

UR-ENERGY INC
Form 6-K
September 03, 2013

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 6-K

Report of Foreign Private Issuer

Pursuant to Rule 13a-16 or 15d-16

Under the Securities Exchange Act of 1934

For the month of **September 2013**

Commission File No.: **001-33905**

UR-ENERGY INC.

(Translation of the registrant's name into English)

10758 W Centennial Road, Suite 200

Littleton, Colorado 80127

(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F Form 40- F x

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Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): _____

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): _____

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes No

FORM 51-102F3

MATERIAL CHANGE REPORT

1. **Name and Address of Company**

Ur-Energy Inc.
55 Metcalfe Street, Suite 1300
Ottawa, Ontario K1P 6L5

2. **Date of Material Change**

August 27, 2013

3. **News Release**

Attached as Schedule A is a copy of the news release issued by Ur-Energy Inc. (the “Company” or “Ur-Energy”) on August 28, 2013 at Denver, Colorado via PR Newswire.

4. **Summary of Material Change**

The Company, and certain of its U.S. subsidiaries, closed on a US\$15.0 million secured loan facility (the “Second Loan Facility”) with RMB Australia Holdings Ltd. (“RMBAH”) on August 27, 2013. The Second Loan Facility is in addition to the previously-announced US\$20.0 million facility with RMBAH, closed in June 2013 (the “First Loan Facility”). (See *News Release June 25, 2013*). A copy of the Facility Agreement for the Second Loan Facility is attached as Schedule B. A copy of the related Amendment and Restatement Agreement - Facility Agreement with respect to the First Loan Facility is attached as Schedule C.

The Second Loan Facility will provide additional working capital for operations of the Company’s flagship Lost Creek Project, which commenced production operations on August 2, 2013.

5. **Full Description of Material Change**

The Company, and certain of its U.S. subsidiaries, closed on a US\$15.0 million secured loan facility (the “Second Loan Facility”) with RMB Australia Holdings Ltd. (“RMBAH”) on August 27, 2013. The Loan Facility is in addition to the previously-announced US\$20.0 million facility with RMBAH, closed in June 2013 (the “First Loan Facility”). (*See News Release June 25, 2013*).

The Second Loan Facility will provide additional working capital for operations of the Company’s flagship Lost Creek Project, which commenced production operations on August 2, 2013.

The Loan Facility includes the following terms:

- scheduled repayments of principal commence March 2014 at the rate of US\$750,000 per quarter, increase to US\$1,800,000 per quarter in March 2016 following the final repayment of the First Loan Facility, and continue until the repayment term concludes on March 31, 2017;
- an interest rate of LIBOR plus 7.5% per annum calculated quarterly;
- an arrangement fee of 6.0% payable at closing, with 50% to be applied as a payment under certain circumstances;
- issuance of 3,100,800 warrants with a five-year expiry, exercisable for 3,100,800 common shares of the Company at an exercise price of C\$1.25, and other terms as set forth in the warrant certificate, of which 50% are cancellable under certain circumstances. As with the First Loan Facility, proceeds from the exercise of warrants during the term of the Second Loan Facility are to be used for payments on the facility;
- repayment in full upon a closing of the State of Wyoming Industrial Development Bond Loan, or a payment of US\$10,000,000 on or before March 31, 2014 under certain circumstances; and
- customary security and other customary terms as set forth in the Second Loan Facility transaction documents.

The Company continues to work with the State of Wyoming and Sweetwater County to advance a US\$34.0 million bond loan (the “Bond Loan”) through the State’s Industrial Development Bond program. The Second Loan Facility will be repaid upon a closing of the Bond Loan.

6. **Reliance on subsection 7.1(2) or (3) of National Instrument 51-102**

Not applicable.

7. **Omitted Information**

Not applicable.

8. **Executive Officer**

Roger L. Smith, CFO/CAO

Ur-Energy Inc.

10758 W. Centennial Road, Suite 200

Littleton, Colorado 80127

Telephone: 720-981-4588

9.

Date of Report

September 3, 2013

Schedule A

Ur-Energy Closes US\$15,000,000 Loan Facility

Littleton, Colorado (PR Newswire – August 28, 2013) **Ur-Energy Inc. (TSX:URE, NYSE MKT:URG)** (“Ur-Energy” or the “Company”) is pleased to announce that the Company, and certain of its U.S. subsidiaries, closed on a US\$15.0 million secured loan facility (the “Second Loan Facility”) with RMB Australia Holdings Ltd. (“RMBAH”) on August 27, 2013. The Loan Facility is in addition to the previously-announced US\$20.0 million facility with RMBAH, closed in June 2013 (the “First Loan Facility”). (*See News Release June 25, 2013*).

The Second Loan Facility will provide additional working capital for operations of the Company’s flagship Lost Creek Project, which commenced production operations on August 2, 2013.

Ur-Energy President and CEO Wayne Heili commented, “We are very pleased to announce the closing of this Second Loan Facility, and for the continued support of RMB Resources and RMB Australia. RMB has decades of lending experience in the natural resources industries. We are fortunate that such a well-respected international banking partner is demonstrating this commitment to our project and to our company.”

The Loan Facility includes the following terms:

- scheduled repayments of principal commence March 2014 at the rate of US\$750,000 per quarter, increase to US\$1,800,000 per quarter in March 2016 following the final repayment of the First Loan Facility, and continue until the repayment term concludes on March 31, 2017;
- an interest rate of LIBOR plus 7.5% per annum calculated quarterly;
- an arrangement fee of 6.0% payable at closing, with 50% to be applied as a payment under certain circumstances;
- issuance of 3,100,800 warrants with a five-year expiry, exercisable for 3,100,800 common shares of the Company at an exercise price of C\$1.25, and other terms as set forth in the warrant certificate, of which 50% are cancellable under certain circumstances. As with the First Loan Facility, proceeds from the exercise of warrants during the term of the Second Loan Facility are to be used for payments on the facility;
- repayment in full upon a closing of the State of Wyoming Industrial Development Bond Loan, or a payment of US\$10,000,000 on or before March 31, 2014 under certain circumstances;
- customary security and other customary terms as set forth in the Second Loan Facility transaction documents.

The Company continues to work with the State of Wyoming and Sweetwater County to advance a US\$34.0 million bond loan (the “Bond Loan”) through the State’s Industrial Development Bond program. The Second Loan Facility will

be repaid upon a closing of the Bond Loan.

About Ur-Energy

Ur-Energy is a junior uranium mining company operating the Lost Creek in-situ recovery uranium facility in south-central Wyoming. The Lost Creek processing facility will have a two million pounds per year nameplate capacity. Ur-Energy engages in the identification, acquisition, exploration development, and operation of uranium projects in the United States and Canada. Shares of Ur-Energy trade on the Toronto Stock Exchange under the symbol “URE” and on the NYSE MKT under the symbol “URG”. Ur-Energy’s corporate office is located in Littleton, Colorado; its registered office is in Ottawa, Ontario. Ur-Energy’s website is www.ur-energy.com.

FOR FURTHER INFORMATION, PLEASE CONTACT

Rich Boberg, Director, IR/PR	Wayne Heili, President and CEO
303-269-7707	307-265-2373
866-981-4588	866-981-4588
Click here to email Rich	Click here to email Wayne

This release may contain “forward-looking statements” within the meaning of applicable securities laws regarding events or conditions that may occur in the future (*e.g.*, timing and ability to complete bond closing or other project financing; timing of completion of commissioning and ramp-up of operations at Lost Creek) and are based on current expectations that, while considered reasonable by management at this time, inherently involve a number of significant business, economic and competitive risks, uncertainties and contingencies. Factors that could cause actual results to differ materially from any forward-looking statements include, but are not limited to, capital and other costs varying significantly from estimates; failure to establish estimated resources and reserves; the grade and recovery of ore which is mined varying from estimates; production rates, methods and amounts varying from estimates; delays in obtaining or failures to obtain required governmental, environmental or other project approvals; inflation; changes in exchange rates; fluctuations in commodity prices; delays in development and other factors. Readers should not place undue reliance on forward-looking statements. The forward-looking statements contained herein are based on the beliefs, expectations and opinions of management as of the date hereof and Ur-Energy disclaims any intent or obligation to update them or revise them to reflect any change in circumstances or in management’s beliefs, expectations or opinions that occur in the future.

Schedule B

Agreement

Execution Version

Facility Agreement

Ur-Energy USA Inc.

Ur-Energy Inc.

Lost Creek ISR, LLC

RMB Australia Holdings Limited

RMB Resources, a division of FirstRand Bank
Limited (London Branch)

QV.1 Building 250 St Georges Terrace Perth WA 6000
Australia
GPO Box U1942 Perth WA 6845 Australia

Telephone +61 8 9211 7777 Facsimile +61 8 9211
7878
www.herbertsmithfreehills.com DX 104 Perth

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Attachments

Lost Creek Mineral Rights

Pathfinder Mineral Rights

Offtake Agreements

Warrant Certificate

Facility Agreement page 5

The agreement

Facility Agreement

Date

Between the
parties

Ur-Energy USA Inc.

a corporation incorporated under the laws of Colorado

Borrower

of 10758 West Centennial Road, Suite 200, Littleton, Colorado, 80127

(Borrower)

Ur-Energy Inc.

a company continued under the Canada Business Corporations Act having company number
437428-2

Parent

of 10758 West Centennial Road, Suite 200, Littleton, Colorado, 80127

(Parent)

Lost Creek ISR, LLC

Lost Creek a Wyoming limited liability company of 10758 West Centennial Road, Suite 200, Littleton, CO 80127

(Lost Creek)

RMB Australia Holdings Limited

Financier a company existing under the laws of Australia having registration number ACN 003 201 214

Financier

of Level 13, 60 Castlereagh Street, Sydney, New South Wales 2000, Australia

(Financier)

RMB Resources, a division of FirstRand Bank Limited (London Branch)

Agent registered in England & Wales (Branch Registration No. BR10027) of 20 Gracechurch Street, London EC3V 0BG

(Agent)

1 Definitions and interpretations

Background the Financier has agreed to provide the Facility to the Borrower on the terms of this agreement.

The parties as set out in the operative part of this agreement, in consideration of, among other things, the mutual
agree promises contained in this agreement.

Facility Agreement page 2

Operative part

1 Definitions and interpretations

1.1 Definitions

The meanings of the terms used in this document are set out below.

Term	Meaning
Accounting Standards	generally accepted accounting principles in the United States of America.
Affiliate	with respect to a Person: <ol style="list-style-type: none">1 any partner, officer, manager, director or managing agent of that Person or that Person's Affiliates;2 any spouse, parent, children or grandchildren (by birth or adoption) of that Person; and3 any other Person (other than a Subsidiary):<ul style="list-style-type: none">· that directly or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, that Person;· that directly or indirectly beneficially owns or holds 10% or more of any class of voting stock or partnership or other voting interest of that Person or any Subsidiary of that Person; or

- 10% or more of the voting stock or partnership or other voting interest of which is directly or indirectly beneficially owned or held by that Person or a Subsidiary of that Person.

Amendment and Restatement Agreement

the agreement entitled 'Amendment and Restatement Agreement – Facility Agreement' dated on or about the date of this Agreement between the Borrower, the Parent, Lost Creek and the Finance Parties.

Attorney

an attorney appointed under a Transaction Document.

1 any consent, registration, filing, agreement, notice of non-objection, notarisation, certificate, licence, approval, permit, authority or exemption; and

Authorization

2 in relation to anything which a Government Agency may prohibit or restrict within a specific period, the expiry of that period without intervention or action or notice of intended intervention or action.

Facility Agreement page 3

1 Definitions and interpretations

Term	Meaning
	1 in relation to the Borrower, a director, an executive officer or a company secretary; and
Authorized Officers	2 in relation to the Financier, a director, an associate director, a company secretary, an officer whose title contains the word 'president', 'director', 'manager' or 'executive', or a person performing the functions of any of them, or in either case, a person appointed by a party to act as an Authorized Officer for the purposes of this agreement and the Transaction Documents.
Availability Period	the period commencing on Financial Close and ending on 30 October 2013.
Bankruptcy Code	Title 11 of the United States Code as amended from time to time.
Base Case Model	the base case model for the Borrower Group, to be initially provided in accordance with clause 2.1(i) and updated and maintained in accordance with clause 11.
BCA Litigation	the lawsuit captioned Biodiversity Conservation Alliance v. Bureau of Land Management, 12-CV-252-S, filed in the United States District Court for the District of Wyoming, in which Lost Creek has intervened.
Borrower Group	the Parent and each of its Subsidiaries and Borrower Group Member means any one of them, and a reference to 'Borrower Group' in the definitions of 'Base Case Model', 'CADS', 'Operating Costs' and 'Sustaining Capital Expenditure' includes Pathfinder even if the Pathfinder Acquisition Date has not yet occurred.
Borrower Security Agreement	the agreement entitled 'Security Agreement' dated 24 June 2013 granted by the Borrower in favour of the Finance Parties.
Break Costs	for any repayment or prepayment, the amount (if any) by which:

1 the interest on the amount repaid or prepaid which the Financier should have received under this agreement (had the repayment or prepayment not occurred),

exceeds:

2 the return which that Financier would be able to obtain by placing the amount repaid or prepaid to it on deposit with a Reference Bank,

in each case for the period from the date of repayment or prepayment until the last day of the then current Interest Period applicable to the repaid or prepaid amount.

1 Definitions and interpretations

Term **Meaning**

1 for the purposes of clause 20.3, a day on which banks are open for business in the city where the notice or other communication is received excluding a Saturday, Sunday or public holiday; and

Business Day

2 for all other purposes, a day on which banks are open for business in Sydney, Australia, Denver, Colorado and London, England excluding a Saturday, Sunday or public holiday.

in respect of a period, means the Revenue for that period less the aggregate of the following amounts actually paid by the Borrower Group during that period (or, where not actually paid at the date of any calculation, projected to be paid by the Borrower Group during that period as contemplated in the Base Case Model):

- CADS or Cash Available for Debt Service**
- 1 Operating Costs, Sustaining Capital Expenditure and any other capital expenditure in accordance with the Base Case Model;
 - 2 any other corporate overhead and administrative costs of the Borrower Group in accordance with the Base Case Model; and
 - 3 any fees, Taxes or royalties paid to a Government Agency in respect of a Project and all Taxes (including income tax) (whether currently payable or levied or imposed after the date of this agreement) or royalties payable under the terms of any agreement in relation to the Mineral Rights.

Calculation Date each Quarterly Date while there is Principal Outstanding.

Change in Law any present or future law, regulation, treaty, order or official directive or request (which, if not having the force of law, would be complied with by a responsible financial institution) which:

1 commences, is introduced, or changes, after the date of this agreement; and

2 does not relate to a change in the effective rate at which Tax is imposed on the overall net income of a Finance Party or a change in franchise Taxes, any branch profit Taxes or similar Taxes imposed by any jurisdiction on a Finance Party.

COGEMA COGEMA Resources, Inc., a company incorporated under the laws of Delaware.

Collateral Security any present or future Encumbrance, Surety Obligation or other document or agreement created or entered into by a Transaction Party or any other person as security for, or to credit enhance, the payment of any of the Secured Moneys, including any further security granted under clause 9.24(b).

Facility Agreement page 5

1 Definitions and interpretations

Term	Meaning
Commitment	<p>the maximum aggregate amount agreed to be provided by the Financier under the Facility, being \$15,000,000, as reduced or cancelled in accordance with this agreement.</p> <p>a certificate:</p>
Compliance Certificate	<p>1 in, or substantially in, the form of Schedule 5 signed by an Authorized Officer of the Borrower; and</p> <p>2 setting out the information required to be provided under Schedule 5 and any other information agreed by the Borrower and the Lender from time to time.</p> <p>in respect of a property, the presence of Pollutants:</p>
Contamination	<p>1 in, on or under the property; or</p> <p>2 in the ambient air and emanating from the property.</p>
Contested Tax	<p>a Tax payable by a Transaction Party or Lost Creek where the Transaction Party or Lost Creek is contesting its liability to pay that Tax, and has reasonable grounds to do so.</p>
Control	<p>of a Person, includes the possession directly or indirectly of the power, whether or not having statutory, legal or equitable force, and whether or not based on statutory, legal or equitable rights, directly or indirectly, to do any of the following:</p> <p>1 to control 50% or more of the total votes which might be cast at a general meeting of that Person;</p>

2 to elect or appoint a majority of the board of directors or other governing body of that Person;
or

3 to direct or cause the direction of the management and policies of that company whether by means of trusts, agreements, arrangements, understandings, the ownership of any interest in shares or stock of that company or otherwise.

**Converdyn
Agreement**

the agreement constituted by the agreement entitled 'Uranium Supplier's Agreement' dated 5 June 2013 between the Borrower and ConverDyn, with contract number '13-526' and the assignment agreement dated 21 August 2013 between the Borrower and Lost Creek.

the document comprising:

**Corporate and
Project
Budget**

1 the consolidated cashflow budget for the Borrower Group covering the period to 31 December 2017; and

2 the cashflow budget for the Projects covering the period to 31 December 2017,

1 Definitions and interpretations

Term	Meaning
	to be initially provided in accordance with clause 2.1(h) and then provided in an updated form under clauses 9.5 and 9.6(g).
Debtor Relief Laws	the Bankruptcy Code and all other applicable liquidation, conservatorship, bankruptcy, insolvency, rearrangement, moratorium, reorganisation, or similar debtor relief laws affecting the rights of creditors generally from time to time in effect and applicable to any Transaction Party or Lost Creek having regard to its place of formation.
	1 an Event of Default; or
Default	2 a Potential Event of Default.
	1 any employee pension plan covered by the <i>Employee Retirement Income Security Act of 1974</i> (PL 93-406, 2 September 1974), as amended; or
Defined Benefit Plan	2 any Canadian pension plan which contains a ‘defined benefit provision’ as defined in subsection 147.1(1) of the Income Tax Act (Canada).
Deposit Account Control Agreement	the deposit account control agreement to be made between the Borrower, the Finance Parties and a bank or financial institution in accordance with clause 2.4 in relation to the Funding Account.
Dispose	in relation to any asset, property or right, means to sell, transfer, assign, surrender, convey, lease, licence, discount, lend, farm-out or otherwise dispose of any interest in the asset, property or right.
Distribution	any dividend, distribution or other amount declared or paid by a Transaction Party or Lost Creek on any Marketable Securities issued by it.
Documents	the Transaction Documents and the Project Documents.

Dollars and \$ the lawful currency of the United States of America.

Economic Assumptions in relation to the Base Case Model means assumptions relating to escalation factors, currency exchange rates, discount rates, interest rates, inflation rates, commodity prices and Taxes, and any other assumption that in the Agent's opinion (acting reasonably) is necessary to run the Base Case Model.

Facility Agreement page 7

1 Definitions and interpretations

Term **Meaning**

as applied to the property of any Person:

1 any mortgage, deed to secure debt, deed of trust, lien, pledge, charge, capital lease, conditional sale or other title retention agreement, or other security interest, security title or encumbrance of any kind in respect of any property of that Person or upon the income and profits from that property, whether that interest is based on the common law, statute or contract;

Encumbrance

2 any arrangement, express or implied, under which any property of that Person is transferred, sequestered or otherwise identified for the purpose of subjecting the same to the payment of Financial Indebtedness or performance of any other obligation in priority to the payment of the general, unsecured creditors of that Person; and

3 the filing of, or any agreement to give, any financing statement under the Uniform Commercial Code of any state or its equivalent in any jurisdiction.

End Date

from time to time means the date, determined having regard to the latest Base Case Model and any other information provided under clause 9.6, on which the Lost Creek Project is forecast to cease operations.

Environmental Approvals

all consents, approvals, licences or other Authorizations of any kind required by Environmental Law.

Environmental Bonding

1 if the Pathfinder Acquisition Date has occurred, the environmental bonding instruments or cash bonds that have been posted with the appropriate Government Agency:

· in relation to the Lost Creek Project in the amount of \$9,857,000; and

· in relation to the Pathfinder Uranium Projects in the amount of \$12,198,563; or

2 if the Pathfinder Acquisition Date has not occurred, the environmental bonding instruments or cash bonds that have been posted with the appropriate Government Agency in relation to the Lost Creek Project in the amount of \$9,857,000,

as they may be increased or supplemented by new bond amounts from time to time, in each case as may be required by any Government Agency.

1 Definitions and interpretations

Term	Meaning
Environmental Law	<p>any law of the United States of America or the State of Wyoming that relates to the protection of the environment or health and safety or manages Pollutants, including laws concerning land use or the rehabilitation of any land, development, Contamination, conservation of natural or cultural resources and resource allocation (including any law of the United States of America or the State of Wyoming relating to the exploration for, and development or exploitation of, any natural resource).</p>
Environmental Liability	<p>any actual or potential Loss incurred or which may be incurred in connection with:</p> <ol style="list-style-type: none"> 1 the investigation or remediation; 2 a claim by any third party; 3 any action, order, declaration or notice by a Government Agency under an Environmental Law; or 4 any agreement between a Transaction Party or Lost Creek and any: <ul style="list-style-type: none"> · owner or occupier of land; or · Government Agency, <p>of or in respect of Contamination of a Project or a Project Area.</p>
Equivalent Amount	<p>in respect of an amount on a day, means the amount of Dollars converted from another currency at the spot rate for the purchase of Dollars with that currency quoted by the Agent at or about 11.00am (London time) on that day for value on the second Business Day after that day.</p>

Event of Default

any event specified in clause 12.1.

a Tax measured or imposed by any jurisdiction on the net income of a Finance Party, franchise Taxes, or any branch profit Taxes or similar Taxes imposed by any jurisdiction on a Finance Party, but not a Tax:

Excluded Tax

1 calculated on or by reference to the gross amount of any payment (without allowance for any deduction) derived by a Finance Party under a Transaction Document or any other document referred to in a Transaction Document; or

2 imposed as a result of a Finance Party being considered a resident of or organized or doing business in that jurisdiction solely as a result of it being a party to a Transaction Document or any transaction contemplated by a Transaction Document.

Exercise Price Cdn\$1.25 per Warrant Share.

Expiry Date

the date which is 5 years after a Warrant is issued to the Financier or the Financier's nominee under this agreement.

1 Definitions and interpretations

Term	Meaning
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Facility	the Facility made available by the Financier to the Borrower under clause 3.1.
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Final Repayment Date	31 March 2017.
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Finance Party	each of the Agent and the Financier and Finance Parties means both of them.
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1 if the proceeds of the first Funding Portion are to be applied for the purposes described in clauses 3.2(a) and 3.2(b), the date on which all of the conditions precedent in clauses 2.1, 2.2 and 2.3 are satisfied or waived by the Agent; or

Financial Close	
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2 if the proceeds of the first Funding Portion are to be applied for the purposes described in clauses 3.2(c) and 3.2(d), the date on which all of the conditions precedent in clauses 2.1 and 2.3 are satisfied or waived by the Agent.

Financial Indebtedness	any debt or other monetary liability in respect of moneys borrowed or raised or any financial accommodation including under or in respect of any:
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1 bill, bond, debenture, note or similar instrument;

2 acceptance, endorsement or discounting arrangement;

3 Surety Obligation;

4 finance or capital Lease;

5 agreement for the deferral of a purchase price or other payment in relation to the acquisition of any asset or service;

6 obligation to deliver goods or provide services paid for in advance by any financier;

7 agreement for the payment of capital or premium on the redemption of any preference shares;
or

8 Hedging Agreements,

and irrespective of whether the debt or liability:

9 is present or future;

10 is actual, prospective, contingent or otherwise;

11 is at any time ascertained or unascertained;

12 is owed or incurred alone or severally or jointly or both with any other person; or

13 comprises any combination of the above.

1 Definitions and interpretations

Term	Meaning
	<p>in relation to an entity, the following financial statements and information in relation to the entity (or the equivalent financial statements or information in the jurisdiction of the entity), prepared in accordance with the Accounting Standards, for its financial quarter, financial half-year (if available) or financial year:</p>
Financial Report	<p>1 a statement of financial performance;</p> <p>2 a statement of financial position; and</p> <p>3 a statement of cashflows.</p>
First Facility Agreement	<p>the facility agreement dated 24 June 2013 entered into between the Borrower, the Parent, Lost Creek and the Finance Parties, as amended and restated by the Amendment and Restatement Agreement.</p>
Force Majeure Event	<p>1 an act of God;</p> <p>2 an act of terrorism or any other unlawful act against public order or authority;</p> <p>3 a restraint by a Government Agency; and</p> <p>4 any other event which a reasonable person could not foresee or reasonably make provision for or insure against,</p>

which wholly or partially prevents, hinders, obstructs, delays or interferes with the development or operation of a Project.

Funding Account the account established under clause 10.1(a) of the First Facility Agreement.

Funding Date the date on which a Funding Portion is provided, or is to be provided, to the Borrower under this agreement.

Funding Notice a notice given under clause 4.1.

Funding Portion each portion of the Commitment provided under this agreement.

in respect of an Interest Period, the aggregate of:

Funding Rate 1 LIBOR for that Interest Period; and

2 the Margin.

Gas Hills Property the property located in the Gas Hills mining district in the State of Wyoming being the mine site commonly referred to as the Lucky Mc Mine, in the area within the DEQ issued mine permit No. 356C.

1 Definitions and interpretations

Term	Meaning
Good Industry Practice	in respect of a Project, the degree of care and skill, diligence, prudence (financial and operational), foresight and operating practice which would reasonably and ordinarily be expected from a skilled operator engaged in the same type of undertaking as the Project under the same or similar circumstances.
Government Agency	any government or any governmental, semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity.
Group Structure Diagram	the group structure diagram in Schedule 6, as amended or updated by the delivery of a new diagram to the Agent under clause 9.6(k).
Guarantee Assumption Agreement	an agreement in or substantially in the form of Schedule 7 or another form acceptable to the Agent.
Guarantors	<p>1 the Parent;</p> <p>2 until it is released as a Guarantor under clause 9.27(a)(2), Lost Creek; and</p> <p>3 any Person that has entered into a Guarantee Assumption Agreement and has provided to the Financier all other documentation required under clause 14.17.</p>
Hedging Agreement	an interest rate transaction, foreign exchange transaction, equity or equity index option, bond option, commodity swap, commodity option, commodity forward sale, cap transaction, currency swap transaction, cross-currency swap rate transaction or any other hedge or derivative agreement, including any master agreement and any transaction or confirmation under it.
Initial Transaction	1 the fee described in clause 16.1;

Costs

- 2 all Taxes and registration fees payable on or with respect to the Transaction Documents;
- 3 the reasonable legal fees in relation to the preparation, negotiation and completion of the Transaction Documents and all related matters; and
- 4 all other reasonable fees, costs and expenses (including travel costs, fees payable to any independent technical expert and other disbursements) of the Finance Parties.

1 Definitions and interpretations

Term	Meaning
Interest Payment Date	the last day of each Interest Period.
Interest Period	a period selected or determined under clause 4.6. in respect of each Project: 1 the mineral rights described in Attachment 1 and Attachment 2 (as applicable); 2 any other mining claim or right owned by Lost Creek or, following the Pathfinder Acquisition Date, Pathfinder, which the Agent reasonably designates by notice to the Borrower to be a 'Key Mineral Right'; 3 any present or future renewal, extension, modification, substitution, amalgamation or variation of any of the land and interests in land described in paragraphs 1 and 2; and 4 any present or future application for or interest in any of the above, which confers or which, when granted, will confer the same or similar rights.
Lease	a lease, charter, hire purchase, hiring agreement or any other agreement under which any property is or may be used or operated by a person other than the owner.
Lending Office	in respect of a Finance Party, the office of that Finance Party set out opposite its name in Schedule 1 or any other office notified by a Finance Party under this agreement.
LIBOR	in relation to an Interest Period for a Funding Portion, means the rate per cent per annum determined by the Agent to be:

1 the average of the rates quoted on the LIBOR01 Page as being the rate per annum at which US Dollar deposits are offered for a period equivalent to the Interest Period at about 11.00 am (London time) on the Value Date, eliminating the highest and lowest rates and rounding up the resultant figure to 4 decimal places;

2 where 2 or fewer rates are quoted for the relevant period on the LIBOR01 Page at the relevant time, the average of the rates notified to the Agent by each Reference Bank to be the rate per annum at which US Dollar deposits are offered to that Reference Bank for a period equivalent to the Interest Period at about 11.00 am (London time) on the Value Date, rounding up the resultant figure to 4 decimal places;
or

3 if LIBOR cannot be determined in accordance with paragraphs 1 or 2 of this definition, then the rate calculated in accordance with clause 5.6.

1 Definitions and interpretations

Term	Meaning
LIBOR Business Day	a day on which banks are open for business in London and New York excluding a Saturday, Sunday or public holiday.
LIBOR01 Page	the page entitled 'LIBOR01' on the Reuters Monitor Money Rates Service or any other page which may replace the LIBOR01 page for the purpose of displaying offered rates for US Dollar deposits.
	on any date, means the figure calculated in accordance with the formula:
	where:
Loan Life Cover Ratio or LLCR	LLCR is the Loan Life Cover Ratio on that date; CADS is the CADS contemplated in the Base Case Model for the period from that date up to the Final Repayment Date, discounted to present value at the Funding Rate then applying, on a continuous basis with quarterly rests; and PP is the aggregate of the amounts of the Principal Outstanding under this agreement, the First Facility Agreement and the Third Corporate Facility Agreement on that date, taking into account any repayments or prepayments under any of those agreements made on that date. In this paragraph, the term 'Principal Outstanding' has the meaning given to that term in this agreement, the First Facility Agreement and the Third Corporate Facility Agreement, as applicable.
Loss	any claim, action, damage, loss, liability, cost, charge, expense, outgoing or payment.
Lost Creek	

Lost Creek ISR, LLC, a limited liability company formed under the laws of the State of Wyoming, United States of America, being a wholly owned subsidiary of the Borrower.

1 the agreement entitled 'Mortgage, Assignment of Revenues, Security, Agreement, Fixture Filing and Financing Statement' dated 24 June 2013 granted by Lost Creek in favour of the Finance Parties in relation to, among other things, the Mineral Rights for the Lost Creek Project; and

Lost Creek Mortgage

2 the agreement entitled 'Mortgage, Assignment of Revenues, Security, Agreement, Fixture Filing and Financing Statement' dated on or about the date of the Amendment and Restatement Agreement granted by Lost Creek in favour of the Finance Parties in relation to, among other things, the Mineral Rights for the Lost Creek Project.

1 Definitions and interpretations

Term	Meaning
Lost Creek Pledge Agreement	the pledge over all of the outstanding and future membership interests of Lost Creek granted by the Borrower in favour of the Agent and the Financier dated 24 June 2013.
Lost Creek Project	the Lost Creek uranium project located within the Project Area in the State of Wyoming, United States of America, comprising the exploration, development, construction and operation of the mine in the Project Area and its associated infrastructure.
Margin	7.5% per annum.
	<p>1 debentures, stocks, shares or bonds of any government, of any local Government Agency, or of any body corporate, association or society, and includes any right or option in respect of shares in any body corporate;</p> <p>2 any unit (whatever called) in a trust estate which represents a legal or beneficial interest in any of the income or assets of a trust estate and includes, but is not limited to, any option to acquire any unit as described in this paragraph 2;</p>
Marketable Securities	<p>3 any option or right in respect of an unissued share;</p> <p>4 any convertible note; and</p> <p>5 any instrument or security which is a combination of any of the above.</p>
Market Disruption Event	<p>any event specified in clause 5.6.</p> <p>a material adverse effect on:</p>

**Material
Adverse
Effect**

- 1 any Transaction Party's ability to perform any of its obligations under any Transaction Document;
- 2 the rights of the Finance Parties under, or the enforceability of, a Transaction Document;
- 3 the value of the Secured Property; or
- 4 the assets, business or operations of any Transaction Party or Lost Creek (including a Project and the Project Assets relating to that Project).

1 each of the State Documents;

2 the Pathfinder SPA;

**Material
Agreement**

3 the Offtake Agreements;

4 any agreement or contract described in clause 9.15(f);

1 Definitions and interpretations

Term **Meaning**

5 the Converdyn Agreement; and

6 any other agreement:

· to which a Transaction Party or Lost Creek is a party; and

· that is, in the reasonable opinion of the Agent, material to the development of a Project and which the Agent notifies the Borrower is to be a Material Agreement.

Mineral Rights in respect of a Project:

1 all of the mineral rights (including the Key Mineral Rights) described in Error! Reference source not found. and Attachment 1 and Attachment 2 (as applicable);

2 all entitlements of Lost Creek and Pathfinder under the provisions of any relevant Mining Law to conduct exploration or mining activities in any part of the Project Area relating to that Project;

3 any present or future interest from time to time held by or on behalf of Pathfinder or Lost Creek in any present or future right, lease, licence, patented or unpatented mining claim or millsite, permit, plan of operations or other authority which confers or may confer a right to prospect or explore for or mine any metals or minerals on the land the subject of the mining claims or State Leases with respect to that Project;

4 any present or future renewal, extension, modification, substitution, amalgamation or variation of any of the mineral rights described above (whether extending over the same or a greater or lesser area); and

5 any present or future application for or an interest in any of the above which confers or which, when operated, will confer the same or similar rights.

**Mining
Law**

any law, including the relevant laws of United States of America, the State of Wyoming or otherwise, whether or not deriving from statute, concerning the acquisition by any allowed means of interests in public lands or private lands for the purpose of conducting mining exploration, mine development, mining operations, reclamation and related operations on that land, together with the rights necessary to conduct those activities, including but not limited to laws relating to public land use, development, conservation of natural or cultural resources and resource allocation and includes any laws concerning permits, licences and Authorizations required to be received before conducting any of those activities and includes any and all rules, regulations or ordinances promulgated under or in respect of those laws.

NYSE

Business Day a day on which trading takes place on the NYSE MKT.

**NYSE
MKT**

NYSE MKT LLC.

1 Definitions and interpretations

Term	Meaning
NYSE MKT Approvals	<p>each approval of the NYSE MKT that is required in connection with the transactions contemplated in the Transaction Documents, including:</p> <ol style="list-style-type: none"> 1 the provision of the Facility; 2 the issuance of the Warrants; and 3 the issuance and listing of Shares on the exercise of the Warrants.
Officer	<ol style="list-style-type: none"> 1 in relation to a Transaction Party which is a corporation, a director, secretary, chief executive officer, chief financial officer, treasurer, president or vice president or a person notified to be an authorized officer, of the Transaction Party; 2 in relation to a Transaction Party which is a limited liability company, the manager of that Transaction Party or a person notified to be an authorized officer of that Transaction Party; and 3 in relation to a Finance Party, a director, secretary or any person whose title includes the word 'Director', 'Managing Director', 'Manager' or 'Vice President', and any other person appointed by the Finance Party to act as its authorized officer for the purposes of this agreement.
Offtake Agreements	<p>the offtake agreements set out in Attachment 3.</p>
Operating Costs	<p>all expenses (other than Sustaining Capital Expenditure and any other capital expenditure in accordance with the Base Case Model) incurred or projected in the Base Case Model to be incurred or paid by the Borrower Group in the ordinary course of ordinary business in connection with the day-to-day activities of the Borrower Group including premiums paid with respect to insurance but excluding any payments to third parties in respect of liabilities to them covered by third party insurance:</p>

**Overdue
Margin**

2% per annum.

the aggregate of:

1 the Overdue Margin;

2 the Margin; and

Overdue Rate

3 LIBOR on the relevant date on which the Overdue Rate is calculated under clause 17, as determined by the Agent in accordance with the definition of LIBOR in this clause 1.1 except that in making the determination all references in that definition to:

· 'Interest Period' are references to a period of 30 days;

1 Definitions and interpretations

Term	Meaning
	<ul style="list-style-type: none"> · ‘Value Date’ are to the relevant date on which the Overdue Rate is calculated under clause 17; and · ‘Funding Portion’ are to the relevant overdue amount.
Pathfinder	Pathfinder Mines Corporation, a company incorporated under the laws of Delaware.
Pathfinder Acquisition	completion of the acquisition of Pathfinder under the Pathfinder SPA.
Pathfinder Acquisition Date	the date on which the Pathfinder Acquisition occurs.
Pathfinder SPA	the sale and purchase agreement dated 24 July 2012 between COGEMA and the Borrower, under which COGEMA agrees to sell and the Borrower agrees to purchase all of the issued shares in the capital stock of Pathfinder.
Pathfinder Uranium Projects	the uranium projects located at the Gas Hills Property and the Shirley Basin Property.
Patriot Act	the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Pub. L. 107-56, signed into law on October 26, 2001, as amended from time to time.
Payment Currency	the currency in which any payment is actually made.
Permitted Disposal	1 sale of Product pursuant to the Offtake Agreements or otherwise on normal commercial terms;

- 2 any Disposal on normal commercial terms of obsolete assets or, in the case of Project Assets, assets that are surplus or otherwise no longer required for the purpose of a Project;

- 3 any Disposal on normal commercial terms of assets (excluding Project Assets) if the proceeds of the Disposal are used at or about the same time to acquire replacement assets of comparable or superior value, type and quality which are to be used for a similar purpose;

- 4 any payment of cash as consideration for the acquisition of any assets or services on normal commercial terms;

- 5 any Disposal which is required to be made under any applicable law or an order or directive made by any Government Agency;

- 6 any Disposals which constitute Permitted Encumbrances or in connection with Permitted Financial Indebtedness;

1 Definitions and interpretations

Term	Meaning
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	7 a Disposal arising under a Permitted Royalty;
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	8 any Disposal of assets (other than Project Assets) not included in paragraphs 1 to 7 (inclusive) where the market value (in aggregate) does not exceed \$5,000,000; and
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	9 any other Disposal made with the prior written consent of the Agent.
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Permitted Encumbrance	
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	1 any Security;
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	2 any Third Corporate Facility Security;
--	--

	3 any other Encumbrance in favour of the Financier;
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	4 any Encumbrance which is approved in writing by the Financier;
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	5 any Encumbrance created under the Converdyn Agreement, or other agreements entered into in respect of conversion and storage services at the Converdyn facility at Metropolis, Illinois, the Cameco facility at Port Hope and Comurhex facility in France, in the ordinary course of business;
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	6 the interests described in the UCC financing statements listed in Schedule 10;
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	7 any Encumbrance arising under a State Document;
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8 any operating lease of personal property entered into in the ordinary course of business and having a term (including renewals) of greater than one year that are deemed to be Encumbrances under applicable law;

9 any cash or cash equivalent on deposit with any person as collateral for obligations in connection with Environmental Bonding;

10 any Encumbrance for purchase money mortgages and other security interests on equipment acquired, leased or held by any Transaction Party or Lost Creek (including equipment held by any such Person as lessee under leveraged leases) in the ordinary course of business to secure the purchase price of or rental payments with respect to the equipment or to secure indebtedness incurred solely for the purpose of financing the acquisition (including acquisition as lessee under leveraged leases), construction or improvement of any of the equipment, as long as that the property secured by that Encumbrance is limited to the relevant equipment;

11 (i) Encumbrances of a collecting bank arising in the ordinary course of business under Section 4-210 of the Uniform Commercial code in effect in the relevant jurisdiction; and

(ii) Encumbrances of any depository bank in connection with rights of set-off and recoupment with respect to any deposit account of any Transaction Party or Lost Creek as permitted under clause 9.18; and

1 Definitions and interpretations

Term **Meaning**

12 any Encumbrance arising by operation of law in the ordinary course of business in good faith including (a) workman's, contractor's, subcontractor's, mechanic's, materialman's, supplier's, solicitor's or other similar statutory liens, (b) liens in favour of any Government Agency, (c) liens for taxes, assessments and governmental charges or levies not yet due and payable, (d) the terms and conditions of mineral leases under which any Transaction Party or Lost Creek is a lessee, and liens affecting the interests of any third party lessor as the property owner under the relevant lease, (e) the terms and conditions of the State Leases, and liens affecting the interests of the State of Wyoming as the property owner under the relevant lease, and (f) liens of pledges or deposits under workers' compensation laws or similar legislation, unemployment insurance or other types of social security or to secure the performance of tenders, statutory obligations, surety and appeal bonds, bids, leases, governmental contracts, performance and return of money bonds and similar obligations, but in each case only for so long as:

- there is no default in payment of any money or performance of any obligation secured by the relevant Encumbrance; and

- there are adequate holdbacks being maintained as required by applicable law,

but not including any Encumbrance arising due to the failure to observe any statute or contract.

Permitted Financial Accommodation any financial accommodation or any Surety Obligation provided by a Transaction Party or Lost Creek in respect of financial accommodation:

1 under the Transaction Documents;

2 under the Transaction Documents (as that term is defined in the First Facility Agreement and the Third Corporate Facility Agreement);

3 to another Transaction Party or Lost Creek, to the extent provided in the Corporate and Project Budget and the Base Case Model;

4 under the Environmental Bonding arrangements; or

5 with the Agent's prior written consent.

1 any liability of a Transaction Party or Lost Creek under any agreement entered into in the ordinary course of business for the acquisition of any asset or service where payment for the asset or service is deferred for a period of not more than 90 days;

2 any Financial Indebtedness incurred by one Transaction Party or Lost Creek to another Transaction Party or Lost Creek;

**Permitted
Financial
Indebtedness**

3 any Financial Indebtedness incurred or permitted to be incurred under the State Documents;

4 any Financial Indebtedness incurred or permitted to be incurred under any Transaction Document;

5 any Financial Indebtedness incurred or permitted to be incurred under the First Facility Agreement or the Third Corporate Facility Agreement;

1 Definitions and interpretations

Term **Meaning**

6 any Financial Indebtedness entered into by a Transaction Party or Lost Creek, the aggregate outstanding principal amount of which does not at any time exceed \$500,000;

7 any Financial Indebtedness (including any surety) incurred under or in respect of any reclamation bond; and

8 any other Financial Indebtedness approved by the Agent.

1 any zoning or similar law or right reserved to or vested in any Government Agency to control or regulate the use of any real property;

2 registered restrictions, covenants, land use contracts, building schemes, declarations of covenants, conditions and restrictions, servicing agreements in favour of any Government Agency, easements, rights-of-way, servitudes or other similar rights in or with respect to real property (including open space and conservation easements, restrictions or similar agreements and rights of way and servitudes for railways, water, sewer, drainage, gas and oil pipelines, electricity, light, power, telephone, telegraph, internet or cable television services and utilities) granted to or reserved by other Persons or properties, which, in the aggregate, do not materially impair the use of the subject property or asset for its intended purposes or the operation of the business of that Person, but each of the above will only be taken to be a

Permitted Interest Permitted Interest for so long as its terms have been complied with;

3 any right reserved to or vested in any Government Agency, by the terms of any permit, licence, certificate, order, grant, classification (including any zoning laws and ordinances and similar legal requirements), registration or other consent, approval or authorisation acquired by a Person from any Government Agency, to terminate any permit, licence, certificate, order, grant, classification, registration or other consent, approval or authorisation or to require annual or other payments as a condition to the continuance of that right and which, in the aggregate, do not materially impair the use of or the operation of the business or property; and

4 the interests listed in Schedule 8.

Permitted Royalty the royalties listed in Schedule 9.

Person an individual, corporation, company, partnership, association, trust or unincorporated organization, or a government or any agency, division, department, or political subdivision a government.

Pollutant a pollutant, contaminant, dangerous, toxic or hazardous substance, petroleum or petroleum product, chemical, solid, special liquid, industrial or other waste.

1 Definitions and interpretations

Term	Meaning
Potential Event of Default	any thing which could reasonably be expected to become an Event of Default on the giving of notice (whether or not notice is actually given), the expiry of time, the satisfaction or non-satisfaction of any condition, or any combination of the above.
Power	any right, power, authority, discretion or remedy conferred on a Finance Party, a Receiver or an Attorney by any Transaction Document or any applicable law.
Principal Outstanding	at any time, the principal amount of all Funding Portions outstanding at that time.
Product	<p>the present and future right, title and interest of a Transaction Party or Lost Creek in and to all uranium and other locatable metals and minerals mined, extracted or derived from the Project Area and the Projects.</p> <p>each of:</p> <ol style="list-style-type: none">1 the Lost Creek Project; and
Projects	<ol style="list-style-type: none">2 following the Pathfinder Acquisitions Date, the Pathfinder Uranium Projects, <p>and Projects means all of them, and a reference to 'Project' in the definition of 'CADS' includes the Pathfinder Uranium Projects even if the Pathfinder Acquisition Date has not yet occurred.</p>
Project Area	<p>each of:</p> <ol style="list-style-type: none">1 the area the subject of the Key Mineral Rights for the Lost Creek Project; and

2 the area the subject of the Key Mineral Rights for the Pathfinder Uranium Projects,

and **Project Areas** means all of them.

in respect of a Project, all the right, title and interest both present and future of any Transaction Party or Lost Creek which is attributable to the Project and includes all the right, title and interest both present and future of a Transaction Party or Lost Creek in, to, under or derived from:

Project Assets

1 the Key Mineral Rights for the Project;

2 the Product;

1 Definitions and interpretations

Term	Meaning
	3 any title to or interest in land in the Project Area now or at a later time held by a Transaction Party or Lost Creek;
	4 every contract for the use by any third party of any of the assets and property included in the Project or the Project Area;
	5 Authorizations in relation to the Project or the Project Area;
	6 the relevant Project Documents for the Project and any other contract, agreement, permit, lease, licence, consent, easement, right of way and other rights or interests in land, which relate to the operation or maintenance of the Project or the Project Area or to the exploration, mining, production, transportation, storage, treatment, processing or marketing of the Product;
	7 all exploration and mining information, documents, maps, reports, records, studies and other written data, including all data stored on magnetic tapes, disks or diskettes or any other computer storage media, relating to geological, geochemical and geophysical work, feasibility studies and other operations conducted with respect to the Project Area;
	8 all buildings, improvements, structures, systems, fixtures, plant, machinery, equipment, tools and other personal property at any time used or intended for use in connection with or incidental to the development of the Project and the exploration, mining, storage, transporting, and processing of Product and all associated facilities and infrastructure (including any treatment or processing plant); and
	9 every contract for the use by any third party of any of the assets described in paragraphs 1 to 8 inclusive.
	1 the State Leases;

Project Documents

- 2 all instruments and indicia of title to the Key Mineral Rights and Mineral Rights and all other documentation and agreements under which a Transaction Party or Lost Creek derives the right to conduct mining or exploration in the Project Areas;
- 3 any other contractual interests in real property that comprise a portion of the Key Mineral Rights;
- 4 each Material Agreement;
- 5 all agreements evidencing the Environmental Bonding arrangements;
- 6 any other document executed from time to time by any person in respect of the documents described in paragraphs 1 to 5 inclusive or which is collateral, supplementary or related to those documents; and
- 7 any other document that the Agent and the Borrower agree in writing to be a Project Document.

1 Definitions and interpretations

Term	Meaning
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on any date, means the figure calculated in accordance with the formula:

where:

Project Life Cover Ratio or PLCR	PLCR is the Project Life Cover Ratio on that date;
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CADS is the CADS contemplated in the Base Case Model for the period from that date up to the End Date, discounted to present value at the Funding Rate then applying, on a continuous basis with quarterly rests; and

PP is the aggregate of the amounts of the Principal Outstanding under this agreement, the First Facility Agreement and the Third Corporate Facility Agreement on that date, taking into account any repayments or prepayments under any of those agreements made on that date. In this paragraph, the term 'Principal Outstanding' has the meaning given to that term in this agreement, the First Facility Agreement and the Third Corporate Facility Agreement, as applicable.

Promissory Note	the instrument in the form set out in Schedule 4.
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Quarter	the period of 3 months preceding a Quarterly Date.
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Quarterly Date	each of 31 March, 30 June, 30 September and 31 December each year.
-----------------------	--

Receiver	a receiver or receiver and manager appointed under a Security Document, or a person acting in an equivalent role.
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- 1 Barclays Bank plc;
- 2 JPMorgan Chase Bank; and
- 3 Royal Bank of Scotland plc,

**Reference
Banks**

and any other bank or financial institution nominated by the Agent.

**Registration
Statement**

has the meaning given in clause 7.5.

**Relevant
Currency**

the currency in which a payment is required to be made under the Transaction Documents and, if not expressly stated to be another currency, is Dollars.

**Repayment
Amount**

each of the amounts set out in column 2 of the Repayment Schedule.

1 Definitions and interpretations

Term **Meaning**

Repayment Date each of the dates set out in column 1 of the Repayment Schedule.

Repayment Schedule the repayment schedule set out in Schedule 3.

for any period, means the aggregate of the following amounts actually received (or, where not received at any date of calculation, projected to be actually received as contemplated in the Base Case Model) by the Borrower during that period:

1 Sales Proceeds; and

2 any other money received in connection with the Projects (including proceeds of Disposals of assets and insurance proceeds) and for any purpose whatsoever,

Revenue

but excluding:

3 the proceeds of a Funding Portion and any other financial accommodation made available by the Lender; and

4 the proceeds of any insurance in respect of liabilities to third parties.

Review Event any event specified in clause 12.5(a).

Sales Contracts 1 the Offtake Agreements; and

2 any other contract, agreement or arrangement for the sale, transfer or other disposal of Product, or any contract, agreement or arrangement for any agency for sale, exchange, transfer or other disposal, of Product.

Sales Proceeds moneys received from the sale of Product, including moneys received under any Sales Contract.

Same Day Funds immediately available and freely transferable funds.

all debts and monetary liabilities of each Transaction Party to the Finance Parties under or in relation to any Transaction Document and in any capacity, irrespective of whether the debts or liabilities:

1 are present or future;

2 are actual, prospective, contingent or otherwise;

Secured Moneys

3 are at any time ascertained or unascertained;

4 are owed or incurred by or on account of any Transaction Party alone, or severally or jointly with any other person;

5 are owed to or incurred for the account of any Finance Party alone, or severally or jointly with any other person;

1 Definitions and interpretations

Term

Meaning

6 are owed to any other person as agent (whether disclosed or not) for or on behalf of any Finance Party;

7 are owed or incurred as principal, interest, fees, charges, Taxes, damages (whether for breach of contract or tort or incurred on any other ground), losses, costs or expenses, or on any other account;

8 are owed to or incurred for the account of any Finance Party directly or as a result of:

- the assignment or transfer to any Finance Party of any debt or liability of any Transaction Party (whether by way of assignment, transfer or otherwise); or

- any other dealing with any such debt or liability;

9 are owed to or incurred for the account of a Finance Party before the date of this agreement or before the date of any assignment of this agreement to any Finance Party by any other person or otherwise; or

10 comprise any combination of the above.

Secured Property

the property subject to a Security.

Securities Act

the Securities Act of 1933, as amended.

Securities Laws

in respect of a Transaction Party or Lost Creek, all securities, companies and corporations laws, together with all regulations, rules and policy statements under those laws, which are applicable to that Transaction Party or Lost Creek, including the applicable laws of the United States of America and Canada or a State, Province or Territory of either of them.

Security

any security created or expressed to be created in favour of a Finance Party by a Security Document.

1 the Borrower Security Agreement;

2 the Lost Creek Mortgage until released in accordance with its terms under clause 9.27(a)(1);

**Security
Document**

3 the Lost Creek Pledge Agreement until released in accordance with its terms under clause 9.27(a)(1);

4 the pledge over all of the outstanding and future shares in the capital stock of Pathfinder to be granted by the Borrower in favour of the Agent and the Financier under clause 2.2(c);

5 the guarantee and indemnity given by a Guarantor under clause 14.17;

1 Definitions and interpretations

Term	Meaning
	<p>6 the Deposit Account Control Agreement;</p> <p>7 any Encumbrance granted by a Guarantor under clause 14.17; and</p> <p>8 each Collateral Security.</p>
Security Provider	a person who has granted a Security, but not Lost Creek after the Financier's secured interests under the Lost Creek Mortgage and the Lost Creek Pledge Agreement have been released under clause 9.27(a)(1).
Shares	fully paid shares of the common stock in the capital of the Parent.
Shirley Basin Property	the property located in the Shirley Basin mining district in the State of Wyoming being the mine site commonly referred to as the Shirley Basin Mine, in the area within the DEQ issued mine permit No. 345C.
State Documents	<p>1 the State Financing Agreement;</p> <p>2 the agreement entitled 'Mortgage, Assignment of Revenues, Security, Agreement, Fixture Filing and Financing Statement' to be granted by Lost Creek in favour of Sweetwater County, Wyoming in relation to the Mineral Rights for the Lost Creek Project;</p> <p>3 the guarantee agreements, each entitled 'Guarantee', to be granted by the Borrower and the Parent in favour of Sweetwater County, Wyoming;</p> <p>4 the indenture of trust to be made between Sweetwater County, Wyoming and the trustee identified in that indenture of trust;</p>

5 the pledge over all of the outstanding and future membership interests of Lost Creek to be granted by the Borrower in favour of Sweetwater County, Wyoming; and

6 other related security documents entered into between Lost Creek, Sweetwater County, Wyoming and the trustee identified in those security documents.

State Facility a facility which complies with the requirements of clause 9.17(b).

State Financial Close the date on which all of the conditions precedent in the State Financing Agreement are satisfied and funding has been provided under that agreement.

State Financing Agreement the agreement entitled 'Financing Agreement' to be made between Sweetwater County, Wyoming and Lost Creek.

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1 Definitions and interpretations

Term	Meaning
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1 State of Wyoming Uranium Lease No. 0-40814;

2 State of Wyoming Uranium Lease No. 0-41041;

State Leases

3 State of Wyoming Uranium Lease No. 0-41765; and

4 State of Wyoming Uranium Lease No. 0-42115.

Subsidiary a Person over which another Person has Control.

any guaranty, suretyship, letter of credit, letter of comfort or any other obligation:

1 to provide funds (whether by the advance or payment of money, the purchase of or subscription for shares or other securities, the purchase of assets or services, or otherwise) for the payment or discharge of;

**Surety
Obligation**

2 to indemnify any person against the consequences of default in the payment of; or

3 to be responsible for,

any debt or monetary liability of another person or the assumption of any responsibility or obligation in respect of the insolvency or the financial condition of any other person.

Sustaining Capital Expenditure all recurrent capital expenditure of a routine nature incurred or projected in the Base Case Model to be incurred by the Borrower Group in the ordinary course of ordinary business of the Borrower Group.

1 any tax, levy, charge, impost, duty, fee, deduction, compulsory loan or withholding including goods and services tax; or

Tax 2 any income, stamp or transaction duty, tax or charge,

which is assessed, levied, imposed or collected by any Government Agency and includes any interest, fine, penalty, charge, fee or other amount imposed on or in respect of any of the above.

Technical Assumptions in relation to the Base Case Model, means projected Revenue, Operating Costs, Revenue and technical operating assumptions relating to the Project and any other assumption that in the Agent's opinion (acting reasonably) is necessary to run the Base Case Model other than Economic Assumptions.

Third Corporate Facility Agreement the syndicated facility agreement to be arranged by the Agent and to be entered into between the Borrower, the Parent, the Agent and financiers to be agreed by the parties.

1 Definitions and interpretations

Term	Meaning
Third Corporate Facility Security	any security created or expressed to be created in favour of the financiers under the Third Corporate Facility Agreement by the Security Documents (as that term is defined in the Third Corporate Facility Agreement).
Title Document	any original, duplicate or counterpart certificate or document of title. <ol style="list-style-type: none">1 this agreement;2 each Security Document;3 any Guarantee Assumption Agreement;4 the Promissory Note;
Transaction Document	<ol style="list-style-type: none">5 the Warrant Certificate;6 any document or agreement entered into or given under any of the above;7 any other document that the Agent and the Borrower agree in writing to be a Transaction Document; and8 all amendments, modifications, extensions, replacements and substitutions to any of the above.
Transaction Party	<ol style="list-style-type: none">1 the Borrower;

- 2 each Guarantor;
- 3 each Security Provider; and
- 4 any other person that the Borrower and the Agent agree is a Transaction Party.

TSX the Toronto Stock Exchange.

each approval of the TSX that is required in connection with the transactions contemplated in the Transaction Documents, including:

- 1 the provision of the Facility;

TSX Approvals

- 2 the issuance of the Warrants; and
- 3 the issuance and listing of Shares on the exercise of the Warrants.

TSX Business Day a day on which trading takes place on the TSX.

Undrawn Commitment at any time, the Commitment less the Principal Outstanding at that time.

1 Definitions and interpretations

Term	Meaning
Value Date	the date 2 LIBOR Business Days before the first day of an Interest Period.
Warrant	a warrant to purchase Shares which is to be issued to the Warrant Holder under clause 7.1 and which is exercisable at the Exercise Price.
Warrant Certificate	a certificate in the form of Attachment 4.
Warrant Holder	the Financier or the Financier's nominee.
Warrant Share	each Share received by the Financier or the Financier's nominee on the exercise of a Warrant.
WOC Proceeding	the administrative challenge brought by the Wyoming Outdoor Council requesting that the Wyoming State Office of the Bureau of Land Management review and stay its decision with respect to its Record of Decision.
Work Fee	a non-refundable, non-rebateable fee of \$50,000 paid in cash by the Borrower to the Agent upon acceptance of the Agent's mandate to arrange the Facility.

1.2 Interpretations

In this agreement headings and bold type are for convenience only and do not affect the interpretation of this agreement and, unless the context requires otherwise:

(a) words indicating the singular include the plural and vice versa;

(b) words indicating a gender include any gender;

(c) other parts of speech and grammatical forms of a word or phrase defined in this agreement have a corresponding meaning;

(d) an expression suggesting or referring to a natural person or an entity includes any company, partnership, joint venture, association, corporation or other body corporate and any Government Agency;

(e) a reference to any thing (including any right) includes a part of that thing but nothing in this clause 1.2(e) implies that performance of part of an obligation constitutes performance of the obligation;

a reference to a clause, party, annexure, exhibit, attachment or schedule is a reference to a clause of, and a party, annexure, exhibit, attachment and schedule to, this agreement and a reference to this agreement includes any annexure, exhibit, attachment and schedule;

1 Definitions and interpretations

- (g) a reference to a statute, regulation, proclamation, ordinance or by-law includes all statutes, regulations, proclamations, ordinances or by-laws amending, consolidating or replacing it, whether passed by the same or another Government Agency with legal power to do so, and a reference to a statute includes all regulations, proclamations, ordinances and by-laws issued under that statute;
- (h) a reference to a document includes all amendments or supplements to, or replacements or novations of, that document;
- (i) a reference to liquidation includes official management, appointment of an administrator, compromise, arrangement, merger, amalgamation, reconstruction, winding up, dissolution, deregistration, assignment for the benefit of creditors, scheme, composition or arrangement with creditors, insolvency, bankruptcy, or a similar procedure or, where applicable, changes in the constitution of any partnership or person, or death;
- (j) a reference to a party to any document includes that party's successors and permitted assigns;
- (k) a reference to an agreement other than this agreement includes an undertaking, deed, agreement or legally enforceable arrangement or understanding whether or not in writing;
- (l) a reference to an asset includes all property of any nature, including a business, and all rights, revenues and benefits;
- (m) a reference to a document includes any agreement in writing, or any certificate, notice, deed, instrument or other document of any kind;
- (n) no provision of this agreement may be construed adversely to a party solely on the ground that the party was responsible for the preparation of this agreement or that provision;
- (o) a reference to a body, other than a party to this agreement (including an institute, association or authority), whether statutory or not:

(1) which ceases to exist; or

(2) whose powers or functions are transferred to another body,

is a reference to the body which replaces it or which substantially succeeds to its powers or functions;

(p) a Default is 'continuing' if it has not been waived in writing by, or remedied to the reasonable satisfaction of, the Agent; and

(q) references to time are to Denver, Colorado time, unless otherwise stated.

1.3 Inclusive expressions

Specifying anything in this agreement after the words 'include' or 'for example' or similar expressions does not limit what else is included unless there is express wording to the contrary.

1.4 Business Day

Except where clause 6.2 applies or as otherwise provided under this agreement, where the day on or by which any thing is to be done is not a Business Day, that thing must be done on or by the succeeding Business Day.

2 Conditions precedent and conditions subsequent

1.5 Accounting Standards

Any accounting practice or concept relevant to this agreement is to be construed or determined in accordance with the Accounting Standards.

2 Conditions precedent and conditions subsequent

2.1 Conditions precedent to the first Funding Portion

The Financier is not obliged to provide the first Funding Portion or the Commitment until the Agent has received all of the following in form and of substance satisfactory to the Agent:

(a) **officer's certificate:** an officer's certificate given in respect of each of the Borrower and the Parent and dated no more than 5 Business Days before the first Funding Date;

constitution: a certified copy of the memorandum and articles of association, articles of incorporation, amalgamation, articles of organization, by-laws, constitution, operating agreement, or other constituent documents of each Transaction Party, or evidence that those documents have not varied from the time they were last delivered;

corporate authorization: a certified copy of a resolution of the board of directors for each Transaction Party, approving the provision of the Facility by the Financier and the transactions contemplated by the Transaction Documents, authorizing execution by the Borrower of the Transaction Documents to which it is a party, and authorizing a person or persons (being Authorized Officers) to sign notices, certificates or other documents in connection with the Transaction Documents on behalf of the Borrower;

(d) **authorized signatories:** a certified copy of the signatures of all Authorized Officers of the Borrower who will sign notices, certificates or other documents in connection with the Transaction Documents on its behalf;

(e) **Transaction Documents:** originals of each Transaction Document not already delivered before the date of this agreement, duly executed by all parties to them other than the Finance Parties and, where applicable:

(1) with evidence satisfactory to the Agent that all Taxes applicable to the Transaction Documents have been or will be duly paid; and

(2) in recordable form together with all executed documents necessary to record them;

Material Agreements: a true and complete copy of each of the Material Agreements available on the first Funding Date, in each case as executed by all parties to them and, where applicable, stamped and registered, or evidence that those Material Agreements have not varied from the time they were last delivered;

(g) **Amendment and Restatement Agreement:** an original of the Amendment and Restatement Agreement duly executed by all parties to it other than the Finance Parties;

(h) **budget:** a copy of the agreed Corporate and Project Budget initialled by the Borrower and the Agent for identification purposes;

2 Conditions precedent and conditions subsequent

- (i) **Base Case Model:** a copy of the agreed Base Case Model duly verified by the Borrower and the Agent for identification purposes;
- (j) **Project Documents:** copies of each Project Document relating to the Lost Creek Project, executed by all parties to them or evidence that those Project Documents have not varied from the time they were last delivered;
- (k) **enquiries:** results of searches, enquiries and requisitions in respect of each Transaction Party and Lost Creek, the Project Assets of the Lost Creek Project and the other Secured Property.
- (l) **Authorizations:** evidence that all Authorizations have been obtained in connection with the transactions contemplated by the Documents;
- (m) **Funding Account:** evidence that the Funding Account has been established;
- (n) **Warrants:** evidence that the Warrants have been issued in accordance with clause 7.1;
 - certificate regarding Material Adverse Effect:** a certificate of the Borrower stating that since the end of the accounting period for the Consolidated Financial Reports for the Borrower Group for the year ending 31 December 2012, no event has occurred (and is continuing) which has, or could reasonably be expected to have, a Material Adverse Effect;
- (p) **legal opinions:**
 - (1) an opinion from Fasken Martineau DuMoulin LLP in respect of the applicable laws of Canada in relation to, among other things, due execution of this agreement by the Parent;
 - (2) an opinion from Davis Graham & Stubbs LLP in respect of:
 - (A) the applicable laws of the State of Colorado in relation to, among other things due incorporation of the Borrower, due execution of the Transaction Documents by the Borrower and enforceability of the Transaction Documents which are governed by Colorado law; and
 - (B) the applicable laws of the State of Wyoming in relation to, among other things, due execution of the Transaction Documents by Lost Creek and enforceability of the Transaction Documents which are governed by Wyoming law.

(q) **insurance:** evidence that the Transaction Parties have complied with clause 9.25;

(r) **Initial Transaction Costs:** evidence that the Initial Transaction Costs have been or will be paid in full at the time the first Funding Portion is provided;

(s) **other approvals:** evidence that all other approvals necessary for the transactions contemplated by the Transaction Documents have been obtained; and

(t) **other matters:** any other certificates, Authorizations, documents, matters or things which the Agent or the Financier reasonably requires.

2.2 Conditions precedent to the first Funding Portion for the Pathfinder Acquisition

If the proceeds of a Funding Portion are to be applied for the purposes described in clauses 3.2(a) and 3.2(b), the Financier is not obliged to provide the Funding Portion until the Agent has received, in addition to the items listed in clause 2.1, all of the following in form and of substance satisfactory to the Agent:

2 Conditions precedent and conditions subsequent

- (a) **Material Agreements:** a true and complete copy of each of the Material Agreements not already delivered under clause 2.1, in each case as executed by all parties to them and, where applicable, stamped and registered;
- (b) **Pathfinder SPA:** evidence that, at the time the initial Funding Portion is to be provided for the purposes described in clauses 3.2(a) and 3.2(b):
 - (1) all conditions precedent under the Pathfinder SPA have been satisfied or (with the prior written consent of the Agent, not to be unreasonably withheld or delayed) waived;
 - (2) completion under the Pathfinder SPA has occurred or will occur; and
- (3) the Borrower has received or will receive all transfers, consents and other documents required for it to take good title to the shares in the capital stock of Pathfinder (including any third party consents which are required to be obtained under any Project Document);
- (c) **Pathfinder Pledge Agreement:** evidence that the Borrower has duly executed a pledge in the customary form, and in a form and substance satisfactory to the Agent, over all of the outstanding and future shares in the capital stock of Pathfinder in favour of the Agent and the Financier;
- (d) **accession of Pathfinder as Guarantor:** evidence that Pathfinder has duly executed a Guarantee Assumption Agreement and has delivered all other documentation required under clause 14.17;
- (e) **share certificates:** original share certificates for the shares in Pathfinder, together with executed blank share transfer forms and any other document required to give effect to a transfer of those shares pursuant to the Pathfinder Pledge Agreement;
- (f) **Project Documents:** copies of each Project Document relating to the Pathfinder Uranium Projects executed by all parties to them;
- (g) **due diligence:** the completion of any legal and commercial due diligence investigations with respect to the Project Assets of the Pathfinder Uranium Projects;
- (h) **Environmental Bonding:** evidence that Pathfinder has complied with all of its obligations in respect of Environmental Bonding in accordance with the requirements of any Environmental Law relating to the Pathfinder Uranium Projects and the Project Area relating to those projects;

- (i) **Mineral Rights:** evidence that Pathfinder is the legal holder of the Mineral Rights in relation to the Pathfinder Uranium Projects and that the Key Mineral Rights for those projects are valid and in good standing;
- (j) **enquiries:** results of searches, enquiries and requisitions in respect of Pathfinder, the Project Assets of the Pathfinder Uranium Projects, and the other Secured Property of Pathfinder;
- (k) **other approvals:** evidence that all approvals necessary for the transactions contemplated by the Transaction Documents, other than those already obtained under clause 2.1, have been obtained; and
- (l) **other matters:** any other certificates, Authorizations, documents, matters or things which the Agent or the Financier reasonably requires.

3 Commitment, purpose and availability of Facility

2.3 Conditions precedent to all Funding Portions

The Financier is not obliged to provide any Funding Portion until the following conditions are fulfilled to the satisfaction of the Agent:

(a) **Funding Notice:** a Funding Notice has been provided by the Borrower to the Agent that complies with clause 4.2;

(b) **Funding Date:** the Funding Date for the provision of a Funding Portion, is a Business Day within the Availability Period;

(c) **Commitment:** in respect of the provision of a Funding Portion, the Commitment will not be exceeded by providing the Funding Portion;

amount of Funding Portion: in the case of a drawing for the purposes described in clauses 3.2(b), 3.2(c) and 3.2(d), the Funding Portion is for an amount that, when aggregated with all other readily available funds of the (d) Borrower, does not exceed the amount which is equal to the amount forecast by the Corporate and Project Budget and the Base Case Model to be expended by the Borrower and Lost Creek during the period of 30 days following the proposed Funding Date;

(e) **no Default:** no Default has occurred which is continuing and no Default will result from the Funding Portion being provided;

no Material Adverse Effect: no event has occurred which has had, or is likely to have, a Material Adverse Effect (f) and no event has occurred which will prevent the Transaction Parties from developing or operating the Projects in accordance with the Corporate and Project Budget and the Base Case Model;

(g) **representations and warranties:** the representations and warranties set out in clauses 8.1 and 8.2 are true and correct at the Funding Date; and

(h) **ratios:** the Base Case Model demonstrates that the forecast value of:

(1) the LLCR is greater than or equal to 2.0 times; and

(2) the PLCR is greater than or equal to 3.0 times,

on each Calculation Date up to the Final Repayment Date.

2.4 Conditions subsequent

The Borrower must use commercially reasonable endeavours to obtain and enter into a Deposit Account Control Agreement with a bank or financial institution and on terms acceptable to the Agent as soon as possible after Financial Close.

2.5 Certified copies

An Officer of the relevant Transaction Party must certify a copy of a document given to a Finance Party under clauses 2.1 and 2.2 to be a true copy of the original document. The certification must be made no more than 5 Business Days before the date on which it is provided.

2.6 Benefit of conditions precedent

A condition in this clause 2 is for the benefit only of the Finance Parties and only the Agent acting on the instructions of the Financier may waive it.

3 Commitment, purpose and availability of Facility

3 Commitment, purpose and availability of Facility

3.1 Provision of Commitment

The Financier must make the Commitment available to the Borrower on the terms of this agreement.

3.2 Purpose

The Borrower must use the proceeds of each Funding Portion under the Facility only for:

- (a) funding the Pathfinder Acquisition or to reimburse the Borrower for the cost of the Pathfinder Acquisition incurred up until that date;
- (b) the development of the Pathfinder Uranium Projects;
- (c) agreed general corporate purposes in accordance with the Corporate and Project Budget including working capital for the development and operation of the Lost Creek Project; and
- (d) any other purpose that the Agent approves in writing.

3.3 Cancellation of Commitment during Availability Period

- (a) The Borrower may cancel the whole or any part of the Undrawn Commitment by giving the Agent at least 10 days' prior written notice.
- (b) A partial cancellation of the Undrawn Commitment may only be made in an integral multiple of \$1,000,000.
- (c) The Commitment is cancelled to the extent of the portion of the Undrawn Commitment cancelled under this clause 3.3.

(d) A notice given under clause 3.3(a) is irrevocable.

3.4 Cancellation at end of Availability Period

On the last day of the Availability Period, the Commitment is automatically cancelled to the extent of the Undrawn Commitment.

3.5 Voluntary prepayment

(a) The Borrower may prepay any of the Principal Outstanding by giving the Agent at least 10 days' prior written notice specifying the prepayment date and the amount to be prepaid.

(b) Prepayment of part of the Principal Outstanding may only be made in an integral multiple of \$1,000,000.

(c) The Borrower must prepay the Principal Outstanding specified in the prepayment notice on the prepayment date specified in the notice together with:

(1) all unpaid interest accrued to the prepayment date in respect of the prepaid amount; and

(2) the amount of any Break Costs in accordance with clause 15.2.

(d) The Commitment is reduced by any amount of Principal Outstanding prepaid under this clause 3.5 and accordingly, a prepaid amount may not be redrawn.

(e) A notice given under clause 3.5(a) is irrevocable.

4 Funding and rate setting procedures

3.6

Mandatory prepayment

(a) If State Financial Close occurs, the Borrower must cause Lost Creek to:

(1) make an initial drawing under the State Facility of an amount equal to the Principal Outstanding; and

(2) transfer the proceeds of that drawing to the Borrower.

The Borrower must immediately apply any proceeds received from Lost Creek under 3.6(a) as a mandatory (b) prepayment in full of the Principal Outstanding (but less any amount credited to the Borrower under clause 16.1(c)).

If the Principal Outstanding has not been fully repaid on or before the first Repayment Date, the Borrower must, in addition to the Repayment Amount payable on the first Repayment Date, prepay \$10,000,000 of the Principal (c) Outstanding together with the amount of any Break Costs in accordance with clause 15.2. Amounts prepaid under clause 3.6(d) will constitute prepayments for the purposes of this clause 3.6(c).

If the Pathfinder Acquisition occurs and the Borrower subsequently sells any of the assets of Pathfinder, the Borrower must, subject to clause 3.6(f), immediately apply any proceeds received from those sales as a mandatory (d) prepayment of the Principal Outstanding together with the amount of any Break Costs in accordance with clause 15.2.

The Borrower must, subject to clause 3.6(f), immediately apply any proceeds received from the exercise of the (e) Warrants as a mandatory prepayment of the Principal Outstanding together with the amount of any Break Costs in accordance with clause 15.2.

If prepayment under clauses 3.6(d) or 3.6(e) would result in the Borrower incurring Break Costs, the Borrower is (f) permitted to delay the relevant prepayment until the next Interest Payment Date. Pending prepayment, the relevant proceeds must be retained in the Funding Account and must not be used for any other purpose or taken into account for the purpose of any calculation made under this agreement.

(g) The Commitment is reduced by any amount of Principal Outstanding prepaid under this clause 3.6, and a prepaid amount may not be redrawn.

3.7 Cancellations and prepayments in inverse order

- (a) If there is a cancellation of the Undrawn Commitment under clause 3.3 or 3.4, the Repayment Amounts up to the amount of the cancellation are to be cancelled in inverse order of maturity.
- (b) A prepayment under clause 3.5 or 3.6 is to be applied to reduce the Repayment Amounts in inverse order of maturity.

4

Funding and rate setting procedures

4.1 Delivery of Funding Notice

- (a) If the Borrower requires the provision of a Funding Portion it must deliver to the Agent a Funding Notice.

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4 Funding and rate setting procedures

- (b) The Agent must notify the Financier of the contents of each Funding Notice as soon as reasonably practicable and in any event within 1 Business Day after the Agent receives the Funding Notice.

4.2 Requirements for a Funding Notice

A Funding Notice to be effective must be:

- (a) in writing in the form of, and specifying the matters required in, Schedule 2; and

- (b) received by the Agent before 11.00 am Sydney time on a Business Day at least 5 Business Days before the proposed Funding Date (or any shorter period that the Agent agrees in writing).

4.3 Irrevocability of Funding Notice

The Borrower is irrevocably committed to draw Funding Portions from the Financier in accordance with each Funding Notice given to the Agent.

4.4 Amount of Funding Portions

The Borrower must ensure that the amount of each Funding Portion is in accordance with the amounts set out in the Corporate and Project Budget and the Base Case Model unless otherwise agreed upon between the Borrower and the Agent.

4.5 Frequency of Funding Portions

The Borrower may not deliver Funding Notices to the Agent more frequently than once a month (in accordance with the Corporate and Project Budget and the Base Case Model) unless otherwise agreed upon between the Borrower and the Agent.

4.6 Interest Periods

- (a) Each Interest Period must be of 90 days or any other period that the Agent agrees upon with the Borrower.
- (b) If an Interest Period ends on a day which is not a Business Day, it is regarded as ending on the next Business Day in the same calendar month or, if none, the preceding Business Day.
- (c) An Interest Period for a Funding Portion commences either on the first Funding Date for that Funding Portion or on the last day of the immediately preceding Interest Period for that Funding Portion.
- (d) Each Interest Period which commences prior to a Quarterly Date and would otherwise end after that Quarterly Date, ends on that Quarterly Date.
- (e) No Interest Period in respect of a Funding Portion may end after the Final Repayment Date.

4.7 Determination of Funding Rate

- (a) The Agent must notify the Financier and the Borrower of the Funding Rate for an Interest Period as soon as reasonably practicable, and in any event within 2 Business Days, after it has made its determination of LIBOR.
- (b) In the absence of manifest error, each determination of LIBOR by the Agent is conclusive evidence of that rate against the Borrower.

5 Facility

5

Facility

5.1 Provision of Funding Portions

If the Borrower gives a Funding Notice, the Financier must pay into the Funding Account the specified Funding Portion in Same Day Funds in Dollars on the specified Funding Date and in accordance with that Funding Notice.

5.2 Repayment

(a) The Borrower must repay the Principal Outstanding by paying on each Repayment Date the lesser of:

(1) the Repayment Amount payable on that date as set out in the Repayment Schedule; and

(2) the Principal Outstanding.

(b) The Commitment and the Principal Outstanding under the Facility is reduced on each Repayment Date by the amount paid in accordance with clause 5.2(a).

5.3 Repayment of other Secured Moneys

All unpaid Secured Moneys must in any event be paid on or before the Final Repayment Date or on any other date on which the Principal Outstanding is or is required to be repaid in full.

5.4 Interest

(a) The Borrower must pay interest on the Principal Outstanding for each Interest Period at the Funding Rate for the Interest Period.

(b) The Borrower must pay accrued interest in arrears on each Interest Payment Date.

5.5 Calculation of per annum interest rate

Interest is calculated on daily balances on the basis of a 360 day year and for the actual number of days elapsed (a) from and including the first day of each Interest Period to, but excluding, the last day of the Interest Period or, if earlier, the date of prepayment or repayment of the relevant Funding Portion under this agreement.

Despite anything contained in any Transaction Document, all of the Transaction Documents are limited so that in no event will the total liability for payments in the nature of interest, additional interest and other charges exceed the applicable limits imposed by any applicable usury laws. If any payments in the nature of interest, additional interest and other charges made under any Transaction Document are held to be in excess of the limits imposed by any applicable usury laws, it is agreed that any amount held to be in excess will be considered payment of principal (b) under this agreement, and the indebtedness evidenced under this agreement will be reduced by the amount so that the total liability for payments in the nature of interest, additional interest and other charges will not exceed the applicable limits imposed by that applicable usury law, in compliance with the wishes of the Borrower, each Guarantor, the Financier and the Agent. This provision will never be superseded or waived, and will control every other provision of the Transaction Documents and all agreements between the Transaction Parties and the Finance Parties, and their successors and assigns.

6 Payments

5.6 Market Disruption Event

(a) If a Market Disruption Event occurs in relation to a Funding Portion for any Interest Period, then the interest payable by the Borrower for the Interest Period will be the rate per annum which is the sum of:

(1) the Margin; and

(2) the rate notified to the Borrower by the Agent as soon as practicable and in any event before interest is due to be paid in respect of that Interest Period, to be that which expresses as a percentage rate per annum the actual cost to the Financier of funding that Funding Portion from whatever source it may reasonably select.

(b) In this agreement, **Market Disruption Event** means:

at or about noon in London on the first day of the relevant Interest Period, the LIBOR01 Page is not available or 2 or fewer rates are quoted for the relevant period on the LIBOR01 Page at the relevant time, and none or only one of the Reference Banks supplies a rate to the Agent to determine LIBOR for the relevant currency and period; or

before close of business in London on the Value Date for the relevant Interest Period, the Agent receives notification from the Financier that the cost to it of obtaining matching deposits on the Value Date would be in excess of LIBOR.

No Transaction Party may disclose to any person any information in relation to this clause 5.6 or any rates notified by a Finance Party under this clause 5.6 without the prior written consent of the Financier, except if a Transaction Party is required by law or stock exchange rule to do so.

6 Payments

6.1 Manner of payment

All payments by a Transaction Party under the Transaction Documents must be made:

(a) in Same Day Funds;

(b) in Dollars; and

(c) no later than 1.00 pm at the local time of the place where the account specified by the Agent is located, on the due date,

to the Agent's account as specified by the Agent to the Borrower or in any other manner the Agent directs by written notice to the Borrower from time to time.

6.2 Payments on a Business Day

If a payment is due on a day which is not a Business Day, the due date for that payment is the next Business Day in the same calendar month or, if none, the preceding Business Day, and interest must be adjusted accordingly.

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6 Payments

6.3 Payments in gross

All payments which a Transaction Party is required to make under any Transaction Document must be without:

- (a) any set-off, counterclaim or condition; or
- (b) any deduction or withholding for any Tax or any other reason unless the Transaction Party is required to make a deduction or withholding by applicable law.

6.4 Additional payments

If:

- (a) any Transaction Party is required to make a deduction or withholding in respect of Tax (other than Excluded Tax) from any payment to be made to a Finance Party under any Transaction Document; or
- (b) a Finance Party is required to pay any Tax (other than Excluded Tax) in respect of any payment it receives from a Transaction Party or the Agent under any Transaction Document,

the Transaction Party:

- (c) indemnifies each Finance Party against that Tax; and

- (d) must pay to each Finance Party an additional amount which the Agent determines to be necessary to ensure that each Finance Party receives when due a net amount (after payment of any Tax in respect of each additional amount) that is equal to the full amount it would have received if a deduction or withholding or payment of Tax had not been made.

6.5 Taxation deduction procedures

If clause 6.4(a) applies:

(a) the Transaction Party must pay the amount deducted or withheld to the appropriate Government Agency as required by law; and

(b) the Transaction Party must:

(1) use reasonable endeavours to obtain a payment receipt from the Government Agency (and any other documentation ordinarily provided by the Government Agency in connection with the payment); and

(2) within 2 Business Days after receipt of the documents referred to in clause 6.5(b)(1), deliver copies of them to the Agent.

6.6 Tax Credit

If a Transaction Party makes an additional payment under clause 6.4 for the benefit of a Finance Party, and the Finance Party determines that:

(a) a credit against, relief or remission for, or repayment of any Tax (**Tax Credit**) is attributable to that additional payment; and

(b) the Finance Party has obtained, utilised and retained that Tax Credit (which the Finance Party will use reasonable endeavours to do),

then the Finance Party must pay an amount to the Transaction Party which the Finance Party reasonably determines will leave it (after that payment) in the same after Tax position as it would have been in had the additional payment not been made by the Transaction Party.

6 Payments

6.7 Tax affairs

Nothing in clause 6.6:

- (a) interferes with the right of any Finance Party to arrange its tax affairs in any manner it thinks fit;
- (b) obliges any Finance Party to investigate the availability of, or claim, any Tax Credit; or
- (c) obliges any Finance Party to disclose any information relating to its tax affairs or any tax computations.

6.8 Amounts payable on demand

If any amount payable by a Transaction Party under any Transaction Document is not expressed to be payable on a specified date, that amount is payable by the Transaction Party within 3 Business Days following written demand by the Agent.

6.9 Appropriation of payments

Except where clause 6.9(b) applies, following the occurrence of any Event of Default, all payments made by a (a) Transaction Party under a Transaction Document may be appropriated as between principal, interest and other amounts as the Agent determines or, if no Event of Default has occurred, in the following order:

- (1) first, towards reimbursement of all fees, costs, expenses, charges, damages and indemnity payments due and payable by the Transaction Parties under the Transaction Documents;
- (2) second, towards payment of interest due and payable under the Transaction Documents; and
- (3) third, towards repayment or prepayment of the Principal Outstanding.

(b)

Any money recovered by a Finance Party as a result of the exercise of a Power under a Security Document must be appropriated in the manner provided in that Security Document.

(c) Any appropriation under clauses 6.9(a) or 6.9(b) overrides any appropriation made by a Transaction Party.

6.10 Currency exchanges

If the Agent receives an amount under a Transaction Document in a currency which is not in the Relevant Currency, the Agent:

(a) may convert the amount received into the Relevant Currency in accordance with its normal procedures; and

(b) is only regarded as having received the amount that it has converted into the Relevant Currency.

7 Warrants

6.11 Status of Finance Parties

The Agent will, when requested by the Borrower, provide the Borrower with executed originals of IRS Form W-8BEN relating to the Finance Parties no later than 5 Business Days prior to the first Interest Payment Date, provided that the Agent has been given sufficient notice by the Borrower in order to comply with the Borrower's request.

7 Warrants

7.1 Warrants

On or before Financial Close, the Parent must:

- (a) issue 3,100,800 Warrants to the Warrant Holder (provided that the number of Warrants represented by the Warrant Certificate is subject to reduction as provided in section 17 of the Warrant Certificate); and
- (b) provide to the Warrant Holder a Warrant Certificate or Warrant Certificates in respect of the Warrants in the name of the applicable Warrant Holder.

7.2 Issue of Warrants

- (a) The issue of Warrants under clause 7.1 will be subject to the Parent obtaining all applicable TSX Approvals and NYSE MKT Approvals and all other approvals required under applicable laws.
- (b) The Parent must use its best endeavours to ensure the Warrants are promptly issued in accordance with clauses 7.1 and 7.2(a).
- (c) All Warrants issued under clause 7.1 will be issued at no additional cost to the Warrant Holder or any Finance Party.
- (d) All Warrants will be transferable by the Warrant Holder (and by its successive transferees) in accordance with the terms of the Warrant Certificate.

7.3 Exercise of Warrants

The Warrant Holder may exercise any Warrants in accordance with the terms of the Warrant Certificate and subject (a) to any applicable laws or requirements of the TSX and the NYSE MKT, at any time before the applicable Expiry Date.

(b) The proceeds payable by the Warrant Holder to exercise a Warrant will be applied as a mandatory prepayment of the Principal Outstanding under clause 3.6(e).

7.4 Ranking of Shares and Warrants

(a) Each Share received by the Warrant Holder on the exercise of a Warrant issued to the Warrant Holder under this clause 7, ranks in all respects pari passu with the other then existing issued Shares, but will not in the case of the exercise of a Warrant carry any rights to any dividends or other distributions declared or paid or made on the Shares before the date that Warrant is exercised.

(b) Each Warrant issued to the Warrant Holder under this clause 7 ranks in all respects pari passu with the other then existing issued warrants to purchase Shares.

7 Warrants

7.5 Registration under Securities Laws

The Parent must use its reasonable best efforts to prepare and file with the U.S. Securities and Exchange Commission, on or before 10 January 2014, a Registration Statement on Form S 3 or other equivalent form (a) **(Registration Statement)** and provide in that Registration Statement for the resale by the Financier or its nominee (as applicable) of the Warrant Shares.

The Parent must use its reasonable best efforts to cause the registration to be declared effective as soon as (b) practicable following filing. Following the Registration Statement being declared effective, the Parent must maintain the effectiveness and availability of the Registration Statement until the earlier of:

- (1) the last occurring Expiry Date;
 - (2) the date on which the Financier or the Financier's nominee (as applicable) no longer holds any of the Warrant Shares registered in the Registration Statement; or
 - (3) the date on which the Warrant Shares are capable of being sold without limitation, other than any applicable volume restrictions, under Rule 144 under the Securities Act.
- (c) The Financier must provide any information which is required under the Securities Act relating to the Financier for inclusion in the Registration Statement.
- (d) If, during the time that the Registration Statement is effective, the Parent notifies the Financier that the Registration Statement contains a material misstatement or omission:
- (1) the Financier must cease any resale of the Warrant Shares pursuant to the relevant Registration Statement until it is notified that resales may be resumed; and
 - (2) the Parent must use its best efforts to supplement the relevant Registration Statement as soon as practicable to make the disclosures in that Registration Statement correct and complete.

7.6 Approvals for issue of Shares

(a)

The Parent must maintain all approvals required to permit the exercise of the Warrants and the issue of the Warrant Shares.

(b) Without limiting the Parent's obligations under clause 7.6(a), if any approvals are required for the Parent to lawfully and validly permit the exercise of the Warrants in accordance with their terms or the issuance of the Warrant Shares, the Parent must use its best efforts to obtain those approvals, as soon as reasonably practicable.

(c) To the extent that any approvals are required for exercise of the Warrants, the Parent must issue to the Financier or its nominee (as applicable):

on the date provided for in this agreement or the Warrant Certificate (as applicable), the maximum number of Warrant Shares which can be issued without those approvals and promptly seek to obtain those approvals for the (1) issuance of the balance of the relevant Warrant Shares (and if any shareholder approvals are required, it will recommend to its shareholders that they approve the issue of the relevant Warrant Shares, and will seek to obtain all approvals no later than 30 days after the relevant date); and

8 Representations and warranties

- (2) the balance of the relevant Warrant Shares within 2 Business Days of obtaining the approvals required for the issue of those Warrant Shares.

8 Representations and warranties

8.1 General representations and warranties

Each Transaction Party represents and warrants, for itself and with respect to Lost Creek (as applicable) to and for the benefit of each Finance Party that:

(a) **registration:** it is a corporation or limited liability company (as the case may be) registered in accordance with the laws of its place of incorporation or organisation (as the case may be) and is validly existing and in good standing under those laws;

(b) **corporate power:** it has the corporate or limited liability company power to own its assets and to carry on its business as it is now being conducted;

(c) **authority:** it has power and authority to enter into and perform its obligations under the Documents to which it is expressed to be a party;

(d) **authorizations:** it has taken all necessary action to authorize the execution, delivery and performance of the Documents to which it is expressed to be a party;

(e) **binding obligations:** the Documents to which it is expressed to be a party constitute its legal, valid and binding obligations and, subject to any necessary stamping and registration, and assuming valid execution by the Finance Parties thereto, are enforceable in accordance with their terms subject to laws generally affecting creditors' rights and to principles of equity;

(f) **valid Encumbrances:**

(1) upon execution and delivery of a Security Document, that Security Document will be effective to create in favour of the Finance Parties, legal, valid and enforceable Encumbrances on, and security interests in, all right, title and interests of the relevant Transaction Party (as the case may be) in and to the property the subject of that Security Document and the proceeds of that property; and

in respect of a Security Document where the security interest may be perfected only by possession or control of the property the subject of that Security Document (which possession or control must be given to the Agent by the relevant Transaction Party (as the case may be) to the extent that it is required), after all appropriate filings or recordings are made in the appropriate offices as may be required under applicable law, and, after the Agent takes (2) possession or control of the property that is at any time encumbered pursuant to that Security Document, that Security Document will constitute a fully perfected Encumbrance on, and security interest (with the priority interest it is intended to have under the Transaction Documents) in, all right, title and interest of that Transaction Party in the property the subject of that Security Document and the proceeds of that property, in each case subject to no Encumbrances other than Permitted Encumbrances;

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8 Representations and warranties

(g) **transaction permitted:** the execution, delivery and performance by it of the Documents to which it is expressed to be a party will not breach, or result in a contravention of:

(1) any law, regulation or Authorization;

(2) its articles of association, articles of incorporation, articles of organization, by-laws, constitution, operating agreement, or other constituent or organizational documents; or

(3) any Encumbrance or agreement which is binding on it,

and will not result in:

(4) the creation or imposition of any Encumbrance on any of its assets other than as permitted under a Transaction Document; or

(5) the acceleration of the date for payment of any obligation under any agreement which is binding on it;

(h) **no default or breach:** no Transaction Party is and nor is Lost Creek:

(1) in breach of a Transaction Document;

(2) in breach in a material respect of any law or Authorization;

(3) in breach in a material respect under any Project Document or other agreement or document binding on it (other than a Transaction Document); and

(4) in default in the payment of a material sum, or not in compliance with a material obligation in respect of Financial Indebtedness;

(i) **Event of Default:** no Event of Default has occurred which is continuing;

no litigation: other than the BCA Litigation and the WOC Proceeding, no litigation, arbitration, dispute or (j) administrative proceeding has been commenced, is pending or to its knowledge is threatened, which if adversely determined would have a Material Adverse Effect;

financial information: the most recent Financial Reports or financial statements of the Borrower Group that it has (k) provided to the Agent under clause 9.6(a) give a true and fair view of the financial condition and state of affairs of the Borrower Group as at the date they were prepared;

no change in affairs: there has been no change in the state of affairs of the Borrower Group since the end of the (l) accounting period for its most recent Financial Reports or accounts referred to in clause 8.1(k) which has had, or is likely to have, a Material Adverse Effect;

no knowledge of material adverse information: it has no knowledge of any material adverse information in (m) relation to the current and prospective operations of it, any other Transaction Party or Lost Creek other than that which it has disclosed in writing to the Financier;

(n) **representations true:** each of its representations and warranties contained in the Documents is correct and not misleading when made or repeated;

(o) **disclosure:**

no representation or warranty of or by it under a Transaction Document, any schedule, annexure or exhibit attached to a Transaction Document, contained in any certificate, list or other writing provided to a Finance Party pursuant (1) to the provisions of a Transaction Document, contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements in this agreement or in that Transaction Document, in the light of the circumstances under which they were made, not misleading;

8 Representations and warranties

(2) all information provided to any Finance Party by or on behalf of it in respect of the Documents, the transactions contemplated by them, each Transaction Party and Lost Creek and the assets, business and affairs of each Transaction Party and Lost Creek, is correct as at the time it is given in all material respects and is not, whether by omission of information or otherwise, misleading in any material respect;

(3) it has not withheld any facts relating to it, the Documents, the transactions contemplated by them, each Transaction Party and Lost Creek, the assets, business and affairs of each Transaction Party and Lost Creek and any thing in connection with them which are material to the decision of the Finance Parties to enter into the Transaction Documents, the transactions contemplated by them, each Transaction Party and Lost Creek and the assets and business affairs of each Transaction Party and Lost Creek;

(4) all filings made by it with any securities commissions or regulatory authorities or the Toronto Stock Exchange or the NYSE MKT are, at their respective dates, true and correct in all material respects, contain or contained no material misrepresentation and constitute full, true and plain disclosure of all material facts relating to it, and it does not have any confidential filings with any securities commissions or regulatory authorities or the Toronto Stock Exchange;

(5) the Parent is a reporting issuer in British Columbia, Alberta, Saskatchewan, Manitoba and Ontario (the **Provinces**) and in good standing in the Provinces under applicable Canadian Securities Laws, is not included in a list of defaulting reporting issuers maintained by the securities commissions (or similar regulatory authorities) in any of the Provinces and is not in default of any requirement of the applicable Securities Laws in Canada or the United States of America relating to continuous disclosure and is in compliance with the by-laws, rules and regulations of the TSX and the NYSE MKT;

(p) **legal and beneficial owner**: each of the Transaction Parties and Lost Creek is the legal and beneficial owner of:

(1) its property; and

(2) all of its assets included in the latest consolidated Financial Report provided by the Borrower,

free and clear of all third party rights, other than those disclosed in those Financial Reports or Permitted Encumbrances, or Permitted Interests, and subject, with respect to the unpatented mining claims and millsites included in the Projects, to the paramount title of the United States of America and the statutory rights of third parties to use the surface or subsurface of the lands within those mining claims and millsites;

(q)

business assets: Each of the Transaction Parties and Lost Creek owns, leases or has the lawful right to use all of the assets necessary in a material respect for the conduct of its respective businesses as currently being conducted;

(r) **Secured Property:**

(1) there is no Encumbrance over any of its Secured Property, other than a Permitted Encumbrance; and

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8 Representations and warranties

(2) no person holds an interest in its Secured Property other than under a Permitted Encumbrance or a Permitted Interest;

no assets in Canada: no Transaction Party other than the Parent nor Lost Creek has any assets located in any (s) Canadian province or territory, and in Canada the Parent only has assets (i) in the Province of Ontario and (ii) in the case of the Northwest Territories and Nunuvut only, mining claims over certain property located in those territories;

no accounts in Canada: no Transaction Party nor Lost Creek has any securities accounts or futures accounts in (t) Canada or with a securities intermediary located in Canada, other than as disclosed to the Financier in writing. No Transaction Party nor Lost Creek has granted control to any Person over, and no other Person has perfection by control over, such securities accounts or futures accounts or any collateral contained therein;

(u) **no immunity:** no Transaction Party nor Lost Creek enjoys, nor do any Transaction Party's or Lost Creek's assets enjoy, immunity from suit or execution;

(v) **not a trustee:** no Transaction Party nor Lost Creek enters into any Document as trustee of any trust or settlement;

(w) **solvency:** each of the Transaction Parties and Lost Creek is solvent and is able to pay its debts as and when they become due;

(x) **commercial benefit:** the entering into and performance by each of the Transaction Parties and Lost Creek of its obligations under the Documents to which it is expressed to be a party is for the commercial benefit of that Transaction Party or Lost Creek and is in its commercial interests;

(y) **priority of Securities:** on and from the date on which it is entered into as required by the terms of this Agreement, each Security granted by it in a Security Document has the priority it is intended to have;

(z) **filing and registration:** it has filed all corporate notices and effected all registrations with any relevant Government Agency in the United States of America or Canada, as the case may be, as required by all applicable laws and all those filings and registrations are current, complete and accurate in every material respect;

(aa) **Taxes and fees:**

(1) each of the Transaction Parties and Lost Creek has complied in all material respects with all tax laws in all applicable jurisdictions and it has paid all Taxes due and payable by it (other than Contested Taxes), and no claims

are being asserted against it in respect of any Taxes (other than Contested Taxes); and

each of the Transaction Parties and Lost Creek has paid all registration or other fees, costs and expenses in
(2) connection with the execution, performance and enforcement of the Documents, any transaction contemplated by a
Document and any Authorizations;

(bb) group structure:

(1) the Parent is legal and beneficial owner of 100% of the issued share capital of the Borrower;

(2) the Borrower is the legal and beneficial owner of all of the membership interests in Lost Creek;

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8 Representations and warranties

(3) on and from the Pathfinder Acquisition Date, the Borrower is the legal and beneficial owner of 100% of the issued share capital of Pathfinder;

(4) the Borrower's and Parent's only Subsidiaries are listed in the Group Structure Diagram; and

(5) the Group Structure Diagram is true and correct in all respects and does not omit any material information or details; and

(cc) **Defined Benefit Plan:** no Transaction Party nor Lost Creek has a Defined Benefit Plan.

8.2 Projects representations and warranties

The Borrower represents and warrants to and for the benefit of each Finance Party that:

(a) **Mineral Rights:** except as disclosed to the Agent:

(1) as at the date of this agreement:

the Key Mineral Rights with respect to the Lost Creek Project are legal, valid and continuing and confer on Lost Creek the material rights required to enable it to develop and operate the Lost Creek Project in accordance with the Corporate and Project Budget and the Base Case Model ;

(B) Lost Creek has in all material respects complied with its obligations in connection with its Mineral Rights to the extent required to date;

except for Permitted Encumbrances and Permitted Interests, and subject, with respect to the unpatented mining claims and millsites included in the Lost Creek Project, to the paramount title of the United States of America and the statutory rights of third parties to use the surface or subsurface of the lands within those mining claims and millsites, Lost Creek has record title to the Mineral Rights (but nothing in this Agreement shall be deemed a representation that any unpatented mining claim contains a discovery of a valuable mineral, or that Lost Creek has established or is maintaining *pedis possessio* rights with respect to any such mining claim);

(2) as at the Pathfinder Acquisition Date:

- the Key Mineral Rights with respect to the Pathfinder Uranium Projects are legal, valid and continuing and
- (A) Pathfinder has the material rights required to enable it to develop and operate the Pathfinder Uranium Projects in accordance with the Corporate and Project Budget and the Base Case Model;
 - (B) Pathfinder has in all material respects complied with its obligations in connection with its Mineral Rights to the extent required to date; and

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8 Representations and warranties

with effect from the Pathfinder Acquisition Date, to the best of the Borrower's knowledge, information and belief having made all due enquires, Pathfinder will be the legal and beneficial holder of the Mineral Rights described in Attachment 2, free and clear of all third party rights, other than Permitted Encumbrances and Permitted Interests and subject, with respect to the unpatented mining claims and millsites included in the Pathfinder Uranium (C) Projects, to the paramount title of the United States of America and the statutory rights of third parties to use the surface or subsurface of the lands within those mining claims and millsites (but nothing in this Agreement shall be deemed a representation that any unpatented mining claim contains a discovery of a valuable mineral, or that Pathfinder has established or is maintaining *pedis possessio* rights with respect to any such mining claim);

(b) **Authorizations:**

(1) the material Authorisations necessary for the current operations of the Projects are in place;

(2) all fees due and payable in connection with those Authorisations have been paid; and

(3) each of the Transaction Parties and Lost Creek is in compliance in all material respects with all material Authorizations in respect of itself and the Projects;

(c) **Project Documents:**

no event has occurred or condition exists which would permit the cancellation, termination, forfeiture or (1) suspension of a Project Document to which a Transaction Party or Lost Creek is a party, nor is any party to that Project Document in default under any term of a Project Document in any material respect;

it has given to the Agent copies of all of the Project Documents, and all copies of those Project Documents and any (2) other documents or agreements (including Authorizations) given by it or on its behalf to the Agent constitute true and complete copies and those documents and agreements are in full force and effect; and

the Project Documents to which a Transaction Party or Lost Creek is a party contain the entire agreement of the (3) parties to them as to the Projects and supersede all previous agreements and understandings in relation to those aspects of the Projects and there are no other material contracts, agreements or arrangements entered into by a Transaction Party or Lost Creek in connection with the Projects;

(d) **Project Assets:** except as disclosed to the Agent and subject, with respect to the unpatented mining claims and millsites forming part of the Projects, to the paramount title of the United States of America and the statutory rights of third parties to use the surface and subsurface of the lands within those mining claims

and millsites:

(1) Lost Creek has all legal and equitable title to the Project Assets of the Lost Creek Project; and

(2) from the Pathfinder Acquisition Date, Pathfinder has all legal and equitable title to the Project Assets of the Pathfinder Uranium Projects;

Project Areas: the Project Areas comprise all of the land, leases and other rights which are required and necessary (e) for the effective, proper and lawful development and operation of the Projects in accordance with the Corporate and Project Budget and the Base Case Model;

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8 Representations and warranties

Environmental Bonding: the Environmental Bonding is the only environmental bonding required to be lodged in (f) accordance with the requirements of any Environmental Law relating to the Projects or the Project Areas as currently conducted;

(g) **Environmental Liabilities:**

there are no material Environmental Liabilities affecting the Lost Creek Project and there are no matters affecting the Lost Creek Project which are likely to give rise to any material Environmental Liabilities other than (1) Environmental Liabilities which exist in accordance with, and do not breach, an Environmental Law or Authorization; and

to the best of the Borrower's knowledge, there are no material Environmental Liabilities affecting the Pathfinder (2) Uranium Projects and there are no matters affecting the Pathfinder Uranium Projects which are likely to give rise to any material Environmental Liabilities other than:

(A) Environmental Liabilities which exist in accordance with, and do not breach, an Environmental Law or Authorization; and

(B) as identified in the Pathfinder SPA;

(h) **royalties:** the only royalties, overriding royalties or production payments in respect of a Mineral Right are the royalties payable under the terms of a Permitted Royalty;

other business: no Transaction Party nor Lost Creek is involved in, has conducted or conducts any business other (i) than exploration and mining project development and activities incidental to exploration and mining project development, except as set forth in Section 9.19(b); and

insurances: in respect of the Projects and the Project Assets, each Transaction Party has complied with clause 9.25 (j) and all insurance policies entered into in complying with that clause 9.25 are valid, binding and subsisting and all premiums due under those insurance policies have been paid in full.

8.3 Survival and repetition of representations and warranties

The representations and warranties given under this agreement:

(a) survive the execution of each Transaction Document; and

(b) are repeated on the date of each Funding Date and each Quarterly Date with respect to the facts and circumstances then subsisting until:

(1) the Commitment is cancelled;

(2) the Secured Moneys are unconditionally repaid in full; and

(3) each Security is discharged,

or the Agent otherwise agrees in writing.

8.4 Reliance by Finance Parties

The Borrower acknowledges that each Finance Party has entered into each Transaction Document to which it is a party in reliance on the representations and warranties given under this agreement.

9 Undertakings

9 Undertakings

9.1 Conduct of Projects

Each Transaction Party must, and must cause Lost Creek to, ensure that there is no change to the scope of the Projects from that assumed in or contemplated in the Corporate and Project Budget and the Base Case Model, without the written consent of the Agent, and must ensure that:

- (a) the Projects are diligently developed and maintained in accordance with the Corporate and Project Budget, the Base Case Model, Good Industry Practice and the applicable Authorizations; and
- (b) the Project Assets are maintained in good condition, reasonable wear and tear excepted.

9.2 Projects Covenants

(a) **Project Assets:** Each Transaction Party must ensure that:

Lost Creek owns all Project Assets with respect to the Lost Creek Project (subject, with respect to unpatented (1) mining claims and millsites, to the paramount title of the United States of America and the statutory rights of third parties to use the surface and subsurface of the lands on which the claims and millsites are located);

no person has any right, title or interest in the Project Assets with respect to the Lost Creek Project, other than Lost (2) Creek, and except for Permitted Interests, Permitted Encumbrances and Permitted Royalties (subject, with respect to unpatented mining claims and millsites, to the paramount title of the United States of America and the statutory rights of third parties to use the surface and subsurface of the lands on which the claims and millsites are located);

on and from the Pathfinder Acquisition Date, Pathfinder owns all Project Assets with respect to the Pathfinder (3) Uranium Projects (subject, with respect to unpatented mining claims and millsites, to the paramount title of the United States of America and the statutory rights of third parties to use the surface and subsurface of the lands on which the claims and millsites are located);

(4) on and from the Pathfinder Acquisition Date, no person has any right, title or interest in the Project Assets with respect to the Pathfinder Uranium Projects, other than Pathfinder, and except for Permitted Interests, Permitted

Encumbrances and Permitted Royalties (subject, with respect to unpatented mining claims and millsites, to the paramount title of the United States of America and the statutory rights of third parties to use the surface and subsurface of the lands on which the claims and millsites are located); and

(5) neither Lost Creek nor on and from the Pathfinder Acquisition Date, Pathfinder, Disposes of, decreases or diminishes its aggregate ownership interest in each Project without the prior written consent of the Agent. For the avoidance of doubt, a sale of an individual Project Asset which is a Permitted Disposal is not to be taken to be a decrease or diminishment of the aggregate ownership interest in the relevant Project.

9 Undertakings

Force Majeure Event: Each Transaction Party must, and must cause Lost Creek to, take all action as is reasonably available to it to cause any Force Majeure Event affecting a Project to be remedied as soon as possible after that (b) Force Majeure Event occurs, but the party affected is not obliged to incur expenditure to overcome the events or circumstances which caused the Force Majeure Event which would make uneconomic (in the reasonable opinion of the Agent) the continued development of the Project.

Access: Each Transaction Party, at the request of the Agent, must, and must cause Lost Creek to ensure that the Finance Parties and representatives of the Finance Parties, on giving reasonable notice, are allowed access at all (c) reasonable times and with reasonable frequency to the Project Areas and the Project Assets to inspect any of the Project Assets and to inspect any books, records, data and information which are in the custody or possession of a Transaction Party or Lost Creek. The Borrower must pay the reasonable costs of expenses of the Agent for:

(1) one site visit to each Project each year by the Agent and its representatives and consultants; and

(2) any other site visit to the Projects conducted when a Default has occurred and is continuing.

When exercising its rights under this clause, the Agent and any representatives or consultants of the Agent must comply with all safety requirements and site rules relating to the Projects.

9.3 Environmental issues

Each Transaction Party must, and must ensure that Lost Creek:

(a) complies in all material respects with all Environmental Laws;

(b) obtains, at the appropriate time having regard to the status of the Projects, and complies in all material respects with all Environmental Approvals required in connection with the development and operation of the Projects; and

(c) promptly notifies the Agent of all material claims, complaints or notices concerning its compliance with Environmental Laws and Environmental Approvals.

9.4 Mineral Rights

(a) Each Transaction Party must ensure that, from the date of this agreement, Lost Creek:

(1) has, and continues to have, record title to its Key Mineral Rights with respect to the Lost Creek Project;

is entitled to acquire or have issued to it the Mineral Rights not presently held by it necessary for the development
(2) and operation of the Lost Creek Project in accordance with the Corporate and Project Budget and the Base Case Model;

takes, or causes to be taken, all actions necessary to ensure that all conditions and requirements relating to the Key
(3) Mineral Rights and all other Mineral Rights with respect to the Lost Creek Project are observed and performed and that the Key Mineral Rights and those other Mineral Rights with respect to the Lost Creek Project remain valid and are in full force and effect; and

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(4) keeps its Key Mineral Rights and other Mineral Rights with respect to the Lost Creek Project free of Encumbrances other than Permitted Encumbrances.

(b) Each Transaction Party must ensure that, on and from the Pathfinder Acquisition Date, Pathfinder:

(1) has, and continues to have, record title to the Key Mineral Rights with respect to the Pathfinder Uranium Projects;

(2) is entitled to acquire or have issued to it the Mineral Rights not presently held by it necessary for the development and operation of the Pathfinder Uranium Projects in accordance with the Corporate and Project Budget and the Base Case Model;

(3) takes, or causes to be taken, all actions necessary to ensure that all conditions and requirements relating to the Key Mineral Rights and all other Mineral Rights with respect to the Pathfinder Uranium Projects are observed and performed and that the Key Mineral Rights and those other Mineral Rights with respect to the Pathfinder Uranium Projects remain valid and are in full force and effect; and

(4) keeps its Key Mineral Rights and other Mineral Rights with respect to the Pathfinder Uranium Projects free of Encumbrances other than Permitted Encumbrances.

9.5 Corporate and Project Budget

A Transaction Party must not, and must ensure that Lost Creek does not, amend or change the Corporate and Project Budget without the Agent's prior written consent.

9.6 Provision of information and reports

Each Transaction Party must, and must cause Lost Creek to, ensure the Agent is provided with the following, which must, in the case of the information referred to in clauses 9.6(b), 9.6(g), 9.6(h) and 9.6(i), be in the form and contain information reasonably satisfactory to the Agent:

(a) **Financial Reports:**

(1) as soon as available and no later than 90 days after the end of each financial year, copies of the consolidated audited annual Financial Report of the Borrower Group for that financial year; and

(2) as soon as available and no later than 45 days after each Quarterly Date, copies of the consolidated unaudited quarterly Financial Report of the Borrower Group for the Quarter ending on that Quarterly Date;

monthly reports: as soon as practicable and no later than 21 days after the end of each month, a report detailing as (b) appropriate having regard to the status of development of the Projects (provided that with respect to the Pathfinder Uranium Projects this obligation will not apply until after the Pathfinder Acquisition Date):

(1) the development, commissioning and operations of the Projects;

(2) actual and forecast expenditure (including capital costs) relating to the Projects, and reconciliations and performance of the Projects against the current Corporate and Project Budget;

(3) in each case, an analysis of the reasons for any variation of actual expenditures compared with the Corporate and Project Budget; and

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(4) other information in relation to the development of the Projects as the Agent may reasonably require;

ore reserve and resource report: a copy of any internally or otherwise prepared reserve and resource statement detailing proven reserves, probable reserves, measured mineral resources, indicated mineral resources and inferred mineral resources in respect of each Project, no later than the date which is 45 days after those statements are completed (with those internally prepared reports to be completed no less than once each calendar year), and a copy of any externally prepared reserve and resource statements which may be obtained by the Borrower from time to time, promptly after they are received;

title opinions and reports: a copy of any internally or otherwise prepared title opinions or reports in respect of the Mineral Rights relating to each Project, no later than the date which is 45 days after those title opinions or reports are completed, and a copy of any externally prepared title opinions or reports which may be obtained by the Borrower from time to time, promptly after they are received;

Quarterly Compliance Certificate: no later than 10 Business Days after each Quarterly Date, a Compliance Certificate;

Base Case Model: no later than 10 Business Days after a request from the Agent, all information requested by the Agent for the purpose of reviewing the Base Case Model in accordance with clause 11, including information relating to the Technical Assumptions and Economic Assumptions;

Corporate and Project Budget: any proposed amendment, variation or change to the Corporate and Project Budget, for the approval of the Agent;

Funding Account reports: no later than 21 days after the end of each Quarter, a statement summarising all deposits to and withdrawals from the Funding Account;

environmental reports: no later than 30 days after becoming aware of any material Environmental Liability or material breach or potential material breach of any Environmental Law, a report detailing those Environmental Liabilities and breaches or potential breaches of Environmental Laws;

documents issued: promptly, notification of any filing by a Transaction Party under Securities Laws and copies of other non-filed documents sent to a Transaction Party's shareholders;

Group Structure Diagram: an updated Group Structure Diagram on each occasion that the then current Group Structure Diagram becomes incorrect or misleading; and

(1) **other information:** any other information which the Agent reasonably requests in relation to a Transaction Party, Lost Creek or the Projects.

9.7 Proper accounts

Each Transaction Party must, and must ensure that Lost Creek:

(a) keeps accounting records which fairly present its financial condition and state of affairs; and

(b) prepares the accounts it provides under clause 9.6 in accordance with the Accounting Standards.

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9.8 Notices to the Agent

Each Transaction Party must, and must ensure that Lost Creek, notifies the Agent promptly after it becomes aware of:

(a) any Default occurring;

(b) any material breach of, or material default under, any Document to which a Transaction Party or Lost Creek is a party;

(c) any material breach of any applicable license or law that could reasonably be expected to affect the validity or good standing of the Projects or the Project Assets, legal and beneficial title of Pathfinder or Lost Creek to its Project Assets, or the value of the Secured Property;

(d) any event or circumstance which entitles a person to cancel, terminate or suspend any Mineral Rights, Environmental Approvals, Authorizations or a Project Document to which a Transaction Party or Lost Creek is a party;

(e) in respect of a Project, any revised estimate of proven and probable reserves or measured, indicated and inferred resources, each as construed, reported and calculated in accordance with the Canadian Institute of Mining (CIM) Definitions Standards on Mineral Resources and Mineral Reserves adopted by the CIM Council on 27 November 2010 and included by reference in Canadian National Instrument 43-101 (as amended from time to time);

(f) any representation, warranty, action or statement made, or taken to be made, by it in connection with any Transaction Document or with regard to a Project is or becomes false, misleading or incorrect;

(g) any material breach of an Authorization;

(h) any material breach of, or claim being made against a Transaction Party or Lost Creek under any Environmental Laws or Environmental Approvals;

(i) any material notices given or received by a Transaction Party or Lost Creek under any Project Document to which a Transaction Party or Lost Creek is a party;

(j) any litigation, arbitration, administration or other proceeding in respect of a Transaction Party or Lost Creek, any of its assets or any Project Assets being commenced or threatened which:

(1) is in excess of \$500,000 (or the equivalent amount in another currency); or

(2) if adversely determined would have or could reasonably be expected to have a Material Adverse Effect;

(k) any Encumbrance that exists over any of its assets other than a Permitted Encumbrance;

(l) any material dispute between a Transaction Party or Lost Creek and a Government Agency or any proposal of any Government Agency to compulsorily acquire any of its assets or the Project Assets;

(m) the acquisition by a Transaction Party or Lost Creek of a Subsidiary;

(n) the acquisition by a Transaction Party or Lost Creek of any interest in real property; and

(o) any material land claims or other claims with respect to the Projects, Project Areas or the Project Assets and any material dispute with landowners located in or around the Project Areas.

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9.9 Corporate existence

Each Transaction Party must, and must ensure that Lost Creek:

- (a) does everything necessary to maintain its corporate or company existence in good standing;
- (b) does not transfer its jurisdiction of incorporation or organization without the prior written consent of the Agent;
and
- (c) does not enter into or implement any merger, demerger, scheme of arrangement, amalgamation, consolidation, restructuring or reconstruction without the Agent's prior written consent.

9.10 Compliance

Each Transaction Party must, and must ensure that Lost Creek, complies with all its obligations under each Project Document to which it is a party.

9.11 Maintenance of capital

A Transaction Party must not, and must ensure that Lost Creek does not, without the Agent's prior written consent:

- (a) reduce or pass a resolution to reduce its capital;
- (b) buy-back or pass a resolution to buy-back, any of its shares or member ownership interests (as applicable); or
- (c) attempt or take any steps to do anything which it is not permitted to do under clauses 9.11(a) or 9.11(b).

9.12 Compliance with laws and Authorizations

Each Transaction Party must, and must ensure that Lost Creek, complies in all material respects with all laws and (a) legal requirements, including each judgement, award, decision, finding or any other determination of a Government Agency, which applies to it or any of its assets.

Each Transaction Party must, and must ensure that Lost Creek, makes all material filings, notifications, recordings (b) and registrations with Government Agencies as required by Securities Laws, Mining Laws, Tax laws or any other applicable laws.

(c) Each Transaction Party must, and must ensure that Lost Creek, obtains, maintains and complies in all material respects with, all Authorizations required:

(1) for the enforceability against it of each Document to which it is a party, or to enable it to perform its obligations under each Document to which it is a party;

(2) in relation to it or any of its assets; and

(3) for the development and operation of the Projects.

(d) Each Transaction Party must, and must cause Lost Creek to, ensure that no Authorization referred to in clause 9.12(b) is cancelled reduced or suspended.

(e) Each Transaction Party must not, and must ensure that Lost Creek does not, do anything which would prevent the renewal of any Authorization referred to in clause 9.12(b) or cause it to be renewed on less favourable terms.

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9.13 Establishment of Defined Benefit Plan

Notwithstanding any other provision of this Agreement or any other Transaction Document, no Transaction Party nor Lost Creek shall, without the prior written consent of the Agent:

- (a) establish or contribute to any Defined Benefit Plan; or
- (b) acquire an interest in any Person if such Person sponsors, administers, maintains or contributes to, or has any liability in respect of any Defined Benefit Plan.

9.14 Payment of debts, outgoings and Taxes

- (a) Each Transaction Party must, and must ensure that Lost Creek, pays or causes to be paid:

its debts and financial obligations including all rates, rents and other outgoings when due and payable, except

- (1) where it is contesting its liability to pay that debt or financial obligation, and has reasonable grounds to do so, in good faith in appropriate proceedings reasonably satisfactory to the Agent;

- (2) all Taxes when due, other than Contested Taxes; and

all Contested Taxes when the terms of any final determination or settlement require those Contested Taxes to be

- (3) paid, unless failure to pay any Contested Taxes may have a Material Adverse Effect, in which case those the Contested Taxes must be paid on demand.

- (b) Each Transaction Party must, and must ensure that Lost Creek, sets aside sufficient reserves to cover any Contested Taxes.

9.15 Project Documents

- (a) Each Transaction Party must not, and must ensure that Lost Creek does not, without the prior written consent of the Agent:

- (1) materially amend or vary, or agree to a material amendment or variation of;
 - (2) terminate, rescind or discharge (except by performance);
 - (3) grant any material waiver, time or indulgence in respect of any obligation under;
 - (4) do or omit to do anything which may materially adversely affect the provisions or operation of; or
 - (5) do or omit to do anything which would give any other person legal or equitable grounds to do anything in clause 9.15(a)(1) to (4) in respect of,
- any Project Document to which it is a party.

If a Transaction Party or Lost Creek proposes to enter into a Material Agreement, the Agent may request the Transaction Party or Lost Creek and each other party to the Material Agreement to enter, into a side agreement or tripartite agreement between the Finance Parties, the relevant Transaction Party or Lost Creek and each other party to that Material Agreement in form and substance reasonably satisfactory to the Agent.

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If the Agent makes a request under clause 9.15(b) that a side agreement or tripartite agreement be entered into in respect of a Material Agreement, the Transaction Party may not, and must ensure that Lost Creek does not, enter (c) into that Material Agreement unless a side agreement or tripartite agreement has been entered into between the Finance Parties, the relevant Transaction Party or Lost Creek and each other party to that Material Agreement in form and substance reasonably satisfactory to the Agent.

The parties agree that no term contained in a side agreement or tripartite agreement affects the rights and (d) obligations of the parties under any other Transaction Document except to the extent specifically set forth in that side agreement or tripartite agreement.

(e) Each Transaction Party must, and must ensure that Lost Creek, does all things necessary to enforce all of its rights, powers and remedies under each Project Document to which it is a party where it is commercially prudent to do so.

Each Transaction Party must not, and must ensure that Lost Creek does not, enter into any agreement relating to the development and operation of a Project or any other agreement or contract which relates to a Project, except to the (f) extent the same are contemplated by the Corporate and Project Budget and the Base Case Model, where the aggregate amount of payments to be made under that agreement or contract is anticipated to exceed \$1,000,000, without the prior written consent of the Agent.

9.16 Amendments to constitution

A Transaction Party must not, and must ensure that Lost Creek does not, materially amend its articles of incorporation, articles of organization, by-laws, constitution, operating agreement, or other organizational or formation documents without the Agent's prior written consent, which consent must not be unreasonably withheld or delayed.

9.17 State Facility

(a) The Borrower will:

(1) keep the Agent informed of progress as to the completion of a State Facility and execution of each of the State Documents; and

(2) deliver certified copies of each of the State Documents as executed by all parties to them.

(b) The facility provided under the State Financing Agreement must be on the following terms:

(1) the principal amount made available under the facility is no greater than \$34,000,000;

(2) the facility must be secured by securities only over the property of, and membership interest in, Lost Creek; and

the facility may be supported by a guarantee granted by the Borrower and the Parent, but that guarantee must not
(c) be secured in favour of Sweetwater County, Wyoming by any Encumbrance granted by any Group Member other than Lost Creek or in respect of the securities referred to in clause 9.17(b)(2), the Borrower.

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9.18 Negative pledge and disposal of assets

Subject to clause 9.17, a Transaction Party must not, and must ensure that Lost Creek does not, create or allow to (a) exist or agree to any interest or Encumbrance over any of its assets other than a Permitted Encumbrance or a Permitted Interest.

(b) A Transaction Party must not, and must ensure that Lost Creek does not, without the prior written consent of the Agent, Dispose of any of its assets other than a Disposal which is a Permitted Disposal.

A Transaction Party must not, and must ensure that Lost Creek does not, allow any other person to have a right or (c) power to receive or claim any rents, profits, receivables, money or moneys worth (whether capital or income) in respect of its assets other than under a Permitted Encumbrance or Permitted Royalty.

A Transaction Party must not, and must ensure that Lost Creek does not, enter into any arrangement under which (d) money or the benefit of a bank or other account may be applied, set-off or made subject to a combination of accounts, except for:

(1) a netting or set-off arrangement (whether arising by statute, common law or contract) in the ordinary course of its ordinary banking arrangements for the purpose of netting debit and credit balances; or

(2) Environmental Bonding or related surety arrangements.

A Transaction Party must not, and must ensure that Lost Creek does not, enter into any arrangement which, if (e) complied with, could reasonably be expected to prevent any Transaction Party from complying with its obligations under the Transaction Documents.

(f) Without the prior written consent of the Financier, the Parent must not Dispose of any of its ownership interest in the Borrower or any other ownership interest or shares it owns in another Subsidiary of the Borrower.

Without the prior written consent of the Financier, the Borrower must not Dispose of any of its ownership interest (g) in Lost Creek or any other ownership or shares it owns in another Subsidiary of the Borrower (including Pathfinder, after the Pathfinder Acquisition Date).

9.19 No change to business

Each Transaction Party must, and must ensure that Lost Creek:

(a) operates its business in accordance with the Corporate and Project Budget and the Base Case Model; and

does not engage in any business other than, or do anything which would result in substantial changes to, its existing core businesses and operations of exploration and mining project development and activities incidental to (b) exploration and mining project development, except for certain activities of Pathfinder, being reclamation and restoration activities, operating the 11e2 by-product disposal facility at the Shirley Basin Property, and exploration and mining project development, and except with the prior written consent of the Agent.

9.20 Financial accommodation and Financial Indebtedness

A Transaction Party must not, and must ensure that Lost Creek does not, subscribe for capital in an entity, provide (a) any financial accommodation, or give any Surety Obligation in respect of any financial accommodation, to or for the benefit of any person, other than Permitted Financial Accommodation.

9 Undertakings

- (b) A Transaction Party must not, and must ensure that Lost Creek does not, incur any Financial Indebtedness other than Permitted Financial Indebtedness.

9.21 Third corporate facility

If a Transaction Party proposes to incur Financial Indebtedness under the Third Corporate Facility Agreement, the facility provided under the Third Corporate Facility Agreement must be on the following terms:

- (a) the principal amount made available under the facility is to be no greater than \$20,000,000;

- (b) the facility must be secured by securities over the Secured Property; and

the facility will rank, in terms of priority and payment, on a pari passu basis to the Facility and the facility provided (c) under the First Facility Agreement, except for the mandatory prepayments payable in respect of the Facility under clauses 3.6(c) and 3.6(e).

9.22 Arm's length transactions

A Transaction Party must not, and must ensure that Lost Creek does not:

- (a) enter into an agreement with any Person (other than an inter-company loan to another Transaction Party or Lost Creek in accordance with paragraph 2 of the definition of Permitted Financial Accommodation);

- (b) acquire or Dispose of an asset;

- (c) obtain or provide a service;

- (d) obtain a right or incur an obligation; or

- (e) implement any other material transaction,

unless it does so on terms which are no less favourable to it than arm's length terms.

9.23 Restrictions on Distributions and fees

(a) A Transaction Party must not make any Distribution.

A Transaction Party must not, must ensure that Lost Creek does not pay any director fees, management fees, (b) consultancy fees or other like payments to any director or Affiliate of a Transaction Party or Lost Creek unless those fees or other payments are:

(1) reasonable and no more or less favourable than it is reasonable to expect would be the case if the relevant persons were dealing with each other on arm's length terms; or

(2) paid with the Agent's prior written consent.

9.24 Undertakings regarding Secured Property

Each Transaction Party must, and must ensure that Lost Creek (only for so long as Lost Creek is a Security Provider in the case of clauses 9.24(b) and 9.24(c)):

(a) **maintenance of the Secured Property:**

(1) maintains and protects its Secured Property;

9 Undertakings

(2) keeps its Secured Property in a good state of repair and in good working order, in each case consistent with Good Industry Practice and allowing for ordinary wear and tear;

(3) remedies every material defect in its title to any part of its Secured Property;

(4) takes or defends all legal proceedings to protect or recover any of its Secured Property; and

keeps its property valid and subsisting and free from liability to forfeiture, cancellation, avoidance or loss, save that
(5) it can allow a Mineral Right to lapse where that Mineral Right is not a Key Mineral Right, has no known mineral resource and is not a Project Asset;

further security: does anything which the Agent reasonably requests which more satisfactorily charges or secures the priority of its Securities, or secures to the Financier its Secured Property in a manner consistent with any
(b) provision of a Transaction Document, or aids in the exercise of any Power of a Finance Party, including, the execution of any document, the delivery of Title Documents or the execution and delivery of blank transfers;

registration and protection of security: registers, records and files the Security Documents in all registers in all
(c) jurisdictions in which they must be registered, recorded or filed to ensure the enforceability, validity and priority of the Securities against all persons and to be effective as a security interest;

no partnership or joint venture: does not enter into any profit sharing arrangement in relation to its property or
(d) any partnership or joint venture with any other person without the Agent's written consent, other than a Permitted Royalty; and

no Encumbrances: causes any Encumbrance which is filed or recorded in respect of its property, other than a
(e) Permitted Encumbrance, to be removed as soon as reasonably practicable but in any event within 10 Business Days after the date that it becomes aware of its existence.

9.25 Insurance

(a) **General requirements:** Each Transaction Party must, and must ensure that Lost Creek, insures and keeps insured its property:

(1) for amounts and against risks in accordance with Good Industry Practice;

(2) against damage, destruction and any other risk to their full replacement value;

(3) against workers' compensation and public liability; and

(4) for any other risk to the extent and for the amounts the Agent may reasonably require and notify to the Borrower from time to time.

(b) **Payment of premiums:** Each Transaction Party must, and must ensure that Lost Creek, punctually pays all premiums and other amounts necessary to effect and maintain in force each insurance policy.

(c) **Contents of insurance policy:** Each Transaction Party must, and must cause Lost Creek to, ensure that every insurance policy:

(1) is taken out in the name of a Transaction Party or Lost Creek, and in the case of each Transaction Party which is a Security Provider, notes each Finance Party as an insured and insures each of their insurable interests;

9 Undertakings

(2) in the case of each Transaction Party which is a Security Provider, names the Agent as the loss payee;

(3) provides that it cannot be terminated or varied by the insurer for any reason including the non-payment of the premium or any other amount in respect of the insurance policy, unless the Agent is given 10 days prior written notice for non-payment of the relevant premium or 30 days prior written notice for any other reason for termination or variation of the relevant insurance policy;

(4) provides that notice of any occurrence given by one insured party will be regarded as notice given by all insured parties and that failure by one insured party to observe and fulfil the conditions of the policy will not prejudice the rights of any other insured party;

(5) in the case of each Transaction Party which is a Security Provider, insures the Finance Parties interest up to the limits of the policy regardless of any breach or vitiation by any Transaction Party, Lost Creek or any other insured person (which ever is applicable) of any warranties, declarations or conditions contained in that policy; and

(6) includes any other terms and conditions which the Agent may reasonably require, unless the insurer does not agree to those terms and conditions after the Transaction Party or Lost Creek has used its commercially reasonable efforts to obtain them.

(d) **Reputable insurer:** Each insurance policy required under this clause must be taken out with a reputable and substantial insurer approved by the Agent (whose approval is not to be unreasonably withheld).

(e) **No prejudice:** A Transaction Party must not, and must ensure that Lost Creek does not, do or omit to do, or allow or permit to be done or not done, anything which may materially prejudice any insurance policy.

(f) **Deliver documents:** Each Transaction Party must, and must ensure that Lost Creek, promptly delivers to the Agent:

(1) adequate evidence as to the existence and currency of the insurances required under this clause 9.25; and

(2) any other detail which the Agent may reasonably require and notify to the Transaction Party or Lost Creek from time to time.

(g)

No change to policy: No insurance policy may be varied, rescinded, terminated, cancelled or changed in a material respect without the Agent's written consent.

(h) **Full disclosure:** Before entering into each insurance policy, each Transaction Party must, and must ensure that Lost Creek, discloses to the insurer all facts which are material to the insurer's risk.

Assistance in recovery of money: Each Transaction Party must, and must ensure that Lost Creek. does all things (i) reasonably required by a Finance Party to enable the Finance Party to recover any money due in respect of an insurance policy.

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(j) **Notification by Security Provider:** Each Transaction Party must, and must ensure that Lost Creek, notifies the Agent as soon as reasonably practicable after it becomes aware of:

(1) an event which in relation to the property of a Transaction Party or Lost Creek gives rise to a claim of \$500,000 or more under an insurance policy; and

(2) the cancellation or variation for any reason of any insurance policy in relation to the property of a Transaction Party or Lost Creek.

(k) **Dealing with insurance policy proceeds:**

If a claim with respect to property is greater than \$500,000, or if a claim with respect to property is less than \$500,000 but the Agent in its reasonable discretion determines that there are not sufficient funds available to the Transaction Party or Lost Creek to ensure that the Transaction Party or Lost Creek can pay or repay any part of the Secured Moneys due and payable by it, the Agent after 3 Business Days' notice to the Borrower, may direct the insurer to pay the proceeds of that claim to up to the amount of the Secured Moneys to the Financier.

(2) If an Event of Default has occurred and is continuing, the proceeds in respect of any insurance policy must be used to repay the Secured Moneys outstanding at that time or for any other purpose which the Agent approves.

The proceeds in respect of any claim under an insurance policy in respect of lost, destroyed or damaged property of a Transaction Party or Lost Creek that are not being applied in accordance with clauses 9.25(k)(1) and 9.25(k)(2), must be applied towards the reinstatement of that property.

Clauses 9.25(k)(1), (2) and (3) do not apply to proceeds received from any workers' compensation or public liability policy to the extent that the proceeds are paid to a person entitled to be compensated under the workers' compensation or public liability policy.

(5) Any amount received by the Agent in accordance with clauses 9.25(k)(1) or 9.25(k)(2) may be applied by the Agent as a mandatory prepayment of the Principal Outstanding, and clause 3.5(d) will apply to the prepayment.

Power to take proceedings: if an Event of Default has occurred and is continuing and a Receiver has not been appointed, the Agent alone has full power to make, enforce, settle, compromise, sue on and discharge all claims and recover and receive all moneys payable in respect of:

(1) any claim under any insurance policy; and

(2) any compensation claim in respect of any injury to an employee of a Finance Party, Receiver or Attorney suffered while exercising or attempting to exercise any Power.

9.26 Term of undertakings

Unless the Agent otherwise agrees in writing, until:

(a) the Commitment is cancelled;

(b) the Secured Moneys are unconditionally paid in full; and

(c) each Security is discharged,

each Transaction Party must, and must ensure that Lost Creek, at its own cost, comply with its undertakings in this clause 9.

10 Funding Account

9.27 Release of Security

(a) If State Financial Close occurs, the Financier will, at the Borrower's sole cost and expense, release:

(1) its secured interests under the Lost Creek Mortgage, the Lost Creek Pledge Agreement and any other Security Document granted by Lost Creek in accordance with their terms; and

(2) the guarantee given by Lost Creek under the First Facility Agreement.

Upon complete repayment of all Secured Money in accordance with this agreement and the other Transaction Documents, all Security will, at the Borrower's sole cost and expense, be released subject to and in accordance with the terms of the Security Documents.

10 Funding Account

10.1 Establishment of Funding Account

The Borrower covenants and agrees with the Agent:

to maintain a Dollar denominated interest bearing account located in the United States of America in a place and (a) with a bank or financial institution acceptable to the Agent, that account to be called 'Ur-Energy USA Inc.– Funding Account';

to maintain the Funding Account in the location and with the bank or financial institution at which each of that (b) account was originally established and not change that account to another bank or financial institution without the Agent's prior written consent;

(c) to cause all interest and other earnings on the Funding Account to be credited to that account; and

(d) to deal with the amounts standing to the credit of the Funding Account in accordance with this clause 10 and not otherwise.

10.2 Flow of funds from Funding Account

(a) The Borrower must deposit, or cause to be deposited, directly into the Funding Account the proceeds of all Funding Portions.

(b) The Borrower must not make a withdrawal from the Funding Account that materially deviates from the Corporate and Project Budget or the Base Case Model unless:

(1) the Borrower has provided the Agent with a notice setting out:

(A) the amount of the proposed withdrawal;

(B) the purpose for which the funds will be used; and

(C) the nature and extent to which the use of the funds deviates materially from the approved Corporate and Project Budget or the agreed Base Case Model; and

(2) the withdrawal is made for payment of amounts payable within the next following 30 day period as set out in the approved Corporate and Project Budget,

and at the time of the proposed withdrawal, no Default or Review Event has occurred and is continuing, or would occur as a result of making the withdrawal.

11 Base Case Model

11 Base Case Model

11.1 Calculations

Any amount or figure to be calculated or estimated under or for the purposes of the definitions of 'CADS', 'Loan Life Cover Ratio', 'Operating Costs', 'Project Life Cover Ratio' 'Revenue' and 'Sustaining Capital Expenditure' is to be calculated in each case on the basis of the latest Base Case Model, accounts and other financial information provided under clause 9.6 and other accounts and information provided to the Agent by the Borrower, or if the Borrower is at any relevant time in default in delivering accounts and other financial information under clause 9.6, as estimated by the Agent on the basis of the latest Base Case Model and other accounts and information available to the Agent.

11.2 Calculations in Dollars

All calculations under this agreement will be made in Dollars. For the purpose of determining Operating Costs, CADS, Project Costs and Revenue for any period, any amount paid or received by the Borrower in a currency other than Dollars will:

- (a) to the extent the amount paid or received has been converted from or to Dollars by the Borrower, be taken into account as that Dollar amount; and
- (b) to the extent that no conversion has taken place, be taken into account as the Equivalent Amount as at the last day of the period.

11.3 Maintenance

The Base Case Model will be maintained in the same form as the initial Base Case Model agreed for the purpose of clause 2.1(i) (unless the Borrower and the Agent agree otherwise) and updated by the Agent (in consultation with the Borrower) until the Final Repayment Date in accordance with this clause 11.

11.4 Update of Base Case Model

The Agent:

- (a) will update the Base Case Model on each Calculation Date for the purpose of calculating the Loan Life Cover Ratio and the Project Life Cover Ratio; and
- (b) may also update the Base Case Model to reflect any material changes in the Technical Assumptions or Economic Assumptions for the Base Case Model determined by the Agent.

11.5 Factors since commencement of production

Any updating of the Base Case Model under clause 11.4 will take into account:

- (a) actual Revenue, Operating Costs, Sustaining Capital Expenditure and capital expenditure; and
- (b) actual performance of the Projects.

12 Events of Default and Review Events

11.6 Delivery of updated Base Case Model

A copy of any updated Base Case Model must promptly be delivered by the Agent to the Borrower on each Calculation Date and on each other date on which the Base Case Model is updated under clause 11.4.

11.7 Determination is binding

Any changes to the Technical Assumptions, Economic Assumptions and other terms of the Base Case Model under this clause 11 from those agreed under clause 2.1(i), will be as determined by the Agent (acting reasonably). Any (a) variation, supplement or replacement of the Base Case Model takes effect for all purposes in connection with the Transaction Documents as from the date the Agent delivers to the Borrower an amended Base Case Model under clause 11.6.

The Agent will consult with the Borrower in good faith regarding the terms of the Base Case Model and any update (b) or proposed update of the Base Case Model, and the Economic Assumptions and Technical Assumptions to be used in the Base Case Model.

Each determination of the Technical Assumptions, Economic Assumptions, the other terms of the Base Case (c) Model, and any update or proposed update of the Base Case Model by the Agent under clause 11.7(a), is final and binding on the Transaction Parties.

12 Events of Default and Review Events

12.1 Events of Default

It is an Event of Default, whether or not it is within the control of a Transaction Party, if:

failure to pay: a Transaction Party fails to pay or repay any part of the Secured Moneys when due and payable by (a) it, unless its failure to pay is caused by administrative or technical error beyond the control of the Borrower and payment is made within 3 Business Days of the due date;

(b) **other failure:** a Transaction Party fails to perform any undertaking or obligation of it under any Transaction Document (other than as described in clause 12.1(a)) and, where that failure is remediable, the Transaction Party

does not remedy the failure within 10 Business Days (or a longer period as may be agreed between the parties) after the Transaction Party becomes aware of the failure or receives a notice from the Agent specifying the failure;

(c) **ratios:** on any Calculation Date or other date on which the Base Case Model is updated under clause 11.4:

(1) the LLCR is less than or equal to 1.2 times; or

(2) the PLCR is less than or equal to 2.0 times;

(d) **Key Mineral Rights:** a Key Mineral Right is terminated or otherwise ceases to be in full force and effect;

(e) **Project Documents:** any party to a Project Document fails to perform or observe any of its material undertakings or obligations under a Project Document and that party does not remedy the failure within the grace period stated in the Project Document or, if no grace period is stated, within 15 Business Days and, where the failure is by a party who is not a Transaction Party or Lost Creek, the failure would have a Material Adverse Effect;

12 Events of Default and Review Events

Authorizations: a Transaction Party or Lost Creek fails to maintain and comply in all material respects with all applicable Authorizations that relate to the development and operation of a Project and, where that failure is (f)remediable, the Transaction Party or Lost Creek does not remedy the failure within 10 Business Days (or a longer period as may be agreed between the parties) after the Transaction Party or Lost Creek becomes aware of the failure or receives a notice from the Agent specifying the failure;

abandonment: all or any material part of a Project is abandoned (other than the abandonment of unpatented (g)mining claims from time to time in the ordinary course of business which are not required to develop and operate a Project in accordance with Good Industry Practice);

(h)**ownership interest:**

(1) the Parent ceases to be the legal and beneficial owner of 100% of the issued share capital of the Borrower;

(2) the Borrower ceases to be the legal and beneficial owner of all of the membership interests of Lost Creek; or

(3) if the Pathfinder Acquisition has occurred, the Borrower ceases to be the legal and beneficial owner of 100% of the issued share capital of Pathfinder;

destruction of Secured Property: all or a material part of the property of a Transaction Party or Lost Creek (i) constituting a Project Asset or Secured Property is destroyed, lost or damaged beyond repair or proves to be materially defective in circumstances not covered fully by any insurance in favour of a Transaction Party or Lost Creek;

expropriation: any property of a Transaction Party or Lost Creek is seized, nationalised, compulsorily acquired or expropriated by, or by order of, a Government Agency or under any law or a Government Agency orders the sale, (j)vesting or divesting of any part of the property of a Transaction Party of Lost Creek, or a restraint, restriction, prohibition, intervention, law, decree or other order of a Government Agency or any other matter or thing occurs which wholly or partially prevents or hinders:

(1) the performance by a Transaction Party or Lost Creek of any of its material obligations under a Document; or

(2) the development or operation of a Project or the Project Assets;

misrepresentation: any representation or warranty or statement made, or taken to have been made in accordance with clause 8.3, under or in connection with a Transaction Document is found to have been incorrect or misleading (k) when made or repeated, or taken to have been made or repeated, and, if the circumstances giving rise to the misrepresentation are remediable, a Transaction Party does not remedy the circumstances giving rise to the breach within 10 Business Days after that representation or warranty or statement was made or taken to have been made;

acceleration of payments: a Transaction Party or Lost Creek does anything which constitutes an event, whatever (l) called, which causes or enables the acceleration of a payment to be made under a Document, or the enforcement or termination or rescission of a Document;

12 Events of Default and Review Events

(m) **cross default:** any Financial Indebtedness of a Transaction Party or Lost Creek in an amount in excess of \$500,000 (other than under a Transaction Document):

(1) becomes due and payable, or becomes capable of being declared due and payable, before the scheduled date for payment; or

(2) is not paid when due (after taking into account any applicable grace period),

except for any Financial Indebtedness that is being diligently contested in good faith and by appropriate proceedings and for which adequate reserves have been made;

(n) **Encumbrance:** a Security or any other Encumbrance is:

(1) enforced against any asset of a Transaction Party or Lost Creek; or

(2) enforceable against any asset of a Transaction Party or Lost Creek and does not cease to be enforceable within 15 Business Days;

(o) **judgment:** a judgment in an amount exceeding \$1,000,000 is obtained against a Transaction Party or Lost Creek and is not set aside, stayed pending the outcome of an appeal (for so long as it is stayed) or satisfied within 20 Business Days;

(p) **execution:** a distress, attachment, execution or other process of a Government Agency is issued against, levied or entered upon an asset of a Transaction Party or Lost Creek in an amount exceeding \$500,000 and is not set aside or satisfied within 20 Business Days;

(q) **winding up:** any of the following occur:

(1) an application is made;

(2) an order is made; or

(3) a resolution is passed or any steps are taken to pass a resolution,

for the winding up of a Transaction Party or Lost Creek;

(r) **administration, liquidation, receivership etc:** any of the following occur:

(1) an administrator, liquidator, provisional liquidator, receiver, receiver and manager, official manager, trustee, controller or similar official is appointed, or any steps are taken to that appointment; or

(2) a resolution to appoint an administrator, liquidator, provisional liquidator, receiver, receiver and manager, official manager, trustee, controller or similar official is passed, or any steps are taken to pass a resolution to that appointment,

to a Transaction Party or Lost Creek or over the assets of a Transaction Party or Lost Creek;

(s) **dissolution:** a Transaction Party or Lost Creek is dissolved, or any steps are taken to dissolve a Transaction Party or Lost Creek under any applicable law;

(t) **suspends payment:** a Transaction Party or Lost Creek suspends payment of its debts generally;

(u) **insolvency:** a Transaction Party or Lost Creek:

(1) is unable to pay its debts when they are due;

(2) states that it is insolvent or unable to pay its debts when they are due; or

12 Events of Default and Review Events

(3) declares bankruptcy in accordance with, or files for protection under, the Debtor Relief Laws;

(v) **arrangements:** a Transaction Party or Lost Creek enters into or resolves to enter into any arrangement, composition or compromise with, or assignment for the benefit of, any of its creditors;

(w) **reorganisation:** a Transaction Party breaches clause 9.9(c);

(x) **ceasing business:** a Transaction Party or Lost Creek ceases to carry on business;

(y) **unenforceability:**

(1) a material provision of a Document is illegal, void, voidable or unenforceable;

(2) any person becomes entitled to terminate, rescind or avoid any material provision of any Document; or

(3) the execution, delivery or performance of a Document by a Transaction Party or Lost Creek breaches or results in a contravention of any law in any material respect;

(z) **cease of trading of Parent's shares:**

the Parent ceases to have its Shares listed for trading on the Toronto Stock Exchange or its Shares are suspended
(1) from trading on the Toronto Stock Exchange for 5 consecutive TSX Business Days (but for the avoidance of doubt, the reference to suspension excludes voluntary trading halts); or

the Parent ceases to have its Shares listed for trading on the NYSE MKT or its Shares are suspended from trading
(2) on the NYSE MKT for 5 consecutive NYSE Business Days (but for the avoidance of doubt, the reference to suspension excludes voluntary trading halts); or

(aa) **Material Adverse Effect:** any event occurs which has or is likely to have a Material Adverse Effect.

12.2 Effect of Event of Default

(a) If an Event of Default occurs and while it is continuing the Agent may, by notice to the Borrower declare that:

(1) the Secured Moneys are immediately due and payable; or

(2) the Commitment is cancelled,

or make each of the declarations under clauses 12.2(a)(1) and 12.2(a)(2).

(b) The Borrower must immediately repay the Secured Moneys on receipt of a notice under clause 12.2(a)(1).

Despite the foregoing, and without limiting the provisions of any Transaction Document, if an Event of Default described in clause 12.1(r) occurs in relation to a Transaction Party or Lost Creek, the Commitment will be automatically cancelled and all Secured Money will become immediately due and payable in full, without notice of intent to demand, demand, presentment for payment, notice of non-payment, protest, notice of protest, grace, notice of dishonour, notice of intent to accelerate, notice of acceleration, and all other notices, all of which are by this clause expressly waived by the Borrower.

12 Events of Default and Review Events

12.3 Transaction Parties to continue to perform

(a) If the Agent makes a declaration under clause 12.2 or a gives a notice under clause 12.5(d):

(1) the declaration or notice does not affect the obligations of the Borrower under the Transaction Documents; and

(2) the Borrower must continue to perform its obligations under the Transaction Documents as if the declaration had not been made or the notice had not been given, subject to any directions given by a Finance Party under any Transaction Document.

(b) Clause 12.3(a) does not affect the Borrower's obligations under clause 12.2.

12.4 Enforcement

(a) The Transaction Documents may be enforced without notice to a Transaction Party or any other person even if:

(1) a Finance Party accepts any part of the Secured Moneys after an Event of Default; or

(2) there has been any other Event of Default.

No Finance Party is liable to the Borrower for any Loss the Borrower may suffer, incur or be liable for arising out of or in connection with a Finance Party exercising any Power, except to the extent specifically set out in a Transaction Document.

12.5 Review Event

(a) It is a Review Event if:

(1) there is a change in Control of the Borrower or the Parent; or

(2) on any Calculation Date or other date on which the Base Case Model is updated under clause 11.4:

(A) the LLCR is less than 2.0 times; or

(B) the PLCR is less than 3.0 times.

(b) The Borrower or the Parent must notify the Agent as soon as it becomes aware of the occurrence of a Review Event.

(c) The Financier has the right to review the Facility for a period of 30 days from the date on which the Agent receives a notice under clause 12.5(b) or becomes aware of the occurrence of a Review Event.

If the Financier decides that it does not wish to continue to provide the Facility following the occurrence of a Review Event, it must give written notice to that effect to the Borrower within the 30 day review period referred to (d) in clause 12.5(c). The notice must state a date (not earlier than 30 days from the date of the service of the notice) by which the Secured Moneys must be paid in full, and the Borrower must pay the Secured Moneys to the Agent in full on the date stated in the notice.

13 Increased costs and illegality

13 Increased costs and illegality

13.1 Increased costs

(a) If the Financier determines that any Change in Law affecting it or any of its Affiliates directly or indirectly:

(1) increases the effective cost to the Financier of performing its obligations under the Transaction Documents or funding or maintaining the Commitment or the Principal Outstanding;

(2) reduces any amount received or receivable by the Financier under the Transaction Documents; or

(3) in any other way reduces the effective return to the Financier or any Affiliate under the Transaction Documents or the overall return on capital of the Financier or any Affiliate,

(each an **Increased Cost**), the Borrower must pay to the Financier promptly after receipt of a demand, compensation for the Increased Cost to the extent attributed by the Financier or Affiliate (using the methods it considers appropriate) to the Financier's obligations under the Transaction Documents or the funding or maintenance of the Commitment or the Principal Outstanding.

(b) A claim under clause 13.1(a) is, in the absence of manifest error, sufficient evidence of the amount to which the Finance Party is entitled under clause 13.1(a) unless the contrary is proved.

If the Borrower receives a demand from the Financier under clause 13.1(a), the Borrower may, by written notice to (c) the Agent on or before the date which is 20 Business Days after the date of that demand, cancel the Commitment and prepay the Secured Moneys in full.

(d) A notice under clause 13.1(c) is irrevocable and the Borrower must, on the date which is 40 Business Days after the date that the notice is given, pay to the Agent on account of the Financier the Secured Moneys in full.

13.2 Illegality

(a)

If any Change in Law or other event makes it illegal for the Financier to perform its obligations under the Transaction Documents or fund or maintain the Commitment, the Financier may by notice to the Borrower:

- (1) suspend its obligations under the Transaction Documents for the duration of the illegality; or

by notice to the Borrower, cancel the Commitment and require the Borrower to repay the Secured Moneys in full (2) on the date which is 40 Business Days after the date on which the Financier gives the notice or any earlier date required by, or to comply with, the applicable law.

- (b) A notice under clause 13.2(a)(2) is irrevocable and the Borrower must, on the repayment date determined under clause 13.2(a)(2), pay to the Agent on account of the Financier the Secured Moneys in full.

13.3 Reduction of Commitment

The Commitment is reduced by any amount of Secured Moneys paid under this clause 13, and accordingly an amount paid under this clause 13 may not be redrawn.

14 Guaranty and indemnity

13.4 Patriot Act

Each Finance Party and the Agent (for itself and not on behalf of any other Finance Party) hereby notifies the Transaction Parties that pursuant to the requirements of the Patriot Act, it is required to obtain, verify and record information that identifies each Transaction Party, which information includes the name and address of that Transaction Party and other information that will allow that Finance Party or the Agent, as applicable, to identify that Transaction Party in accordance with the Patriot Act. The Borrower shall provide, to the extent commercially reasonable, any information and take any actions as are reasonably requested by the Agent or any Finance Party in order to assist the Agent and the Finance Parties in maintaining compliance with the Patriot Act.

14 Guaranty and indemnity

14.1 Guaranty

The Guarantors unconditionally and irrevocably guarantee to the Financier the payment of the Secured Moneys.

14.2 Payment

If the Secured Moneys are not paid when due, each Guarantor must immediately on demand from the Financier pay (a) to the Financier the Secured Moneys in the same manner and currency as the Secured Moneys are required to be paid.

(b) A demand under clause 14.2(a) may be made at any time and from time to time.

14.3 Securities for other money

The Financier may apply any amounts received by it or recovered under any:

(a) Collateral Security; or

(b) other document or agreement,

which is a security for any of the Secured Moneys and any other money in the manner it determines in its absolute discretion.

14.4 Amount of Secured Moneys

(a) This clause 14 applies to any amount which forms part of the Secured Moneys from time to time.

(b) The obligations of each guarantor under this clause 14 extends to any increase in the Secured Moneys as a result of:

(1) any amendment, supplement, renewal or replacement of any Transaction Document to which a Transaction Party and the Financier is a party; or

(2) the occurrence of any other thing arising under or in connection with any Transaction Document.

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(c) Clause 14.4(b):

applies regardless of whether any Guarantor is aware of or consented to or is given notice of any amendment,
(1) supplement, renewal or replacement of any agreement to which a Transaction Party and the Financier is a party or the occurrence of any other thing; and

(2) does not limit the obligations of any Guarantor under this clause 14.

14.5 Proof by Financier

In the event of the liquidation of a Transaction Party, each Guarantor authorizes the Financier to lodge a proof of debt for all money which any Guarantor has paid or is or may be obliged to pay under any Transaction Document, any other document or agreement or otherwise in respect of the Secured Moneys.

14.6 Avoidance of payments

(a) If any payment, conveyance, transfer or other transaction relating to or affecting the Secured Moneys is:

(1) void, voidable or unenforceable in whole or in part; or

(2) claimed to be void, voidable or unenforceable and that claim is upheld, conceded or compromised in whole or in part,

the liability of each Guarantor under this clause 14 and any Power is the same as if:

(3) that payment, conveyance, transfer or transaction (or the void, voidable or unenforceable part of it); and

(4) any release, settlement or discharge made in reliance on anything referred to in clause 14.6(a)(3),

had not been made and each Guarantor must immediately take all action and sign all documents necessary or required by the Financier to restore to the Financier the benefit of this clause 14 and any Encumbrance held by the Financier

immediately before the payment, conveyance, transfer or transaction.

(b) Clause 14.6(a) applies whether or not the Financier knew, or ought to have known, of anything referred to in clause 14.6(a).

14.7 Indemnity for avoidance of Secured Moneys

(a) If any of the Secured Moneys (or money which would have been Secured Moneys if it had not been irrecoverable) are irrecoverable by the Financier from:

(1) any Transaction Party; or

(2) a Guarantor on the footing of a guaranty,

the Guarantors jointly and severally, unconditionally and irrevocably, and as a separate and principal obligation:

(3) indemnifies the Financier against any Loss suffered, paid or incurred by the Financier in relation to the non payment of that money; and

(4) must pay the Financier an amount equal to that money.

(b) Clause 14.7(a) applies to the Secured Moneys (or money which would have been Secured Moneys if it had not been irrecoverable) which are or may be irrecoverable irrespective of whether:

14 Guaranty and indemnity

(1) they are or may be irrecoverable because of any event described in clause 14.12;

(2) they are or may be irrecoverable because of any other fact or circumstance;

(3) the transactions or any of them relating to that money are void or illegal or avoided or otherwise unenforceable;
and

(4) any matters relating to the Secured Moneys are or should have been within the knowledge of the Financier.

14.8 No obligation to marshal

The Financier is not required to marshal or to enforce or apply under or appropriate, recover or exercise:

(a) any Encumbrance, Surety Obligation or Collateral Security or other document or agreement held, at any time, by or on behalf of that or the Financier; or

(b) any money or asset which the Financier, at any time, holds or is entitled to receive.

14.9 Non-exercise of Guarantor's rights

A Guarantor must not exercise any rights it may have inconsistent with this clause 14.

14.10 Principal and independent obligation

(a) This clause 14 is:

(1) a principal obligation and is not to be treated as ancillary or collateral to any other right or obligation; and

(2) independent of and not in substitution for or affected by any other Collateral Security which the Financier may hold in respect of the Secured Moneys or any obligations of any Transaction Party or any other person.

(b) This clause 14 is enforceable against a Guarantor:

(1) without first having recourse to any Collateral Security;

whether or not the Financier has made demand on any Transaction Party (other than any demand specifically
(2) required to be given, or notice required to be issued, to a Guarantor under clause 14.2 or any other provision of a
Transaction Document);

(3) whether or not the Financier has given notice to any Transaction Party or any other person in respect of any thing;

(4) whether or not the Financier has taken any other steps against any Transaction Party or any other
person;

(5) whether or not any Secured Moneys is then due and payable; and

(6) despite the occurrence of any event described in clause 14.12.

14.11 Suspense account

(a) The Financier may apply to the credit of a suspense account any:

(1) amounts received under this clause 14;

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(2) dividends, distributions or other amounts received in respect of the Secured Moneys in any liquidation; and

(3) other amounts received from a Guarantor, a Transaction Party or any other person in respect of the Secured Moneys.

(b) The Financier may retain the amounts in the suspense account for as long as it determines and is not obliged to apply them in or towards satisfaction of the Secured Moneys.

14.12 Unconditional nature of obligations

This clause 14 and the obligations of each Guarantor under the Transaction Documents are absolute, binding and unconditional in all circumstances, and are not released or discharged or otherwise affected by anything which but for this provision might have that effect, including:

(1) the grant to any Transaction Party or any other person at any time, of a waiver, covenant not to sue or other indulgence;

(2) the release (including a release as part of any novation) or discharge of any Transaction Party or any other person;

(3) the cessation of the obligations, in whole or in part, of any Transaction Party or any other person under any Transaction Document or any other document or agreement;

(4) the liquidation of any Transaction Party or any other person;

(5) any arrangement, composition or compromise entered into by the Financier, any Transaction Party or any other person;

(6) any Transaction Document or any other document or agreement being in whole or in part illegal, void, voidable, avoided, unenforceable or otherwise of limited force or effect;

(7) any extinguishment, failure, loss, release, discharge, abandonment, impairment, compounding, composition or compromise, in whole or in part of any Transaction Document or any other document or agreement;

- (8) any Collateral Security being given to the Financier by any Transaction Party or any other person;
- (9) any alteration, amendment, variation, supplement, renewal or replacement of any Transaction Document or any other document or agreement;
- (10) any moratorium or other suspension of any Power;
- (11) the Financier, a Receiver or Attorney exercising or enforcing, delaying or refraining from exercising or enforcing, or being not entitled or unable to exercise or enforce any Power;
- (12) the Financier obtaining a judgment against any Transaction Party or any other person for the payment of any of the Secured Moneys;
- (13) any transaction, agreement or arrangement that may take place with the Financier, any Transaction Party or any other person;
- (14) any payment to the Financier, a Receiver or Attorney, including any payment which at the payment date or at any time after the payment date is in whole or in part illegal, void, voidable, avoided or unenforceable;

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- (15) any failure to give effective notice to any Transaction Party or any other person of any default under any Transaction Document or any other document or agreement;
- (16) any legal limitation, disability or incapacity of any Transaction Party or of any other person;
- (17) any breach of any Transaction Document or any other document or agreement;
- (18) the acceptance of the repudiation of, or termination of, any Transaction Document or any other document or agreement;
- (19) any Secured Moneys being irrecoverable for any reason;
- (20) any disclaimer by any Transaction Party or any other person of any Transaction Document or any other document or agreement;
- (21) any assignment, novation, assumption or transfer of, or other dealing with, any Powers or any other rights or obligations under any Transaction Document or any other document or agreement;
- (22) the opening of a new account of any Transaction Party with the Financier or any transaction on or relating to the new account;
- (23) any prejudice (including material prejudice) to any person as a result of any thing done or omitted by the Financier, any Transaction Party or any other person;
- (24) any prejudice (including material prejudice) to any person as a result of the Financier, a Receiver, Attorney or any other person selling or realising any property the subject of a Collateral Security at less than the best price;

any prejudice (including material prejudice) to any person as a result of any failure or neglect by the Financier, a
(25) Receiver, Attorney or any other person to recover the Secured Moneys from any Transaction Party or by the realisation of any property the subject of a Collateral Security;
- (26) any prejudice (including material prejudice) to any person as a result of any other thing;

(27) the receipt by the Financier of any dividend, distribution or other payment in respect of any liquidation;

(28) the capacity in which a Transaction Party executed a Transaction Document not being the capacity disclosed to the Financier before the execution of the Transaction Document;

(29) the failure of any other Guarantor or any other person who is intended to become a co-surety or co-indemnifier of that Guarantor to execute this agreement or any other document; or

(30) any other act, omission, matter or thing whether negligent or not.

(b) Clause 14.12(a) applies irrespective of:

(1) the consent or knowledge or lack of consent or knowledge, of the Financier, any Transaction Party or any other person of any event described in clause 14.12(a); or

(2) any rule of law or equity to the contrary,

but shall not apply in the case of fraud, intentional misrepresentation, wilful misconduct or gross negligence by the Financier or the Agent.

14 Guaranty and indemnity

14.13 No competition

(a) Until the Secured Moneys have been fully paid and this clause 14 has been finally discharged, a Guarantor is not entitled to:

(1) be subrogated to the Financier;

(2) claim or receive the benefit of any Encumbrance, Surety Obligation or other document or agreement of which the Financier has the benefit;

(3) claim or receive the benefit of any moneys held by the Financier;

(4) claim or receive the benefit of any Power;

either directly or indirectly to prove in, claim or receive the benefit of any distribution, dividend or payment arising
(5) out of or relating to the liquidation of any Transaction Party liable to pay the Secured Moneys, except in accordance with clause 14.13(b);

(6) make a claim or exercise or enforce any right, power or remedy (including under an Encumbrance or Surety Obligation or by way of contribution) against any Transaction Party liable to pay the Secured Moneys;

(7) accept, procure the grant of or allow to exist any Encumbrance in favour of a Guarantor from any Transaction Party liable to pay the Secured Moneys;

(8) exercise or attempt to exercise any right of set-off against, or realise any Encumbrance taken from, any Transaction Party liable to pay the Secured Moneys; or

(9) raise any defence or counterclaim in reduction or discharge of its obligations under this clause 14.

(b) If required by the Financier, a Guarantor must prove in any liquidation of any Transaction Party liable to pay the Secured Moneys for all money owed to the Guarantor.

- (c) All money recovered by a Guarantor from any liquidation or under any Encumbrance or Surety Obligation from any Transaction Party liable to pay the Secured Moneys must be received and held in trust by the Guarantor for the Financier to the extent of the unsatisfied liability of the Guarantor under this clause 14.
- (d) A Guarantor must not do or seek, attempt or purport to do anything referred to in clause 14.13(a).

14.14 Continuing guaranty

This clause 14 is a continuing obligation of each Guarantor, despite:

- (a) any settlement of account; or
- (b) the occurrence of any other thing,

and remains in full force and effect until:

- (c) the Secured Moneys have been unconditionally paid in full; and
- (d) this clause 14 has been finally discharged by all the Financier.

15 Indemnities and Break Costs

14.15 Variation

This clause 14 extends to cover the Transaction Documents as amended, varied or replaced, whether with or without the consent of any one or more of the Guarantors, including any increase in the limit or maximum principal amount available under a Transaction Document.

14.16 Judgments

A final judgment obtained against a relevant Transaction Party is conclusive as against each Guarantor.

14.17 Accession of Guarantors

A member of the Borrower Group may become a Guarantor by delivering to the Agent the following in a form satisfactory to the Agent (acting on the instructions of the Financier):

(a) a Guarantee Assumption Agreement duly executed by the Guarantor;

a security agreement over all the assets and undertaking of the Guarantor, including in the case of Pathfinder, the
(b) Mineral Rights in relation to the Pathfinder Uranium Projects, duly executed by the Guarantor, to secure the Secured Moneys;

(c) a real property mortgage over all real property held by the Guarantor, duly executed by the Guarantor, to secure the Secured Moneys;

(d) each Title Document required to be lodged with the Agent by the Guarantor under a Transaction Document;

(e) an officer's certificate in respect of the Guarantor;

(f) duly executed forms, notices and other documents which are required in order to register or file with the appropriate Government Agency any document referred to in this clause 14.17;

such evidence and information, including legal opinions, in relation to the Guarantor, its business and assets, its (g) Secured Property, the execution of the documents referred to in this clause 14.17 as the Financier reasonably requires;

(h) such further information, certificates, authorizations and documents as the Financier in its absolute discretion in respect of the Project Assets in which the Guarantor has or will have an interest.

Where applicable, the Borrower must ensure that each document referred to in this clause 14.17 is duly stamped within the required time limit under the applicable stamp duty legislation.

15 Indemnities and Break Costs

15.1 General indemnity

Each Transaction Party indemnifies each Finance Party against any Loss which that Finance Party, a Receiver (a) (whether acting as agent of the Borrower or of a Finance Party) or an Attorney pays, suffers, incurs or is liable for, in respect of any of the following:

15 Indemnities and Break Costs

- a Funding Portion required by a Funding Notice not being made for any reason including any failure by a
- (1) Transaction Party to fulfil any condition precedent contained in clause 2, but excluding any default by that Finance Party;
 - (2) the occurrence of any Default;
 - (3) a Finance Party exercising its Powers consequent upon or arising out of the occurrence of any Default;
 - (4) the non-exercise, attempted exercise, exercise or delay in the exercise of any Power;
 - (5) any act or omission of a Security Provider or any of its employees or agents when exercising its Powers consequent upon or arising out of the occurrence of any Default;
 - (6) an Environmental Liability;
 - (7) any compulsory acquisition or statutory or judicial divestiture of any Secured Property;
 - (8) any other thing in respect of a Security or any Secured Property; and
 - (9) any payment made by the Financier to the Agent to indemnify the Agent for a Loss the Agent pays, suffers, incurs or is liable for in acting as Agent.
- (b) The indemnity in clause 15.1(a), includes:
- (1) the amount determined by a Finance Party as being incurred by reason of the liquidation or re-employment of deposits or other funds acquired or contracted for by the Finance Party to fund or maintain the Commitment; and
 - (2) loss of Margin, but only to the extent of amounts advanced by the Financier to the Borrower under this agreement.
- (c) The indemnity in clause 15.1(a) does not include or apply to any loss suffered or incurred by a Finance Party as a result of its own fraud, intentional misrepresentation, gross negligence or wilful misconduct.

15.2 Break Costs

Except for prepayments under clause 3.6(b), the Borrower must, within 3 Business Days of demand by the Agent, pay to the Agent for the account of each Finance Party its Break Costs attributable to all or any part of a Funding Portion being prepaid or repaid by the Borrower on a day other than the last day of the Interest Period for that Funding Portion.

15.3 Continuing indemnities and evidence of Loss

(a) Each indemnity of a Transaction Party in a Transaction Document is a continuing obligation of the Transaction Party, despite:

(1) any settlement of account; or

(2) the occurrence of any other thing,

and remains in full force and effect until:

(3) the Secured Moneys are unconditionally repaid in full; and

(4) each Security has been finally discharged.

16 Fees, Tax, costs and expenses

- (b) Each indemnity of a Transaction Party in a Transaction Document is an additional, separate and independent obligation of a Transaction Party and no one indemnity limits the general nature of any other indemnity.
- (c) Each indemnity of a Transaction Party in a Transaction Document survives the termination of any Transaction Document.
- (d) A certificate given by an Officer of a Finance Party detailing the amount of any Loss covered by any indemnity in a Transaction Document is sufficient evidence unless the contrary is proved.

16 Fees, Tax, costs and expenses

16.1 Arrangement fee

- (a) The Borrower must pay to the Financier a fee equal to 6% of the Commitment (being \$900,000) less the amount of the Work Fee (being \$50,000) on the date the Borrower receives the first Funding Portion under this agreement.
- (b) The fee paid under clause 16.1(a) is non-refundable and non-rebateable unless clause 16.1(c) applies.

(c) If at least \$10,000,000 of the Principal Outstanding has been repaid by the first Repayment Date, 50% of the fee paid under clause 16.1(a) will be taken to be credited to the Borrower and applied as a reduction of the Principal Outstanding.

- (d) The Commitment is reduced by any amount applied in reduction of the Principal Outstanding under clause 16.1(c) and accordingly, that amount may not be withdrawn.

16.2 Commitment fee

(a) The Borrower must pay to the Agent for the account of the Financier during the Availability Period a commitment fee of 2% per annum, which is not refundable in any circumstances and is taken to be fully-earned and payable when due, calculated on the basis of a 365 day or 366 day year, as applicable, for actual days elapsed and on the average monthly amount of the Undrawn Commitment during the Availability Period.

- (b) The commitment fee is payable in arrears on each Quarterly Date and on the last day of each Availability Period.

16.3 Tax

The Borrower must pay any Tax, other than an Excluded Tax in respect of any Finance Party, which is payable in (a) respect of a Transaction Document (including in respect of the execution, delivery, performance, release, discharge, amendment or enforcement of a Transaction Document).

The Borrower must pay any fine, penalty or other cost in respect of a failure to pay any Tax described in (b) clause 16.3(a) except to the extent that the fine, penalty or other cost is caused by the Agent's failure to lodge money received from the Borrower within 5 Business Days before the due date for lodgement.

(c) The Borrower indemnifies each Finance Party against any amount payable under clause 16.3(a) or 16.3(b).

17 Interest on overdue amounts

16.4 Costs and expenses

The Borrower must pay the Finance Parties' reasonable legal costs in relation to the negotiation, preparation, execution, delivery, stamping, registration and completion of a Transaction Document and all other costs and expenses of each Finance Party in relation to:

- (a) the variation and discharge of any Transaction Document;
- (b) the enforcement, protection or waiver of any rights under any Transaction Document;
- (c) the consent or approval of a Finance Party given under any Transaction Document;
- (d) any enquiry by a Government Agency involving the Borrower,

including:

- (e) any administration costs of each Finance Party in relation to the matters described in clause 16.4(c) or 16.4(d); and
- (f) any legal costs and expenses and any professional consultant's fees for the costs and expenses described in clauses 16.4(a) to 16.4(d) inclusive on a full indemnity basis.

17 Interest on overdue amounts

17.1 Payment of interest

Each Transaction Party must pay interest on:

- (a) any of the Secured Moneys due and payable by it, but unpaid; and

(b) any interest payable but unpaid under this clause 17.

17.2 Accrual of interest

The interest payable under this clause 17:

(a) accrues from day to day from and including the due date for payment up