facility Amount” has the meaning given thereto in Section 6.

“Finance Documents” has the meaning given to such term in the Common Terms and Intercreditor Agreement.

“Funding Conditions” has the meaning given thereto in Section 8.

“General Security Agreement” means, collectively, (i) the general security agreement dated as of July 8, 2014 made by Stornoway Diamonds (Canada) Inc. in favour of Computershare Trust Company of Canada, as security trustee for and on behalf of the Purchasers and the Purchasers Agent (as defined therein), and (ii) the general security agreement dated as of August 7, 2014 made by Ashton Mining of

Canada Inc. in favour of Computershare Trust Company of Canada, as security trustee for and on behalf of the Purchasers and the Purchasers Agent (as defined therein).

“Governmental Authority” means any federal, provincial, state, municipal, local or other government, governmental or public department, commission, board, bureau, agency or instrumentality, domestic or foreign and any subdivision, agent, commission, board or authority of any of the foregoing.

“Indebtedness” of any Person means, without duplication, (a) all obligations of such Person for borrowed money or with respect to deposits of third parties made with such Person or advances of any kind, (b) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments, (c) all obligations of such Person upon which interest are customarily paid, (d) all obligations of such Person under conditional sale or other title retention agreements relating to property acquired by such Person, (e) all obligations of such Person in respect of the deferred purchase price of property or services (excluding current accounts payable incurred in the ordinary course of business), (f) all indebtedness of others secured by (or for which the holder of such indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien on property owned or acquired by such Person, whether or not the indebtedness secured thereby has been assumed, (g) all guarantees by such Person of Indebtedness of others, (h) all capital lease obligations of such Person, (i) all obligations, contingent or otherwise, of such Person as an account party in respect of letters of credit and letters of guarantee, (j) all obligations, contingent or otherwise, of such Person in respect of bankers’ acceptances, (k) the net amount of obligations of such Person (determined on a mark-to-market basis) under derivative transactions, and (l) all obligations of such Person to purchase, redeem, retire, defease or otherwise acquire for value any equity interest in such Person, valued, in the case of redeemable equity interests, at the greater of voluntary or involuntary liquidation preference, plus accrued and unpaid dividends. The Indebtedness of any Person shall include the Indebtedness of any other entity (including any partnership in which such Person is a general or limited partner) to the extent such Person is liable therefor as a result of such Person’s ownership interest in or other relationship with such entity, except to the extent the terms of such Indebtedness provide that such Person is not liable therefor.

“Indemnified Persons” has the meaning given thereto in Section 24.

“Initial Budget” has the meaning given thereto in Section 13.

“Insolvency Proceedings” has the meaning given thereto in Section 12.

“Liens” means all liens, hypothecs, charge, mortgages, trusts, deemed trusts (statutory or otherwise), constructive trusts, encumbrances, security interests, and statutory preferences of every kind and nature whatsoever.

“Material Adverse Effect” means the occurrence of a material adverse effect on (a) the business, assets, or operations the Borrowers, (b) the Liens in favour of the Bridge Lenders on the Collateral or the priority of such Liens, or (c) the value or condition of the Collateral or the amount that the Bridge Lenders would be likely to receive upon the liquidation or enforcement of such Collateral;

“Material Contract” means any contract, licence or agreement: (i) to which any Borrower is a party or is bound; (ii) which is material to, or necessary in, the operation of the business of any Borrower; and (iii) which a Borrower cannot promptly replace by an alternative and comparable contract with comparable commercial terms.

“Maturity Date” has the meaning given thereto in Section 12.

“Net Proceeds” means, with respect to any event, (a) the cash proceeds received in respect of such event including (i) in the case of a casualty, insurance proceeds and (ii) in the case of a condemnation or similar event, condemnation awards and similar payments, net of (b) the sum of (i) all reasonable fees, commissions and out-of-pocket expenses paid to third parties (other than affiliates) in connection with

such event, (ii) in the case of a sale, transfer or other disposition of an asset (including pursuant to a sale and leaseback transaction or a casualty or a condemnation or similar proceeding), the amount of all payments required to be made as a result of such event to repay Indebtedness (other than Indebtedness arising under the Bridge Facility) secured by such asset or otherwise subject to mandatory prepayment as a result of such event and (iii) the amount of all Taxes paid that are directly attributable to such event.

"Non-Defaulting Lenders" has the meaning given thereto in Section 2.

"Original Currency" has the meaning given thereto in Section 17.

"Original Bridge Lender" has the meaning given thereto in Section 25.

"Other Currency" has the meaning given thereto in Section 17.

"Outside Date" means September 16, 2019.

"Permitted Contest" means action taken by or on behalf of a Borrower in good faith and by appropriate proceedings to contest a Tax, claim or Lien, provided that:

- (a) the Person to which the Tax, claim or Lien being contested relates (and, in the case of a subsidiary of the Borrower, the Borrower on a consolidated basis) has established reasonable reserves therefor if and to the extent required by GAAP and has paid any amount required under applicable law to contest such claim; and
- (b) proceeding with such contest does not have, and would not reasonably be expected to have, a Material Adverse Effect.

"Permitted Encumbrances" has the respective meaning given to such term in the Senior Loan Agreement and the Stream Agreement, adapted as required for the purposes of this Bridge Financing Agreement.

"Permitted Priority Liens" means the Liens created under the Security Documents.

"Permitted Variance" means a cumulative variance of not more than 10% relative to the "expenses" line item in the applicable Budget, excluding the fees and expenses of all advisors retained by the Bridge Lenders.

"Person" means an individual, partnership, corporation, business trust, joint stock company, limited liability company, trust, unincorporated association, joint venture, Governmental Authority or other entity of whatever nature.

"Plan" means a plan of compromise and/or arrangement under the CCAA or a proposal under the BIA.

"Pledge Agreements" means collectively, (i) the pledge of debenture agreement dated as of July 8, 2014 granted by Ashton Mining of Canada Inc., as pledgor, in favour of the Buyers and Computershare Trust Company of Canada, in its capacity as agent for the Buyers, as pledgees, (ii) the pledge of debenture agreement dated as of July 8, 2014 granted by FCDC Sales and Marketing Inc., as pledgor, in favour of the Buyers and Computershare Trust Company of Canada, in its capacity as agent for the Buyers, as pledgees, (iii) the pledge of debenture agreement dated as of July 8, 2014 granted by Stornoway Diamonds (Canada) Inc., as pledgor, in favour of the Buyers and Computershare Trust Company of Canada, in its capacity as agent for the Buyers, as pledgees, and (iv) the pledge of debenture agreement dated as of July 8, 2014 granted by Stornoway Diamond Corporation, as pledgor, in favour of the Buyers and Computershare Trust Company of Canada, in its capacity as agent for the Buyers, as pledgees.

“Related Party” means, in respect of any Person (the **“First Person”**), a Person other than a Person that is solely a bona fide lender, that, at the relevant time and after reasonable inquiry, is known by the First Person or a director or senior officer of the First Person to be:

- (c) a control person (as such term is defined in the *Securities Act* (Quebec)) of the First Person,
- (d) a Person of which a Person referred to in paragraph (a) is a control person,
- (e) a Person of which the First Person is a control person,
- (f) a director or senior officer (including the chair or a vice-chair of the board of directors, a president, a vice-president, the secretary, the treasurer or the general manager of a Borrower or any other individual who performs functions for a Borrower similar to those normally performed by an individual occupying any such office, and for a Borrower that is a limited partnership, includes a senior officer of the general partner of a Borrower) of
 - (i) the First Person, or
 - (ii) a Person described in any other paragraph of this definition,
- (g) a Person that manages or directs, to any substantial degree, the affairs or operations of the First Person under an agreement, arrangement or understanding between the Person and the First Person, including the general partner of an First Person that is a limited partnership, but excluding a Person acting under bankruptcy or insolvency law, or
- (h) an affiliate of any Person described in any other paragraph of this definition;

“Required Bridge Lenders” means Diaquem, and the majority of Buyers based on the value of the Indebtedness, including at least Osisko Gold Royalties Ltd, Triple Flag Mining Finance Bermuda Ltd. and Caisse de dépôt et placement du Québec, in consultation with the other Buyers.

“Restructuring Transaction” means any restructuring, financing, refinancing, recapitalization, sale, orderly divestiture of assets, liquidation, workout, Plan or other material transaction (or any combination thereof) in respect of all or any of the Borrowers or their respective assets and liabilities, including pursuant to any credit bid by the Bridge Lenders.

“Security Documents” has the meaning given to such term in the Common Terms and Intercreditor Agreement.

“Senior Loan Agreement” means credit agreement dated as of July 8, 2014 by and between Diaquem, as lender and SDCl, as borrower, as amended pursuant to a first amending agreement dated as of October 2, 2018.

“Senior Loan Obligations” has the meaning given to such term in the Common Terms and Intercreditor Agreement;

“Senior Loan Reserve Account” has the meaning given to such term in the Common Terms and Intercreditor Agreement;

“SISP” means the Sales and Investment Solicitation Process attached hereto at Schedule “E”, including the bidding procedures contemplated in connection therewith, the terms and conditions of which shall be acceptable to all the parties hereto;

“Stream Agreement” means the *Amended and Restated Purchase and Sale Agreement* entered into on October 2, 2018, between, inter alia, FCDC Sales and Marketing Inc. and each of the buyers listed thereto, from time to time.

“Taxes” means any present or future taxes, levies, imposts, duties, deductions, source deductions, premiums, withholdings, assessments, fees or other taxes imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto and includes, without limitation, harmonized sales taxes, goods and services taxes, value added taxes, workers’ compensation payments, excises taxes, customs duties, and other taxes and duties relating to the export or import of goods or services.

“Testing Period” has the meaning given thereto in Section 13.

“Variance Report” has the meaning given thereto in Section 13.

“Weekly Release Date” has the meaning given thereto in Section 6.

“Withholding Taxes” has the meaning given thereto in Section 27.

SCHEDULE "B"
FORM OF DRAW CERTIFICATE

TO: **the Bridge Lenders**

FROM: ●
 (the "**Borrowers**")

DATE: _____.

1. This certificate is delivered to you, the Bridge Lenders, respectively, in connection with a request for an advance pursuant to the Bridge Financing Agreement made as of ●, 2018 between the Borrowers and the Bridge Lenders, as amended, supplemented, restated or replaced from time to time (the "**Bridge Financing Agreement**"). All defined terms used, but not otherwise defined, in this certificate shall have the respective meanings set forth in the Bridge Financing Agreement, unless the context requires otherwise.
2. The Borrowers hereby request an advance as follows: in respect of the week commencing on **[DATE]**:

Amount of requested budgeted advance:	\$●
Aggregate amount to be drawn :	<u>\$●</u>
3. All of the representations and warranties of the Borrowers as set forth in the Bridge Financing Agreement are true and accurate in all material respects as at the date hereof, as though made on and as of the date hereof, except to the extent any representation or warranty is expressed to be made as at any prior date.
4. All of the covenants of the Borrowers contained in the Bridge Financing Agreement and the other Credit Documents, and all other terms and conditions contained in the Bridge Financing Agreement and the other Credit Documents to be complied with by the Borrowers, not properly waived in writing by the Bridge Lenders, have been fully complied with.
5. The Borrowers represent that the Borrowers are in compliance with the Bridge Financing Agreement and the other Credit Documents.
4. The amount requested in item 2(a) above is less than or equal to the amount set out in respect of the relevant week in the Budget.
7. No Default or Event of Default has occurred which is continuing nor will any such event occur as a result of the funding of the advance hereby requested.

[BORROWER]

Per: _____

Name:

Title:

I have authority to bind the corporation.

SCHEDULE "C"

INITIAL BUDGET

[Redacted – Commercially-sensitive information]

SCHEDULE "D"

DISCLOSURE

[Redacted – Commercially-sensitive information]

SCHEDULE "E"

SISP

[see attached]

SALE AND INVESTOR SOLICITATION PROCEDURES

STORNOWAY DIAMONDS CORPORATION

RECITALS

A. Stornoway Diamond Corporation ("**SWY**") and its direct and indirect subsidiaries including Stornoway Diamonds (Canada) Inc. ("**ProjectCo**"), FCDC Sales and Marketing Inc. ("**FCDC**") and Ashton Mining of Canada Inc. (collectively, the "**SWY Subsidiaries**", and together with SWY, the "**SWY Companies**" or the "**Vendors**"), intend to conduct a sale and investor solicitation process (the "**SISP**") in accordance with the SISP procedures set forth herein (the "**SISP Procedures**").

B. The SISP and these SISP Procedures shall govern the process for soliciting and selecting bids for (i) the sale (a "**Sale**") of all or substantially all of the property, assets and undertakings of the Vendors (the "**SWY Property**"); or (ii) for the restructuring, recapitalization or refinancing of the Vendors (an "**Investment**").

C. All dollar amounts expressed herein, unless otherwise noted, are in Canadian currency. Unless otherwise indicated herein any event that occurs on a day that is not a Business Day shall be deemed to occur on the next Business Day.

ARTICLE 1 — DEFINED TERMS

- (1) "**Backup Bid**" has the meaning ascribed thereto in Section 5.6(4).
- (2) "**Backup Bid Expiration Date**" has the meaning ascribed thereto in Section 5.6(6).
- (3) "**Backup Bidder**" has the meaning ascribed thereto in Section 5.6(4).
- (4) "**Bridge Financing Agreement**" means the binding Bridge Financing Agreement entered in on June 10, 2019, between, *inter alia*, the Secured Creditors and the SWY Companies.
- (5) "**Business Day**" means any day other than (i) a Saturday or Sunday or (ii) a day which is a statutory holiday in Montreal, Quebec.
- (6) "**Confidentiality Agreement**" has the meaning ascribed thereto in Section 2.3(2).
- (7) "**Definitive Investment Agreement**" has the meaning ascribed thereto in Section 5.3(a).
- (8) "**Deposit**" has the meaning ascribed thereto in Section 5.2(i).
- (9) "**Diaquem**" means Diaquem Inc.
- (10) "**Diaquem Loan Agreement**" means the credit agreement dated as of July 8, 2014 between ProjectCo and Diaquem, as amended by a First Amending Agreement dated as of October 2, 2018.
- (11) "**Diaquem Secured Claims Amount**" means the aggregate amount owing (whether for principal, interest, fees and recoverable expenses) to Diaquem, as at the date which the transactions contemplated by the Qualified Bid or Successful Bid, if any, are completed, under the Diaquem Loan Agreement and the Bridge Financing Agreement.
- (12) "**FCDC**" has the meaning ascribed thereto in Recital A.
- (13) "**Investment**" has the meaning ascribed thereto in Recital B.

- (14) **"Investment Proposal"** has the meaning ascribed thereto in Section 4.2(1)(a).
- (15) **"Known Potential Bidders"** has the meaning ascribed thereto in Section 2.3(1).
- (16) **"Non-Binding Indication of Interest"** has the meaning ascribed thereto in Section 4.1(1).
- (17) **"Phase 1 Bid Deadline"** has the meaning ascribed thereto in Section 4.1(2).
- (18) **"Phase 2 Bid Deadline"** has the meaning ascribed thereto in Section 5.1.
- (19) **"Potential Bidder"** has the meaning ascribed thereto in Section 2.4(1).
- (20) **"ProjectCo"** has the meaning ascribed thereto in Recital A.
- (21) **"Purchase Price"** has the meaning ascribed thereto in Section 5.2(b).
- (22) **"Qualified Bidder"** has the meaning ascribed thereto in Section 5.4(1).
- (23) **"Qualified Bids"** has the meaning ascribed thereto in Section 5.4(1).
- (24) **"Qualified Investment Bid"** has the meaning ascribed thereto in Section 5.3.
- (25) **"Qualified Non-Binding Indication of Interest"** has the meaning ascribed thereto in Section 4.2(1).
- (26) **"Qualified Phase 1 Bidder"** has the meaning ascribed thereto in Section 2.4(2).
- (27) **"Qualified Phase 2 Bidder"** has the meaning ascribed thereto in Section 4.3(4).
- (28) **"Qualified Purchase Bid"** has the meaning ascribed thereto in Section 5.2.
- (29) **"Sale"** has the meaning ascribed thereto in Recital B.
- (30) **"Sale Proposal"** has the meaning ascribed thereto in Section 4.2(1)(a).
- (31) **"Secured Claims Amount"** means the aggregate of the Stream and Bridge Secured Claims Amount and the Diaquem Secured Claims Amount.
- (32) **"Secured Creditors"** means collectively, the Streamers and Diaquem, or any purchaser or assignee of the Diaquem Loan Agreement and/or the Stream Agreement, related security documents and indebtedness outstanding thereunder.
- (33) **"SISP"** has the meaning ascribed thereto in Recital A.
- (34) **"SISP Procedures"** has the meaning ascribed thereto in Recital A.
- (35) **"Stream Agreement"** means the *Amended and Restated Purchase and Sale Agreement* entered into on October 2, 2018, between, *inter alia*, FCDC Sales and Marketing Inc. and each of the Streamers.
- (36) **"Stream and Bridge Secured Claims Amount"** means [REDACTED]

Redacted
commercially-
sensitive
information

-
- [REDACTED]
- (37) "**Streamers**" means Osisko Gold Royalties Ltd, Caisse de dépôt et placement du Québec, Triple Flag Mining Finance Bermuda Ltd., Albion Exploration Fund, LLC and Washington State Investment Board and all assignees party to the Stream Agreement.
- (38) "**Successful Bid**" has the meaning ascribed thereto in Section 5.6(4).
- (39) "**Successful Bidder**" has the meaning ascribed thereto in Section 5.6(4).
- (40) "**SWY**" has the meaning ascribed thereto in Recital A.
- (41) "**SWY Companies**" has the meaning ascribed thereto in Recital A.
- (42) "**SWY Property**" has the meaning ascribed thereto in Recital A.
- (43) "**SWY Subsidiaries**" has the meaning ascribed thereto in Recital A.
- (44) "**Target Closing Date**" means September 16, 2019.
- (45) "**Teaser Letter**" has the meaning ascribed thereto in Section 2.3(1).
- (46) "**Vendors**" has the meaning ascribed thereto in Recital A.

ARTICLE 2

Section 2.1 Sale and Investment Opportunity

The SISP provides for an opportunity to (i) acquire all or part of the SWY Property, and/or proceed with (ii) an investment in the SWY Companies to be structured in a manner acceptable to the SWY Companies.

Section 2.2 "As Is, Where Is"

Any Sale or Investment will be on an "as is, where is" basis and without surviving representations, warranties, covenants or indemnities of any kind, nature, or description by the SWY Companies or any of their agents, estates, advisors, professionals or otherwise, except to the extent set forth in the relevant agreement with the Successful Bidder.

Section 2.3 Solicitation of Interest

(1) The SWY Companies have prepared a list of potential bidders in respect of a Sale or Investment (the "**Known Potential Bidders**"). The Secured Creditors may on a timely basis identify any other parties to the SWY Companies which shall be included in the list of Known Potential Bidders. Concurrently, the SWY Companies, in consultation with the Secured Creditors, will prepare an initial offering summary (the "**Teaser Letter**") notifying Known Potential Bidders of the existence of the SISP and inviting the Known Potential Bidders to express their interest in participating in a Sale or an Investment.

(2) The Vendors shall distribute to the Known Potential Bidders the Teaser Letter and a form of confidentiality agreement satisfactory to the Vendors (a "**Confidentiality Agreement**"). The Vendors, in consultation with and subject to the written consent of the Secured Creditors, shall also issue a press release announcing this SISP.

Section 2.4 Participation Requirements

(1) Unless otherwise provided for herein or agreed by the SWY Companies, in order to participate in the SISP, be considered for qualification as a Qualified Phase I Bidder and have access to the Vendors' due diligence materials as set forth herein, an interested party (a "**Potential Bidder**") must deliver the following:

- (a) an executed Confidentiality Agreement, which shall inure to the benefit of any purchaser of any part of the SWY Property or any investor in the SWY Companies;
- (b) a letter setting forth the identity of the Potential Bidder, the contact information for such Potential Bidder, full disclosure of the direct and indirect owners of the Potential Bidder and their principals; and
- (c) a written acknowledgment of receipt of a copy of these SISP Procedures and agreeing to accept and be bound by the provisions contained therein.

(2) A Potential Bidder will be deemed a "**Qualified Phase 1 Bidder**" if: (a) such Potential Bidder has satisfied all of the requirements described in Section 2.4(1) above; and (b) such Potential Bidder's financial information and credit support or enhancement demonstrate to the satisfaction of the SWY Companies, in their reasonable business judgment, the capability of such Potential Bidder to consummate a transaction and that such Potential Bidder is likely (based on availability of financing, experience and other considerations) to consummate either a Sale or an Investment and operate the Vendors' mining operations (including in accordance with the terms and conditions set forth in the Stream Agreement). The Secured Creditors shall be deemed to be a Qualified Phase I Bidder.

(3) The determination as to whether a Potential Bidder is a Qualified Phase 1 Bidder pursuant to Section 2.4(2) will be made as promptly as practicable but no later than five (5) Business Days after a Potential Bidder delivers all of the materials required above. If it is determined that a Potential Bidder is a Qualified Phase 1 Bidder, the Vendors will promptly notify the Potential Bidder that it is a Qualified Phase 1 Bidder.

(4) If it is determined in accordance with Section 2.4(2) above, that there are no Qualified Phase 1 Bidders and that, as a consequence, proceeding with these SISP Procedures is not in the best interests of the SWY Companies or their stakeholders, SWY shall notify the Secured Creditors forthwith.

ARTICLE 3 — DUE DILIGENCE

(1) As soon as practicable after the determination that a party is a Qualified Phase I Bidder, SWY will make available to such Qualified Phase 1 Bidder in a secure online electronic data room confidential due diligence information regarding (i) the SWY Property available for sale, and (ii) the debt and equity interests in the SWY Companies. At the request of a Qualified Phase 1 Bidder, such confidential due diligence information shall also be provided to a proposed lender of such Qualified Phase I Bidder that is reasonably acceptable to SWY.

(2) Each Qualified Phase 1 Bidder shall have such access to due diligence materials and information relating to the SWY Property, and the debt and equity interests in the SWY Companies as the Vendors deem appropriate.

(3) At the discretion of the Vendors, due diligence access may include presentations (as may be scheduled by the Vendors), access to physical and secure online electronic data rooms, on-site inspections and such other matters as a Qualified Phase I Bidder or Qualified Phase 2 Bidder may reasonably request and as to which the Vendors, in their reasonable business judgment deem appropriate. The Vendors shall not be obligated to furnish any due diligence materials or information after the Phase 1 Bid Deadline.

(4) Without limiting the generality of any term or condition of any confidentiality agreement between the Vendors and any Potential Bidder, Qualified Phase 1 Bidder, Qualified Phase 2 Bidder, Successful Bidder or Backup Bidder, unless otherwise agreed by the Vendors, no Potential Bidder, Qualified Phase 1 Bidder, Qualified Phase 2 Bidder, Successful Bidder or Backup Bidder shall be permitted to have any discussions with any counterparty to any contract with the Vendors or with any regulatory authority responsible for the Vendors or any of their businesses or any other Potential Bidder, Qualified Phase 1 Bidder or Qualified Phase 2 Bidder in connection with a Non-Binding Indication of Interest or any other bid submitted in accordance with the terms hereof or in contemplation thereof.

(5) The Vendors are not responsible for, and will have no liability with respect to, any information obtained by any Known Potential Bidder, Potential Bidder or Qualified Bidder in connection with the SWY Property, a Sale or Investment. The Vendors do not make any representations or warranties whatsoever as to the information or the materials provided, except, to the extent the information is provided under any definitive sale or investment agreement executed and delivered by a Successful Bidder or Backup Bidder.

ARTICLE 4 — PHASE 1

Section 4.1 Seeking Non-Binding Indications of Interest by Qualified Phase 1 Bidders

(1) Up until the Phase I Bid Deadline, in accordance with the terms of these SISP Procedures, the Vendors, in consultation with the Secured Creditors, will seek to identify and qualify Qualified Phase 1 Bidders, and will solicit non-binding indications of interest from Qualified Phase 1 Bidders to acquire all, or substantially all of the SWY Property or to invest in SWY (each a "**Non-Binding Indication of Interest**").

(2) Subject to Section 4.3(5), in order to continue to participate in the SISP, a Qualified Phase 1 Bidder must deliver a Non-Binding Indication of Interest to the Vendors so as to be received by the Vendors not later than **5:00 p.m. (Montreal time) on July 15, 2019**, or such later date or time as the Vendors may determine appropriate with the prior written consent of the Secured Creditors, acting reasonably (the "**Phase 1 Bid Deadline**"), it being understood that if the Vendors, after consulting with their legal and financial advisors, inform the Secured Creditors in writing that potential bidders have requested additional time to consider the opportunity to submit a Non-Binding Indication of Interest, and there is a reasonable basis to conclude that said Qualified Phase 1 Bidder will submit a Non-Binding Indication of Interest, the Phase 1 Bid Deadline shall be extended to **5:00 p.m. (Montreal time) on July 31, 2019**.

Section 4.2 Non-Binding Indications of Interest by Qualified Phase 1 Bidders

(1) Unless otherwise agreed by the Vendors, a Non-Binding Indication of Interest will be considered a "**Qualified Non-Binding Indication of Interest**" only if it is submitted by a Qualified Phase 1 Bidder, received on or before the Phase 1 Bid Deadline, and contains the following information:

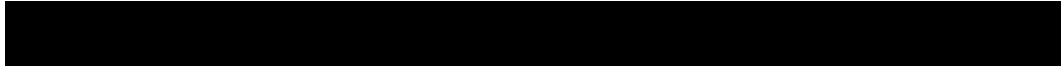
- (a) An indication of whether the Qualified Phase 1 Bidder is offering to (i) acquire all or substantially all of the SWY Property (a "**Sale Proposal**"); or (ii) make an investment in the SWY Companies (an "**Investment Proposal**");

[Redacted]

[Redacted]

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(d) Such other information reasonably requested by the Vendors.

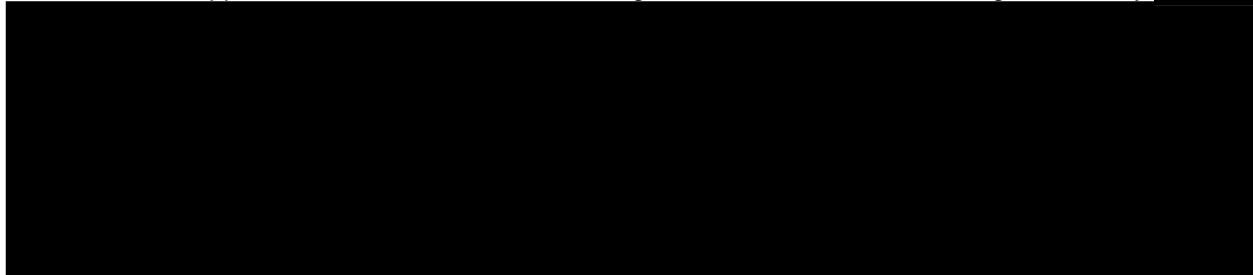
(2) The Vendors may, with the prior written consent of the Secured Creditors acting reasonably, waive compliance with any one or more of the requirements specified herein and deem any non-compliant Non-Binding Indication of Interest to be a Qualified Non-Binding Indication of Interest.

Section 4.3 Assessment of Qualified Non-Binding Indications of Interest and Determination of Qualified Phase 2 Bidders

(1) The Vendors will inform the Secured Creditors in writing as soon as practicably possible of any development in connection with the SISP and remit copies of any Non-Binding Indication of Interest received.

(2) In the event that the Vendors do receive one or more Qualified Non-Binding Indications of Interest, the Vendors will, in consultation with Secured Creditors, assess any Qualified Non-Binding Indications of Interest received and will determine whether proceeding with these SISP Procedures on the basis of such Qualified Non-Binding Indications of Interest is in the best interests of the SWY Companies and their stakeholders.

(3) The Qualified Non-Binding Indications of Interest may not proceed to Phase 2 unless the Secured Creditors have approved such Qualified Non-Binding Indications of Interest, acting reasonably,



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(4) If the Vendors, in accordance with Section 4.2 above, determine that (i) one or more Qualified Non-Binding Indications of Interest were received, and (ii) proceeding with these SISP Procedures is in the best interests of the SWY Companies and their stakeholders, these SISP Procedures will continue and each Qualified Phase 1 Bidder who has submitted a Qualified Non-Binding Indication of Interest that is determined by the Vendors, on consideration of the information delivered at Section 4.2(1), as reasonably likely to be consummated, shall be deemed to be a "Qualified Phase 2 Bidder". The Vendors shall provide advance written notice of the commencement of Phase 2 and the names of the Qualified Phase 2 Bidders to the Secured Creditors.

(5) The Secured Creditors shall be deemed to be a Qualified Phase 2 Bidder even if they did not submit a Non-Binding Indication of Interest. Notwithstanding any other provision in these SISP Procedures, the Streamers or Diaquem, alone or together, shall be permitted to submit a Qualified Purchase Bid or Qualified Investment Bid, by way of credit bid for an amount up to their respective Secured Claims Amount in accordance with Section 5.11 below, at any time during the SISP, and including after the Phase 2 Bid Deadline; provided that in the event that the Streamers are proceeding with such a credit bid without Diaquem, such credit bid may not proceed without the consent of Diaquem unless such credit bid contemplates the cash reimbursement in full of the Diaquem Secured Claim Amount at closing of the transaction.

ARTICLE 5 — PHASE 2

Section 5.1 Seeking Qualified Bids by Qualified Phase 2 Bidders

In order to continue to participate in the SISP, a Qualified Phase 2 Bidder must deliver a Qualified Purchase Bid or Qualified Investment Bid to the Vendors and such bids must be received by the Vendors by no later than 5:00 p.m. (Montreal time) on August 30, 2019, or such later date or time as the Vendors may determine appropriate (the "**Phase 2 Bid Deadline**").

Section 5.2 Qualified Purchase Bids

A Sale Proposal submitted by a Qualified Phase 2 Bidder will be considered a "**Qualified Purchase Bid**" only if the Sale Proposal complies with all of the following:

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– [Redacted]

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[Redacted]

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Section 5.3 Qualified Investment Bids

An Investment Proposal submitted by a Qualified Phase 2 Bidder will be considered a "**Qualified Investment Bid**" only if the Investment Proposal complies with all of the following:

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Section 5.4 Qualified Bids

(1) Qualified Purchase Bids and Qualified Investment Bids shall hereinafter be referred to as "**Qualified Bids**" and each a "**Qualified Bid**" and each bidder who has submitted a Qualified Bid shall hereinafter be referred to as a "**Qualified Bidder**".

(2) Notwithstanding Section 5.2 and Section 5.3 hereof, the Vendors, in consultation and with the prior written consent of the Secured Creditors acting reasonably, may waive compliance with any one or more of the Qualified Bid requirements specified herein, and deem such noncompliant bids to be Qualified Purchase Bids or Qualified Investment Bids, as the case may be.

Section 5.5 Assessment of Qualified Bids

(1) A Qualified Bid may not be selected as a Successful Bid unless the Secured Creditors have approved such Qualified Bid, acting reasonably,

[Redacted]

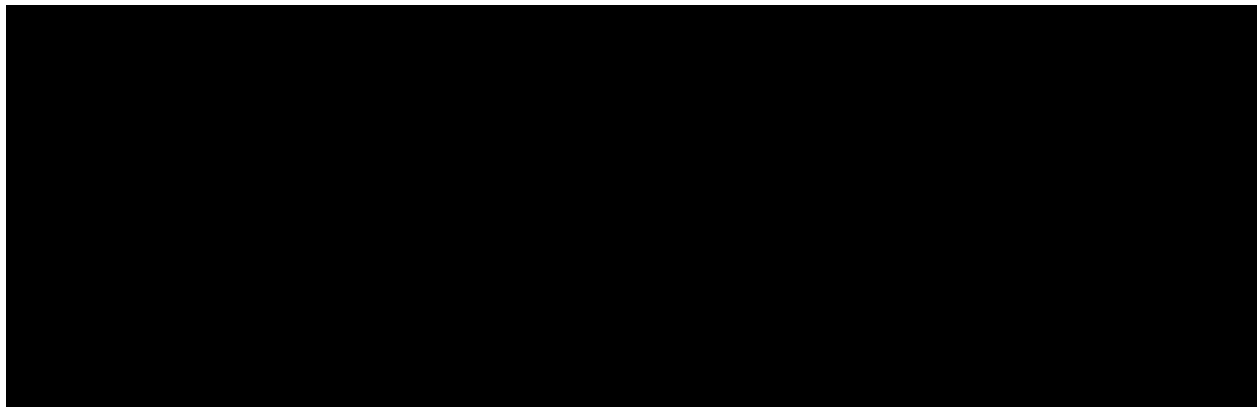
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(2) The Vendors, in consultation with the Secured Creditors, will assess the Qualified Bids received, if any, and will determine whether it is likely that the transactions contemplated by such Qualified Bids are likely to be consummated and whether proceeding with these SISF Procedures is in the best interests of

the SWY Companies and their stakeholders, including the Secured Creditors. Such determination will be subject to the prior written consent of the Secured Creditors, acting reasonably, as promptly as practicable but no later than five (5) Business Days after the Phase 2 Bid Deadline, provided that such time period may be extended upon the consent of the Vendors and the Secured Creditors.

(3) If the Vendors, in accordance with Section 5.5(1) above, determine, in consultation with Secured Creditors, that (a) no Qualified Bid was received, or (b) at least one Qualified Bid was received but it is not likely that the transactions contemplated in any such Qualified Bids will be consummated. The Secured Creditors shall have the option, within ten (10) business days from such determination, to submit a credit bid (that would constitute a binding agreement if accepted) even if they did not submit a credit bid at any other point during Phase 1 or Phase 2, and notwithstanding the receipt of any new information regarding bids or offers after the commencement of Phase 2.

Section 5.6 Selection Criteria



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(3) The Vendors may select Qualified Bids for further negotiation and/or clarification of any terms or conditions of such Qualified Bids, including the amounts offered, before identifying the highest or otherwise best Qualified Bid(s) received (the "**Successful Bid**").

(4) Upon completion of any further negotiations or clarifications that may be conducted pursuant to Section 5.6(3) above, the Vendors will identify the Successful Bid and may identify a next highest or otherwise best Qualified Bid received (such offer, the "**Backup Bid**"). The Qualified Bidders(s) who made the Successful Bid is/are the "**Successful Bidder**" and the Qualified Bidder(s) who made the Backup Bid (if a Backup Bid is identified in accordance with these SISP Procedures) is/are the "**Backup Bidder**". The Vendors will notify the Successful Bidder and any Backup Bidder that they are, respectively, the Successful Bidder and the Backup Bidder.

(5) The Vendors will finalize definitive agreements in respect of the Successful Bid and the Backup Bid (if a Backup Bid is identified in accordance with these SISP Procedures), if any.

(6) If a Backup Bid is identified in accordance with these SISP Procedures, then such Backup Bid shall remain open until the consummation of the transaction contemplated by the Successful Bid (the "**Backup Bid Expiration Date**").

Section 5.7 Deposits

(1) All Deposits shall be retained by the Vendors and invested in an interest-bearing trust account in a Schedule I Bank in Canada. If there is a Successful Bid, the Deposit (plus accrued interest) paid by the Successful Bidder shall be applied to the purchase price to be paid or investment amount to be made by the Successful Bidder upon closing of the Successful Bid. The Deposit (plus accrued interest) paid by the Backup Bidder, if there is one, shall be retained by the Vendors until the Backup Bid Expiration Date or, if the Backup Bid becomes the Successful Bid, shall be applied to the purchase price to be paid or investment amount to be made by the Backup Bidder upon closing of the Backup Bid. The Deposits (plus applicable interest) of all Phase 2 Bidders not selected as the Successful Bidder or Backup Bidder shall be returned to such bidders without interest within five (5) Business Days of the later of the date upon which the Successful Bid or any Backup upon closing. If these SISP Procedures are terminated in accordance with the provisions hereof, all Deposits shall be returned to the bidders without interest within five (5) Business Days of the date upon which these SISP Procedures are terminated.

(2) If an entity selected as the Successful Bidder or Backup Bidder breaches its obligations to close, it shall forfeit its Deposit to the Vendors; provided, however, that the forfeiture of such Deposit shall be in addition to, and not in lieu of, any other rights in law or equity that the Vendors has or may have against such breaching entity.

Section 5.8 Approvals

For greater certainty, the approvals required pursuant to the terms hereof are in addition to, and not in substitution for, any other approvals required by any Canadian or other foreign statute or are otherwise required at law in order to implement a Successful Bid or Backup Bid, as the case may be.

Section 5.9 Notice to the Vendors

Any notice or other communication to be given to the Vendors in connection with this SISP shall be given in writing and shall be given by personal delivery (in which case it shall be left with a responsible officer of the recipient) or by electronic communication addressed to SWY as follows:

The Vendors:

Stornoway Diamond Corporation

111, Saint-Charles West,
Suite 400
Longueuil, Québec, J4K 5G4
Attention: Annie Torkia Lagacé (atlagace@stornowaydiamonds.com)

With a copy to:

Norton Rose Fulbright Canada LLP

1 Place Ville Marie
Suite 2500,
Montréal, Quebec, H3B 1R1,

Attention: Luc Morin & Steve Malas (luc.morin@nortonrosefulbright.com /
steve.malas@nortonrosefulbright.com);

Section 5.10 Reservation of Rights

(1) The Vendors may (a) reject, at any time any bid that is (i) inadequate or insufficient, (ii) not in conformity with the requirements of these SISP Procedures, or (iii) contrary to the best interests of the SWY Companies, their estate, and stakeholders as determined by the Vendors; (b) in accordance with the terms hereof accept bids not in conformity with these SISP Procedures to the extent that the Vendors

determine, in their reasonable business judgment, that doing so would benefit the SWY Companies, their estate, and stakeholders; and (c) in accordance with the terms hereof extend the Phase 1 Bid Deadline or Phase 2 Bid Deadline; and (d) reject all bids. The Vendors shall not be required to accept the highest bid.

(2) These SISP Procedures do not, and shall not be interpreted to, create any contractual or other legal relationship between the Vendors on the one hand and any Known Potential Bidder, Potential Bidder, Qualified Potential Bidder, Qualified Phase 1 Bidder, Qualified Phase 2 Bidder, Qualified Bidder, Successful Bidder or Backup Bidder, on the other hand, except as specifically set forth in definitive agreements that may be executed by the Vendors.

(3) The Secured Creditors shall be granted by the Vendors with full access to the information in connection with the Non-Binding Indication of Interests, the Phase 1 Qualified Bids and/or the Phase 2 Qualified bids, as the case may be.

Section 5.11 Credit Bid

(1) The Secured Creditors shall be entitled, at any time during the SISP, to credit bid up to an amount not exceeding the Secured Claims Amount.

(2) The Secured Creditors confirm and undertake that they will not submit a Non-Binding Indication of Interest, a Phase 1 Qualified Bid and/or a Phase 2 Qualified Bid providing for a purchase price exceeding the Secured Claims Amount.

(3) Secured Creditors recognize, acknowledge and undertake that they will inform the Vendors prior to engaging in any exchanges, discussions and/or negotiations with a Potential Bidder, Phase 1 Qualified Bidder and/or Phase 2 Qualified Bidder, as the case may be.

SCHEDULE "F"

CONSENT AND INTERVENTION OF CDPQ

[see attached]

CONSETEMENT ET INTERVENTION

À : **VENTES ET MARKETING FCDC INC.**
LES DIAMANTS STORNOWAY (CANADA) INC.
SOCIÉTÉ DE DIAMANT STORNOWAY
LES MINES ASHTON DU CANADA INC.
(collectivement, les « **Débiteurs** »)

ET À : **SOCIÉTÉ DE FIDUCIE COMPUTERSHARE DU CANADA**, en sa capacité de
Stream Agent
(le « **Mandataire des Acheteurs** »)

ET À : **SOCIÉTÉ DE FIDUCIE COMPUTERSHARE DU CANADA**, en sa capacité de
SSL/Hedger Security Trustee
(le « **Mandataire des sûretés SSL/Hedger** »)

ET À : **SOCIÉTÉ DE FIDUCIE COMPUTERSHARE DU CANADA**, en sa capacité de
Stream Security Trustee
(le « **Mandataire des sûretés des Acheteurs** »)

ET À : **DIAQUEM INC.**
OSISKO GOLD ROYALTIES LTD
TRIPLE FLAG MINING FINANCE BERMUDA LTD.
ALBION EXPLORATION FUND, LLC
WASHINGTON STATE INVESTMENT BOARD
(collectivement, les « **Prêteurs relais** »)

ATTENDU QUE les Débiteurs, les Prêteurs relais, le Mandataire des Acheteurs, le Mandataire des sûretés SSL/Hedger. et le Mandataires des sûretés des Acheteurs (collectivement, les « **Parties** ») ont convenu de signer une convention de prêt relais (*Bridge Financing Agreement*) en date des présentes (la « **Convention de prêt** »);

ATTENDU QUE les Débiteurs se sont engagés à préparer la version française de la Convention de prêt (la « **Versión française** ») et à la remettre aux Parties au plus tard 30 jours suivant la signature version anglaise de la Convention de prêt (la « **Versión anglaise** »), le tout tel que décrit plus en détail à l'article 43 de la Convention de prêt; et

ATTENDU QUE le soussigné et les Parties signeront la Version française dès qu'elle sera disponible.

PAR CONSÉQUENT, le soussigné convient de ce qui suit :

1. Consentement et intervention.

Le soussigné consent à ce que les Parties concluent la Convention de prêt.

Par les présentes, le soussigné accepte et prend l'engagement en faveur des Parties d'être lié par la Convention de prêt à compter de la date des présentes et d'exécuter les obligations qui lui incombent aux termes de la Convention de prêt.

Malgré les références au soussigné dans la Convention de prêt, le soussigné n'a pas signé la Version anglaise de la Convention de prêt. Le soussigné signera la Version française, laquelle, une fois signée, aura l'effet indiqué à l'article 43 de la Convention de prêt.

2. Invalidité des dispositions

Si l'une des dispositions du présent consentement et intervention était invalide, illégale ou inexécutoire à quelque égard que ce soit, la validité, la légalité ou le caractère exécutoire de la Convention de prêt, ou des dispositions restantes des présentes, ne seraient en aucun cas touchés ou diminués.

3. Droit applicable

Le présent consentement et intervention sera régi, interprété et exécuté conformément aux lois de la province du Québec et aux lois du Canada qui s'y appliquent.

[la page de signature suit]

