

COURT FILE NUMBER 2501-17556

COURT COURT OF KING'S BENCH OF ALBERTA

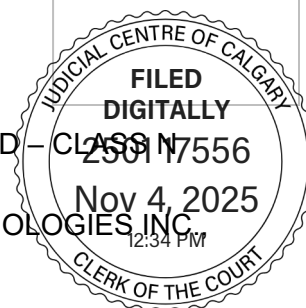
JUDICIAL CENTRE CALGARY

APPLICANT NBIMC QUANTITATIVE STRATEGIES FUND – CLASS N

RESPONDENTS EXRO TECHNOLOGIES INC., DPM TECHNOLOGIES INC.
and CELLEX ENERGY INC.

DOCUMENT **AFFIDAVIT NO. 1 OF MARK HOLLERAN**

Clerk's Stamp



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SERVICE AND
CONTACT
INFORMATION OF
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AFFIDAVIT NO.1 OF MARK HOLLERAN

Sworn on November 3, 2025

I, **Mark Holleran** of the City of Fredericton, in the Province of New Brunswick, **SWEAR AND SAY THAT:**

1. I am the Vice President, Equities/Actions at Vestcor Inc ("**Vestcor**"). Vestcor is an independent private not-for-profit holding company amalgamated and governed by the *Vestcor Act*, SNB 2016, c 31 and was established to, among other things, provide pension and benefits administration, investment management and advisory services and related services to the Vestcor Members (as defined in the *Vestcor Act*) and is the trustee of the applicant, NBIMC Quantitative Strategies Fund – Class N (the "**Applicant**" or the "**Lender**").
2. I lead an investment team of portfolio managers and research analysts focused on identifying investment opportunities. Specific to equity capital markets, I also lead interaction with strategic partners across geographies and sectors, including potential deal structures, capital solutions alternatives, and cornerstone investments. In this capacity, I engage with investment banks, institutional brokers and investment research providers on a daily basis.
3. I have reviewed the Lender's records relevant to the Lender's application seeking, among other relief, the appointment of a receiver and manager over all of the current and future assets, undertakings and property of the Exro Cdn Entities (defined below) (the "**Receivership Application**").
4. As such, I have personal knowledge of the facts and matters herein deposed to, except where stated to be based on information and belief, in which case I believe such information to be true. I am authorized by the Applicant to swear this Affidavit.

The Debtors

5. Exro Technologies Inc. ("**Exro Canada**") is a corporation formed under the laws of British Columbia, and is extra-provincially registered in Alberta, with its chief executive office located in Calgary, Alberta. A copy of an Alberta Corporation/Non-Profit Search (A "**Corporate Search**") of Exro Canada is attached hereto and marked as **Exhibit "A"**.
6. Exro Canada is a reporting issuer in every province and territory of Canada and its authorized share capital consists of an unlimited number of common shares (the "**Common Shares**") and an unlimited number of preferred shares (the "**Preferred Shares**").

7. Exro Canada's shares are publicly-traded on the Toronto Stock Exchange (the "**TSX**") and trade under the symbol "EXRO" on the TSX under "EXROF" on the Over the Counter Venture Market.
8. As at August 14, 2025, Exro Canada had 572,800,452 Common Shares and 41,536,975 Preferred Shares issued and outstanding, 50,430,032 warrants to purchase Common Shares issued and outstanding; 50,319,101 options to purchase Common Shares issued and outstanding; 1,154,859 restricted share units convertible into Common Shares issued and outstanding; and 250,500 performance share units convertible into Common Shares issued and outstanding. A copy of Exro Canada's Management Discussion and Analysis ended on June 30, 2025, filed on SEDAR+ on August 14, 2025 is attached hereto and marked as **Exhibit "B"**.
9. DPM Technologies Inc. ("**DPM**") is a corporation formed under the laws of the Province of British Columbia, with its chief executive office located in Calgary, Alberta. DPM is a wholly-owned subsidiary of Exro Canada. A copy of a British Columbia Corporate Search of DPM is attached hereto and marked as **Exhibit "C"**.
10. Cellex Energy Inc. ("**Cellex**") is a corporation formed under the laws of British Columbia, with its chief executive office located in Calgary, Alberta. Cellex is a wholly-owned subsidiary of Exro Canada. A copy of a British Columbia Corporate Search of Cellex is attached hereto and marked as **Exhibit "D"**.
11. Exro, DPM and Cellex are collectively referred to herein as the "**Exro Cdn Entities**" or the "**Debtors**".
12. As further described below, the Applicant is a secured creditor of the Exro Cdn Entities and the Exro Foreign Entities (defined below). The Applicant is also a shareholder of Exro Canada, holding approximately 43,969,013 Common Shares and 13,710,506 Preferred Shares and 21,038,282 Common Share purchase warrants.

The Exro Foreign Entities

13. In addition to the Exro Cdn Entities, the following-non parties to this Action are direct or indirect wholly-owned subsidiaries of Exro Canada (collectively, the "**Exro Foreign Entities**" and together with the Exro Cdn Entities, the "**Exro Group**" or the "**Borrowers**"):
- (a) Exro Technologies USA, Inc. ("**Exro USA**"), a corporation formed under the laws of the State of Delaware, which is the sole shareholder of:
 - (i) Exro Vehicle Systems Inc. ("**Exro Vehicle**") a corporation formed under the laws of the State of Delaware;
 - (ii) SEA Electric Inc. ("**SEA Inc**"), a corporation formed under the laws of the State of Delaware;
 - (iii) SEA Electric LLC. ("**SEA LLC**") a corporation formed under the laws of the State of Delaware;
 - (iv) SEA Electric Limited, a corporation formed under the laws of the United Kingdom;
 - (v) Sea Electric GmbH, a corporation formed under the laws of Austria; and
 - (vi) SEA Electric ASIA Ltd., a corporation formed under the laws of Thailand.

Background

14. The Exro Group is a group of clean-technology companies developing power-control electronics that expand the capabilities of electric motors and batteries and supports stationary energy storage for commercial and industrial applications. The Exro Group has three general product offerings, including the Coil Driver™, Cell Driver™, and SEA Drive™. These technologies are targeted for use in medium and heavy-duty commercial vehicles (delivery trucks, transit buses, and other fleet-based platforms), light-duty passenger vehicles, and stationary energy storage systems.

15. To the best of the Lender's knowledge:
- (a) each of the Exro Cdn Entities have their chief executive office in the City of Calgary; and
 - (b) Exro Canada operates its business from and upon the lands leased to Exro Canada at two locations, namely:
 - (i) 21 Highfield Circle SE, Calgary, Alberta
9711676, Lots 16 to 19
Bays #10, #12 & #14; and
 - (ii) 7340-64th Street SE, Calgary, Alberta
Units 1, 2, 3 & 4
2310379, Unit 5 and 2000 undivided on ten thousandth shares of the common property.

Financial Difficulties and Restructuring Attempts

16. Since 2024, the Exro Group has experienced significant financial and legal difficulties which resulted from, among other things:
- (a) a general downturn in the electric vehicle market;
 - (b) a failed business combination between Exro Canada and SEA Electric Holdings PTY Ltd. ("**SEA Holdings PTY**"), pursuant to which Exro Canada indirectly acquired all the issued and outstanding stock of SEA Holdings PTY on April 4, 2024; and
 - (c) various lawsuits commenced against the Exro Group entities, including a class action lawsuit filed on November 27, 2024 against Exro Canada and its directors.
17. On November 11, 2024, in an effort to seek equity or other financial support, the Exro Canada engaged Rothschild & Co US Inc. ("**Rothschild**") as its exclusive financial advisor to secure either debt financing or effect a sales transaction. Ultimately, Rothschild was unable to secure any party offering either debt financing or a sales transaction and their engagement was terminated by Exro Canada. A copy of Rothschild's marketing/sales tracker outlining their efforts is attached hereto and marked as **Exhibit "E"**.

18. As reflected in the Exro Group's financial statements for the financial year ended on December 31, 2024, the Exro Group incurred, on a consolidated basis, a net loss of \$288,933,200 for the fiscal year 2024. A copy of the December 31, 2024 Financial Statements are attached hereto and marked as **Exhibit "F"**.
19. As at December 31, 2024, the Exro Group had 160 employees in Canada, the US, New Zealand and Australia across all functions, including engineering, manufacturing, research and development, sales and marketing, service, corporate and administrative.
20. On or about May 6, 2025, SEA Holdings PTY, and certain of its subsidiaries, SEA Automotive PTY Ltd. and SEA Electric PTY Ltd. (collectively, the "**Australian Bankrupt Entities**"), which were all former indirect subsidiaries of Exro Canada, entered voluntary insolvency proceedings under the *Corporations Act* 2001(Cth) (Australia), and FTI Consulting (Australia) Pty Ltd. was appointed as administrator of the Australian Bankrupt Entities (the "**Administrator**").
21. On or about May 16, 2025, the Exro Group engaged Chris Rankin, of Rankin Partners Inc. as its financial and restructuring advisor, who was subsequently appointed the Chief Restructuring Officer of the Exro Group on September 7, 2025.
22. On June 25, 2025, the Australian Bankrupt Entities, through the Administrator, entered into (i) a Deed of Company Arrangement and (ii) a Share and Asset Sale Agreement with Exro Canada and Exro USA whereby:
 - (a) Exro Canada acquired the intellectual property of the Australian Bankrupt Entities; and
 - (b) Exro USA acquired the shares of each of SEA Limited, SEA GmbH, SEA LLC, and SEA Electric Asia Ltd.
23. On June 3, 2025, in a further effort to seek equity or other financial support, Exro Canada engaged Cantor Fitzgerald ("**Cantor**") as its exclusive financial advisor to secure either debt financing or a sales transaction. Similar to Rothschild, Cantor was unable to secure any party offering either debt financing or a sales transaction and their engagement was terminated by Exro Canada on October 2, 2025. A copy of Cantor's marketing/sales tracker outlining their efforts is attached hereto and marked as **Exhibit "G"**.

24. As of October 28, 2025, as a result of its restructuring efforts and the wind-down of the Exro Group's international operations, the Exro Group now has a total of 8 employees, 3 of which are employed by Exro Canada.
25. On October 30, 2025, the board of directors of each of Exro USA, Exro Vehicle, SEA Inc. and SEA LLC, resolved to commence Chapter 7 proceedings in the United States in the District of Delaware. A copy of the voluntary petitions for each of Exro USA, Exro Vehicle, SEA Inc. and SEA LLC filed on October 31, 2025, are attached hereto and marked as **Exhibit "H"**.

The Loans and Indebtedness

26. The following credit facilities, among others, were made available to the Exro Group (collectively, the "**Loans**"):
- (a) a secured financing (as amended, the "**Indenture Financing**") made available pursuant to a Note Indenture originally dated December 30, 2022, in the principal amount of USD \$14,950,000 between Exro Canada as borrower, and Odyssey Trust Company ("**Odyssey**"), as trustee, which was amended and restated by an Amended and Restated 2022 Convertible Note Indenture dated July 11, 2025 (the "**Amended and Restated Note Indenture**"), under which the Lender holds the principal amount of USD \$6,840,000, with the particulars as to interest and other amounts due thereunder to be quantified and presented to the court during the proceedings. A copy of the Amended and Restated Note Indenture is attached hereto and marked as **Exhibit "I"**;
 - (b) a secured financing made available to Exro Canada as borrower pursuant to various promissory notes issued by Exro Canada to the Lender and certain of its related entities (collectively, the "**NBIMC Group**") each as lenders, advanced on various dates between April 5, 2024 and April 28, 2025 (the "**Secured Note Financing**"), the particulars as to the principal, interest and other amounts due thereunder to be quantified and presented to the court during the proceedings; and
 - (c) a secured financing made available pursuant to a loan agreement dated May 15, 2025 together with a joinder dated August 22, 2025, in the principal

amount of USD \$30,000,000 between the Exro Group, as borrowers, and the Lender, as lender (the "**Interim Facility**"), a copy of which is attached hereto and marked as **Exhibit "J"** under which the balance due to the Lender as of October 30, 2025 is USD\$12,863,578.06 inclusive of principal, interest and certain other fees, costs and expenses, but which amounts continue to accrue.

27. To give effect to the priorities contemplated by the Interim Facility:
- (a) On July 11, 2025, noteholders under the Indenture Financing signed (by requisite majority) an extraordinary resolution directing and Odyssey to execute the Amended and Restated 2022 Convertible Debenture Indenture;
 - (b) On August 26, 2025, Odyssey entered into a Priority, Postponement and Standstill Agreement with the NBIMC Group in respect of the Loans (the "**Priority Agreement**"). A copy of the Priority Agreement is attached hereto and marked as **Exhibit "K"**.
28. The total amounts due to the NBIMC Group under the Indenture Financing, Secured Note Financing and Interim Facility including principal, interest and certain other fees, costs and expenses, which continue to accrue, and which particulars of such total amounts will be quantified and presented to the court during the proceedings is collectively referred to as the "**Indebtedness**").

Security

29. As a condition of advancing proceeds under the Interim Facility, the Exro Cdn Entities granted the following security in favour of the Lender (collectively, the "**Security**"):
- (a) a General Security Agreement (a "**GSA**") dated May 25, 2025, entered into by Exro Canada in favour of the Lender, a copy of which is attached hereto and marked as **Exhibit "L"**;
 - (b) a GSA dated May 25, 2025, entered into by DPM in favour of the Lender, a copy of which is attached hereto and marked as **Exhibit "M"**;

- (c) a GSA dated May 25, 2025, entered into by Cellex in favour of the Lender, a copy of which is attached hereto and marked as **Exhibit "N"**; and
 - (d) an Intellectual Property Security Agreement dated August 29, 2025, entered into by, among others, the Exro Cdn Entities in favour of the Lender, a copy of which is attached hereto and marked as **Exhibit "O"**.
30. The Applicant perfected its security under the GSAs in Alberta by registering its interest in the Alberta Personal Property Registry ("**PPR**"). Copies of PPR search dated September 5, 2025 in respect of the Exro Cdn Entities are attached hereto and marked as **Exhibits "P", "Q" and "R"**.

Defaults and Demands

31. The amounts due under the Interim Facility are repayable on demand. In addition, the Exro Cdn Entities are in default of their obligations to the Lender including, but not limited to, by reason of the following:
- (a) the failure to achieve the specified milestones under the Interim Facility; and
 - (b) the failure to remit proceeds to reimburse the costs of the Applicant.
32. As a result, on or about September 28, 2025, the Lender issued notices of default and demands for payment on the Interim Facility to the Exro Group (collectively, the "**Demand**") and concurrently delivered notices of its intention to enforce its security (each a "**244 Notice**") pursuant to section 244 of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3. Copies of the Demand and the 244 Notice are collectively attached hereto and marked as **Exhibit "S"**.
33. Notwithstanding the issuance of the Demand, the Exro Group has refused, failed or neglected, and continues to refuse, fail or neglect, to repay the amounts owing under the Interim Facility, and are in default of their obligations under the Loans and the Security.

Appointment of Receiver

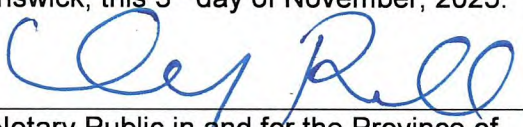
34. It is a term of the Interim Facility and the Security that, if the Debtors are in default of their obligations, the Lender may apply to this Honourable Court for the appointment of a receiver and manager.
35. The Debtors are in default of their obligations and the Lender is entitled to apply to this Honourable Court to appoint a receiver and manager. The Lender wishes to exercise that right at this time.
36. The Lender has lost confidence in the Debtors' management and understands that the members of the Debtors' boards of directors intend to resign and is entitled to prosecute its legal remedies under the Security.
37. On November 2, 2025, the board of directors of each of the Cdn Entities resolved to consent to the appointment of a receiver and manager, and executed a consent to the appointment of a receiver and manager, a copy of such consent is attached hereto and marked as **Exhibit "T"**.
38. I verily believe that:
- (a) the Lender's collateral, including leasehold interests and internationally registered intellectual property, is at risk unless a receiver is immediately appointed; and
 - (b) the immediate appointment of a receiver and manager of all undertakings, assets and properties of the Debtors is just and convenient and is necessary to protect the Applicant's interest including to preserve the remaining assets and property of the Debtors, including the Lands and to realize on the Applicant's Security.
39. I verily believe that FTI Consulting Canada Inc. ("**FTI**") is qualified and prepared to act as receiver or receiver and manager in respect of the Debtors. A copy of a Consent to Act executed by an authorized representative of FTI is attached hereto and marked as **Exhibit "U"**.
40. In particular, FTI and its affiliates have been engaged by members of the Exro Group since at least April 2025 and since that time has, among other things:

- (a) provided financial, strategic and restructuring advice, including in connection with a potential filing under the *Companies' Creditors Arrangement Act* (Canada);
- (b) assisted the Exro Cdn Entities with communication plans for employees, vendors and customers;
- (c) assisted the Exro Cdn Entities' respective board of directors and management with analyzing the need for a Chapter 15 filing in the United States and winding down non-core jurisdiction; and
- (d) had its Australian affiliate engaged in the insolvency and winddown of the Australian operations.

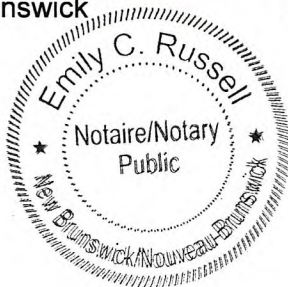
Conclusion

- 41. Despite the patience exercised by the Applicant, the Debtor has made no meaningful progress to repay the Indebtedness, and there has been no tangible progress with respect to (a) its refinancing efforts, or (b) its ability to restart its operations in a profitable manner.
- 42. As the Exro Cdn Entities hold numerous properties and have multiple subordinated secured creditors with differing claims and interests, and that Exro Canada is publicly traded on the TSX, a single global receivership proceeding in respect of the Exro Cdn Entities is most efficient in the circumstance and provides the best opportunity to preserve and maximize value of the Exro Cdn Entities and their assets.
- 43. I make this Affidavit in support of the Applicant's application to appoint FTI as receiver or receiver and manager of the current and future assets, undertakings and properties of the Debtors and for no improper purpose.

SWORN BEFORE ME at the City of)
 Fredericton, in the Province of New)
 Brunswick, this 3rd day of November, 2025.)

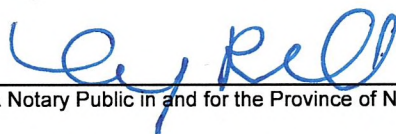

 A Notary Public in and for the Province of)
 New Brunswick)


 MARK HOLLERAN



THIS IS EXHIBIT "A" REFERRED TO IN THE
AFFIDAVIT OF MARK HOLLERAN

SWORN BEFORE ME THIS 3rd DAY OF
NOVEMBER, 2025.



A Notary Public in and for the Province of New Brunswick



Government of Alberta ■ Corporation/Non-Profit Search

Corporate Registration System

Date of Search: 2025/09/05
 Time of Search: 03:37 PM
 Search provided by: ELDOR-WAL REGISTRATIONS (1987) LTD
 Service Request Number: 45384390
 Customer Reference Number:

Corporate Access Number: 2122600303

Business Number:

Legal Entity Name: EXRO TECHNOLOGIES INC.

Legal Entity Status: Active

Extra-Provincial Type: Other Prov/Territory Corps

Registration Date: 2020/05/06 YYYY/MM/DD

Date Of Formation in Home Jurisdiction: 2014/02/11 YYYY/MM/DD

Home Jurisdiction: BRITISH COLUMBIA

Home Jurisdiction CAN: BC0993539

Head Office Address:

Street: SUITE 1700, PARK PLACE, 666 BURNARD STREET
City: VANCOUVER
Province: BRITISH COLUMBIA
Postal Code: V6C2X8
Country: CANADA
Email Address: CORPORATEBC@STIKEMAN.COM

Primary Agent for Service:

Last Name	First Name	Middle Name	Firm Name	Street	City	Province	Postal Code	Email
CHATWIN	KEITH		STIKEMAN ELLIOTT LLP	4200 BANKERS HALL WEST, 888 - 3RD STREET S.W.	CALGARY	ALBERTA	T2P5C5	ABREMINDERS@STIKEMAN.COM

Other Information:

Filing History:

List Date (YYYY/MM/DD)	Type of Filing

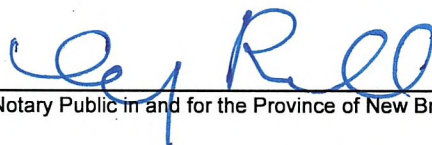
2020/05/06	Register Extra-Provincial Profit / Non-Profit Corporation
2021/03/28	Attorney for Service converted to Agent for Service
2023/12/04	Change Agent for Service

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

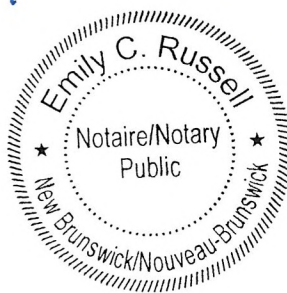


THIS IS EXHIBIT "B" REFERRED TO IN THE
AFFIDAVIT OF MARK HOLLERAN

SWORN BEFORE ME THIS 3rd DAY OF
NOVEMBER, 2025.



A Notary Public in and for the Province of New Brunswick



EXRO TECHNOLOGIES INC.

MANAGEMENT DISCUSSION AND ANALYSIS FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2025

The following is a discussion of the financial condition and results of operations of Exro Technologies Inc. ("Exro" or the "Company") during the three and six months ended June 30, 2025, and to the date of this report. The following management discussion and analysis ("MD&A") should be read in conjunction with the Company's condensed consolidated interim financial statements for the period ended June 30, 2025, and the December 31, 2024 audited consolidated financial statements and MD&A, prepared in compliance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards"). This MD&A complements and supplements but does not form part of the Company's consolidated financial statements.

This MD&A contains forward-looking statements. All forward-looking statements, including those not specifically identified herein, are made subject to cautionary language. Readers are advised to refer to the cautionary language when reading any forward-looking statements.

All dollar amounts contained herein are expressed in Canadian dollars unless otherwise indicated. This MD&A has been prepared as of August 14, 2025.

BUSINESS OVERVIEW

Exro Technologies Inc. is a clean technology company focused on developing next-generation power-control electronics that expand the capabilities of electric motors and batteries. The Company's innovative motor control and electric propulsion technologies, Coil Driver™ and SEA-Drive® are designed to bridge the performance-cost gap in e-mobility; its patented battery control technology, Cell Driver™, supports stationary energy storage for commercial and industrial applications. Together, these solutions are aimed at accelerating the transition to a circular electrified economy by delivering maximum performance with minimal energy consumption.

Exro's patented technologies enable cost-effective and efficient systems for e-mobility and energy storage. This approach equips the Company to accelerate the development of its partners' commercial trucks and passenger vehicles, so they are affordable to perform to real-world requirements, and are easy to scale.

Exro has developed its disruptive technology through multiple years of research and development ("R&D"), automotive certification and manufacturing experience, and on-road validations with multiple partnerships and efforts have culminated in progress marked by product deliveries to OEMs.

BUSINESS PERFORMANCE AND STRATEGIC PROGRESS

Macroeconomic headwinds, including tariffs, have contributed to a broad slowdown across the automotive sector, affecting both internal combustion and electric vehicle programs. Despite the economic pressures, on May 16, 2025, the Company announced it had received a funding commitment of up to US\$30 million in debt financing, expected to be drawn in US\$2.0 million tranches subject to meeting certain milestones set out by the lender. As part of the agreement, Exro has entered into a strategic review process aimed at repositioning the Company, which includes evaluating a range of outcomes such as strategic partnerships, capital restructuring, M&A opportunities, and other corporate transactions.

The Company remains focused on meeting the milestones required under the loan facility and continues to progress through the strategic review process. As of June 30, 2025 the Company has completed the below milestones, and successfully drawn US\$10.0 million against the facility as of August 14, 2025.

- Approved operating budget, acceptable to the lender and strategic advisor, through the course of 2025
- Engaged a financial advisor to assist in evaluating strategic partnerships, M&A opportunities, and capital restructuring, or other corporate transactions
- Consent provided by the holders of convertible debentures to the postponement of security in favor of the loan facility
- Continued execution of its operating plan, as approved by the strategic advisor and lender

The Company is continuing active discussions with its financial advisor and strategic advisor as it pertains to engagement with credible strategic partners. The Company is actively evaluating the outcomes including strategic partnerships, capital restructuring, and M&A opportunities, along with other corporate transactions, with the support of its strategic advisor.

Consistent with the Company's focus on decreasing operational expenditures, and in tandem with the ongoing strategic review process, the Company disposed of its Australian and New Zealand operations ("APAC Operations") through a voluntary administration process. The process saw the Company dispose of the assets related to the APAC Operations, while maintaining its rights to intellectual property ("IP") and its operational subsidiaries, and reducing the liabilities generated from the APAC Operations. To maintain the IP and assets and liabilities of the subsidiaries of the APAC Operations, the Company provided consideration of \$41.7 million through the forgiveness of \$41.3 million in net intercompany receivables from the APAC Operations, and \$0.4 million of cash consideration (AUD \$420,000). Through the disposition, the Company realized a gain on the disposition of assets and liabilities of \$2.7 million in the period. The Company has incurred restructuring expenses of \$3.0 million in the second quarter of 2025 related to the wind down of APAC Operations and the strategic review process.

COMMERCIAL AND FINANCIAL HIGHLIGHTS

- Quarterly revenue of \$2.9 million from unit deliveries and Aftersales services
- Execution of Asia-Pacific ("APAC") restructuring and wind down of operations as previously announced, resulting in the discontinuation of operations and services in the region.
- Secured financing from an existing lender and obtained access to up to USD \$30 million subject to achievement of specific milestones.
- Technology Expansion: Commenced integration of its proprietary technology into a commercial vehicle platform with an NDA partner, strengthening Exro's position with key OEM partners.
- Cost Optimization: Reduced spending across SGA and payroll expenses through targeted discretionary spending cuts and a streamlined workforce, contributing to enhanced operational efficiency.

FINANCIAL PERFORMANCE OVERVIEW

Revenue for the six months ended June 30, 2025 totaled \$7.0 million, driven by the delivery of 41 e-propulsion units to customers, compared to revenue of \$4.8 million for the six months ended June 30, 2024, and delivery of 36 e-propulsion units. The six month revenue increased by 47% period over period, which was driven by an increase in unit deliveries and a higher sale price for the propulsion units delivered in the period. For the three months ended June 2025, the Company delivered 18 e-propulsion units for total revenue of \$2.9 million compared to the delivery of 36 units for the three months ended June 2024 and revenue of \$4.7 million, reflecting a decrease in units delivered and a decrease in revenue of 38%.

Gross profit, excluding amortization, was negative \$12.8 million for the six months ended June 30, 2025, primarily attributable to \$11.0 million in inventory provisions recorded during the period, compared to negative \$2.9 million for the six months ended June 30, 2024. The Company identified the provision against inventory related to the negative gross profit realized on sales of certain e-propulsion units resulting in a reduction in the net realizable value of inventory on hand, as well as further provisions against excess and obsolete inventory identified through the strategic review process. Gross profit excluding inventory provisions was negative \$1.9 million compared to negative \$2.9 million in the comparative period, reflecting an increase in the sales price of the Company's e-propulsion units and continued improvements on the cost out efforts of the Company's bill of materials ("BoM").

Net loss from continuing operations for the six months ended June 30, 2025 was \$103.3 million, compared to \$35.7 million for the six months ended June 30, 2024. The net loss is primarily driven by impairment expense of \$48.5 million recognized on intangible assets during the period, and an inventory provision related primarily to excess and obsolete inventory of \$11.0 million. Additionally, non-cash charges related to depreciation and amortization of \$14.2 million, and \$6.7 million of interest expense on the outstanding promissory notes and convertible debentures, contributed to the net loss.

As a result of the slowdown in the electric vehicle market and pull back in forecasted production volumes, coupled with the Company's disposition of the APAC Operations, and subsequent retention on the operational assets and subsidiaries, the Company identified indicators of impairment directly related to its intangible assets consisting of developed technology, brand and customer relationships. The Company recorded an impairment expense of \$48.5 million, resulting in an estimated fair value intangible assets of \$41.4 million as of June 30, 2025, which was reflective of the fair value of consideration paid in excess of the net liabilities related to the subsidiaries retained through the voluntary administration process.

Further, the Company recorded a provision against inventory of \$11.0 million, consisting of excess and obsolete inventory as well as provisions for net realizable value as a result of negative gross profit realized. The Company determined excess inventory relating to

quantities on hand, which were greater than the near-term forecasted production, and obsolete inventory was identified as the Company progresses through its strategic review process, including assessing factors such as the age of inventory, previous consumption, and expected alternative uses.

Exro continues to implement disciplined cash management practices, although liquidity remains constrained. As of June 30, 2025, the Company held cash and cash equivalents of \$3.6million, with a working capital deficit of \$20.8 million. Additional financing will be required over the next twelve months to fund operating activities and strategic initiatives.

RESULTS OF OPERATIONS AND SELECTED FINANCIAL DATA

Selected quarterly financial data

		Revenue from continuing operations (\$'s)	Net Loss (\$'s)	Basic and diluted loss per common and preferred share (\$'s)	Weighted average number of common and preferred shares
Q2	June 30, 2025	2,904,485	(78,912,892)	(0.13)	601,488,224
Q1	March 31, 2025	4,440,784	(23,539,805)	(0.04)	600,771,211
Q4	December 31, 2024	6,740,335	(24,336,858)	(0.04)	589,246,680
Q3	September 30, 2024	10,975,605	(225,948,223)	(0.43)	524,534,634
Q2	June 30, 2024	5,270,259	(25,207,109)	(0.05)	490,157,725
Q1	March 31, 2024	87,828	(12,867,234)	(0.08)	170,077,862
Q4	December 31, 2023	—	(18,769,546)	(0.11)	169,405,378
Q3	September 30, 2023	—	(10,694,314)	(0.06)	168,731,203
Q2	June 30, 2023	—	(12,995,906)	(0.08)	158,685,036

Revenue for the three months ending June 30, 2025 of \$2,904,485 generated from the delivery of the Company's proprietary SEA Drive® and provision of Aftersales services.

The Company incurred net loss from continuing operations for the three months ended June 30, 2025, of \$81,713,475, compared to a net loss from continuing operations of \$22,805,476 for the three months ended June 30, 2024. The increase in net loss is primarily attributable to non-cash costs including \$48,497,784 impairment of intangible assets as well as depreciation and amortization of \$6,997,976 in the period. Additionally, interest expense of \$2,999,999, including \$2,140,696 accrued on the senior secured promissory notes and \$448,500 on the convertible debt were recognized, contributing to net loss for the period. The intangible assets and promissory note debt were acquired during the SEA Electric merger in the prior period.

The company also incurred higher expenses associated with restructuring activities, including costs related to the ongoing strategic review process as well as the restructuring of its APAC operations. These expenses amounted to \$2,979,990 and are expected to be non-recurring.

During the quarter, the company discontinued its APAC operations following the strategic wind down previously announced at the end of the first quarter to enable focus on core markets. The assets and liabilities of the business unit not expected to be recovered or settled were derecognized, resulting in a net loss on disposal from discontinued operations of \$2,787,321. Revenue from discontinued operations for the three and six months ended June 30, 2025 was \$10,597 and \$379,126 respectively.

For the three months ended June 30, 2025, compared to the three months ended June 30, 2024

Revenue and gross profit from continuing operations

	For the three months ended			
	June 30, 2025	June 30, 2024	\$ Change	% Change
Revenue	\$ 2,904,485	\$ 4,670,087	\$ (1,765,602)	(38) %
Direct operating costs, excluding amortization	3,088,990	7,483,916	(4,394,926)	(59) %
Inventory provision	11,115,856	—	11,115,856	100 %
Gross profit, excluding amortization	\$ (11,300,361)	\$ (2,813,829)	\$ (8,486,532)	302 %

Revenue of \$2,904,485 (June 30, 2024 – \$4,670,087) from continuing operations for the three months ended June 30, 2025, was generated from the delivery of 18 electric propulsion units and provision of Aftersales services. This represents a decline compared to the same quarter in 2024 where revenue was comprised of sales of 36 units. The decrease reflects a reduction in production and sales volumes during the quarter in response to a general slowdown in EV adoption rates.

Direct operating costs, excluding amortization, from continuing operations declined to \$3,088,990 for the three months ended June 30, 2025, primarily reflecting the decrease in revenue, and also partly attributable to cost-optimization initiatives, including BoM improvements. Direct operating costs consist of labor, materials, and direct and indirect overhead amounts allocated required to complete the delivered units, excluding depreciation and the amortization related to intangible assets. Direct operating costs are recognized in conjunction with revenue and vary directly with revenue.

The Company realized negative gross profit of \$11,300,361 for the three months ended June 30, 2025, compared to a negative margin of \$2,813,829 in the comparative period. The increase in negative gross margin is driven by a provision against excess and obsolete inventory amounting to \$11,115,856 recognized. Excluding the inventory provision, gross margin per unit improved comparatively, from an average of \$(78,162) per e-propulsion unit for the three months ended June 30, 2024 to \$(11,078) per e-propulsion unit for the three months ended June 30, 2025. Incremental cost savings, increased selling prices and higher contribution from a favorable product mix have contributed to margin performance during the period.

Amounts collected prior to the delivery of units are recorded as unearned revenue until such time all performance obligations have been completed. As of June 30, 2025, the Company recognized unearned revenue of \$1,841,188 which relates primarily to deposits received in advance from the Company's customers.

Selling, general and administration

	For the three months ended			
	June 30, 2025	June 30, 2024	\$ Change	% Change
Selling, general and administration	\$ 3,566,781	\$ 4,725,887	(1,159,106)	(25) %

Selling, general and administration expenses during the three months ended June 30, 2025, were \$3,566,781, a decrease of \$1,159,106 compared to the same quarter in 2024. The decrease is primarily attributable to:

- \$1.2 million decrease in office and general expenses, including decreases in insurance, software and licenses, computer and internet and shipping expenses, which witnessed a temporary increase in the prior period directly as a result of the recently concluded merger in that period.
- \$0.3 million decrease in regulatory fees owing to non-recurring expenses incurred in prior comparative period as a result of the business combination.
- \$0.5 million decrease in travel related expenses, similarly due to the absence of prior period costs incurred related to the acquisition of SEA Electric.



Payroll and consulting

	For the three months ended			
	June 30, 2025	June 30, 2024	\$ Change	% Change
Payroll and consulting fees	\$ 3,884,404	\$ 7,063,936	(3,179,532)	(45) %

Payroll and consulting fees decreased during the three months ended June 30, 2025, by \$3,179,532 to \$3,884,404 (June 30, 2024 – \$7,063,936). The reduction in payroll and consulting fees is directly attributable to lower headcount in 2025 compared to the post-merger period in 2024, as the Company optimized its work force through 2024 and early 2025 to match the expected production and manage its liquidity. Additionally, the Company disposed of its APAC operations in the second quarter of 2025, resulting in a further reduction of its workforce.

Research and development

	For the three months ended			
	June 30, 2025	June 30, 2024	\$ Change	% Change
Research and development	\$ 180,738	\$ 1,195,882	(1,015,144)	(85) %
Payroll and consulting fees (related to R&D)	931,763	1,523,351	(591,588)	(39) %
Share-based payments	31,990	34,051	(2,061)	(6) %
Research and development	\$ 1,144,491	\$ 2,753,284	(1,608,793)	(58) %

Research and development ("R&D") costs decreased by \$1,608,793 to \$1,144,491 (June 30, 2024 – \$2,753,284) for the three months ended June 30, 2025. Current period R&D costs reflect an increased focus on strategic development initiatives, and a narrower focus on key research activities, given the Company's stage of development and progression from earlier development phases in comparative period. The reduction in R&D activities resulted in reduced material consumption and lower labor requirements reflected in the decreased proportion of payroll expense allocation in the current period.

For the six months ended June 30, 2025, compared to the six months ended June 30, 2024

Revenue and gross profit from continuing operations

	For the six months ended			
	June 30, 2025	June 30, 2024	\$ Change	% Change
Revenue	\$ 6,976,740	\$ 4,757,915	\$ 2,218,825	47 %
Direct operating costs, excluding amortization	8,840,495	7,624,433	1,216,062	16 %
Inventory provision	10,973,056	—	10,973,056	100 %
Gross profit, excluding amortization	\$ (12,836,811)	\$ (2,866,518)	\$ (9,970,293)	348 %

Revenue from continuing operations increased to \$6,976,740, an increase of 47% and \$2,218,825 over the comparative period in 2024 and was generated from delivery of 41 e-propulsion units versus 36 units in prior period. The increase in revenue is attributable to an increase in volume over prior period as well as in pricing per unit compared to the prior period.

Direct operating costs excluding amortization also grew by \$1,216,062 and 16% over the comparative period. The increase is generally in line with the growth in revenue but remained less than proportionate due to ongoing cost-optimization initiatives, including BoM improvements. The Company realized negative gross profit of \$12,836,811 compared to a negative margin of \$2,866,518 in prior period, reflecting a decline primarily attributable to inventory write downs during the period. The write downs were necessitated due to excess inventory on hand relative to forecasted production volumes. Excluding inventory provisions in the current period, gross profit saw an improvement from negative \$2,866,518 for the six months ended June 30, 2024 to negative \$1,863,755 for the six months ended June 30, 2025.

Selling, general and administration

	For the six months ended			
	June 30, 2025	June 30, 2024	\$ Change	% Change
Selling, general and administration	\$ 6,636,123	\$ 7,142,862	(506,739)	(7) %

Selling, general and administration expenses during the six months ended June 30, 2025, were \$6,636,123, a decrease of 506,739 compared to the same quarter in 2024. The decrease is primarily attributable to:

- \$0.5 million decrease in office and general expenses, including decreases in insurance, software and licenses, computer and internet and shipping expenses, which witnessed an uptake in the prior period directly as a result of the just concluded merger in that period
- \$0.6 million decrease in regulatory fees owing to non-recurring expenses incurred in prior comparative as a result of the business combination.
- \$0.6 million decrease in travel related expenses, similarly due to the absence of prior period costs incurred related to the acquisition of SEA Electric.

These decreases are offset by an increase in professional fees during the period, including \$1.4 million relating to legal expenses incurred for ongoing legal claims, and an increase of \$0.1 million in accounting and audit fees. The company continues to implement streamlining measures and reduce discretionary spending across all categories, including in selling, general and administrative spending.

Payroll and consulting

	For the six months ended			
	June 30, 2025	June 30, 2024	\$ Change	% Change
Payroll and consulting fees	\$ 8,332,567	\$ 10,683,369	(2,350,802)	(22) %

Payroll and consulting fees during the six months ended June 30, 2025 decreased to \$8,332,567 (June 30, 2024 - \$10,683,369), a decrease of 22% from prior period. The change in payroll expenses is mainly attributable to a reduction of headcount in 2025 compared to the same period in 2025. The Company continued to optimize its workforce to match its product demand and liquidity requirements through 2024 and early 2025. Additionally, the Company disposed of its APAC operations in the second quarter of 2025, resulting in a further reduction of its workforce.

Research and development

	For the six months ended			
	June 30, 2025	June 30, 2024	\$ Change	% Change
Research and development	\$ 412,502	\$ 2,760,491	(2,347,989)	(85) %
Payroll and consulting fees (related to R&D)	1,912,738	3,207,854	(1,295,116)	(40) %
Share-based payments	112,472	34,051	78,421	230 %
Research and development	\$ 2,437,712	\$ 6,002,396	(3,564,684)	(59) %

Research and development ("R&D") costs decreased by \$3,564,684 to \$2,437,712 (June 30, 2024 - \$6,002,396) for the six months ended June 30, 2025. R&D costs include labor and materials directly related to the development of the Company's Coil Driver™ and Cell Driver™ technology. Fewer R&D activities and projects translated into a corresponding decrease in material consumption and personnel requirements which are reflected in the reduced proportion of payroll and associated costs allocated to R&D in the current period.

RESULTS FROM DISCONTINUED OPERATIONS

Exro Vehicle Systems

During the year ended December 31, 2024, the Company completed a disposition of assets within its Exro Vehicle Systems Inc entity, resulting in the discontinuation of operations and engineering services provided by the entity. During the period ended June 30, 2025, the Company recorded nil (June 30, 2024- (\$2,311,384) in revenue from discontinued operations and gross profit of nil (June 30, 2024- \$775,679). Net income from discontinued operations in the period amounted to \$7,395 (June 30, 2024- \$88,183). The Company recorded cash flow from operating activities of nil, cash flow from investing activities of nil and cash flow from financing activities of nil (June 30, 2024 - \$(60,684), \$114,316 and \$(102,683), respectively. Net cash flow for the period was nil (June 30, 2024 - \$64, 028).

APAC Operations

On May 15, 2025, the Company announced plans to wind down its APAC operations as part of its focus on core markets and capital efficiency.

As part of the strategic wind down, three subsidiaries SEA Electric Pty Ltd, SEA Electric Holdings and SEA Automotive Pty Ltd, (collectively the "Australian subsidiaries") were placed under voluntary administration on May 6, 2025. On May 21, 2025, SEA Electric Ltd ("SEA NZ") was similarly placed under voluntary administration. As part of the process, an independent administrator was appointed to oversee the administration process of the Australian subsidiaries and SEA NZ. During the administration process the Company determined that control over the Australian subsidiaries, and its subsidiaries, was retained in accordance with IFRS 10.

On June 25, 2025, the Company executed a Deed of Company Arrangement ("DOCA"), through which the Company acquired certain assets from the Australian Subsidiaries under administration and completed a reorganization of its remaining subsidiaries and disposed of the Australian subsidiaries. Specifically, the Company retained the intellectual property previously held within the Australian subsidiaries and the assets and liabilities of SEA Electric LLC, SEA Electric ASIA Ltd, SEA Electric GmbH, and SEA Electric Limited. The assets and liabilities of the entities retained have been recorded at fair value as at June 30, 2025.

As at June 30, 2025, the operations of the Australian entities and the New Zealand entity have been classified as discontinued operations and the financial results included in results from discontinued operations. The assets and liabilities not expected to be recovered or settled were derecognized, resulting in a net gain on disposal of \$2.8 million, and net income from discontinued operations of \$0.8 million for the six months ended June 30, 2025.

The Company recognized restructuring costs of \$3.0 million in the period, which are comprised of expenses related to the wind down of the Company's Australian subsidiaries and SEA NZ, along with the ongoing strategic review process.

The following table summarizes the Company's financial results from APAC discontinued operations.



	For the three months ended June 30,		For the six months ended June 30,	
	2025	2024	2025	2024
Revenue	\$ 10,597	\$ 600,172	\$ 379,126	\$ 600,172
Cost of sales	2,026	549,711	234,725	549,711
Inventory provision	—	—	863,321	—
Gross Profit	\$ 8,571	\$ 50,461	\$ (718,920)	\$ 50,461
EXPENSES				
Payroll and consulting	—	1,613,448	898,455	1,613,448
Selling, general and administration	—	442,895	96,675	442,895
Research and development	—	361,022	2,528	361,022
Depreciation expense	—	35,713	200,016	35,713
Interest expense	—	69,133	48,927	69,133
TOTAL EXPENSES	\$ —	\$ (2,522,211)	\$ (1,246,601)	\$ (2,522,211)
Other income	—	386	9,461	386
Gain on disposal of assets	2,784,618	—	2,787,321	—
Foreign exchange loss	—	(1,290)	—	(1,290)
NET INCOME(LOSS) FROM DISCONTINUED OPERATIONS	\$ 2,793,189	\$ (2,472,654)	\$ 831,261	\$ (2,472,654)

Cash flows from discontinued operation

	For the three months ended June 30,		For the six months ended June 30,	
	2025	2024	2025	2024
Cash provided by (used in):				
Cash flows from operating activities	\$ 68,303	\$ (2,645,435)	\$ (783,670)	\$ (2,645,435)
Cash flows from (used in) investing activities	(175,214)	88,714	(175,214)	88,714
Cash flows from (used in) financing activities	(68,659)	2,672,633	514,938	2,672,633
Impact of foreign currency translation	9,300	(9,665)	(20,026)	(9,665)
Net cash flow for the period	\$ (166,270)	\$ 106,247	\$ (463,972)	\$ 106,247

OUTSTANDING SHARE DATA

As of June 30, 2025, there were 572,462,666 Common Shares issued and outstanding, and other securities convertible into Common Shares as summarized in the following table:

	Number outstanding as of August 14, 2025	Number outstanding as of June 30, 2025
Common shares issued and outstanding	572,800,452	572,462,666
Preferred shares issued and outstanding	41,536,975	41,874,761
Options	50,319,101	50,518,451
Warrants	50,430,032	50,430,032
RSUs	1,154,859	1,154,859
PSUs	250,500	250,500

During the six months ended June 30, 2025, the Company issued 40,907,028 options to employees, directors and executives at a share price of \$0.10. In addition, 17,400,585 preferred shares were converted into common shares. 100,000 RSUs were issued while 2,974,253 RSUs were settled into 1,418,659 common shares and 1,555,594 preferred shares in accordance with the terms of the Company's long term incentive plan.

SOURCES AND USES OF CASH

	For the six months ended	
	June 30, 2025	June 30, 2024
Cash used in operating activities	\$ (30,599,598)	\$ (29,605,533)
Cash used in investing activities	(49,856)	(1,130,526)
Cash provided by financing activities	26,567,146	27,301,906
Impact of foreign currency translation	5,387,483	(766,832)
Increase (decrease) in cash and cash equivalents	\$ 1,303,175	(4,200,985)
Ending cash balance	\$ 3,564,050	\$ 2,040,191

Cash used in operating activities increased to \$30,599,598 for the six months ended June 30, 2025, compared to \$29,605,333 during the same period in 2024. The increase in operating cash flow in the period resulted from higher working capital requirements to support revenue generating activities in the period, as well as costs associated with restructuring activities.

Cash used in investing activities for the six months period ended June 30, 2025, was \$49,856 relating to the purchase of a vehicle during the period, compared to \$1,130,526 in prior period used in the purchase of equipment for the Company's testing and production facility. Consistent with the current business model, minimal capital-intensive investments and asset acquisitions are expected.

Cash provided by financing activities for the six months ended June 30, 2025, was \$26,567,146, compared to \$27,301,906 during the same period in 2024. Cash from financing activities was attributable to the additional funding from drawdown on the senior secured promissory notes and the new credit facility. Funds received were primarily used to fund operating activities and the ongoing strategic review process. Financing cash in the comparative period relates to the proceeds from equity financing completed in that quarter.

LIQUIDITY AND CAPITAL RESOURCES

As at June 30, 2025, the Company had cash of \$3,564,050 and accounts receivable of \$1,113,536 while accounts payable and accrued liabilities and other payables totaled \$26,868,698. To carry out planned development and meet operating demands, the Company will spend its existing working capital and raise additional funds as needed through but not limited to debt and/or equity financing.

GOING CONCERN ASSUMPTION

These condensed consolidated interim financial statements have been prepared on a going concern basis, which assumes the realization of assets and discharge of liabilities at their carrying values in the ordinary course of operations for the foreseeable future.

During the six-month period ended June 30, 2025, the Company generated a net loss from continuing operations of \$103,291,352 (June 30, 2024 - \$35,689,872) and negative cash flows from operating activities of \$30,599,598 (June 30, 2024 - \$29,605,533). As at June 30, 2025, the Company has an accumulated deficit of \$542,850,659 (December 31, 2024 - \$440,397,962) and a working capital deficit (current assets less current liabilities) of \$20,755,334 (December 31, 2024 - \$6,894,395). The Company's current liabilities and expected level of expenditures for the next twelve months are in excess of cash on hand of \$3,564,050 as at June 30, 2025. The Company has current financial liabilities of \$38,028,256 in excess of cash and accounts receivable and will require additional financing to fund its ongoing working capital requirements over the next twelve months.

Given the Company's stage of development, and until it can generate significant profitable operations, the Company expects to continue financing its operations through a combination of accessing capital markets and debt arrangements, or other sources, in order to meet its business plan. The Company will require financing in the near future in order to fund its operations and obligations subsequent to June 30, 2025. The Company is actively managing its liquidity pending additional financing. To continue to maintain operations and execute its business plan, the Company is currently undergoing a strategic review process supported by a strategic advisor, to evaluate a range of outcomes including strategic partnerships, capital restructuring, M&A opportunities and other corporate transactions. While the Company has been successful in securing financing in the past, raising additional funds is dependent on a number of factors outside of the Company's control, as such there is no assurance that the Company will be able to do so in the future.

As part of the strategic review process the Company completed the wind-down of its Asia-Pacific Operations ("APAC") during the period. This resulted in the discontinuation of services and operations within the business unit and the elimination of non-profitable cash flows and associated liabilities.

During the period, the Company also secured additional financing by drawing down on the Notes of US\$3.0 million (\$4.3 million) on January 29, 2025, US\$2.0 million (\$2.9 million) on February 11, 2025, US\$2.5 million (\$3.6 million) on March 12, 2025, US\$2.0 (\$2.8 million) million on April 9, 2025 and US\$2.0 million (\$2.8 million) on April 28, 2025 (Note 11). The Company also entered a loan facility agreement with an existing institutional lender and has secured additional financing of up to US\$ 30.0 million subject to certain conditions precedent. As at June 30, 2025, the Company had drawn US \$8.0 million (\$10.9 million) under the loan facility. Subsequent to June 30, 2025, the Company had drawn an additional US \$2.0 million (\$2.7 million). The Company continues to be reliant on additional draws on the loan facility subject to completion of scheduled milestones.

As a result of the factors noted above, there are material uncertainties that may cast significant doubt on the ability of the Company to continue as a going concern. These condensed consolidated interim financial statements do not give effect to adjustments to the carrying values of assets and liabilities, the reported revenues and expenses, and the consolidated statement of financial position classifications that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements for the three and six months ended June 30, 2025.

CRITICAL JUDGMENTS

The following are critical judgments that management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognized in the condensed consolidated interim financial statements:

- i. Management is required to assess the functional currency of the Company and its subsidiaries. In concluding that the Canadian dollar is the functional currency of the Company, management considered the currency that mainly influences the operating expenditures in the jurisdiction in which the Company operates.
- ii. Management is required to determine whether the going concern assumption is appropriate for the Company at the end of each reporting period. Considerations taken into account include available information about the future including the availability of financing and revenue projection, as well as current working capital balance and future commitments of the Company.
- iii. Where the fair value of financial assets and liabilities recorded on the condensed consolidated interim statements of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques. The inputs to

these models are derived from observable market data where possible, but where observable market data is not available, judgment is required to establish fair values. Where the fair value cannot be derived from transactions in active markets, they are determined using appropriate valuation techniques for which sufficient data is available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

- iv. Convertible debentures are compound financial instruments which are accounted for separately by their components: a financial liability and equity components. The debentures consist of a financial liability which represents the obligation to pay coupon interest on the convertible debentures in the future, a freestanding equity classified share purchase warrant, and an equity component related to the ability to convert the debenture to common shares at the option of the holder.

The identification of the components of convertible notes is based on interpretations of the substance of the contractual arrangement and therefore requires judgment from management. The separation of the components affects the initial recognition of the convertible debenture at issuance and the subsequent recognition of interest on the liability component. The determination of the fair value of the liability and equity components may also be based on various assumptions including contractual future cash flows, discount rates, volatility, credit spread, and the presence of any derivative financial instruments.

- v. Management applied judgment in assessing the accounting treatment for the individual components of the senior secured convertible debentures and whether the warrants and conversion option qualify as an equity instrument, including whether the terms meet the fixed for fixed requirement.
- vi. Management applied judgment in determining whether it retains control over its APAC subsidiaries for the purposes of consolidation. The Company assesses control of subsidiaries based on whether it is exposed to or has rights to variable returns from its involvement with the subsidiaries, and whether it has the ability to influence those returns through its power over the subsidiaries. During the period, the Company announced the strategic wind down of its APAC operations and initiated a reorganization of the affected subsidiaries. In exercising judgement, Management considered facts and circumstances including its strategic and operational direction of relevant activities in the subsidiaries and determined the control criteria continued to be met during the reorganization and as at the end of the reporting period.

ESTIMATION UNCERTAINTY

The following are key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the current and next fiscal financial years:

- i. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the date of the statement of financial position could be impacted.

Additionally, future changes in tax laws in the jurisdictions in which the Company operates could limit the ability of the Company to obtain tax deductions in future periods.

- ii. The fair value of accrued liabilities at the time of initial recognition is made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors.
- iii. Property, plant and equipment is carried at cost less any accumulated depreciation and accumulated impairment losses. Depreciation is calculated using management's best estimate on the useful life of the assets. Determination of impairment loss is subject to management's assessment if there is any indication of a possible write-down; and if so, the determination of recoverable value based on discounted future cash flows of the intangible assets.
- v. Impairment tests - if impairment tests are required, the Company's impairment test compares the carrying value of the asset of CGU to its recoverable amount. The recoverable amount is the higher of fair value less costs of disposal ("FVLCD") and value in use ("VIU"). FVLCD is the amount obtainable from the sale of an asset or CGU in an arms-length transaction between knowledgeable, willing parties, less the costs of disposal. VIU is the present value of estimated future cash close expected to arise from the continuing use of an asset or CGU and from the disposal at the end of its useful life. The determination of VIU requires the estimation and discounting of cash flows which involves key assumptions that consider all information available on the respective testing date. Management uses estimates, considering past and actual performance, as well as expected developments in the respective markets and in the overall macro-economic environment and economic trends to model and discount future cash flows.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The information provided in this report, including the Financial Statements, is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to decide of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the accompanying financial statements.

APPROVAL

The Company's Board of Directors has approved the Company's condensed consolidated interim financial statements for the three and six months ended June 30, 2025. The Company's Board of Directors has also approved the disclosures contained in this MD&A.

RELATED PARTY TRANSACTIONS

Key management compensation

Key management consists of the Officers and Directors who are responsible for planning, directing and controlling the activities of the Company. For the three and six months ended June 30, 2025, the following expenses were incurred to the Company's key management:

	For the three months ended June 30,		For the six months ended June 30,	
	2025	2024	2025	2024
Payroll and consulting fees	711,141	1,702,437	1,312,718	2,377,858
Share based payments	169,454	232,671	1,373,037	459,449
Total	\$ 880,595	\$ 1,935,108	\$ 2,685,755	\$ 2,837,307

Payroll and consulting related fees decreased compared to the prior period, reflective of the Company's cost savings initiatives. The decrease is offset by increase in stock-based compensation expenses recognized on Option awards granted during the period.

FINANCIAL INSTRUMENTS

(a) Fair value

As of June 30, 2025, the carrying values of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities and other payables approximate their fair values due to the relatively short period to maturity of those financial instruments. The Company measures its investment at fair value.

The Company uses a fair value hierarchy to reflect the significance of the inputs used in making the measurements. The three levels of the fair value hierarchy are as follows:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly (i.e., as prices) or indirectly (i.e. derived from prices); and

Level 3: Inputs that are not based on observable market data.

The following table outlines the fair value hierarchy of the Company's financial instruments that are measured at fair value:

Instrument	Fair value hierarchy
Derivative asset	Level 2
Liability classified warrant	Level 2

The convertible debt and senior secured promissory notes are discounted using interest rates that approximate fair value rates that would be classified as level 2 in the fair value hierarchy.

(b) Financial risk management

The Company's activities potentially expose it to a variety of financial risks, including credit risk, liquidity risk, and market risk.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. As at June 30, 2025, the Company's exposure to credit risk is the carrying value of cash and balances on trades receivable. The maximum amount of the Company's credit risk exposure is the carrying amounts of cash and cash equivalents and accounts receivable. The Company attempts to mitigate such exposure to its cash by investing only in financial institutions with investment grade credit ratings or secured investments.

The Company's credit risk from its outstanding trade receivables is mitigated by dealing with credit-worthy counterparties in accordance with established credit approval practices. The carrying amount of the Company's receivables represents the maximum counterparty credit exposure. As at June 30, 2025, the Company had significant concentration of credit risk with respect to accounts receivable. Approximately 57% of the Company's total account receivable was due from a single customer.

The Company applies the simplified approach under IFRS 9 and calculates expected credit losses ("ECLs") based on lifetime expected credit losses, taking into consideration historical credit loss experience and financial factors specific to the debtors and general economic conditions.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments, including risks associated with reaching commercialization and achieving revenue. To secure the additional capital necessary to pursue its plans, the Company intends to raise additional funds through equity or debt financing.

As at June 30, 2025, the Company had cash of \$3,564,050 and accounts payable of \$24,846,767 and accrued liabilities and other payables of \$2,021,931 due within one year.

The Company holds debentures, with a face value of \$14,950,000 due on December 31, 2027. The debentures carry a coupon rate of 12% annually, resulting in interest payments due of \$897,000 payable semi-annually. The Company has the option to settle the interest payments through share issuances in-lieu of cash.

The Company holds senior secured promissory notes, with a face value plus accrued interest of US\$73,017,750 (\$104,789,965) due between March 2028 and April 2028. The notes carry a coupon rate of 12% annually, with interest compounded semi-annually on June 30, and December 31. The Company is required to pay the full balance plus accrued interest on the maturity date.

The Company has a secured loan facility with a carrying amount of US\$8,000,000 (\$10,948,400) as at June 30, 2025. The facility bears interest at a rate of 14% annually with principal and accrued interest due on the maturity date.

Market risk

Market risk consists of currency risk, interest rate risk and other price risk. These are discussed further below.

Foreign exchange risk

Foreign exchange risk is the risk that the fair value of future cash flows will fluctuate due to changes in foreign exchange rates. The Company has financial assets and financial liabilities denoted in US dollars, and Euros and is therefore exposed to exchange rate fluctuations. At June 30, 2025, the Company had the equivalent of \$122,389,491 of net financial liabilities denominated in US dollars, \$1,278,884 of net financial liabilities denominated in Euros, and \$87,691 of net financial liabilities denominated in Australian Dollars.

Interest rate risk

Interest rate risk consists of two components:

- i) To the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, the Company is exposed to interest rate cash flow risk.
- ii) To the extent that changes in prevailing market rates differ from the interest rate in the Company's monetary assets and liabilities, the Company is exposed to interest rate price risk.

Current financial assets and financial liabilities are generally not exposed to interest rate risk because of their short-term nature and maturity.

Other price risk

Other price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk or currency risk.

On March 12, 2025, the United States started applying a 25% tariff on imports of steel and aluminum products from all countries, including Canada. The impact of tariffs or other measures, once implemented, is subject to a number of factors, including the duration of such tariffs or measures, changes in the amount, scope and nature of the tariffs or measures in the future, any further countermeasures that may be taken (which could increase the cost or availability of materials for Exro or its clients), and any mitigating actions that may become available. The introduction of tariffs or non-tariff measures could cause some volatility for the Company and some purchased materials could be impacted, through price increases and/or reduced availability. Efforts would be made to mitigate these impacts by purchasing from alternative sources or by passing these escalated costs on to clients. Additionally, some clients could be impacted by tariffs or non-tariff measures, resulting in less spending by customers. Higher raw material costs brought about by tariffs or other measures, or delayed or cancelled projects could have a material adverse effect on the Company's future earnings and financial position.

CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

Disclosure controls and procedures ("DC&P"), as defined in National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings, are designed to provide reasonable assurance that information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in the securities legislation and include controls and procedures designed to ensure that information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted under securities legislation is accumulated and communicated to the Company's management, including its certifying officers, as appropriate to allow timely decisions regarding required disclosure.

Internal Controls Over Financial Reporting

Internal control over financial reporting ("ICFR"), as defined in National Instrument 52-109, includes those policies and procedures that:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect transactions and dispositions of assets of the Company;
- are designed to provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the Company are being made in accordance with authorizations of management and Directors of Exro; and
- are designed to provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

The Chief Executive Officer and Chief Financial Officer are responsible for designing internal controls over financial reporting or causing them to be designed under their supervision in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The Company's Chief Executive Officer and Chief Financial Officer have designed, or caused to be designed under their supervision, disclosure controls and procedures to provide reasonable assurance that: (i) material information relating to the Company is made known to the Company's Chief Executive Officer and Chief Financial Officer by others, particularly during the period in which the annual filings are being prepared; and (ii) information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time period specified in securities legislation.

The Committee of Sponsoring Organizations of the Treadway Commission ("COSO") 2013 framework provides the basis for management's design of internal controls over financial reporting. Management and the Board work to mitigate the risk of a material misstatement in financial reporting; however, a control system, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met and it should not be expected that the disclosure and internal control procedures will prevent all errors or fraud. The Company identified a material weakness in its ICFR during the period ended June 30, 2024, described further below.

Identified material weakness

A material weakness is a deficiency, or a combination of deficiencies, such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis.

In conjunction with the preparation of the Company's condensed consolidated interim financial statements for the period ended September 30, 2024, Management concluded a material weakness existed in the Company's internal controls over financial reporting. As at September 30, 2024, the Company did not have sufficient accounting and financial reporting personnel available to adequately address complex accounting and valuation matters like those associated with the acquisition accounting of SEA Electric on April 5, 2024, including the timely preparation and review of financial statements and other external reporting. The material weakness resulted in material adjustments to the unaudited condensed consolidated interim financial statements for the three and twelve months ended December 30, 2024.

June 30, 2025, Update

As at June 30, 2025, the material weakness still exists; however, the Company has taken steps to improve its DC&P and ICFR and remediate the material weakness through addition of qualified accounting personnel with experience in complex accounting matters and financial reporting in accordance with IFRS, to directly assist in the timely preparation of financial statements and strengthen its accounting function. In the past, the Company also engaged consultants to assist with complex accounting matters where necessary to ensure the appropriate treatment of such matters. Furthermore, the Company has enhanced its internal review process and implemented segregation of duties across accounting personnel to ensure appropriate and adequate review controls are in place. These measures are expected to improve the efficiency and accuracy of the Company's financial reporting process. The Company will continue to assess the effectiveness of these remediation efforts over time.

RISKS FACTORS

Current and prospective shareholders should specifically consider various risk factors, including, but not limited to, the risks outlined below and particularly under the heading "*Risk Factors*" in the Company's 2024 Annual Information Form filed on SEDAR+ (www.sedarplus.ca). Should one or more of these risks or uncertainties, including the risks listed below, or a risk that is not currently known to us materialize, or should assumptions underlying those forward-looking statements prove incorrect, actual results may vary materially from those described herein.

FORWARD-LOOKING INFORMATION OR STATEMENTS AND CAUTIONARY FACTORS THAT MAY AFFECT FUTURE RESULTS

Certain statements contained in the following MD&A constitute forward-looking statements (within the meaning of the Canadian securities legislation and the U.S. Private Securities Litigation Reform Act of 1995) that involve risks and uncertainties. Forward-looking statements are frequently, but not always, identified by words such as "expects", "anticipates", "believes", "intends", "estimates", "potential", "possible" and similar expressions, or statements that events, conditions or results "will", "may", "could" or "should" occur or be achieved. The forward-looking statements may include statements regarding work programs, capital expenditures, timelines, strategic plans, market price of commodities or other statements that are not statements of fact. Forward-looking statements are statements about the future and are inherently uncertain, and actual achievements of the Company may differ materially from those reflected in forward-looking statements due to a variety of risks, uncertainties and other factors. For the reasons set forth above, investors should not place undue reliance on forward-looking statements. Important factors that could cause actual results to differ materially from the Company's expectations include uncertainties involved in disputes and litigation, fluctuations in currency exchange rates; uncertainty of estimates of capital and operating costs.

It is the Company's policies that all forward-looking statements are based on the Company's beliefs and assumptions which are based on information available at the time these assumptions are made. The forward-looking statements contained herein are as of June 30, 2025 and are subject to change after this date, and the Company assumes no obligation to publicly update or revise the statements to reflect new events or circumstances, except as may be required pursuant to applicable laws.

Although management believes that the expectations represented by such forward-looking information or statements are reasonable, there is significant risk that the forward-looking information or statements may not be achieved, and the underlying assumptions thereto will not prove to be accurate. Forward-looking information or statements in this MD&A include, but are not limited to, information or statements concerning our expectations regarding the ability to raise additional funds and find additional value in the biotechnology assets held.



Actual results or events could differ materially from the plans, intentions and expectations expressed or implied in any forward-looking information or statements, including the underlying assumptions thereto, as a result of numerous risks, uncertainties and factors including: the possibility that opportunities will arise that require more cash than the Company has or can reasonably obtain; dependence on key personnel; dependence on corporate collaborations; potential delays; uncertainties related to early stage of technology and product development; uncertainties as to fluctuation of the stock market; uncertainties as to future expense levels and the possibility of unanticipated costs or expenses or cost overruns; and other risks and uncertainties which may not be described herein. The Company has no policy for updating forward looking information beyond the procedures required under applicable securities laws.

In particular, this MD&A contains forward-looking statements pertaining to the following:

- Expectations with regard to Exro's ability to maintain and raise adequate source of funding to finance the Company's operations and development;
- Expectations with respect to the outcome of the ongoing strategic review process;
- Exro's business plans, outlook and strategy;
- Exro's expectation with respect to its future purchase orders, sales agreements, and production;
- Exro's expectation with respect to its future hiring and R&D activities;
- Expectations regarding the Company's evaluation of growth opportunities and plans with respect to the same; and
- Anticipated supply and demand of Exro's products

Certain of the above listed forward-looking statements constitute future-oriented financial information and financial outlook information (collectively, "**FOFI**") about Exro's prospective financial position. FOFI contained in this MD&A were made as of the date hereof and is provided for the purpose of describing Exro's anticipated future business operations.

Some of the risks which could affect future results and could cause results to differ materially from those expressed in the forward-looking information and statements contained herein include the risk factors set out in Exro's annual information form and include, but not limited to:

- The ability for the Company to execute against its operating plan is contingent on the outcome of the ongoing strategic review process, including the evaluation of strategic partnerships, M&A activities, capital restructuring, or other corporate transactions;
- Factors outside Exro's control may impact Exro's ability to successfully execute its commercialization plan;
- Potential delays in Coil Driver™ on road validation testing with customers;
- Anticipated market demand and sales orders may differ based on changes in customers' pipelines and/or product requirements;
- Potential delays in completion of testing and validation of future Coil Driver™ prototypes.
- Continued SEA drive production in a timely and sufficient manner to meet demand
- Significant shift in the demand, adoption and regulatory landscape of passenger and commercial EVs
- Geopolitical risks and considerations particularly arising from domestic and international trade laws and tariffs

Exro's actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors set forth above and as set out under the heading "Risk Factors" in the Company's 2024 Annual Information Form available on SEDAR+ at www.sedarplus.ca. Readers are cautioned that the foregoing lists of factors are not exhaustive. The forward-looking statements and FOFI contained in this MD&A are expressly qualified by this cautionary statement. Exro does not undertake any obligation to update or revise any forward-looking statements or FOFI, whether as a result of new information, future events or otherwise, unless required by law.

THIS IS EXHIBIT "C" REFERRED TO IN THE
AFFIDAVIT OF MARK HOLLERAN

SWORN BEFORE ME THIS 3rd DAY OF
NOVEMBER, 2025.

Emily C. Russell

A Notary Public in and for the Province of New Brunswick



**BC Company Summary**For
DPM TECHNOLOGIES INC.**Date and Time of Search:** September 02, 2025 10:28 AM Pacific Time**Currency Date:** July 24, 2025**ACTIVE****Incorporation Number:** BC1128259**Name of Company:** DPM TECHNOLOGIES INC.**Business Number:** 832909345 BC0002**Recognition Date and Time:** July 26, 2017 05:04 PM Pacific Time as a result of an Amalgamation**In Liquidation:** No**Last Annual Report Filed:** July 26, 2024**Receiver:** No**COMPANY NAME INFORMATION****Previous Company Name**
EXRO TECHNOLOGIES INC.**Date of Company Name Change**
August 16, 2017**AMALGAMATING CORPORATION(S) INFORMATION****Name of Amalgamating Corporation**
1089001 B.C. LTD.
EXRO TECHNOLOGIES INC.**Incorporation Number in BC**
BC1089001
BC0729729**REGISTERED OFFICE INFORMATION****Mailing Address:**
SUITE 1700, PARK PLACE
666 BURNARD STREET
VANCOUVER BC V6C 2X8
CANADA**Delivery Address:**
SUITE 1700, PARK PLACE
666 BURNARD STREET
VANCOUVER BC V6C 2X8
CANADA**RECORDS OFFICE INFORMATION****Mailing Address:**
SUITE 1700, PARK PLACE
666 BURNARD STREET
VANCOUVER BC V6C 2X8
CANADA**Delivery Address:**
SUITE 1700, PARK PLACE
666 BURNARD STREET
VANCOUVER BC V6C 2X8
CANADA

DIRECTOR INFORMATION

Last Name, First Name, Middle Name:

Copes, Rodney

Mailing Address:

1304 SEASPRAY LANE
SANIBEL FL 33957
UNITED STATES

Delivery Address:

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SANIBEL FL 33957
UNITED STATES

Last Name, First Name, Middle Name:

Ozdemir, Sue

Mailing Address:

7853 E RAY RD
MESA AZ 85212
UNITED STATES

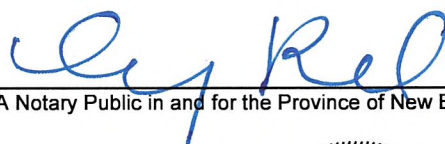
Delivery Address:

7853 E RAY RD
MESA AZ 85212
UNITED STATES

NO OFFICER INFORMATION FILED AS AT July 26, 2024.

THIS IS EXHIBIT "D" REFERRED TO IN THE
AFFIDAVIT OF MARK HOLLERAN

SWORN BEFORE ME THIS 3rd DAY OF
NOVEMBER, 2025.



A Notary Public in and for the Province of New Brunswick





BC Company Summary

For
CELLEX ENERGY INC.

Date and Time of Search: September 02, 2025 10:28 AM Pacific Time

Currency Date: July 24, 2025

ACTIVE

Incorporation Number: BC1513099

Name of Company: CELLEX ENERGY INC.

Business Number: 797728367 BC0001

Recognition Date and Time: Incorporated on November 22, 2024 01:25 PM Pacific Time

In Liquidation: No

Last Annual Report Filed: Not Available

Receiver: No

REGISTERED OFFICE INFORMATION

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SUITE 1700, PARK PLACE
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Delivery Address:

SUITE 1700, PARK PLACE
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VANCOUVER BC V6C 2X8
CANADA

RECORDS OFFICE INFORMATION

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VANCOUVER BC V6C 2X8
CANADA

Delivery Address:

SUITE 1700, PARK PLACE
666 BURNARD STREET
VANCOUVER BC V6C 2X8
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DIRECTOR INFORMATION

Last Name, First Name, Middle Name:

Bishop, Darrell

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CANADA

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CALGARY AB T2G 5N6
CANADA

Last Name, First Name, Middle Name:

Ozdemir, Sue

Mailing Address:

7853 E RAY RD
MESA AZ 85212
UNITED STATES

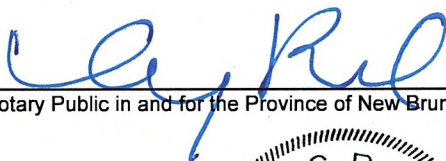
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7853 E RAY RD
MESA AZ 85212
UNITED STATES

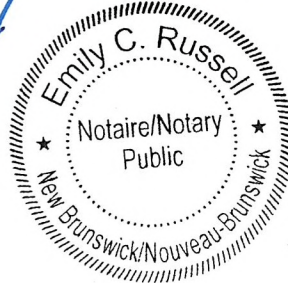
NO OFFICER INFORMATION FILED .

THIS IS EXHIBIT "E" REFERRED TO IN THE
AFFIDAVIT OF MARK HOLLERAN

SWORN BEFORE ME THIS 3rd DAY OF
NOVEMBER, 2025.



A Notary Public in and for the Province of New Brunswick



Project Einstein - Lender Tracker
12/11/2024

Fund / Party	NDA status	Distributed materials: 41/43	Comments
Asset based lenders			
1 Aon	11/18	11/18	- Asked preliminary questions after receiving materials - Expressed appetite on introductory call; able to lend against IP - Two insurance underwriters evaluating (two have declined) - awaiting feedback
Special situations lenders			
2 BlackRock	12/3	12/3	- Timing will be difficult
3 Bridgepoint	12/5	12/5	- Asked for more details around the Mack/Hino contract structures
4 Chicago Atlantic	12/2	12/2	- Conducted due diligence session with management for preliminary questions (12/10) - Will continue to dig through materials and include a wider set of the team to provide an indication of interest - Can provide a non-committal term sheet with structure and pricing with a goal to get to an executable term sheet in around 3 weeks from the DD call - Focused on NWC and near-term cash needs - Generally look for high teens returns, sweet spot in size (\$10-\$30m)
5 FS Investments	11/19	11/19	- Preliminary IC discussion around 15% / 5% warrants / 1.5x min MOIC. Would need 3rd party appraisal and industry report. - Going to discuss with IC again on Monday (12/9) to see if there is a path, subject to meeting certain requirements, and what that would be
6 Ghost Tree	12/3	12/3	- Evaluating
7 Varde	Evaluating	n.a.	- Discussed no names - potentially could be interested with partial customer guarantee or partial revenue stream
Equity oriented			
8 Elysium	12/10	12/10	- Evaluating
9 Hidden Harbor	12/6	12/6	- Asked about risks with vols / topline in forecast and a few other questions - Would like to schedule a call with the Company for next week
10 Torque Capital	With lender 12/10	n.a.	- Reviewing NDA

Project Einstein - Lender Tracker
12/11/2024

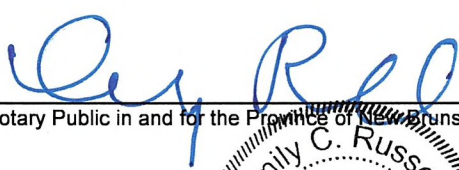
Fund / Party	NDA status	Distributed materials: 41/43	Comments
Declined			
11 Arbour Lane			- Declined
12 Anthelion			- Declined
13 Arena			- Declined; not comfortable with the IP and too tight of a timeline
14 Ares			- Declined; inventory too specialized, hard to liquidate and gets too small
15 Aquiline			- Declined around EV sector risk
16 Atlas Credit Partners			- Declined; for public companies that have not yet reached positive FCF, sub-\$50mm market cap makes it difficult to gain comfort that there would be junior capital support - Would revisit with strategic investment
17 Balance Point Capital			- Declined; too many hurdles for their mandate, especially given the quick timing
18 Barings			- Declined; too small / early
19 Callodine			- Declined; not a good fit
20 Caltius			- Declined; a bit too early stage for 1 or 2 members of our committee to get comfortable with
21 Caspian			- Declined; too early stage
22 Crestline			- Declined; given the timing and speed to close have to pass, have a tremendous amount of existing deal flow that is further along, can't dedicate the time
23 Delos			- Declined; revenue uncertainty and customer concentration
24 Deutsche Bank Direct Lending			- Declined; hard time getting comfortable being multiple quarters away from profitability, might be willing to look again in the future
25 Eagle Point			- Declined
26 Eclipse			- Declined; felt like IP would be too much of asset base, and AR / Inv likely would not grow enough
27 FGI			- Declined; going to struggle with the AR to Inventory and other asset ratio to come up with a borrowing base that is meaningful
28 Fortress			- Declined; too early and too small
29 Gemspring			- Declined; too early for them - Look for mid 20s IRR and ideally >18 months duration
30 Invesco			- Declined; currently bearish on the EV sector, concerns around negative EBITDA and cash burn
31 Irradiant			- Declined; just tough overall

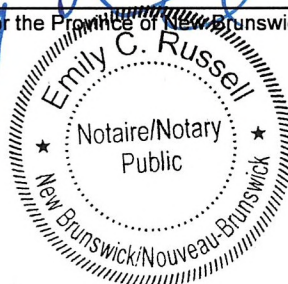
Project Einstein - Lender Tracker
12/11/2024

Fund / Party	NDA status	Distributed materials: 41/43	Comments
Declined (cont'd)			
32 MGG Investment			- Declined; spent a lot of time looking through different pockets, but ultimately felt like it was too small and the possibility of needing more capital in the future made it difficult
33 Mudrick			- Declined; EBITDA negative business, small size
34 Paceline Equity			- Declined; combination of being a smaller company, public co costs, importing the batteries from overseas, and smaller check relative to the amount of due diligence
35 Pathlight			- Declined; too early stage to get comfortable
36 Peakrock Capital			- Declined; not comfortable with cash burn and a bit too early stage
37 Sagard			- Declined; too small and early stage with regards to profitability
38 Siena			- Declined; asset backing appears significant, but is heavily tilted to the equipment and the IP which is difficult to fit into the leveraged line facility criteria
39 Silverview			- Declined; viewed more as an equity investment due to negative EBITDA
40 SLR			- Declined; too small for their minimum check size on just traditional ABL (AR / Inv)
41 Soros			- Declined; do not want to rely on IP for collateral
42 Trinity Capital			- Declined; not a fit due to small cap public profile, isn't strong enough today to do a small cap deal
43 UBS O'Connor			- Declined; too small / early

THIS IS EXHIBIT "F" REFERRED TO IN THE
AFFIDAVIT OF MARK HOLLERAN

SWORN BEFORE ME THIS 3rd DAY OF
NOVEMBER, 2025.


A Notary Public in and for the Province of New Brunswick





Consolidated Financial Statements
As at and for years ended December 31, 2024 and 2023

(Expressed in Canadian dollars)



Independent auditor's report

To the Shareholders of Exro Technologies Inc.

Our opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Exro Technologies Inc. and its subsidiaries (together, the Company) as at December 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

What we have audited

The Company's consolidated financial statements comprise:

- the consolidated statements of financial position as at December 31, 2024 and 2023;
- the consolidated statements of comprehensive loss for the years then ended;
- the consolidated statements of shareholders' equity for the years then ended;
- the consolidated statements of cash flows for the years then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Material uncertainty related to going concern

We draw attention to note 1 to the consolidated financial statements, which describes events or conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

PricewaterhouseCoopers LLP

Suncor Energy Centre, 111 5th Avenue South West, Suite 3100, Calgary, Alberta, Canada T2P 5L3

T.: +1 403 509 7500, F.: +1 403 781 1825, Fax to mail: ca_calgary_main_fax@pwc.com

"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.



Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material uncertainty related to going concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Impairment assessment of intangible assets and goodwill of the Exro SEA Drive Cash Generating Unit (CGU) <i>Refer to note 3 – Material accounting policies, note 5 – Business combinations and note 9 – Intangible assets and goodwill to the consolidated financial statements.</i> The carrying values for goodwill and intangible assets, net of impairment and amortization, for the Exro Sea Drive CGU as of December 31, 2024 was nil, and \$105.3 million. On April 5, 2024, the Company acquired all of the issued and outstanding shares of SEA Electric Inc. and its operating subsidiaries. The fair values of the acquired assets at the date of acquisition included \$152.8 million of goodwill and \$194.5 million of intangible assets. Goodwill is assessed for impairment annually or as events occur that could result in impairment. The goodwill and intangible assets are reviewed, at each reporting period, for indicators of impairment. If any indicator exists, or when annual impairment testing for an asset or CGU is required, the Company estimates the recoverable amount. When the carrying value of an asset or CGU exceeds its recoverable amount, the asset or CGU is considered to be impaired and is written down to its recoverable amount.	Our approach to addressing the matter included the following procedures, among others: - Evaluated how management determined the recoverable amount of the Exro SEA Drive CGU, which included the following: - Tested the appropriateness of the FVLCD model used and the mathematical accuracy of the discounted cash flows. - Tested the reasonableness of expected revenue growth linked to production volumes and the expected decrease in cost of production per unit used in the estimation of the discounted cash flows by comparing them to the budget approved by the board of directors and by considering current financial results of the Exro SEA Drive CGU. - Professionals with specialized skill and knowledge in the field of valuation assisted in testing the reasonableness of the discount rate applied by the Company in the discounted cash flows. - Tested the underlying data used in the discounted cash flows. - Tested the disclosures made in the consolidated financial statements, particularly with regard to the impairment of the Exro SEA Drive CGU.



Key audit matter

How our audit addressed the key audit matter

Subsequent to the acquisition, the Company identified indicators of impairment related to the decrease in market capitalization and a decline in forecasted production, which were directly related to the Exro SEA Drive CGU. Consequently, the Company performed an assessment of the recoverable amount of its Exro SEA Drive CGU and estimated the recoverable amount using a fair value less costs of disposal (FVLCD) model. The Company estimated the recoverable amount based on the discounted cash flows from the Exro SEA Drive CGU. Key assumptions used in the determination of discounted cash flows included expected revenue growth linked to production volumes, expected decrease in cost of production per unit and discount rate. A comparison of the recoverable amount for the Exro SEA Drive CGU to its carrying value resulted in an impairment expense of \$153.2 million of goodwill and \$70.0 million of intangible assets.

We considered this a key audit matter due to the significant judgment by management in determining the recoverable amount of the Exro SEA Drive CGU, including the use of significant assumptions. This has resulted in a high degree of subjectivity and audit effort in performing procedures to test the significant assumptions. Professionals with specialized skill and knowledge in the field of valuation assisted us in performing our procedures.

Other information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.



In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Company as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Joon Chan.

/s/PricewaterhouseCoopers LLP

Chartered Professional Accountants

Calgary, Alberta
March 31, 2025

Exro Technologies Inc.
Consolidated Statements of Financial Position
(Expressed in Canadian dollars)

As at	Note	December 31, 2024	December 31, 2023
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		\$ 2,258,875	\$ 6,241,176
Accounts receivable	17	1,720,528	4,233,672
Prepaid expense		3,642,099	1,348,321
Inventory	10	30,796,716	6,665,963
Total current assets		38,418,218	18,489,132
Investment	7	—	8,357,423
Property, plant, and equipment	8	32,571,637	32,079,698
Intangible assets	9	105,328,473	—
Derivative asset	13	20,219	1,217,346
TOTAL ASSETS		\$ 176,338,547	\$ 60,143,599
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable		\$ 32,054,200	\$ 5,709,889
Accrued liabilities and other payables		4,753,849	2,920,062
Unearned revenue	6	4,214,729	—
Lease liability – current portion	11	2,298,260	1,555,270
Liability classified warrant	12	415,871	—
Warranty provision		1,575,704	—
Total current liabilities		45,312,613	10,185,221
Long-term debt		122,888	50,000
Lease liability – long-term portion	11	5,974,545	5,248,178
Convertible debentures	13	12,748,383	12,089,076
Senior secured promissory note	12	89,472,226	—
TOTAL LIABILITIES		\$ 153,630,655	\$ 27,572,475
SHAREHOLDERS' EQUITY			
Share capital	14	418,899,358	154,354,940
Contributed surplus		40,864,892	28,768,802
Equity component of convertible debentures	13	991,295	991,295
Deficit		(440,397,962)	(151,464,762)
Accumulated other comprehensive gain (loss)		2,350,309	(79,151)
TOTAL SHAREHOLDERS' EQUITY		\$ 22,707,892	\$ 32,571,124
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		\$ 176,338,547	\$ 60,143,599

Going concern (note 1)

Commitments and contingencies (note 24)

Subsequent events (note 25)

These consolidated financial statements were authorized for issue by the Board of Directors on March 31, 2025. They are signed on the Company's behalf by:

/s/ Rod Copes

Director

/s/ Frank Simpkins

Director

See accompanying notes to the consolidated financial statements

Exro Technologies Inc.

Consolidated Statements of Comprehensive Loss

(Expressed in Canadian dollars)

		For the years ended December 31,	
	Note	2024	2023
		(restated - note 19)	
Revenue	6	\$ 23,074,027	\$ —
Direct operating costs, excluding amortization		29,851,169	—
Inventory provision	10	1,863,904	—
GROSS PROFIT, EXCLUDING AMORTIZATION		\$ (8,641,046)	\$ —
EXPENSES			
Depreciation and amortization	8,9	30,150,240	2,745,835
Payroll and consulting		27,150,045	15,562,210
Selling, general and administration		14,913,478	10,152,263
Research and development	18	8,918,746	11,788,094
Interest expense	12, 13	8,459,495	2,332,894
Transaction costs		4,593,633	—
Share-based payments	14	2,506,321	3,916,464
Warranty expense		573,777	—
Gain on disposal of assets		(5,103)	(216,825)
TOTAL EXPENSES		\$ (97,260,632)	\$ (46,280,935)
Loss on investment	7	(1,570,796)	(2,200,747)
Change in fair value of derivative asset	13	(1,197,127)	(1,172,216)
Change in fair value of promissory note	12	11,356,485	—
Change in fair value of liability classified warrant	12	6,470,934	—
Impairment expense	9	(223,215,594)	—
Foreign exchange loss		(1,326,544)	(968,481)
Other income (expense)	20	2,873,550	(86,206)
Net loss before tax from continuing operations		\$ (312,510,770)	\$ (50,708,585)
Deferred tax recovery	23	24,943,074	—
Net loss from continuing operations		\$ (287,567,696)	\$ (50,708,585)
Net income (loss) from discontinued operations	19	\$ (1,365,504)	\$ 85,415
NET LOSS		\$ (288,933,200)	\$ (50,623,170)
Items that may be subsequently reclassified to earnings:			
Gain on translation of foreign currency		2,429,460	479,972
COMPREHENSIVE LOSS		\$ (286,503,740)	\$ (50,143,198)
Net loss per share - basic and diluted	14	\$ (0.65)	\$ (0.31)
Weighted average number of shares outstanding		444,123,823	161,707,518

See accompanying notes to the consolidated financial statements

Exro Technologies Inc.

Consolidated Statements of Shareholders' Equity

(Expressed in Canadian dollars)

	Note	Number of common shares outstanding	Number of preferred shares outstanding	Share capital	Contributed surplus	Equity component of convertible debentures	Deficit	Accumulated other comprehensive income (loss)	Total shareholders' equity
Balance, December 31, 2022		146,834,230	—	\$ 109,544,685	\$ 26,278,530	\$ 994,610	\$ (100,841,592)	\$ (559,123)	\$ 35,417,110
Financing, net of issuance costs		15,525,000	—	32,469,732	—	—	—	—	32,469,732
Shares issued for interest	14	1,102,077	—	1,796,993	—	—	—	—	1,796,993
Shares issued on conversion of debenture		20,833	—	43,213	—	(3,315)	—	—	39,898
Shares issued on exercise of options	14	973,790	—	1,247,179	(541,331)	—	—	—	705,848
Shares issued on exercise of warrants	14	5,448,436	—	9,004,140	(1,302,600)	—	—	—	7,701,540
Shares issued on exercise of RSUs	14	117,452	—	248,998	(248,998)	—	—	—	—
Share-based payments		—	—	—	4,583,201	—	—	—	4,538,201
Net loss		—	—	—	—	—	(50,623,170)	—	(50,623,170)
Other comprehensive income		—	—	—	—	—	—	479,972	479,972
Balance, December 31, 2023		170,021,818	—	\$ 154,354,940	\$ 28,768,802	\$ 991,295	\$ (151,464,762)	\$ (79,151)	\$ 32,571,124
Acquisition	5	146,453,200	160,589,446	213,210,889	9,172,628	—	—	—	222,383,517
Financing, net of issuance costs	14	106,600,450	—	44,684,247	5,143,784	—	—	—	49,828,031
Shares issued for interest	14	8,201,140	—	1,794,000	—	—	—	—	1,794,000
Shares issued on exercise of options	14	300,000	—	155,730	(64,730)	—	—	—	91,000
Shares issued on exercise of RSUs	14	3,145,609	3,236,725	4,699,279	(4,699,279)	—	—	—	—
Shares issued on exercise of warrants	14	500	—	273	(62)	—	—	—	211
Conversion of preferred shares	14	106,079,747	(106,079,747)	—	—	—	—	—	—
Share-based payments	14	—	—	—	2,543,749	—	—	—	2,543,749
Net loss		—	—	—	—	—	(288,933,200)	—	(288,933,200)
Other comprehensive income		—	—	—	—	—	—	2,429,460	2,429,460
Balance, December 31, 2024		540,802,464	57,746,424	\$ 418,899,358	\$ 40,864,892	\$ 991,295	\$ (440,397,962)	\$ 2,350,309	\$ 22,707,892

See accompanying notes to the consolidated financial statements

Exro Technologies Inc.
Consolidated Statements of Cash Flows
(Expressed in Canadian dollars)

For the years ended December 31,			
	Notes	2024	2023
OPERATING ACTIVITIES			
Net loss for the period		\$ (288,933,200)	\$ (50,623,170)
Items not involving cash:			
Depreciation and amortization	8, 9	30,482,884	3,262,638
Share-based payments	14	2,543,749	4,583,201
Non-cash interest	13	7,727,842	2,423,761
Loss on disposal of assets	19	1,104,994	106,617
Unrealized loss on investments	7	1,570,796	2,200,
Unrealized foreign exchange loss		4,786,803	242,790
Change in fair value of derivative asset	13	1,197,127	1,172,216
Change in fair value of promissory note	12	(11,356,485)	—
Change in fair value of liability classified warrant	12	(6,470,934)	—
Impairment expense	9	223,215,594	—
Inventory provision	10	1,863,904	—
Deferred tax recovery		(24,943,074)	—
Changes in non-cash working capital items:			
Accounts receivable		3,887,963	(3,339,339)
Prepaid expenses		1,119,244	(466,255)
Accounts payable and accrued liabilities		2,275,761	3,437,652
Inventory		511,279	(4,501,762)
Unearned revenue		(2,434,052)	(1,105,462)
Warranty provision		384,724	—
Cash used in operating activities		\$ (51,465,081)	\$ (42,606,366)
INVESTING ACTIVITIES			
Purchase of equipment	8	(1,983,494)	(8,835,456)
Proceeds from sale of assets	19	187,585	—
Change in non-cash working capital		(1,527,786)	(223,308)
Cash acquired on acquisition	5	685,261	—
Cash used in investing activities		\$ (2,638,434)	\$ (9,058,764)
FINANCING ACTIVITIES			
Proceeds from financings	14	61,271,084	34,931,251
Share issue cost		(11,443,052)	(2,461,519)
Proceeds from exercise of options	14	91,000	705,848
Proceeds from exercise of warrants	14	211	7,701,540
Proceeds from promissory note		6,863,245	—
Principal repayments of lease liability	11	(1,917,290)	(986,723)
Repayment of debt		(40,000)	—
Change in non-cash working capital		(233,666)	(59,564)
Cash provided by financing activities		\$ 54,591,532	\$ 39,830,833
Impact of foreign currency translation		(4,470,318)	631,502
Decrease in cash and cash equivalents		(3,982,301)	(11,202,795)
Cash and cash equivalents, beginning of the period		6,241,176	17,443,971
Cash and cash equivalents, end of the period		\$ 2,258,875	\$ 6,241,176

See accompanying notes to the consolidated financial statements

Notes to the Consolidated Financial Statements**As at and for the years ended December 31, 2024 and December 31, 2023***(Expressed in Canadian dollars)*

1. NATURE OF OPERATIONS

Exro Technologies Inc. ("Exro" or the "Company") is incorporated under the British Columbia Business Company Act. The Company's shares are listed on the TSX Exchange ("TSX") and trades under the symbol "EXRO". The Company's head office is located at 12-21 Highfield Circle S.E., Calgary, Alberta, T2G 5N6. Exro is a clean technology company that has developed new-generation power control electronics with an innovative suite of solutions, including Coil Driver™, Cell Driver™ and SEA Drive® that expand the capabilities of electric motors and batteries and offer OEMs a comprehensive e-propulsion solution with unmatched performance and efficiency. The Company is working towards commercialization and series production of its patented Coil Driver™ technology while concurrently generating revenue from the sale of SEA Drive®.

Going Concern Assumption

These consolidated financial statements have been prepared on a going concern basis which assumes the realization of assets and discharge of liabilities at their carrying values in the ordinary course of operations for the foreseeable future.

During the year ended December 31, 2024, the Company generated a net loss from continuing operations of \$287,567,696 (December 31, 2023 - \$50,708,585) and negative cash flows from operating activities of \$51,465,081 (December 31, 2023 - \$42,606,366). As at December 31, 2024 the Company has an accumulated deficit of \$440,397,962 (December 31, 2023 - \$151,464,762) and a working capital deficit (current assets less current liabilities) of \$6,894,395 (December 31, 2023 - working capital surplus of \$8,303,911). The Company's current liabilities and expected level of expenditures for the next twelve months are in excess of the cash on hand of \$2,258,875 as at December 31, 2024. The Company has current financial liabilities of \$41,333,210 in excess of cash and accounts receivable and will require additional financing to fund its ongoing working capital requirements over the next twelve months.

Given the Company's stage of development, and until it can generate significant profitable operations, the Company expects to continue financing its operations through a combination of accessing capital markets and debt arrangements, or other sources, in order to meet its business plan. The Company will require financing in the near future in order to fund its operations and obligations subsequent to December 31, 2024. The Company is actively managing its liquidity pending additional financing. While the Company has been successful in securing financing in the past, raising additional funds is dependent on a number of factors outside of the Company's control, as such there is no assurance that the Company will be able to do so in the future.

On April 5, 2024 the Company closed the plan of arrangement and merger with SEA Electric Inc. ("SEA Electric") (note 5), and a concurrent capital raise of \$30,020,000 through the issuance of 31,600,000 common shares. In conjunction with the merger, the Company has taken a number of steps in restructuring its operations in order to reduce the combined operating expenses, including reducing the combined entity's employee headcount through the removal of redundant roles. The Company may be required to take additional restructuring measures in the near term; however, there can be no assurances that any such efforts that have been taken, or may be taken, will sufficiently reduce the Company's operating cash burn, as such, there can be no assurance that the Company will be able to continue as a going concern and continue to pay its obligations and liabilities before they come due.

Notes to the Consolidated Financial Statements**As at and for the years ended December 31, 2024 and December 31, 2023***(Expressed in Canadian dollars)*

The Company restructured the senior secured convertible promissory notes (note 12) on July 22, 2024, and secured additional debt financing under the Notes, of US\$3.0 million (\$4,056,600) on July 22, 2024 and US\$2.0 million (\$2,704,400) on August 19, 2024. Additionally, on September 13, 2024, the Company closed a bought deal financing, raising gross proceeds of \$25.0 million to fund short-term working capital.

Subsequent to year end, the Company has secured additional financing by draw down on the Notes of US\$3.0 million (\$4,331,145) on January 29, 2025, US\$2.0 million (\$2,865,040) on February 11, 2025, and US\$2.5 million (\$3,606,712) on March 12, 2025. The additional financing is aimed at improving the Company's liquidity and support working capital and operational needs. Until such time the Company has secured additional financing, it continues to be reliant on additional draws on the senior secured promissory notes. There is no assurance that the senior secured promissory note holders will continue to provide additional financing.

As a result of the factors noted above, there are material uncertainties that may cast significant doubt on the ability of the Company to continue as a going concern. These consolidated financial statements do not give effect to adjustments to the carrying values of assets and liabilities, the reported revenues and expenses, and the statement of financial position classifications that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

2. BASIS OF PREPARATION**(a) Statement of compliance**

These consolidated financial statements, including comparatives have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards").

The consolidated financial statements of the Company for the year ended December 31, 2024 were reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on March 31, 2025.

(b) Basis of preparation

These consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments that have been measured at fair value.

(c) Functional currency and presentation

These consolidated financial statements are presented in Canadian dollars, which is the functional and presentation currency of the Company and its Canadian based subsidiaries.

(d) Basis of consolidation

The Company controls an investee if the Company has power over the entity; exposure, or rights, to variable returns from its involvement with the investee; and the ability to use its power over the investee to affect its returns. The Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the period

Notes to the Consolidated Financial Statements

As at and for the years ended December 31, 2024 and December 31, 2023

(Expressed in Canadian dollars)

are included in loss and comprehensive loss from the date that the Company gains control until the date that the Company ceases to control the subsidiary.

Subsidiaries	Location of Operations	Percent Ownership	Functional Currency
DPM Technologies Inc.	Vancouver, Canada	100%	Canadian Dollar
Exro Technologies USA, Inc.	Arizona, USA	100%	US Dollar
Exro Vehicle Systems Inc.	Michigan, USA	100%	US Dollar
SEA Electric Inc.	California, USA	100%	US Dollar
SEA Electric LLC	California, USA	100%	US Dollar
SEA Electric Holdings Pty Ltd	Melbourne, Australia	100%	Australian Dollar
SEA Automotive Pty Ltd	Melbourne, Australia	100%	Australian Dollar
SEA Electric Pty Ltd	Melbourne, Australia	100%	Australian Dollar
SEA Electric ASIA Ltd	Bangkok, Thailand	100%	Thai Baht
SEA Electric Ltd	Auckland, New Zealand	100%	NZ Dollar
SEA Electric GmbH	Vienna, Austria	100%	Euro
SEA Electric Limited	London, United Kingdom	100%	British Pounds
Cellex Energy Inc.	Arizona, USA	100%	US Dollar
Cellex Energy IP Inc.	Vancouver, Canada	100%	US Dollar

(e) Significant accounting estimates and judgements

The preparation of these consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the condensed consolidated interim financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These consolidated financial statements include estimates which, by their nature, are uncertain. The impact of such estimates are pervasive throughout the consolidated financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company reviews its estimates and underlying assumptions on an ongoing basis.

Critical judgements

The following are critical judgments that management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognized in the consolidated financial statements:

- Management is required to assess the functional currency of the Company and its subsidiaries. In concluding that the Canadian dollar is the functional currency of the Company, management considered the currency that mainly influences the operating expenditures in the jurisdiction in which the Company operates.
- Management is required to determine whether or not the going concern assumption is appropriate for the Company at the end of each reporting period. Considerations taken into account include available information about the future including the availability of financing and revenue projection, as well as current working capital balance and future commitments of the Company.

Notes to the Consolidated Financial Statements**As at and for the years ended December 31, 2024 and December 31, 2023***(Expressed in Canadian dollars)*

- c. Where the fair value of financial assets and liabilities recorded on the consolidated statements of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques. The inputs to these models are derived from observable market data where possible, but where observable market data is not available, judgement is required to establish fair values. Where the fair value cannot be derived from transactions in active markets, they are determined using appropriate valuation techniques for which sufficient data is available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.
- d. Convertible debentures are compound financial instruments which are accounted for separately by their components: a financial liability and equity components. The debentures consist of a financial liability which represents the obligation to pay coupon interest on the convertible debentures in the future, a freestanding equity classified share purchase warrant, and an equity component related to the ability to convert the debenture to common shares at the option of the holder.

The identification of the components of convertible notes is based on interpretations of the substance of the contractual arrangement and therefore requires judgment from management. The separation of the components affects the initial recognition of the convertible debenture at issuance and the subsequent recognition of interest on the liability component. The determination of the fair value of the liability and equity components may also be based on various assumptions including contractual future cash flows, discount rates, volatility, credit spread, and the presence of any derivative financial instruments.

- e. Management applied judgment in assessing the accounting treatment for the individual components of the senior secured convertible debentures and whether the warrants and conversion option qualify as an equity instrument, including whether the terms meet the fixed for fixed requirement
- f. The Company assesses at the end of each reporting period, whether there is an indication that an asset or cash generating unit ("CGU") may be impaired. If any indication of impairment exists, the Company determines the recoverable amount of the asset or CGU. External triggering events include, for example, changes in customer or industry dynamics, technological and economic declines, including a decline in Exro's common share price. Internal triggering events include, for example, lower profitability or planned restructuring.
- g. The determination of consideration transferred involves judgment, particularly in assessing the fair value of the assets exchanged and liabilities assumed. Management carefully evaluates all components of the transaction to ensure the appropriate recognition and measurement of consideration.

The consideration transferred typically includes cash payments, equity instruments, and any pre-existing relationships between the parties. The fair value of equity instruments issued as part of the transaction is determined based on market prices at the acquisition date or through valuation techniques where market data is unavailable. These estimates require management to make assumptions regarding future financial performance, market conditions, and discount rates, all of which can significantly impact the recorded purchase price. Additionally, Management applies professional judgment to assess whether pre-existing relationships such as prior investments, form part of the consideration or represent a separate transaction

Estimation uncertainty

The following are key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the current and next fiscal financial years:

Notes to the Consolidated Financial Statements**As at and for the years ended December 31, 2024 and December 31, 2023***(Expressed in Canadian dollars)*

a. Taxable Income

Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the date of the statement of financial position could be impacted.

Additionally, future changes in tax laws in the jurisdictions in which the Company operates could limit the ability of the Company to obtain tax deductions in future periods. The Company has not recorded any deferred tax assets.

b. Accrued Liabilities

The fair value of accrued liabilities at the time of initial recognition is made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors.

c. Property, plant and equipment

Property, plant and equipment is carried at cost less any accumulated depreciation and accumulated impairment losses. Depreciation is calculated using management's best estimate on the useful life of the assets. Determination of impairment loss is subject to management's assessment if there is any indication of a possible write-down; and if so, the determination of recoverable value based on discounted future cash flows.

d. Business combinations

The acquired assets and assumed liabilities (other than deferred taxes and goodwill) are recognized at fair value on the date Exro obtains control. The measurement of the assets acquired and liabilities assumed in a business combination is based on the information available on the acquisition date. The estimate of fair value of the acquired intangible assets (including goodwill), non-cash working capital, property, plant and equipment, and other assets and liabilities at the date of the acquisition, as well as the useful lives of the acquired intangible assets is based on assumptions and generally requires significant judgement. Future net income will be affected as the fair value on initial recognition impacts future depreciation and amortization, asset impairment or reversal, or goodwill impairment.

The Company engaged independent third-party valuation experts to assist in estimating the fair value of the acquired goodwill and intangible assets acquired. The income approach has been used to estimate the fair value of certain intangible assets using the forecasts prepared by management. The measurement of the estimated fair value of acquired intangible assets was based on several significant assumptions, including future cash flows associated with the acquired assets, discount rates, customer attrition rates and royalty rates. Changes to these assumptions could have resulted in a significant impact to the fair value of intangible assets and goodwill.

e. Impairment tests

If impairment tests are required, the Company's impairment test compares the carrying value of the CGU to its recoverable amount. The recoverable amount is the higher of fair value less costs of disposal ("FVLCD") and value in use ("VIU"). FVLCD is the amount obtainable from the sale of an asset or CGU in an arms-length transaction between knowledgeable, willing parties, less the costs of disposal. VIU is the present value of estimated future cash flows expected to arise from the continuing use of an asset or CGU and from the disposal at the end of its useful life. The determination of VIU requires the estimation and discounting of cash flows which involves key assumptions that consider all information available on the respective testing date. Management uses estimates, considering past and

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actual performance, as well as expected developments in the respective markets and in the overall macro-economic environment and economic trends to model and discount future cash flows.

3. MATERIAL ACCOUNTING POLICIES

The material accounting policies applied in the preparation of these consolidated financial statements are set out below. These have been consistently applied to the applicable years presented.

(a) Foreign currency translation

The financial statements for each of the Company's subsidiaries are prepared using their functional currency. The functional currency is the currency of the primary economic environment in which an entity operates. The presentation and functional currency of the parent company is Canadian dollars. Assets and liabilities of foreign operations are translated into Canadian dollars at the balance sheet date. Operating results are translated at the average rates for the period. Exchange differences arising on the consolidation of the net assets of foreign operations are recorded in accumulated other comprehensive income.

Foreign currency transactions are translated into the functional currency using exchange rates at the transaction date. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in currencies other than an entity's functional currency are recognized in the consolidated statement of comprehensive loss.

(b) Revenue

The Company recognizes revenue in accordance with IFRS 15 when following criteria are met:

- Contract is identified. Contracts, and the approval of contracts, may be written, oral or implied by the Company's customary business practices.
- Performance obligation(s) are met. A performance obligation is a promise to a customer to transfer one of the following:
 - a good or service (or a bundle of goods or services) that is distinct
 - a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer
- Transaction price can be determined. The transaction price is the amount of consideration that the Company expects to be entitled to in exchange for the promised goods or services to a customer. The transaction price is adjusted for variable consideration arising from rebates or discounts granted. The rebates are estimated at the time of initial sale and constrained to the extent that it is highly probable that a significant revenue reversal will not occur.
- Allocation of the transaction price to each performance obligation. To allocate the transaction price to each performance obligation, the Company determines the stand-alone selling price at contract inception of each distinct good or service and allocates the transaction price proportionately. The stand-alone selling price is the price at which the Company would sell a promised good or service separately to a customer.
- Recognize revenue when each obligation is satisfied through the transfer of control of promised goods or services to the Company's customers. Control transfers once a customer has the ability to direct the use

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of and obtain substantially all of the benefits from the product. This includes physical possession, and customer acceptance. This may occur over time or at a single point in time.

Revenue from the sale of products is measured based on the consideration specified in contracts with customers. The Company recognizes revenue when it transfers control of the product to the buyer. This is generally at the time the customer obtains legal title to the product and when it is physically transferred to the delivery mechanism agreed with the customer. The majority of the Company's contracts have a single performance obligation and are short-term in nature. The company's obligation to repair or replace faulty products under standard warranty terms is recognized as a provision.

Revenue from Aftersales services and products is recognized after services have been rendered to the customer. This is at the point in time when the service is performed and completed, and the customer has received the benefit of the service.

The Company recognizes unearned revenue when an obligation to transfer goods or services to a customer for which the Company has received consideration from the customer exists. If a customer pays consideration before the Company transfers goods or services, unearned revenue is recognized when the payment is made. Unearned revenue is recognized as revenue when the Company completes its performance obligation in line with its revenue recognition policy.

The Company evaluates its arrangements with third parties to determine if the Company acts as the principal or as an agent. In making this evaluation, management considers if the Company obtains control of the product delivered, which is indicated by Exro having the primary responsibility for the delivery of the product, having the ability to establish prices or having inventory risk. If Exro acts in the capacity of an agent rather than as a principal in a transaction, then the revenue is recognized on a net-basis, only reflecting the fee, if any, realized by the Company from the transaction.

Cost of sales include labor, materials and direct and indirect overhead amounts required to complete each product unit and recognized against revenue once revenue is recognized.

(c) Inventory

Inventories are valued at the lower of cost and net realizable value. Costs are allocated to inventory using the weighted average cost or FIFO method. The Company applies different cost formulas for raw materials based on the nature of the finished goods they are used to produce. The FIFO method is applied to raw materials incorporated in the production of faster moving finished goods ensuring older stock is used and minimizing risk of obsolescence. Conversely, the weighted average cost method is applied to raw materials that are consumed in the production of goods with slower sale cycles and longer holding periods, to smooth out fluctuations over time. The cost of work in progress inventory comprises of raw materials, direct labor, other direct costs and related overhead, allocated on the basis of normal operating capacity.

Net realizable value is based on the selling price of the finished product (in the ordinary course of business), less the estimated costs of completion and estimated costs to make a sale. A write-down is recognized if the carrying amount exceeds the net realizable value and may be reversed if the circumstances that caused it no longer exist.

(d) Business combinations

Business combinations are accounted for using the acquisition method. Acquired assets and assumed liabilities are recognized at their fair value at the acquisition date. For those acquisitions that include contingent consideration arrangements, the contingent consideration is measured at its acquisition date fair

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value, and subsequent changes in such fair value amounts are recognized in net income. Acquisition-related costs are recognized in net income as incurred.

If the initial accounting for a business combination has not been finalized by the end of the reporting period in which the combination occurs, Exro reports estimated amounts. These estimated amounts are adjusted retrospectively during the measurement period to reflect the new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognized as of that date.

(e) Property, plant and equipment

Property, plant and equipment is carried at cost less accumulated depreciation, and less any recognized impairment losses. The cost of additions, including costs to bring the asset to its location and condition necessary to operate in the manner intended, are capitalized. Each part of a component of property, plant and equipment with a cost that is significant in relation to the total cost of the component is depreciated separately. When the cost of replacing a portion of a component of property and equipment, the carrying amount of the replaced component is derecognized.

Depreciation of assets under construction commences when the assets are ready and being utilized for their intended use. The assets' residual values and useful lives are reviewed, and adjusted as appropriate, at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by adjusting the depreciation period or method, as appropriate, and are treated as changes in accounting estimates.

Property, plant and equipment is recorded at cost and depreciated on a straight-line basis over its estimated useful life which has been determined as follows:

• Machinery and equipment.....	3-20 years
• Furniture and office equipment.....	3-10 years
• Right of use assets.....	Lease term

(f) Intangible assets and goodwill

The Company records goodwill relating to business combinations when the purchase price exceeds the fair value of the net identifiable assets and liabilities of the acquired business. The goodwill balance is assessed for impairment annually or as events occur that could result in impairment. Goodwill is tested for impairment at a CGU level by comparing the carrying amount to the recoverable amount. Any excess of the carrying amount over the recoverable amount is the impairment amount. The recoverable amount estimates is categorized as Level 3 according to the IFRS 13 fair value hierarchy. Impairment charges, which are not tax affected, are recognized in net income. Goodwill is reported at cost less any accumulated impairment.

Other intangible assets, including customer relationships, developed technology, and brand, that are acquired by the Company and have a finite useful life are measured at cost less accumulated amortization and any accumulated impairment loss.

Amortization is calculated to write off the cost of intangible assets less their estimated residual values under the straight-line method over their estimated useful lives and is generally recognized in profit or loss. Goodwill is not amortized.

The estimated useful life of intangible assets is as follows:

• customer relationships.....	5 years
• developed technology	5 years

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- brand 5 years

The Company has elected to amortize its acquired intangible assets over their estimated useful life. The amortization methods, useful lives, and residual values are reviewed at each reporting period, and adjusted if appropriate.

(g) Impairment

The Company assesses at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset or CGU is considered impaired and is written down to its recoverable amount.

The recoverable amount of an asset or CGU is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on most recent budgets and/or forecast calculations, which are prepared for the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

An impairment loss is recognized in the consolidated statement of loss and comprehensive loss if the carrying amount of an asset or CGU exceeds its recoverable amount.

An assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation and amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of loss and comprehensive loss, with the exception of impairment to goodwill which is not reversed.

(h) Discontinued Operations

A discontinued operations is a component of the Company's business, for which the operations and cash flows can be clearly distinguished from the rest of the group and which:

- represents a separate major line of business or geographic area of operations;
- is part of a single coordinated plan to dispose of a separate major line of business or geographic area of operations; or
- is a subsidiary exclusively acquired with a view to resale

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held-for-sale

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When an operation is classified as a discontinued operation, the comparative statement of comprehensive loss is re-presented as if the operation has been discontinued from the start of the comparative period.

(i) Warranty Provision

The Company generally offers warranty coverage for its products. The Company accrues warranty-related costs under standard warranty terms and for certain claims outside the contractual obligation period that it chooses to pay as accommodations to its customers.

Provisions for estimated assurance warranties are recorded at the time of sale and are periodically adjusted to reflect actual experience. The amount of warranty liability accrued reflects management's best estimate of the expected future cost of honoring Company obligations under the warranty plans. Historically, the cost of fulfilling the Company's warranty obligations has principally involved replacement parts, towing and transportation costs, labor, and sometimes travel for any field retrofit campaigns. The Company's estimates are based on historical experience.

(j) Leases

IFRS 16 Leases, introduced a single, on-balance sheet accounting model for leases, as a result, the Company, as a lessee, has recognized right of use assets representing its rights to use the underlying assets, and lease liabilities representing its obligation to make lease payments.

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of an identified asset - this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where all the decisions about how and for what purpose the asset is used are predetermined, the Company has the right to direct the use of the asset if either:
 - the Company has the right to operate the asset; or
 - the Company designed the asset in a way that predetermines how and for what purpose it will be used.

This policy is applied to contracts entered into, or changed, on or after January 1, 2019.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

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The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. Lease payments included in the measurement of the lease liability comprise:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is subsequently measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets in 'Property, plant and equipment' and lease liabilities in 'Lease liability' in the statement of financial position.

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases of properties, equipment and vehicles that have a lease term of twelve months or less. The Company has elected not to recognize right-of-use assets and lease liabilities for low value leases that have initial values of less than \$5,000. The Company recognizes the lease payments associated with these leases as an operating expense on a straight-line basis over the lease.

(k) Financial instruments**Classification**

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless

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they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

The following table shows the classification of the Company's financial instruments under IFRS 9:

Financial assets/liabilities	Classification
Cash and cash equivalents	Amortized cost
Amounts receivable	Amortized cost
Investment	FVTPL
Accounts payable and accrued liabilities	Amortized cost
Long term debt	Amortized cost
Convertible debentures	Amortized cost
Senior secured promissory note	Amortized cost
Derivative asset	FVTPL
Liability classified warrant	FVTPL

Measurement

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the consolidated statement of comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the consolidated statement of loss in the period in which they arise.

Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the credit risk of the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the consolidated statement of comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the consolidated statement of comprehensive loss.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expired. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and / or cash flows of the modified instrument are substantially different, in which case a

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new financial liability based on the modified terms is recognized at fair value. Gains and losses on derecognition are recognized in the consolidated statement of comprehensive loss.

(l) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments, such as guaranteed investment certificates with original maturities of three months or less. Guaranteed investment certificates are investments with Canadian banks that are the equivalent of a certificate of deposit.

(m) Convertible debentures

The debentures are a non-derivative financial instrument that creates a financial liability of the entity and grants an option to the holder of the instrument to convert it into common shares of the Company. On initial recognition, the liability component is recorded at the fair value of a similar liability that does not have a conversion option. The debt was issued with a detachable warrant, therefore the Company considered the aggregate of the debt and warrants issued at fair value, and allocated the equity amounts between warrants and the conversion feature.

Total transaction costs directly attributable to the offerings are allocated proportionately to the liability and equity components of the debentures.

Subsequent to initial recognition, the liability component of the debentures is measured at amortized cost using the effective interest method and is accreted each period, such that the carrying value will equal the principal amount outstanding at maturity. The equity components are not re-measured. The carrying amounts of the liability and conversion feature of the debentures are reclassified to share capital on conversion to common shares. The carrying amount of the share purchase warrants, plus cash received upon exercise, is allocated to share capital on exercise of the share purchase warrants.

The debt contains an embedded prepayment feature, which is not closely related. The amount has been separated and accounted for in a manner similar to a standalone interest rate derivative.

(n) Senior secured promissory note

The promissory notes are recognized as a financial liability at fair value on initial recognition and at inception subsequently designated at fair value. The debt is classified as current or non-current based on contractual repayment terms. Interest is recognized in the consolidated statements of loss over the term of the debt.

Any modification or restructuring is assessed to determine whether it results in a substantial change in terms. Upon modification, the original liability is derecognized, and a new liability is recognized at fair value with any difference in fair value and face value accreted through the consolidated statements of loss over the term of the debt using the effective interest rate method.

The notes include an attached warrant liability that is accounted for as a separate financial instrument. The warrants contain terms that cause it to be net settled in a variable number of shares and have been classified as a financial liability that is initially and subsequently measured at fair value with changes in fair value reported in the consolidated statements of loss.

(o) Share-based payments

Share-based compensation to employees and others providing similar services are measured at the estimated fair value of the instruments issued on the grant date and expensed over the vesting periods.

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Share-based compensation to non-employees is measured at the fair value of the goods or services received or the fair value of the equity instruments issued if the fair value of the goods or services cannot be reliably measured and is recorded at the date the goods or services are received. The fair value of the options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. The amount recognized as an expense is adjusted to reflect the number of awards expected to vest. Share-based payments are credited to contributed surplus.

Proceeds from the exercise of stock options and warrants are recorded as share capital in the amount for which the option or warrant enabled the holder to purchase a share in the Company. Any previously recorded share-based payment included as contributed surplus is transferred to share capital on exercise of options. Share capital issued for non-monetary consideration is valued at the closing market price at the date of issuance. The proceeds from issuance of units are allocated between common shares and warrants based on the residual method. Under this method, the proceeds are allocated first to share capital based on the fair value as determined by the quoted bid price of the common shares and any residual value is allocated to contributed surplus. Consideration received for the exercise of warrants is recorded in share capital, and any related amount recorded in contributed surplus is transferred to share capital. Charges for options or warrants that are cancelled or expire are reclassified from contributed surplus to deficit.

(p) Loss per share

Loss per share is calculated using the weighted average number of shares outstanding during the period. Diluted loss per share is calculated using the treasury stock method whereby all in the money options and warrants are assumed to have been exercised at the beginning of the year and the proceeds from the exercise are assumed to have been used to purchase common shares at the average market price during the period. In periods of loss basic and diluted loss per share are the same, as the effect of the exercise of outstanding options and warrants is anti-dilutive

(q) Income taxes

Deferred and current income tax is recognized using the liability method on temporary differences arising between the tax and accounting bases of assets and liabilities as well as for the benefit of losses available to be carried forward to future years. Deferred income tax is not accounted for if it arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction does not affect either accounting nor taxable profit or loss.

(r) Government grants

Government grants are recognized when there is reasonable assurance that the grants will be received, and all related conditions are complied with. Government assistance received in respect of expenditures are credited to income, in the same period as the expense to which they relate.

4. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES**New interpretations and amended standards adopted by the Company**

The Company adopted the following amendments during the period in accordance with applicable transitional provisions.

IAS 1 – Presentation of Financial Statements has been amended to clarify how to classify debt and other liabilities as either current or non-current and how the entity has the right to defer settlement of a liability arising from a loan arrangement, which contains covenants, for at least twelve months after reporting period.

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The amendment to IAS 1 is effective for the years beginning on or after January 1, 2024. There was no impact on the Company's consolidated financial statements at the adoption date.

Accounting standards issued but not adopted by the Company

Certain new accounting standards and interpretations have been published that are not mandatory for the current period and have not been early adopted as follows. The Company is reviewing the new standards but does not expect their future adoption to have a material impact on Exro in the current or future reporting periods.

IFRS 18 – Presentation and Disclosure in Financial Statements (“IFRS 18”), has been issued to achieve comparability of the financial performance of similar entities. The Standard, which replaces IAS 1, impacts the presentation of primary financial statements and notes, mainly the income statement where companies will be required to present separate categories of income and expense for operating, investing and financing activities with prescribed subtotals for each new category. IFRS 18 will require management-defined performance measures to be explained and included in a separate note within the consolidated financial statements. The Standard is effective for financial statements beginning on January 1, 2027, including interim financial statements and requires retrospective application. The Company is assessing the impact of this standard.

IAS 21 – The Effects of Changes in Foreign Exchange Rates, has been amended to address when there is a lack of exchangeability in currencies and specifies when a currency is exchangeable, and how to determine the exchange rate when it is not. This amendment is effective for annual reporting periods beginning on or after 1 January 2025. The Company does not anticipate a material impact on its financial statement from this amendment.

IFRS 9 Financial Instruments & IFRS 7 Financial Instruments Disclosures – have been amended to clarify the derecognition of financial liabilities settled through an electronic system and provide guidance for assessing the contractual cashflow characteristics of financial assets. The amendments also update the disclosure requirements relating to investments in equity instruments designated at fair value through other comprehensive income and add new disclosures for financial instruments with contingent features that do not relate directly to basic lending risks and costs. This amendment will be effective for annual reporting periods beginning on or after 1 January 2026. The Company is reviewing this amendment but does not expect their future adoption to have a material impact on its financial statements in future reporting periods.

5. BUSINESS COMBINATIONS*SEA Electric Inc.*

Effective April 5, 2024, Exro acquired all of the issued and outstanding shares of SEA Electric Inc. and its operating subsidiaries (“SEA Electric”) through a plan of arrangement and merger. The Company completed the transaction through the issuance of 146,453,200 common and 160,589,446 preferred shares, and the exchange of previously outstanding options and RSU's in SEA Electric for replacement awards in Exro totaling 15,457,723 RSU's and 4,085,873 Options. The total consideration exchanged was \$229,356,584, including Exro's previously held investment in SEA Electric (note 7). SEA Electric is a private global e-Mobility technology company that was founded in Australia in 2012 and since 2022 has been incorporated in the state of Delaware, United States, and is headquartered in Torrance, California. SEA's principal business is the sale of its proprietary all-electric SEA-Drive® power system technology which has been developed to provide zero-emission power to urban delivery and commercial transport fleets.

The acquisition has been accounted for by the acquisition method, and results of operations have been included in these consolidated financial statements from the date of acquisition. The goodwill acquired in this

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acquisition relates primarily to the synergies from the integration of the business acquired, the assembled workforce and non-contractual relationships that have not met the criteria for recognition as an intangible asset.

April 5, 2024		
Assets acquired:		
Accounts receivable	\$	1,167,240
Prepaid expense		3,229,050
Inventory		25,298,156
Property, plant and equipment		5,469,473
Intangible assets		194,469,198
Goodwill		152,810,425
Total assets acquired	\$	382,443,542
Liabilities assumed:		
Accounts payable and accrued liabilities	\$	26,037,911
Unearned revenue		6,499,086
Long term debt		137,207
Lease liability		4,537,995
Warranty Provision		1,104,852
Warrant liability		6,782,942
Deferred tax liability		24,882,213
Total liabilities assumed	\$	69,982,206
Net assets before cash and cash equivalents	\$	312,461,336
Cash and cash equivalents		685,261
Promissory note assumed		(83,790,013)
Net assets acquired	\$	229,356,584
Consideration	Securities Issued	Consideration
Common shares	146,453,200	\$ 124,485,220
Preferred shares	160,589,446	88,725,669
RSUs	15,457,723	6,607,806
Options	4,085,873	2,564,822
Prior investment in SEA Electric	—	6,973,067
Total consideration	\$	229,356,584

These consolidated financial statements incorporate the operating results of SEA Electric commencing on April 5, 2024. During the period from April 5, 2024 to December 31, 2024, the Company recorded \$22,767,120 in revenues and a net loss of \$245,015,438 from SEA Electric, including \$25,539,291 related to the amortization of intangible assets acquired, and \$223,215,594 related to impairment of intangibles and goodwill. Had the SEA Electric acquisition closed on January 1, 2024, management estimates that for the period from January 1, 2024 to December 31, 2024 revenue would have increased to \$28,523,034 and net loss would have increased to \$300,090,605, including estimated amortization of \$9,723,460 related to

Notes to the Consolidated Financial Statements**As at and for the years ended December 31, 2024 and December 31, 2023***(Expressed in Canadian dollars)*

intangible assets acquired. In determining these amounts, management assumes the fair values on the date of acquisition would have been the same as if the acquisition had occurred on January 1, 2024. The results are not necessarily indicative of the performance that would have been achieved, had the business actually combined on January 1, 2024.

The Company incurred costs related to the acquisition of SEA Electric of \$4,593,633, which have been included in transaction costs.

The Company recognized a measurement period adjustment related to the assumed lease liability and acquired property, plant and equipment of \$1,860,285, as well as an adjustment to deferred tax liabilities of \$12,183,124. The fair value of the lease liability and acquired asset were estimated to be equal, with no impact on goodwill or intangible assets. The deferred tax liability increased in conjunction with an increase in goodwill on acquisition due to the true up of deferred tax assets acquired from SEA Electric, followed by a subsequent increase in the impairment expense recognized in Q3 2024 (note 9). In addition, the Company recognized changes in working capital, which resulted in an increase in the goodwill balance acquired of \$279,824.

During the year ended December 31, 2024, the Company identified impairment indicators related to goodwill and intangible assets (note 9).

6. REVENUE FROM CONTRACTS WITH CUSTOMERS***Revenue recognition***

The Company recognized revenue of \$23,074,027, net of rebates, through the delivery of its products during the period.

SEA-Drive® - this consists of sales of SEA-Drive® electric power systems. The Company recognizes revenue when the unit is delivered to the customer. The Company also installs the SEA-Drive® electric power systems into customer-owned chassis.

Coil Driver™ - this relates to the sale and delivery of Exro's Coil Driver™ to end customers. The Company recognizes revenue when the unit is delivered to the Customer.

Cell Driver™ - this relates to the sale and delivery of Exro's Cell Driver to end customers. The Company recognizes revenue when the unit is delivered to the Customer.

Aftersales Products and Services - these consist of add-on products and services occurring after the sale of the SEA-Drive electric power systems. Revenue is recognized when the Company sells parts and control of parts has been transferred, and services have been rendered to the customer.

Revenue for the year was earned from two major customers. These customers accounted for approximately 72% (2023-nil) and 21% (2023- nil) of total revenues.

Revenue previously recognized from the engineering services division has been included in income from discontinued operations (note 19).

Notes to the Consolidated Financial Statements

As at and for the years ended December 31, 2024 and December 31, 2023

(Expressed in Canadian dollars)

Unearned revenue

	December 31, 2024
Balance, December 31, 2023	\$ —
Unearned revenue acquired	6,481,971
Deposits received in the period	7,046,816
Revenue recognized during the period	(9,584,348)
Impact of foreign exchange	270,290
Balance, December 31, 2024	\$ 4,214,729

The Company had previously recognized unearned revenue related to its engineering services department. The operations were discontinued on June 14, 2024 (note 19), and all amounts either included in the disposition or recognized in income from discontinued operations. The Company expects that all of the amount in deferred revenue will be recognized as revenue in the next twelve months.

7. INVESTMENT

On February 9, 2021, the Company announced a collaboration agreement with SEA Electric Holdings Pty Ltd. ("SEA Electric"). As part of the agreement, Exro invested US\$5,000,000 in SEA Electric by subscribing for 124,380 Series A Preferred Shares at a price of US\$40.1995 per share. The shares are convertible into common shares of SEA at the option of Exro and automatically convert to common shares under certain conditions, including SEA completing a going public transaction.

On April 5, 2024 the Company completed the acquisition of SEA Electric (note 5). The investment balance was recorded at the fair value based on the consideration paid to the former shareholders of SEA, and the amount recognized as part of the consideration paid for the business. As at April 5, 2024 the fair value of shares held in SEA Electric were valued at \$56.06 CAD per share, based on Exro's closing share price on April 5, 2024 of \$0.85, for a total value of US\$5,141,810. The amount was recorded at \$6,973,067 and included in consideration for the acquisition of SEA Electric.

	December 31, 2024
Balance, December 31, 2023	\$ 8,357,423
Purchase of investment	—
Fair value gain(loss) on investment	(1,570,796)
Impact of foreign exchange	186,440
Consideration for SEA Electric acquisition	(6,973,067)
Balance, December 31, 2024	\$ —

Notes to the Consolidated Financial Statements

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(Expressed in Canadian dollars)

8. PROPERTY PLANT AND EQUIPMENT

		Right-of-use asset	Machinery and equipment	Furniture and office equipment	Assets under construction	Total
Cost						
Balance, December 31, 2023	\$	7,858,829	\$ 15,976,283	\$ 8,903,544	\$ 5,495,670	\$ 38,234,326
Acquired assets April 5, 2024		4,245,733	476,332	747,408	—	5,469,473
Additions		—	583,611	115,355	1,363,517	2,062,483
Modifications		(57,467)	—	—	—	(57,467)
Dispositions		(1,651,619)	(754,086)	(802,991)	(515,769)	(3,724,464)
Impact of foreign exchange		420,272	229,044	368,545	77,138	1,094,998
Balance, December 31, 2024	\$	10,815,748	\$ 16,511,183	\$ 9,331,862	\$ 6,420,556	\$ 43,079,349
Accumulated Depreciation						
Balance, December 31, 2023	\$	2,429,768	\$ 1,628,038	\$ 2,096,822	\$ —	\$ 6,154,628
Depreciation		1,768,027	1,703,056	1,465,535	—	4,936,618
Dispositions		(389,434)	(232,500)	(478,942)	—	(1,100,877)
Impact of foreign exchange		216,631	119,938	180,774	—	517,343
Balance, December 31, 2024	\$	4,024,992	\$ 3,218,532	\$ 3,264,189	\$ —	\$ 10,507,712
Carrying amounts						
At December 31, 2023	\$	5,429,061	\$ 14,348,245	\$ 6,806,722	\$ 5,495,670	\$ 32,079,698
At December 31, 2024	\$	6,790,757	\$ 13,292,651	\$ 6,067,673	\$ 6,420,556	\$ 32,571,637

The Company recorded leased assets under machinery and equipment with a cost of \$639,875 and accumulated depreciation of \$279,945.

Notes to the Consolidated Financial Statements

As at and for the years ended December 31, 2024 and December 31, 2023

(Expressed in Canadian dollars)

9. INTANGIBLE ASSETS AND GOODWILL

	Customer relationship	Developed technology	Brand name	Goodwill	Total
Cost					
Balance, December 31, 2023	\$ —	\$ —	\$ —	\$ —	\$ —
Acquired assets April 5, 2024	48,569,156	134,892,172	11,007,870	152,810,425	347,279,623
Impairment	(17,490,513)	(48,576,782)	(3,964,106)	(153,184,193)	(223,215,594)
Impact of foreign exchange	1,925,584	5,347,965	436,420	373,768	8,083,737
Balance, December 31, 2024	\$ 33,004,227	\$ 91,663,355	\$ 7,480,184	\$ —	\$ 132,147,766
Accumulated Amortization					
Balance, December 31, 2023	\$ —	\$ —	\$ —	\$ —	\$ —
Amortization	6,378,500	17,715,147	1,445,644	—	25,539,291
Impact of foreign exchange	319,684	887,864	72,454	—	1,280,002
Balance, December 31, 2024	\$ 6,698,184	\$ 18,603,011	\$ 1,518,098	\$ —	\$ 26,819,293
Carrying amounts					
At December 31, 2023	\$ —	\$ —	\$ —	\$ —	\$ —
At December 31, 2024	\$ 26,306,043	\$ 73,060,344	\$ 5,962,086	\$ —	\$ 105,328,473

Impairment

Intangible assets and goodwill are tested for impairment in accordance with the Company's accounting policy. Management reviews the carrying value of its intangible assets and goodwill at each reporting period for indicators of impairment. In addition, management will test the recoverable amount of goodwill annually.

The Company's CGUs are determined based on its production offerings, including Exro SEA Drive, Coil Driver, and Cell Driver. Goodwill of \$152,810,425 and intangible assets of \$194,469,198 have been allocated to the Exro SEA Drive CGU, which was acquired on April 5, 2024 through the acquisition of SEA Electric. During the year ended December 31, 2024, the Company identified indicators of impairment related to the decrease in market capitalization and a decline in forecasted production, compared to the forecasts at the time of acquisition, as a result of slower adoption rates in the EV industry than originally forecasted. The Company recognizes this is an indicator of impairment, which warrants an assessment of the recoverable amount of its CGU. The indicators are directly related to the Exro SEA Drive CGU.

The recoverable amount of the Exro SEA Drive CGU was determined based on the fair value less cost of disposal ("FVLCD"). The Company estimated the recoverable amount based on the discounted cash flows to be generated from continuing operations for the Exro SEA Drive CGU. Cash flow assumptions are based on a combination of historical results and expected future results.

- Expected revenue growth, linked to production volumes
- Expected decrease in cost of production per unit
- Discount rate

Revenue growth rates for the Exro SEA Drive® are based on a forecasted production volumes with the Company's OEM customers, incorporating expected pricing and cost improvements and efficiencies over the

Notes to the Consolidated Financial Statements

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(Expressed in Canadian dollars)

Company's forecasted period, based on budgets and forecasts reviewed by the Company's Board of Directors. The expected revenue growth rates range from 160% to 24% from 2025 through 2029.

The cash flows are prepared on a five-year basis, using a discount rate of 30%. The discount rate was derived from the Company's weighted average cost of capital, adjusted for specific risk factors to the Company. Cash flows from beyond the five-year period are extrapolated using a constant growth rate of 2.0%, and an annuity period of 20 years.

A comparison of the recoverable amounts for the Exro SEA Drive CGU to the carrying value resulted in an impairment expense of \$223,215,594 (note 5). The Company recognized a write-down of goodwill of \$153,184,193, and \$70,031,401 of impairment on the intangible assets acquired. The remaining carrying value of the SEA Drive CGU was \$139,497,089 after impairment.

A sensitivity analysis on the discount rate, and expected future production, would have the following impact on the December 31, 2024 impairment:

	Decrease (Increase) in Impairment Expense
	December 31, 2024
10% increase in forecasted annual production	13,542,269.00
10% decrease in forecasted annual production	(15,935,793.00)
1% increase in discount rate	(4,998,883.00)
1% decrease in discount rate	5,217,291.00

Assumptions that are valid at the time of preparing the impairment test at December 31, 2024 may change significantly when new information becomes available. Management will continue to monitor and update its assumptions and estimates with respect to its CGUs on an ongoing basis.

10. INVENTORY

The components of inventory are as follows:

	December 31, 2024	December 31, 2023
Raw materials	\$ 23,801,181	\$ 6,665,963
Work in progress	5,854,632	—
Finished goods	1,140,903	—
Balance December 31, 2024	\$ 30,796,716	\$ 6,665,963

Inventory is held at the lower of cost and net realizable value. The Company assesses its inventory valuation each period. For the year ended December 31, 2024 the Company recorded a provision against inventory of \$1,863,904 (2023-nil) to adjust inventory balances to the net realizable value, supported by the sale of the Company's products. The write-down was specific to assets directly related to the delivery of the Exro SEA Drive® and recorded in cost of sales on the statement of comprehensive loss. During the year ended December 31, 2024, the Company recognized inventories of \$25,280,052 in cost of sales.

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(Expressed in Canadian dollars)

11. LEASE LIABILITY

	December 31, 2024		December 31, 2023	
Balance, beginning of period	\$	6,803,448	\$	7,291,037
Acquired		4,562,431		556,057
Lease modification		(57,475)		—
Lease payments		(2,605,422)		(1,591,523)
Interest		683,366		604,800
Disposals		(1,428,240)		—
Impact of foreign exchange		314,697		(56,923)
Balance, end of period	\$	8,272,805	\$	6,803,448
Consists of:				
Current lease liability	\$	2,298,260	\$	1,555,270
Non-current lease liability		5,974,545		5,248,178
Balance, end of period	\$	8,272,805	\$	6,803,448

The Company's lease liabilities relate primarily to leased facilities in which the Company conducts its business, including facilities for research and development activities, product manufacturing, and office space.

12. SENIOR SECURED PROMISSORY NOTE

On April 5, 2024, the Company assumed US\$53,446,961 (\$72,482,096) principal amount of senior secured convertible promissory notes (the "Notes") on the acquisition of SEA Electric. The Notes were converted from notes in SEA Electric, to notes in Exro. Subsequent to the one-year anniversary of the issuance of the Notes on April 5, 2025, the holder at its election, was previously able convert the Notes to common shares in Exro at a conversion rate of US\$0.89 per share, in increments of 10% of the outstanding principle balance at a time. The Notes were issued with an original maturity date of April 5, 2027, and accrued interest compounded semi-annually, at the rate of 12% per annum to be paid on the maturity date of the Notes.

On July 22, 2024 the senior secured convertible promissory notes were restructured, removing the conversion feature attached to the Notes. In addition, the Company drew additional funds on the Notes of US\$3.0 million (\$4,056,600) on July 22, 2024 and US\$2.0 million (\$2,704,400) on August 19, 2024. The Company determined that the restructuring was deemed to be an extinguishment and new issuance of the Notes for accounting purposes. The Company estimated the fair value of the restructured Notes to be US\$53,421,772 (\$72,236,920) on July 22, 2024, using a Hull-White single factor interest rate model, before any additional draws. Key assumptions included the estimated credit spread, risk free rate curve, and volatility. The difference between the principal value and accrued interest of US\$54,958,119 (\$74,314,368), as at the date of amendment, and prior to additional draws, and the fair value is accreted through the statement of profit and loss over the life of the Notes using the effective interest rate method.

Subsequent to year end, the Company executed an additional drawdown on the Notes of US\$3.0 million (\$4,331,145) on January 29, 2025, US\$2.0 million (\$2,865,040) on February 11, 2025 and US\$2.5 million (\$3,606,712) on March 12 2024 (note 1). The additional financing was obtained under the existing terms of the Notes. As a result of the drawdown, the Notes maturity is extended to March 12, 2028.

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Beginning on the first anniversary of the issuance of the Notes, the Company is entitled to redeem the debentures at 105% of the principal amount ("redemption price") thereof plus accrued and unpaid Interest at any time following December 31, 2024.

The Company also assumed a warrant liability, related to the exchange of warrants held in SEA Electric, for warrants in Exro, issuable to the holders of the Notes. A total of 13,192,842 warrants (note 5, note 14) were issued on April 5, 2024 with an exercise price of \$0.81.

The Notes previously represented a compound financial instrument, which includes a closely related conversion feature, the host debt, and the prepayment feature. As of December 22, 2024, the Notes were no longer considered a compound instrument. The table below outlines the changes in fair value, and the closing value of the Notes as at December 31, 2024:

	Senior secured promissory note	Liability classified Warrant
Balance, December 31, 2023	\$ —	\$ —
Fair value acquired	83,790,013	6,782,942
Additions	6,863,245	—
Accrued interest	4,999,363	—
Accretion	306,712	—
Change in fair value due to extinguishment	(11,356,485)	—
Change in fair value of warrant		(6,470,934)
Impact of foreign exchange	4,869,378	103,863
Balance at December 31, 2024	\$ 89,472,226	\$ 415,871

Senior secured convertible promissory note

On April 5, 2024 the fair value of the Notes was calculated using partial differential equations with the following assumptions: annualized volatility of 70% based average equity volatility of comparable companies discounted for the impact on convertible debentures, share price of US\$0.63, risk free rate of 5.31%, and a credit spread of 10.79%.

Subsequent to the amendment to the Notes, the Company estimated the fair value of the restructured Notes to be US\$53,421,772 (\$72,236,920) on July 22, 2024, using a Hull-White single factor interest rate model, before any additional draws. Key assumptions included the estimated credit spread, risk free rate curve, and volatility. The difference between the principal value and accrued interest of US\$54,958,119 (\$74,314,368), as at the date of amendment, and prior to additional draws, and the fair value is accreted through the statement of profit and loss over the life of the Notes.

The Company has recognized accrued and capitalized interest of \$4,999,363 on the senior secured promissory note, of which \$2,043,388 was recognized through fair value adjustments prior to the amendment to the debt terms on July 22, 2024, and \$2,955,975 subsequent to the amendment.

Liability classified warrant

The fair value of the liability classified warrants is calculated using a binomial option pricing model, using the following assumptions: share price of \$0.85, risk free rate of 3.63%, and annualized volatility of 80%. The amount is recorded at the fair value on acquisition and adjusted to fair value each period. The Company subsequently remeasured the fair value of the liability classified warrants to be \$415,871 on December 31, 2024, and recognized a fair value gain of \$6,470,934.

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The liability classified warrant may be converted to common shares at the option of the holder within the next year, as such meets the definition of a current liability, reflecting the Company's obligation to deliver a variable number of shares.

13. CONVERTIBLE DEBENTURES

During the year ended December 31, 2024, the Company recognized a change in the derivative asset of \$1,197,127, based on changes to valuation inputs, including changes in time to maturity, share price, and the risk free rate compared to December 31, 2023. The below table summarizes the change in number of convertible debentures outstanding and the liability component of convertible debentures.

	Number of convertible debentures	Liability component	Equity component	Equity warrant	Derivative asset
Balance at December 31, 2023	14,950	\$ 12,089,076	\$ 991,295	\$ 3,477,569	\$ 1,217,346
Accretion		659,307	—	—	—
Change in fair value of derivative asset		—	—	—	(1,197,127)
Balance at December 31, 2024	14,950	\$ 12,748,383	\$ 991,295	\$ 3,477,569	\$ 20,219

The Company settled interest expense of \$1,794,000 on the outstanding convertible debentures for the year ended December 31, 2024, which it settled through the issuance of shares on June 30, 2024 and December 31, 2024 (note 14).

14. SHARE CAPITAL**(a) Authorized common shares**

There are an unlimited number of common shares without par value authorized for issue.

(b) Preferred shares

There are an unlimited number of preferred shares authorized for issue.

On April 5, 2024 the Company issued 160,589,446 preferred shares in connection with the acquisition of SEA Electric. The preferred shares are non-voting; however, will share is the same rights as common shareholders on any dividends declared.

The preferred shares are convertible into common shares through delivery of a declaration confirming the underlying common shares will be sold through facilities of a stock exchange, or alternative trading system,

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in one or more transactions which are not prearranged with any non-arm's length acquirer. Additionally, the preferred shares will be automatically converted into common shares on the following conditions:

- After 5 years from the issuance date of the preferred shares;
- If less than 20% of the preferred shares originally issued remain outstanding or 66% converted are converted; or
- A person other than a permitted holder acquires more than 50% of the issued and outstanding common shares

The preferred shares may be held by a permitted holder, defined as (a) a stockholder of SEA Electric Inc. immediately prior to the closing of the acquisition, and (b) any person any person controlled, directly or indirectly, by one or more of the person described in bullet (a).

(c) Issued and outstanding

At December 31, 2024, the Company had 540,802,464 common shares issued and outstanding, and 57,746,424 preferred shares outstanding.

During the year ended December 31, 2024, the Company:

- Issued 146,453,200 common shares for the acquisition of SEA Electric (note 5)
- Issued 160,589,446 preferred shares for the acquisition of SEA Electric (note 5)
- Issued 31,600,000 common shares at a price of \$0.95 on April 5, 2024 for aggregate gross proceeds of \$30,020,000
- Issued 1,794,000 common shares at a price of \$0.50 for the settlement of interest payments of \$897,000 due on June 30, 2024 in connection with its convertible debenture
- Issued 71,429,000 common shares at a price of \$0.35 on September 13, 2024 for aggregate gross proceeds of \$25,000,150
- Issued an additional 3,571,450 common shares at a price of \$0.31 on September 13, 2024 in relation to a finders fee in connection with the public offering
- Issued 6,407,140 common shares at a price of \$0.14, for the settlement of interest payments of \$897,000 due on December 31, 2024 in connection with its convertible debenture
- Issued 300,000 common shares on the exercise of stock options for total proceeds of \$91,000.
- Issued 500 common shares on the exercise of Warrants
- Issued 3,145,609 common shares on the exercise of RSUs
- Issued 3,236,725 preferred shares on the exercise of RSUs
- Issued 106,079,747 common shares on the conversion of 106,079,747 preferred shares to common shares

During the year ended December 31, 2023, the Company:

- On May 30, 2023 the Company issued 15,525,000 common shares at a price of \$2.25 per common share for aggregate gross proceeds to the Company of \$34,931,250
- Issued 5,448,436 shares on the exercise of warrants for total proceeds of \$7,701,540

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- Issued 973,790 shares on the exercise of options for total proceeds of \$705,848
- Issued 117,452 shares on the exercise of RSUs for nil proceeds
- Issued 1,102,077 common shares for the settlement of interest payments of \$1,796,993 in connection with its convertible debenture

(d) Stock based compensation

The Company's long term incentive plan, 'Exro Omnibus Long-Term Incentive Plan' provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the TSX requirements, grant to directors, officers, employees and consultants of the Company, Restricted Share Units ("RSU"), Performance Share Units ("PSU"), Director Share Units ("DSU"), or Stock Options. The long-term incentive plan is a 10% rolling plan.

Under the incentive plan, the maximum number of common shares that may be granted in favor of any single individual will not exceed 10% of the issued and outstanding common shares at the date of grant. The maximum number of common shares that may be granted in favor of directors and senior officers under the long-term incentive is 10% of the issued and outstanding common shares at the date of grant.

During the years ended December 31, 2024 and 2023 the Company recorded share-based payments of \$2,543,749 and \$4,583,201 respectively. For the period ended December 31, 2024 \$37,428 of share-based payment expense was allocated to research and development (2023 - \$666,737).

	December 31, 2024		December 31, 2023	
Stock based awards	\$	2,506,321	\$	3,916,464
Research & development		37,428		666,737
Balance December 31, 2024	\$	2,543,749	\$	4,583,201

i. Stock options

The fair values of share options granted were estimated using the Black-Scholes option pricing model with the following weighted-average assumptions:

	December 31, 2024	December 31, 2023
Risk-free interest rate	3.98%	3.46%
Estimated annualized volatility	60.00%	94.43%
Expected life	5 years	5 years
Expected dividend yield	0%	0%
Exercise price	\$0.83	\$2.18
Share price	\$0.85	\$2.18
Fair value	\$0.63	\$1.60

The expected volatility is determined using the historical volatility of the Company's share price.

During the year ended December 31, 2024 the Company issued 4,085,873 stock options in connection with the acquisition of SEA Electric (note 5). The options issued were a replacement for previous options outstanding in SEA Electric, and were fully vested at the time of acquisition, as such the full value of the

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options was included in the purchase price consideration. The options issued in connection with the acquisition of SEA Electric are redeemable in a combination of 2,136,993 preferred shares and 1,948,880 common shares.

Stock option transactions and the number of stock options outstanding are summarized below:

	Number	Weighted Average Exercise Price
Balance, December 31, 2023	10,543,607	\$2.14
Granted	4,085,873	\$0.83
Exercised	(300,000)	\$0.30
Forfeited	(2,898,490)	\$2.24
Balance, December 31, 2024	11,430,990	\$1.69

The weighted average share price (at the date of exercise) of options exercised during the year ended December 31, 2024 was \$0.65.

The following table summarizes information about the Company's share options outstanding as at December 31, 2024:

Date of Expiry	Exercise Price	Number of Options Outstanding	Number of Options Exercisable
March 9, 2025	\$0.38	201,667	201,667
August 31, 2025	\$1.00	702,550	702,550
October 13, 2025	\$3.15	1,375,000	1,375,000
January 13, 2026	\$3.93	321,500	321,500
April 6, 2026	\$4.77	840,000	840,000
June 8, 2026	\$0.83	4,085,873	4,085,873
June 28, 2026	\$3.93	210,000	210,000
September 20, 2026	\$2.96	330,000	330,000
November 22, 2026	\$3.75	50,000	50,000
April 12, 2027	\$1.47	552,100	552,100
September 2, 2027	\$1.05	160,550	160,550
November 17, 2027	\$1.44	100,000	100,000
March 10, 2028	\$2.51	371,000	371,000
May 31, 2028	\$2.12	1,326,250	1,326,250
July 4, 2028	\$2.15	804,500	741,800
Total		11,430,990	11,368,290

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ii. Warrants

	December 31, 2024
Risk-free interest rate	2.85%
Estimated annualized volatility	81.90%
Expected life	3 years
Expected dividend yield	0%
Exercise price	\$0.31
Share price	\$0.35
Fair value	\$0.16

During the year ended December 31, 2024 the Company issued 13,192,842 warrants at an exercise price of \$0.81 in conjunction with the acquisition of SEA Electric (note 12). The warrants are liability classified as a result of the ability to net exercise the awards at the option of the holder, resulting in a variable number of shares that could be issued. The fair value of the warrants as at April 5, 2024 is included in the liabilities assumed on the close of the acquisition, and the change in fair value period over period is recognized in the consolidated statement of comprehensive loss.

The Company further issued a total of 37,500,225 warrants in connection with the public offering, at an exercise price of \$0.42. The warrants are listed on the TSX, with a trading value of \$0.15 on September 13, 2024.

The Company issued an additional 2,857,160 broker warrants, equal to 4% of the shares issued in connection with the public offering closed on September 13, 2024, with an exercise price of \$0.35. That warrants were valued using a black-scholes model based on the inputs provided above.

Warrant transactions and the number of stock options outstanding are summarized below:

	Number	Weighted Average Exercise Price
Balance, December 31, 2023	16,355,283	\$2.00
Granted	53,550,227	\$0.51
Exercised	(500)	\$0.42
Balance, December 31, 2024	69,905,010	\$1.47

The following table summarizes information about the Company's warrants outstanding as at December 31, 2024 and December 31, 2023:

Notes to the Consolidated Financial Statements

As at and for the years ended December 31, 2024 and December 31, 2023

(Expressed in Canadian dollars)

Date of Expiry	Exercise Price	December 31, 2024	December 31, 2023
February 4, 2025	\$ 2.00	6,191,225	6,191,225
February 4, 2025	\$ 1.60	90,911	90,911
September 1, 2026	\$ 1.36	3,029,390	3,029,390
September 20, 2026	\$ 1.36	803,757	803,757
September 13, 2027	\$ 0.35	2,857,160	-
September 13, 2027	\$ 0.42	37,499,725	-
December 30, 2027	\$ 2.40	6,240,000	6,240,000
April 5, 2029	\$ 0.81	13,192,842	-
Total		69,905,010	16,355,283

Subsequent to year end, 6,282,136 warrants originally issued on February 4, 2022, expired unexercised on February 4, 2025.

iii. Performance share units

PSU transactions and the number of units outstanding are summarized below:

	Number of Units
Balance, December 31, 2023	754,375
Forfeited	(91,250)
Expired	(265,250)
Balance, December 31, 2024	397,875

The Company issued nil PSU's during the year ended December 31, 2024. The outstanding units vest subject to the Company meeting certain revenue targets. The Company, at its discretion, may settle the award value of vested PSUs in common shares or cash. For the year-ending December 31, 2024, 265,250 PSUs were tied to performance criteria for the trailing twelve month period, which was not met. The PSUs expired during the year-ended December 31, 2024.

The following table summarizes information about the Company's PSU's outstanding as at December 31, 2024:

Date of Expiry	Number of Units Outstanding	Number of Units Exercisable
December 31, 2026	397,875	—
Total	397,875	—

iv. Restricted share units

RSU transactions and the number of units outstanding are summarized below:

Notes to the Consolidated Financial Statements

As at and for the years ended December 31, 2024 and December 31, 2023

(Expressed in Canadian dollars)

	Number of Units
Balance, December 31, 2023	244,810
Granted	15,457,723
Exercised	(6,382,333)
Forfeited	(4,463,850)
Balance, December 31, 2024	4,856,351

The Company issued 15,457,723 RSUs during the year ended December 31, 2024. The Company, at its discretion, may settle the award value of vested RSU's in common shares or cash.

During the year ended December 31, 2024, the Company settled 6,382,334 RSUs for a combination of 3,145,609 common shares and 3,236,725 preferred shares.

The awards have been valued at the pre-combination fair value and post-combination fair value. The pre-combination fair value that would have been previously expensed was included in the purchase price consideration, while the post-combination fair value will be expensed as share based payments over the remaining vesting period.

The following table summarizes information about the Company's RSU's outstanding as at December 31, 2024:

Grant Date	Number of Units Outstanding	Number of Units Exercisable
October 17, 2023	51,000	49,500
April 5, 2024	4,805,351	2,641,022
Total	4,856,351	2,690,522

The 15,457,723 awards were issued on April 5, 2024 in connection with the acquisition of SEA Electric. The awards are settled in a combination of preferred shares and common shares. The awards issued are subject to certain lock up provisions, as such no awards issued through the acquisition are exercisable until October 2, 2024. Subsequent to the year end, awards were settled as disclosed in note 25.

The total outstanding awards on exercise would result in the issuance of 2,343,053 preferred shares and 2,513,297 common shares.

(e) Loss per share

For the year ended December 31, 2024, loss per share includes weighted average common shares of 343,529,104 and weighted average preferred shares of 100,594,720. The preferred and common shares share in the same distribution rights.

Earnings per share from discontinued operations was nil for the year ended December 31, 2024.

For the year ended December 31, 2024, 12,868,290 options, 69,905,010 warrants and 2,641,022 RSU's were exercisable and excluded from the calculation of diluted loss per share as the impact was anti-dilutive (December 31, 2023 - 9,116,701 options and 16,355,283 warrants and nil RSU's were exercisable and excluded from the calculation). An additional 6,229,217 of shares issuable on the conversion of the debentures were excluded from the calculation of diluted loss per share for the year ended December 31, 2024.

Notes to the Consolidated Financial Statements**As at and for the years ended December 31, 2024 and December 31, 2023***(Expressed in Canadian dollars)*

Semi-annual interest payments on the convertible debentures (note 12) may be settled through the issuance of common shares at the Company's option. Such share issuance that may occur in future periods have been excluded from the calculation of diluted loss as the impact was anti-dilutive.

15. FINANCIAL INSTRUMENTS**(a) Fair value**

At December 31, 2024 and December 31, 2023, the carrying values of cash and cash equivalents, accounts-receivable, accounts payable and accrued liabilities and other payables approximate their fair values due to the relatively short period to maturity of those financial instruments. The Company measures its investment at fair value.

The Company uses a fair value hierarchy to reflect the significance of the inputs used in making the measurements. The three levels of the fair value hierarchy are as follows:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3: Inputs that are not based on observable market data.

The following table outlines the fair value hierarchy of the Company's financial instruments that are measured at fair value:

Instrument	Fair value hierarchy
Derivative asset	Level 2
Liability classified warrant	Level 2

(b) Financial risk management

The Company's activities potentially expose it to a variety of financial risks, including credit risk, liquidity risk, and market risk.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. As at December 31, 2024, the Company's exposure to credit risk is the carrying value of cash and balances on trades receivable. The maximum amount of the Company's credit risk exposure is the carrying amounts of cash and cash equivalents and accounts receivable. The Company attempts to mitigate such exposure to its cash by investing only in financial institutions with investment grade credit ratings or secured investments.

The Company's credit risk from its outstanding trade receivables is mitigated by dealing with credit-worthy counterparties in accordance with established credit approval practices. The carrying amount of the Company's receivables represents the maximum counterparty credit exposure.

The Company applies the simplified approach under IFRS 9 and calculated expected credit losses ("ECLs") based on lifetime expected credit losses, taking into consideration historical credit loss experience and financial factors specific to the debtors and general economic conditions.

Notes to the Consolidated Financial Statements**As at and for the years ended December 31, 2024 and December 31, 2023***(Expressed in Canadian dollars)****Liquidity risk***

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments, including risks associated with reaching commercialization and achieving revenue. To secure the additional capital necessary to pursue its plans, the Company intends to raise additional funds through equity or debt financing (note 1).

As at December 31, 2024, the Company had cash of \$2,258,875 and accounts payable of \$32,054,200 and accrued liabilities and other payables of \$4,753,849 due within one year.

The Company holds debentures, with a face value of \$14,950,000 due on December 31, 2027. The debentures carry a coupon rate of 12% annually, resulting in interest payments due of \$897,000 payable semi-annually. The Company has the option to settle the interest payments through share issuances in-lieu of cash. Subsequent to the close of the acquisition of SEA Electric on April 5, 2024 (note 5), no change of control event occurred. The debentures have a maturity date of December 31, 2027.

The Company holds senior secured promissory notes, with a face value plus accrued interest of US\$63,530,599 (\$91,369,707) due on March 12, 2028. The notes carry a coupon rate of 12% annually, with interest compounded semi-annually on June 30, and December 31. The Company is required to pay the full balance plus accrued interest on the maturity date. The following are the contractual maturities of financial liabilities

	1 Year	2-5 Years	More than 5 years	Total
Leases	2,609,627	6,940,186	374,774	9,924,586
AP & Accrued Liabilities	36,808,049	—	—	36,808,049
Promissory note	—	89,472,226	—	89,472,226
Convertible debt	—	12,748,383	—	12,748,383
Total	39,417,676	109,160,795	374,774	148,953,244

Market risk

Market risk consists of currency risk, interest rate risk and other price risk. These are discussed further below.

Foreign exchange risk

Foreign exchange risk is the risk that the fair value of future cash flows will fluctuate due to changes in foreign exchange rates. The Company has financial assets and financial liabilities denoted in US dollars, and Euros and is therefore exposed to exchange rate fluctuations. At December 31, 2024, the Company had the equivalent of \$93,424,619 of net financial liabilities denominated in US dollars, \$1,194,869 of net financial liabilities denominated in Euros, and \$2,272,303 of net financial liabilities denominated in Australian Dollars.

The sensitivity of profit or loss to changes in exchange rate arises primarily from US dollar denominated financial liabilities. A one percent strengthening or weakening of the US dollar against the Canadian dollar as at December 31, 2024 would have had the following impact on the consolidated statement of comprehensive loss

Notes to the Consolidated Financial Statements

As at and for the years ended December 31, 2024 and December 31, 2023

(Expressed in Canadian dollars)

	<i>Impact on consolidated statement of comprehensive loss</i>
USD/CAD exchange rate- increase 1%	649,594
USD/CAD exchange rate- decrease 1%	(649,594)

Interest rate risk

Interest rate risk consists of two components:

- i) To the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, the Company is exposed to interest rate cash flow risk.
- ii) To the extent that changes in prevailing market rates differ from the interest rate in the Company's monetary assets and liabilities, the Company is exposed to interest rate price risk.

Current financial assets and financial liabilities are generally not exposed to interest rate risk because of their short-term nature and maturity.

Other price risk

Other price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk or currency risk. The Company's exposure arises from changes in trade policies in regions where it operates, which can induce increased market volatility and result in fluctuations in the pricing of financial instruments.

16. CAPITAL DISCLOSURES

The Company's objectives when managing capital are to ensure its ability to continue as a going concern in order to pursue the delivery of its products, along with the acquisition and development of technology. The Board of Directors does not establish quantitative return on capital criteria for management but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company is largely dependent upon external financings to fund activities. In order to deliver on its existing customer contracts, carry out planned development and pay for administrative costs, the Company will spend its existing working and raise additional funds. Management reviews its capital management approach on an ongoing basis taking into account economic conditions, risks that impact the operations, and future significant capital investment opportunities. In order to maintain or adjust its capital structure, the Company may issue new equity instruments or raise additional debt financing.

17. ACCOUNTS RECEIVABLE

The following table summarizes the Company's components of accounts receivable:

	December 31, 2024	December 31, 2023
Trade receivable	\$ 1,711,750	\$ 875,019
Other receivables	133,490	3,358,653
Allowance for doubtful accounts	(124,712)	—
	\$ 1,720,528	\$ 4,233,672

Notes to the Consolidated Financial Statements

As at and for the years ended December 31, 2024 and December 31, 2023

(Expressed in Canadian dollars)

18. RESEARCH AND DEVELOPMENT

Costs incurred for research and development activities include materials, supplies and software expenses in order to complete testing over the Company's products. Additionally, the Company allocates payroll and consulting fees, and share-based payment expenses to research and development based on the time attributable to related activities.

The following table summarizes the Company's components of research and development expense:

	December 31, 2024	December 31, 2023
Research and development	\$ 3,259,068	\$ 5,061,155
Payroll and consulting fees	5,622,250	6,060,202
Share-based payments	37,428	666,737
	\$ 8,918,746	\$ 11,788,094

19. DISCONTINUED OPERATIONS

On June 14, 2024, the Company completed a disposition of assets within its Exro Vehicle Systems Inc. entity for consideration of \$304,872. This resulted in discontinuing the operations and engineering services provided by Exro Vehicle Systems Inc. Exro Vehicle Systems Inc. represents a separate major line of business within the Company, therefore, its results have been classified as a discontinued operation in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*.

(a) Results from discontinued operation

The following table summarizes the Company's financial results from discontinued operations:

	For the years ended December 31,	
	2024	2023
Revenue	\$ 2,332,098	\$ 5,736,140
Cost of sales	1,549,468	3,203,735
Gross Profit	\$ 782,630	\$ 2,532,405
EXPENSES		
Research and development	484,809	1,048,798
Selling, general and administration	424,863	731,486
Depreciation expense	269,360	379,666
Interest expense	57,201	132,083
TOTAL EXPENSES	\$ (1,236,232)	\$ (2,292,033)
Other income	136,870	172,032
Loss on disposal of assets	(1,037,403)	(323,442)
Foreign exchange loss	(11,369)	(3,547)
NET INCOME(LOSS) FROM DISCONTINUED OPERATIONS	\$ (1,365,504)	\$ 85,415

Notes to the Consolidated Financial Statements

As at and for years ended December 31, 2024 and December 31, 2023

(Expressed in Canadian dollars)

(b) Cash flows from (used in) discontinued operation

	For the years ended December 31,	
	2024	2023
Cash provided by (used in):		
Cash flows from operating activities	\$ (567,258)	\$ (187,146)
Cash flows from (used in) investing activities	183,958	(191,517)
Cash flows from (used in) financing activities	(46,136)	364,199
Impact of foreign currency translation	283,575	2,910
Net cash flow for the period	\$ (145,861)	\$ (11,554)

20. GOVERNMENT GRANTS

Included in other income is \$2,502,677 (2023 - nil) received as government grants in respect of research and development expenses. The grant is solely intended to compensate for costs related to research and development projects and there are no unfulfilled conditions or contingencies attached to the grant. The Company did not benefit from any other forms of government assistance during the year.

21. EXPENSES BY NATURE

Additional information on the nature of expenses is as follows:

	December 31 2024	December 31, 2023
Payroll and consulting	\$ 31,721,162	\$ 15,562,210
Depreciation and amortization	30,150,240	2,745,835
Materials cost	25,280,052	—
Selling, general and administration	14,913,478	10,152,263
Research and development	8,918,746	11,788,094
Interest expense	8,459,495	2,332,894
Transaction costs	4,593,633	—
Share based payments	2,506,321	3,916,464
Inventory provision	1,863,904	—
Warranty expense	573,777	—
Gain on disposal of assets	(5,103)	(216,825)
Total expenses	\$ 128,975,705	\$ 46,280,935

22. RELATED PARTY TRANSACTIONS**Key Management Compensation**

Key management personnel consist of officers and directors of the Company who are responsible for planning, directing and controlling the activities of the Company. The following table summarizes key

Notes to the Consolidated Financial Statements

As at and for the years ended December 31, 2024 and December 31, 2023

(Expressed in Canadian dollars)

management compensation, including compensation paid to companies that are controlled by the officers and directors:

	December 31, 2024	December 31, 2023
Payroll and consulting fees	4,032,973	4,184,323
Share based payments	529,427	3,534,082
Total	\$ 4,562,400	\$ 7,718,405

23. INCOME TAXES

Income tax expense differs from the amount that would be computed by applying the Canadian statutory income tax rate of 23.0% to income before income taxes. The reasons for the differences are as follows:

	December 31, 2024	December 31, 2023
Net loss before tax for the year	\$ (313,876,274)	\$ (50,623,170)
Statutory tax rate	23.0%	23.0%
Expected income tax recovery	(72,191,543)	(11,643,329)
Items not deductible for tax purposes	43,987,824	1,333,41
Impact of foreign taxes	35,908,038	(251,725)
Adjustments in respect of prior years	641,524	19,137
Change in unrecognized tax assets	16,597,231	10,542,50
Income tax recovery	\$ 24,943,074	\$ —

Notes to the Consolidated Financial Statements

As at and for the years ended December 31, 2024 and December 31, 2023

(Expressed in Canadian dollars)

The tax effected items that give rise to significant portions of the deferred income tax assets and deferred income tax liabilities for the year-ended December 31, 2024 and December 31, 2023 are presented below:

	December 31, 2023	Recognized on acquisition	Recognized in earnings	December 31, 2024
Deferred tax assets:				
Non-capital losses	\$ 25,888,426	\$ 25,973,353	\$ 34,830,285	\$ 86,692,064
Lease liability	1,619,347	—	(604,393)	1,014,954
Warranty provision	—	—	440,939	440,939
Promissory note	—	2,600,821	(1,421,491)	1,179,330
Long-term debt	2,300	—	(2,300)	—
Inventory	—	—	547,729	547,729
Research and Development	—	—	252,196	252,196
Total deferred tax asset	\$ 27,510,073	\$ 28,574,174	\$ 34,042,964	\$ 90,127,212
Deferred tax liabilities:				
Property, plant, and equipment	\$ 3,256,738	\$ —	\$ 679,419	\$ 3,936,157
Intangibles	—	53,456,388	(23,981,689)	29,474,698
Liability classified warrant	—	—	1,464,426	1,464,426
Convertible debenture	938,002	—	(426,980)	511,022
Investment	220,839	—	(220,839)	—
Total deferred tax liability	\$ 4,415,579	\$ 53,456,388	\$ (22,485,663)	\$ 35,386,303
Valuation allowance	\$ 23,094,494		\$ 31,646,414	\$ 54,740,908
Net deferred tax asset (liability)	\$ —	\$ (24,882,213)	\$ 24,882,213	\$ —

The Company recognizes tax benefits on losses or other deductible amounts where the probable criteria for the recognition of deferred tax assets has been met. The Company's unrecognized deductible temporary differences and unused tax losses for which no deferred tax asset is recognized consist of the following amounts:

	December 31, 2024	December 31, 2023
Non-capital losses	\$ 519,130,746	\$ 138,716,954
US deductible stock options	6,719,746	6,719,746
Share issue cost	12,235,874	5,238,410
SR&ED pool	13,847,850	9,511,043
ITC pool	1,936,607	1,936,607
Capital loss carry-forward	69,543	69,543
Interest expense carry-forward	12,414,780	—
	\$ 566,355,146	\$ 162,192,303

The Company has incurred non-capital losses in Canada of approximately \$116,827,512 for the year-ended December 31, 2024 (December 31, 2023 - \$70,354,816) that may be carried forward and used to reduce taxable income which will expire in the years 2026 – 2043. The Company incurred additional non-capital

Notes to the Consolidated Financial Statements**As at and for the years ended December 31, 2024 and December 31, 2023***(Expressed in Canadian dollars)*

losses in the United States of \$190,323,087 for the year-ended December 31, 2024 (December 31, 2023 - \$24,728,066) that may be carried forward indefinitely and applied against taxable income but are subject to certain utilization restrictions. In addition, the Company incurred State non-capital losses of \$177,099,660 for the year ended December 31, 2024 (December 31, 2023 – \$26,158,580). The Company also incurred additional non-capital losses in Australia of \$34,880,487 for the year-ended December 31, 2024 (December 31, 2023 – nil).

24. COMMITMENTS AND CONTINGENCIES

The Company may be subject to a variety of claims and suits that arise from time to time in the ordinary course of business.

The Company's CEO and board chair have been named as defendants in a threatened securities class action suit claiming damages for alleged misrepresentations by the Company in connection with its acquisition of Sea Electric during the year. The Company disputes the allegations contained in the claim and intends to defend the claim vigorously.

Although management currently believes that resolving claims against the Company, individually or in aggregate, will not have a material adverse impact on the Company's financial position, results of operations, or cash flows, these matters are subject to inherent uncertainties and management's view of these matters may change in the future.

25. SUBSEQUENT EVENTS**I. Grants and settlements of stock awards**

Subsequent to year end, the Company issued a total of 40,907,028 stock options to employees, directors and executives of the Company at an exercise price between \$0.095 and \$0.10. The vesting term for the options granted are as follows:

- 16,602,458 options vest on grant date
- Remainder 24,304,570 options vest 20% annually for the next 4 years

Additionally, 252,500 options with grant dates between March 9, 2020, and March 10, 2023, expired unexercised, while 1,200 options were forfeited.

The Company also issued 100,000 RSUs of which 25% will vest one year from grant date and 1/48th of the remainder vest each month for the following 3 years.

The Company settled 2,847,148 RSUs for a combination of 1,358,031 common shares and 1,489,117 preferred shares, and 7,352,759 preferred shares were converted into common shares.

II. Tariffs and trade policies

Effective March 4, 2025, through an executive order signed by the United States President on February 1, 2025, the United States imposed tariffs on imports from a number of countries, including 25% tariffs on all goods from Canada and 10% tariffs on Canadian energy imports. The Government of Canada, other nations, and sub-national governments announced or threatened certain retaliatory measures, including counter tariffs. On March 6, 2025, President Trump amended the Executive Order to exempt goods originating from Canada and Mexico that are covered under the 2020 USMCA trade pact until April 2, 2025.

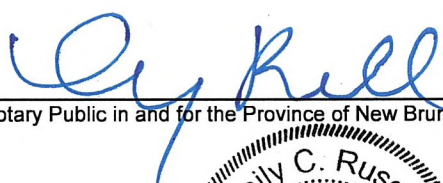
On March 12, 2025, the United States started applying a 25% tariff on imports of steel and aluminum products from all countries, including Canada. The impact of tariffs or other measures, once implemented, is subject to

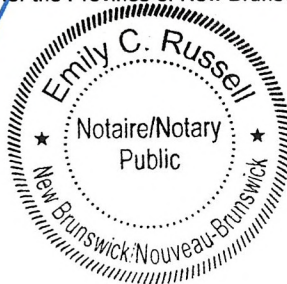
Notes to the Consolidated Financial Statements**As at and for the years ended December 31, 2024 and December 31, 2023***(Expressed in Canadian dollars)*

a number of factors, including the duration of such tariffs or measures, changes in the amount, scope and nature of the tariffs or measures in the future, any further countermeasures that may be taken (which could increase the cost or availability of materials for Exro or its clients), and any mitigating actions that may become available. The introduction of tariffs or non-tariff measures could cause some volatility for the Company and some purchased materials could be impacted, through price increases and/or reduced availability. Efforts would be made to mitigate these impacts by purchasing from alternative sources or by passing these escalated costs on to clients. Additionally, some clients could be impacted by tariffs or non-tariff measures, resulting in less spending by customers. Higher raw material costs brought about by tariffs or other measures, or delayed or cancelled projects could have a material adverse effect on the Company's future earnings and financial position.

THIS IS EXHIBIT "G" REFERRED TO IN THE
AFFIDAVIT OF MARK HOLLERAN

SWORN BEFORE ME THIS 3rd DAY OF
NOVEMBER, 2025.


A Notary Public in and for the Province of New Brunswick



Cantor Industrials Investment Banking

Project Eagle Outreach Tracker

August 18th, 2025



CANTOR

Outreach Summary

0095

Parties	Count	%
Active	14	23%
Dormant	–	–
Pass	28	46%
Non-Responsive / TBD	19	31%
Total Parties	61	100%

Banker Calls	Count	%
Previous Banker Calls	3	100%
Upcoming Banker Calls	–	–
Total Banker Calls	3	100%

NDA's	Count	%
NDA's In Process	2	13%
Signed NDA's - Active	8	53%
Signed NDA's - Passed / Dormant	5	33%
Total NDA's	15	100%

Materials Sent	Count	%
Active	7	58%
Passed / Dormant	5	42%
Total Materials Sent	12	100%

VDR Access	Count	%
Active	5	83%
Passed / Dormant	1	17%
Total VDR Access	6	100%

Outreach Details – Active

0096

Active										
Counterparty	Key Contact(s)	Outreach Responsibility	Last Contact	Teaser Sent	Banker Call	NDA in Process	NDA Signed	Materials Sent	VDR Access	Comments
Aurelius	Stephan Mayerhausen	Cantor / Rozylowicz	07/09/2025	06/26/2025	07/09/2025	06/28/2025	06/30/2025	07/03/2025	—	Banker call conducted 7/9; party reviewing internally
Bonfiglioli	Alessio Donofrio	Cantor / Govinder	08/01/2025	07/28/2025	—	—	—	—	—	Cantor responded regarding their Off-Highway diligence questions
BorgWarner	Daniel Kennel Joe Fadool (CEO)	Cantor / Rozylowicz	07/23/2025	06/26/2025	—	07/14/2025	07/16/2025	07/23/2025	07/23/2025	7/24: Meeting between Sue and Joe Fadool (CEO)
BYD	Patrick Duan (Co-CEO of RIDE) John Zhuang	Cantor / Rozylowicz	08/05/2025	07/23/2025	—	—	—	—	—	Currently taking a look and will circle back after reviewing Cantor followed up 8/5
Caterpillar / Equipmake	Jihad Salahuddin Ian Foley (Equipmake CEO)	Cantor / Govinder	08/18/2025	07/28/2025	—	08/18/2025	—	—	—	Interested in yellow bus contract and work with SEA. Ian has talked to CAT, if there is a business case he will champion the deal for CAT to step up and provide the funding. Next step is to arrange a call with Exro
Enlightened Building Technologies	Jack Bittan	Cantor / McGann	07/22/2025	07/02/2025	07/11/2025	07/02/2025	07/03/2025	07/06/2025	07/11/2025	They are interested in the Cell Driver business 7/22: Cantor followed up
Geely	Maximilian Balfors	Cantor / Govinder	07/27/2025	07/23/2025	—	—	—	—	—	Geely is discussing internally and will revert Cantor to follow up this week
Hidden Harbor	Tucker Coates	Cantor / Rozylowicz	07/18/2025	06/26/2025	—	06/27/2025	07/03/2025	07/03/2025	—	Andrew/Owner has been conflicted with personal matters but is interested in meeting
Mothereson	Kunal Malani (CFO)	Cantor / Rozylowicz	08/05/2025	08/05/2025	—	—	—	—	—	Mothereson reviewing internally before next steps
Nidec	Greg Gorman Araki Takamitsu	Exro Cantor / Govinder	08/06/2025	07/23/2025	—	—	—	—	—	Currently exploring internal interest
QEV Technologies	Joan Orus (CEO)	Cantor / Govinder	08/18/2025	06/30/2025	—	06/30/2025	07/03/2025	07/03/2025	07/29/2025	Trying to schedule call with Joan (CEO)
Visteon	Ryan Ghaezari (Head of Strategy)	Cantor / Rozylowicz	07/29/2025	06/26/2025	—	07/28/2025	07/29/2025	07/29/2025	07/29/2025	—
Volvo	Sean Markham	Exro	08/12/2025	07/10/2025	—	07/10/2025	07/10/2025	07/11/2025	07/14/2025	—
Wolong	Douglas Pang	Exro	07/24/2025	07/24/2025	—	07/24/2025	07/24/2025	—	—	Call took place between Exro and Wolong

Outreach Details – Waiting for Feedback / Outreach in Process ⁰⁰⁹⁷

TBD / Non-Responsive										
Counterparty	Key Contact(s)	Outreach Responsibility	Last Contact	Teaser Sent	Banker Call	NDA in Process	NDA Signed	Materials Sent	VDR Access	Comments
Aebi / Shyft	—	Cantor / Spallina	07/09/2025	07/09/2025	—	—	—	—	—	Exro to reach out
Comer	—	Cantor / Govinder	—	—	—	—	—	—	—	—
Coulomb Solutions	—	Cantor / Nappo	—	—	—	—	—	—	—	Outreach in progress
Denso	Jeremy Van Dam Stephen Milam (CSO)	Cantor / Rozylowicz	07/23/2025	07/23/2025	—	—	—	—	—	Cantor reached out 7/23
Eiringsklinger / Hofer	—	Cantor / Govinder	07/14/2025	06/30/2025	—	—	—	—	—	Cantor team following up
Hino	Glenn Ellis	Exro	06/30/2025	06/30/2025	—	—	—	—	—	—
Isuzu	—	Cantor	—	—	—	—	—	—	—	Cantor assessing connectivity to get to right team
IVECO	—	Cantor / Govinder	—	—	—	—	—	—	—	—
Lucid	Marc Winterhoff	Exro	07/08/2025	07/03/2025	—	—	—	—	—	—
Mack	—	Exro	—	—	—	—	—	—	—	—
Mercedes / Yasa	Jurgen Banken (CEO)	Cantor / Govinder	06/30/2025	06/30/2025	—	—	—	—	—	Cantor team following up
Oshkosh	Matthew Field John Verich	Cantor / Spallina	07/09/2025	06/27/2025	—	—	—	—	—	7/9: Cantor followed up
Podium Advanced Tech	—	Cantor / Govinder	06/26/2025	06/26/2025	—	—	—	—	—	Cantor team following up
Punch Powertrain	Sebastien Mazoyer (CEO)	Cantor / Govinder	07/01/2025	07/01/2025	—	—	—	—	—	Cantor team following up
Stellantis	—	Exro	—	—	—	—	—	—	—	Exro has meeting with Ventures team on 7/22
Toyota	—	Exro	—	—	—	—	—	—	—	—
Traton / Navistar	Chase Bacon	Cantor / Wortendyke	07/09/2025	06/26/2025	—	—	—	—	—	7/9: Cantor followed up
Volkswagen	Bastian Pörner (Director, M&A) Alexander Krick (Head of EV Powertrain)	Cantor / Govinder	08/01/2025	08/01/2025	—	—	—	—	—	Gov reached out to Bastian Pörner and Alexander Krick – latter of which he connected with a couple of years ago re. M&A
Zahid Group	—	Exro	—	—	—	—	—	—	—	—

Outreach Details – Passed

0098

Passed										
Counterparty	Key Contact(s)	Outreach Responsibility	Pass Date	Teaser Sent	Banker Call	NDA in Process	NDA Signed	Materials Sent	VDR Access	Comments
A&M Capital	Michael Cummings (Principal)	Cantor / Rozylowicz	07/18/2025	07/18/2025	—	—	—	—	—	Passed as opportunity is too small in size
Allison	Greg Mann	Cantor / Spallina	06/30/2025	06/27/2025	—	—	—	—	—	Not interested in the opportunity
American Axle / Dowlais	Matthew Paroly	Exro	08/04/2025	07/01/2025	—	07/14/2025	07/21/2025	07/21/2025	07/21/2025	Passed as their immediate focus is on driving synergies and integrating Dowlais. They are currently prioritizing internal execution over new investments
Architect Equity	—	Cantor / Rozylowicz	07/01/2025	06/26/2025	—	—	—	—	—	Passed due to small size
Bedeo Tech / Protean	Steve Lambert	Cantor / Govinder	07/14/2025	06/26/2025	—	—	—	—	—	—
Bosch	—	Cantor / Govinder	07/09/2025	07/01/2025	—	—	—	—	—	—
Continental	—	Cantor / Govinder	07/08/2025	07/01/2025	—	—	—	—	—	Passed due to current internal situations
Cummins	Jeffrey Wiltrout Kyle Fitzpatrick	Cantor / Wortendyke	07/25/2025	06/26/2025	—	—	—	—	—	Tech is not a fit for architectures or applications
Dana	Tim Kraus (CFO) Sam Stroud (Senior Director for Corp Finance / M&A)	Cantor / Rozylowicz	07/17/2025	06/26/2025	—	—	—	—	—	Pass as they are tied up on closing their off-highway sale. They also have looked at Exro in the past
Eaton	Sergio Letelier Angela Vannucci	Cantor / Wortendyke	06/26/2025	06/26/2025	—	—	—	—	—	Passed as this is not an area that is strategic to the Company
Everati	Justin Lunny (CEO)	Cantor / Govinder	—	06/30/2025	—	07/16/2025	07/16/2025	07/16/2025	—	Justin Lunny (CEO) is in the US for the next 4 weeks
Focus Capital	Meir Arnon	Exro	07/22/2025	07/04/2025	—	07/08/2025	—	—	—	Not interested in the opportunity
Fortescue Zero	Pedro Ascenso	Cantor / Govinder	07/09/2025	06/26/2025	—	—	—	—	—	Discussed with management in person 7/9 Passed after reviewing opportunity
Greybull / McLaren Applied	Robbie Brough (Principal)	Cantor / Govinder	07/09/2025	06/30/2025	—	06/30/2025	07/03/2025	07/03/2025	—	Passed due to tech not being established enough to what they already have, in particular around the inverter
JLR	Harry Mustoe	Cantor / Govinder	07/08/2025	06/26/2025	—	—	—	—	—	Passed as they are dealing with internal situations
Linamar	Mark Stoddart	Cantor / Rozylowicz	—	07/28/2025	—	—	—	—	—	Passed after speaking with their team at McLaren
Magna International	Jason Wolkove	Cantor / Wortendyke	06/30/2025	06/26/2025	—	—	—	—	—	Passed as Powertrain team does not think it is a fit
Marelli	—	Cantor / Govinder	07/23/2025	—	—	—	—	—	—	Unlikely given ongoing bankruptcy process
McMurtry	—	Cantor / Govinder	07/23/2025	07/23/2025	—	—	—	—	—	Passed but would like to revisit in a few months if possible
Middleground Europe	Anthony Denaix Alexander van der Have	Cantor / Govinder	07/08/2025	06/26/2025	—	06/27/2025	07/03/2025	07/03/2025	—	Shown opportunity at beginning of year from Rothschild. Feel that it remains too far from revenue profile they are chasing for Xtrac/Helix/Zircor

Outreach Details – Passed

0099

Passed										
Counterparty	Key Contact(s)	Outreach Responsibility	Pass Date	Teaser Sent	Banker Call	NDA in Process	NDA Signed	Materials Sent	VDR Access	Comments
Piëch Family	Gabriel Marquardt	Cantor / Govinder	07/23/2025	07/23/2025	—	—	—	—	—	—
Porsche	—	Cantor / Govinder	07/18/2025	07/01/2025	—	—	—	—	—	Passed as they are downsizing and the powertrain / battery space is not as evolved of a market as they expected
Regal/Rexnord	Regal Rexnord	Cantor / Wortendyke	06/26/2025	06/26/2025	—	—	—	—	—	Passed as Regal/Rexnord does not play in motors/batteries
Rheinmetall	—	Cantor / Govinder	07/01/2025	07/01/2025	—	—	—	—	—	Passed as they are not interested at this time
Rivian	—	Exro	07/08/2025	07/08/2025	—	—	—	—	—	—
Schaeffler	Lisa Armstrong (Director of Strategy & Corporate Development)	Cantor / Rozyłowicz	07/28/2025	06/26/2025	—	—	—	—	—	Passed as they determined that it would not be a good fit after reviewing the opportunity
Tremec	Jeffrey Nichols	Cantor / Govinder	06/26/2025	06/26/2025	—	—	—	—	—	Passed as opportunity does not align with current investment and acquisition priorities
Valore Holdings	Michael Ross (VP)	Cantor / Rozyłowicz	07/11/2025	06/26/2025	07/11/2025	06/27/2025	06/27/2025	07/03/2025	—	Passed as opportunity is not a fit with their strategy

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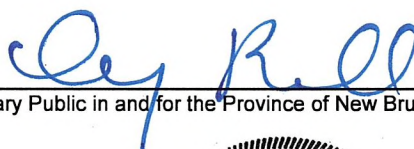
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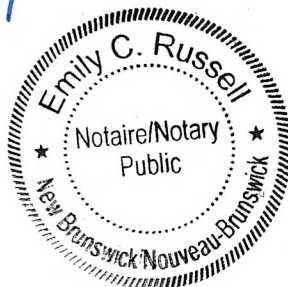
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THIS IS EXHIBIT "H" REFERRED TO IN THE
AFFIDAVIT OF MARK HOLLERAN

SWORN BEFORE ME THIS 3rd DAY OF
NOVEMBER, 2025.



A Notary Public in and for the Province of New Brunswick



Fill in this information to identify the case:

United States Bankruptcy Court for the:

DISTRICT OF DELAWARE

Case number (if known) _____ Chapter 7☐ Check if this is an amended filing**Official Form 201****Voluntary Petition for Non-Individuals Filing for Bankruptcy**

04/25

If more space is needed, attach a separate sheet to this form. On the top of any additional pages, write the debtor's name and the case number (if known). For more information, a separate document, *Instructions for Bankruptcy Forms for Non-Individuals*, is available.

1.	Debtor's name	<u>Exro Technologies USA, Inc.</u>	
2.	All other names debtor used in the last 8 years Include any assumed names, trade names and doing business as names		
3.	Debtor's federal Employer Identification Number (EIN)	<u>85-4127083</u>	
4.	Debtor's address	Principal place of business	Mailing address, if different from principal place of business
		<u>7853 East Ray Road</u>	
		<u>Mesa, AZ 85212-9296</u>	
		Number, Street, City, State & ZIP Code	P.O. Box, Number, Street, City, State & ZIP Code
		<u>Maricopa</u>	
		County	Location of principal assets, if different from principal place of business
			Number, Street, City, State & ZIP Code
5.	Debtor's website (URL)	<u>https://www.exro.com/</u>	
6.	Type of debtor	☒ Corporation (including Limited Liability Company (LLC) and Limited Liability Partnership (LLP)) ☐ Partnership (excluding LLP) ☐ Other. Specify: _____	

Debtor **Exro Technologies USA, Inc.**
Name

Case number (if known)

7. Describe debtor's business A. *Check one:*

- ☐ Health Care Business (as defined in 11 U.S.C. § 101(27A))
- ☐ Single Asset Real Estate (as defined in 11 U.S.C. § 101(51B))
- ☐ Railroad (as defined in 11 U.S.C. § 101(44))
- ☐ Stockbroker (as defined in 11 U.S.C. § 101(53A))
- ☐ Commodity Broker (as defined in 11 U.S.C. § 101(6))
- ☐ Clearing Bank (as defined in 11 U.S.C. § 781(3))
- ☒ None of the above

B. *Check all that apply*

- ☐ Tax-exempt entity (as described in 26 U.S.C. §501)
- ☐ Investment company, including hedge fund or pooled investment vehicle (as defined in 15 U.S.C. §80a-3)
- ☐ Investment advisor (as defined in 15 U.S.C. §80b-2(a)(11))

C. NAICS (North American Industry Classification System) 4-digit code that best describes debtor. See <http://www.uscourts.gov/four-digit-national-association-naics-codes>.

3361**8. Under which chapter of the Bankruptcy Code is the debtor filing?** *Check one:*

- ☒ Chapter 7
- ☐ Chapter 9
- ☐ Chapter 11. *Check all that apply:*
- ☐ Debtor's aggregate noncontingent liquidated debts (excluding debts owed to insiders or affiliates) are less than \$3,424,000 (amount subject to adjustment on 4/01/28 and every 3 years after that).
- ☐ The debtor is a small business debtor as defined in 11 U.S.C. § 101(51D). If the debtor is a small business debtor, attach the most recent balance sheet, statement of operations, cash-flow statement, and federal income tax return or if all of these documents do not exist, follow the procedure in 11 U.S.C. § 1116(1)(B).
- ☐ The debtor is a small business debtor as defined in 11 U.S.C. § 101(51D), and it chooses to proceed under Subchapter V of Chapter 11.
- ☐ A plan is being filed with this petition.
- ☐ Acceptances of the plan were solicited prepetition from one or more classes of creditors, in accordance with 11 U.S.C. § 1126(b).
- ☐ The debtor is required to file periodic reports (for example, 10K and 10Q) with the Securities and Exchange Commission according to § 13 or 15(d) of the Securities Exchange Act of 1934. File the *Attachment to Voluntary Petition for Non-Individuals Filing for Bankruptcy under Chapter 11* (Official Form 201A) with this form.
- ☐ The debtor is a shell company as defined in the Securities Exchange Act of 1934 Rule 12b-2.

☐ Chapter 12**9. Were prior bankruptcy cases filed by or against the debtor within the last 8 years?**

- ☒ No.
- ☐ Yes.

If more than 2 cases, attach a separate list.

District	_____	When	_____	Case number	_____
District	_____	When	_____	Case number	_____

10. Are any bankruptcy cases pending or being filed by a business partner or an affiliate of the debtor?

- ☐ No
- ☒ Yes.

Debtor Exro Technologies USA, Inc.	Case number (if known) _____		
Name _____			
List all cases. If more than 1, attach a separate list	Debtor See Attachment	Relationship _____	_____
	District _____	When _____	Case number, if known _____

11. Why is the case filed in this district? *Check all that apply:*

☒ Debtor has had its domicile, principal place of business, or principal assets in this district for 180 days immediately preceding the date of this petition or for a longer part of such 180 days than in any other district.

☐ A bankruptcy case concerning debtor's affiliate, general partner, or partnership is pending in this district.

12. Does the debtor own or have possession of any real property or personal property that needs immediate attention?

☐ No

☒ Yes. Answer below for each property that needs immediate attention. Attach additional sheets if needed.

Why does the property need immediate attention? (Check all that apply.)

☐ It poses or is alleged to pose a threat of imminent and identifiable hazard to public health or safety.
What is the hazard? _____

☐ It needs to be physically secured or protected from the weather.

☐ It includes perishable goods or assets that could quickly deteriorate or lose value without attention (for example, livestock, seasonal goods, meat, dairy, produce, or securities-related assets or other options).

☒ Other **Batteries and battery cells. Detailed spreadsheet to be furnished to trustee.**

Where is the property? **Detailed spreadsheet to be furnished to trustee**

Number, Street, City, State & ZIP Code _____

Is the property insured?

☒ No

☐ Yes. Insurance agency _____

Contact name _____

Phone _____

Statistical and administrative information

13. Debtor's estimation of available funds *Check one:*

☐ Funds will be available for distribution to unsecured creditors.

☒ After any administrative expenses are paid, no funds will be available to unsecured creditors.

14. Estimated number of creditors

☐ 1-49	☐ 1,000-5,000	☐ 25,001-50,000
☒ 50-99	☐ 5001-10,000	☐ 50,001-100,000
☐ 100-199	☐ 10,001-25,000	☐ More than 100,000
☐ 200-999		

15. Estimated Assets

☐ \$0 - \$50,000	☐ \$1,000,001 - \$10 million	☐ \$500,000,001 - \$1 billion
☐ \$50,001 - \$100,000	☐ \$10,000,001 - \$50 million	☐ \$1,000,000,001 - \$10 billion
☒ \$100,001 - \$500,000	☐ \$50,000,001 - \$100 million	☐ \$10,000,000,001 - \$50 billion
☐ \$500,001 - \$1 million	☐ \$100,000,001 - \$500 million	☐ More than \$50 billion

16. Estimated liabilities

☐ \$0 - \$50,000	☐ \$1,000,001 - \$10 million	☐ \$500,000,001 - \$1 billion
☐ \$50,001 - \$100,000	☒ \$10,000,001 - \$50 million	☐ \$1,000,000,001 - \$10 billion
☐ \$100,001 - \$500,000	☐ \$50,000,001 - \$100 million	☐ \$10,000,000,001 - \$50 billion
☐ \$500,001 - \$1 million	☐ \$100,000,001 - \$500 million	☐ More than \$50 billion

Debtor **Exro Technologies USA, Inc.**
Name

Case number (if known)

Request for Relief, Declaration, and Signatures**WARNING --** Bankruptcy fraud is a serious crime. Making a false statement in connection with a bankruptcy case can result in fines up to \$500,000 or imprisonment for up to 20 years, or both. 18 U.S.C. §§ 152, 1341, 1519, and 3571.**17. Declaration and signature
of authorized
representative of debtor**

The debtor requests relief in accordance with the chapter of title 11, United States Code, specified in this petition.

I have been authorized to file this petition on behalf of the debtor.

I have examined the information in this petition and have a reasonable belief that the information is true and correct.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on 10/30/2025
MM / DD / YYYY**X** /s/ Christopher Rankin
Signature of authorized representative of debtor

Title **Chief Restructuring Officer****Christopher Rankin**
Printed name**18. Signature of attorney****X** /s/ Eric Lopez Schnabel
Signature of attorney for debtorDate 10/30/2025
MM / DD / YYYY**Eric Lopez Schnabel**
Printed name**Dorsey & Whitney (Delaware) LLP**
Firm name**300 Delaware Avenue, Suite 1010**
Wilmington, DE 19801
Number, Street, City, State & ZIP CodeContact phone **302-425-7171**Email address **schnabel.eric@dorsey.com****3672 DE**

Bar number and State

Debtor **Exro Technologies USA, Inc.** Case number (if known) _____
 Name

Fill in this information to identify the case:

United States Bankruptcy Court for the:

DISTRICT OF DELAWARE

Case number (if known) _____ Chapter 7

☐ Check if this is an amended filing

FORM 201. VOLUNTARY PETITION

Pending Bankruptcy Cases Attachment

Debtor	Exro Technologies USA, Inc.	Relationship to you	_____
District	_____	When	<u>10/30/25</u>
Case number, if known	_____		
Debtor	Exro Vehicle Systems, Inc.	Relationship to you	_____
District	_____	When	<u>10/30/25</u>
Case number, if known	_____		
Debtor	Sea Electric, Inc.	Relationship to you	_____
District	_____	When	<u>10/30/25</u>
Case number, if known	_____		
Debtor	Sea Electric, LLC	Relationship to you	_____
District	_____	When	<u>10/30/25</u>
Case number, if known	_____		

B2030 (Form 2030) (12/15)

United States Bankruptcy Court
District of Delaware

In re **Exro Technologies USA, Inc.**

Debtor(s)

Case No.

Chapter

7

DISCLOSURE OF COMPENSATION OF ATTORNEY FOR DEBTOR(S)

1. Pursuant to 11 U.S.C. § 329(a) and Fed. Bankr. P. 2016(b), I certify that I am the attorney for the above named debtor(s) and that compensation paid to me within one year before the filing of the petition in bankruptcy, or agreed to be paid to me, for services rendered or to be rendered on behalf of the debtor(s) in contemplation of or in connection with the bankruptcy case is as follows:

For legal services, I have agreed to accept	\$	<u>50,000.00</u>
Prior to the filing of this statement I have received	\$	<u>50,000.00</u>
Balance Due	\$	<u>0.00</u>
2. The source of the compensation paid to me was:

☐ Debtor ☒ Other (specify): **Exro Technologies, Inc.**
3. The source of compensation to be paid to me is:

☒ Debtor ☐ Other (specify):
4. ☒ I have not agreed to share the above-disclosed compensation with any other person unless they are members and associates of my law firm.
☐ I have agreed to share the above-disclosed compensation with a person or persons who are not members or associates of my law firm. A copy of the agreement, together with a list of the names of the people sharing in the compensation is attached.
5. In return for the above-disclosed fee, I have agreed to render legal service for all aspects of the bankruptcy case, including:
 - a. Analysis of the debtor's financial situation, and rendering advice to the debtor in determining whether to file a petition in bankruptcy;
 - b. Preparation and filing of any petition, schedules, statement of affairs and plan which may be required;
 - c. Representation of the debtor at the meeting of creditors and confirmation hearing, and any adjourned hearings thereof;
 - d. [Other provisions as needed]
6. By agreement with the debtor(s), the above-disclosed fee does not include the following service:
Representation in any other matters that may arise in the bankruptcy case, including any adversary proceeding.

CERTIFICATION

I certify that the foregoing is a complete statement of any agreement or arrangement for payment to me for representation of the debtor(s) in this bankruptcy proceeding.

10/30/2025

Date

/s/ Eric Lopez Schnabel**Eric Lopez Schnabel**

Signature of Attorney

Dorsey & Whitney (Delaware) LLP**300 Delaware Avenue, Suite 1010****Wilmington, DE 19801****302-425-7171****schnabel.eric@dorsey.com**

Name of law firm

**RESOLUTIONS
OF THE BOARD OF DIRECTORS
OF EXRO TECHNOLOGIES USA INC.**

(ADOPTED October 30, 2025)

WHEREAS, pursuant to the Delaware General Corporation Law and company bylaws and other governing documents (the “Governing Documents”) of Exro Technologies USA Inc., a Delaware corporation (the “Company”), the board of directors of the Company (the “Board”) is authorized to consent to, adopt and approve the following resolutions and each and every action effected thereby;

WHEREAS, the Board has reviewed and discussed the Company’s and its subsidiaries’ financial condition and affairs, including that the Company and its subsidiaries have ceased active business operations, has little or no remaining assets, and is unable to pay its debts as they come due;

WHEREAS, the Board has received the advice of management, the Company’s Chief Restructuring Officer (“CRO”) and legal counsel regarding the available alternatives and has determined that it is in the best interests of the Company, its creditors, and other interested parties that the Company file a voluntary petition for relief under Chapter 7 of Title 11 of the United States Code (the “Bankruptcy Code”);

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby authorizes and approves the filing by the Company of a voluntary petition for relief under Chapter 7 of the Bankruptcy Code in the United States Bankruptcy Court for the Delaware;

FURTHER RESOLVED, that the members of the Board have considered their fiduciary duties under applicable law in exercising their powers and discharging their duties, to act honestly and in good faith with a view to the best interests of the Company as a whole, to exercise the care, diligence, and skill that a reasonably prudent person would exercise in comparable circumstances;

FURTHER RESOLVED, that the CRO, any director or duly appointed officer of the Company, each acting individually and with full power of substitution (together with any persons to whom such persons delegate certain responsibilities, collectively, the “Authorized Persons”) be, and hereby is authorized and directed to execute and file, on behalf of the Company, all documents necessary or appropriate in connection with such Chapter 7 filing, including but not limited to the voluntary petition, schedules, statements, lists, and other documents, and to perform all such acts as may be necessary or desirable to carry out the intent and purpose of these resolutions;

FURTHER RESOLVED, that Authorized Persons, including the CRO, be, and hereby are authorized to take such actions as may be necessary to authorize and/or effectuate the filing of voluntary petitions for relief under Chapter 7 of the Bankruptcy Code in the United States Bankruptcy Court for the District of Delaware on behalf of the Company’s subsidiaries;

FURTHER RESOLVED, that each of the Authorized Persons, acting individually and with full power of substitution, be, and hereby is, authorized, empowered and directed to employ the following professionals on behalf of the Company the law firm of Dorsey & Whitney LLP, as general bankruptcy counsel and any other legal counsel, accountants, financial advisors, restructuring advisors, or other professionals such Authorized Person deems necessary, appropriate, or advisable; each to represent and assist the Company in carrying out its duties and responsibilities and exercising its rights under the Bankruptcy Code and any applicable law (including, but not limited to, the law firms filing any pleadings or responses) and to take any and all actions to advance the rights and obligations of the Company, including filing any motions, objections, replies, applications, or pleadings; and in connection therewith, each of the Authorized Persons be, and hereby is authorized, empowered, and directed, in accordance with the terms and conditions hereof, to execute appropriate retention agreements, pay appropriate retainers, and to cause to be filed appropriate applications for authority to retain such services.

FURTHER RESOLVED, that in addition to the specific authorizations heretofore conferred upon the Authorized Persons, the Authorized Persons, either individually or as otherwise required by the Company's Governing Documents and applicable law, be, and each of them hereby is, authorized to execute (under hand or under the common seal of the Company if appropriate), acknowledge, deliver, and file any and all agreements, certificates, instruments, powers of attorney, letters, forms, transfer, deeds and other documents on behalf of the Company relating to the Chapter 7 case;

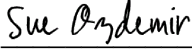
FURTHER RESOLVED, that, in addition to the specific authorizations heretofore conferred upon the Authorized Persons, the Authorized Persons, either individually or as otherwise required by the Company's Governing Documents and applicable law, be, and each of them hereby is, authorized to take any and all such other and further actions, and to do all such other deeds and other things as the Company may lawfully do, in accordance with its Governing Documents and applicable law, including but not limited to, the negotiation, finalization, execution, acknowledgement, delivery, and filing of any and all agreements, certificates, instruments, powers of attorney, letters, forms, transfer, deeds, and other documents on behalf of the Company, and the payment of all expenses, including but not limited to filing fees, in each case as such Authorized Person's or Authorized Persons' may, in his/her/its/their absolute and unfettered discretion approve, deem or determine necessary, appropriate, advisable, or desirable in order to fully carry out the intent and accomplish the purposes of the resolutions adopted herein; such approval, deeming, or determination to be conclusively evidenced by said individual taking such action or the execution thereof;

FURTHER RESOLVED, that the Board has received sufficient notice of the actions and transactions relating to the matters contemplated by the foregoing resolutions, as may be required by the organizational documents of the Company, or hereby waive any right to have received such notice; and

FURTHER RESOLVED, that all acts, actions, and transactions relating to the matters contemplated by the foregoing resolutions done in the name of and on behalf of the Company, which acts would have been approved by the foregoing resolutions except that such acts were taken before the adoption of these resolutions, are hereby in all respects approved, confirmed and ratified as the true acts and deeds of the Company with the same force and effect as if each

such act, transaction, agreement, or certificate had been specifically authorized in advance by resolution of the Board.

IN WITNESS WHEREOF, the undersigned executed these Resolutions of the Board of Directors of Exro Technologies USA Inc. as of October 30, 2025.

DocuSigned by:

BEE08FA247A64EF...
Sue Ozdemir

Fill in this information to identify the case:

United States Bankruptcy Court for the:

DISTRICT OF DELAWARE

Case number (if known) _____ Chapter 7☐ Check if this is an amended filing**Official Form 201****Voluntary Petition for Non-Individuals Filing for Bankruptcy**

04/25

If more space is needed, attach a separate sheet to this form. On the top of any additional pages, write the debtor's name and the case number (if known). For more information, a separate document, *Instructions for Bankruptcy Forms for Non-Individuals*, is available.

1.	Debtor's name	<u>Exro Vehicle Systems, Inc.</u>	
2.	All other names debtor used in the last 8 years Include any assumed names, trade names and <i>doing business as</i> names		
3.	Debtor's federal Employer Identification Number (EIN)	<u>85-4127083</u>	
4.	Debtor's address	Principal place of business <u>2140 S Dupont Hwy</u> <u>Camden Wyoming, DE 19934</u> Number, Street, City, State & ZIP Code <u>Kent</u> County	Mailing address, if different from principal place of business _____ P.O. Box, Number, Street, City, State & ZIP Code Location of principal assets, if different from principal place of business _____ Number, Street, City, State & ZIP Code
5.	Debtor's website (URL)	<u>https://www.exro.com/</u>	
6.	Type of debtor	☒ Corporation (including Limited Liability Company (LLC) and Limited Liability Partnership (LLP)) ☐ Partnership (excluding LLP) ☐ Other. Specify: _____	

Debtor **Exro Vehicle Systems, Inc.**
Name

Case number (if known)

7. Describe debtor's business A. Check one:

- ☐ Health Care Business (as defined in 11 U.S.C. § 101(27A))
- ☐ Single Asset Real Estate (as defined in 11 U.S.C. § 101(51B))
- ☐ Railroad (as defined in 11 U.S.C. § 101(44))
- ☐ Stockbroker (as defined in 11 U.S.C. § 101(53A))
- ☐ Commodity Broker (as defined in 11 U.S.C. § 101(6))
- ☐ Clearing Bank (as defined in 11 U.S.C. § 781(3))
- ☒ None of the above

B. Check all that apply

- ☐ Tax-exempt entity (as described in 26 U.S.C. §501)
- ☐ Investment company, including hedge fund or pooled investment vehicle (as defined in 15 U.S.C. §80a-3)
- ☐ Investment advisor (as defined in 15 U.S.C. §80b-2(a)(11))

C. NAICS (North American Industry Classification System) 4-digit code that best describes debtor. See <http://www.uscourts.gov/four-digit-national-association-naics-codes>.

3361**8. Under which chapter of the Bankruptcy Code is the debtor filing?** Check one:

- ☒ Chapter 7
- ☐ Chapter 9
- ☐ Chapter 11. Check **all** that apply:
- ☐ Debtor's aggregate noncontingent liquidated debts (excluding debts owed to insiders or affiliates) are less than \$3,424,000 (amount subject to adjustment on 4/01/28 and every 3 years after that).
- ☐ The debtor is a small business debtor as defined in 11 U.S.C. § 101(51D). If the debtor is a small business debtor, attach the most recent balance sheet, statement of operations, cash-flow statement, and federal income tax return or if all of these documents do not exist, follow the procedure in 11 U.S.C. § 1116(1)(B).
- ☐ The debtor is a small business debtor as defined in 11 U.S.C. § 101(51D), and it chooses to proceed under Subchapter V of Chapter 11.
- ☐ A plan is being filed with this petition.
- ☐ Acceptances of the plan were solicited prepetition from one or more classes of creditors, in accordance with 11 U.S.C. § 1126(b).
- ☐ The debtor is required to file periodic reports (for example, 10K and 10Q) with the Securities and Exchange Commission according to § 13 or 15(d) of the Securities Exchange Act of 1934. File the *Attachment to Voluntary Petition for Non-Individuals Filing for Bankruptcy under Chapter 11* (Official Form 201A) with this form.
- ☐ The debtor is a shell company as defined in the Securities Exchange Act of 1934 Rule 12b-2.
- ☐ Chapter 12

9. Were prior bankruptcy cases filed by or against the debtor within the last 8 years?

- ☒ No.
- ☐ Yes.

If more than 2 cases, attach a separate list.

District	_____	When	_____	Case number	_____
District	_____	When	_____	Case number	_____

10. Are any bankruptcy cases pending or being filed by a business partner or an affiliate of the debtor?

- ☐ No
- ☒ Yes.

Debtor Exro Vehicle Systems, Inc.	Case number (if known) _____		
Name _____			
List all cases. If more than 1, attach a separate list	Debtor See Attachment	Relationship _____	_____
	District _____	When _____	Case number, if known _____

11. Why is the case filed in this district? *Check all that apply:*

☒ Debtor has had its domicile, principal place of business, or principal assets in this district for 180 days immediately preceding the date of this petition or for a longer part of such 180 days than in any other district.

☐ A bankruptcy case concerning debtor's affiliate, general partner, or partnership is pending in this district.

12. Does the debtor own or have possession of any real property or personal property that needs immediate attention?

☐ No

☒ Yes. Answer below for each property that needs immediate attention. Attach additional sheets if needed.

Why does the property need immediate attention? (Check all that apply.)

☐ It poses or is alleged to pose a threat of imminent and identifiable hazard to public health or safety.
What is the hazard? _____

☐ It needs to be physically secured or protected from the weather.

☐ It includes perishable goods or assets that could quickly deteriorate or lose value without attention (for example, livestock, seasonal goods, meat, dairy, produce, or securities-related assets or other options).

☒ Other **Batteries and battery cells. Detailed spreadsheet to be furnished to trustee.**

Where is the property? **Detailed spreadsheet to be furnished to trustee**

Number, Street, City, State & ZIP Code _____

Is the property insured?

☒ No

☐ Yes. Insurance agency _____

Contact name _____

Phone _____

Statistical and administrative information

13. Debtor's estimation of available funds *Check one:*

☐ Funds will be available for distribution to unsecured creditors.

☒ After any administrative expenses are paid, no funds will be available to unsecured creditors.

14. Estimated number of creditors

☒ 1-49	☐ 1,000-5,000	☐ 25,001-50,000
☐ 50-99	☐ 5001-10,000	☐ 50,001-100,000
☐ 100-199	☐ 10,001-25,000	☐ More than 100,000
☐ 200-999		

15. Estimated Assets

☒ \$0 - \$50,000	☐ \$1,000,001 - \$10 million	☐ \$500,000,001 - \$1 billion
☐ \$50,001 - \$100,000	☐ \$10,000,001 - \$50 million	☐ \$1,000,000,001 - \$10 billion
☐ \$100,001 - \$500,000	☐ \$50,000,001 - \$100 million	☐ \$10,000,000,001 - \$50 billion
☐ \$500,001 - \$1 million	☐ \$100,000,001 - \$500 million	☐ More than \$50 billion

16. Estimated liabilities

☐ \$0 - \$50,000	☐ \$1,000,001 - \$10 million	☐ \$500,000,001 - \$1 billion
☐ \$50,001 - \$100,000	☒ \$10,000,001 - \$50 million	☐ \$1,000,000,001 - \$10 billion
☐ \$100,001 - \$500,000	☐ \$50,000,001 - \$100 million	☐ \$10,000,000,001 - \$50 billion
☐ \$500,001 - \$1 million	☐ \$100,000,001 - \$500 million	☐ More than \$50 billion

Debtor **Exro Vehicle Systems, Inc.**
Name

Case number (if known)

Request for Relief, Declaration, and Signatures**WARNING** -- Bankruptcy fraud is a serious crime. Making a false statement in connection with a bankruptcy case can result in fines up to \$500,000 or imprisonment for up to 20 years, or both. 18 U.S.C. §§ 152, 1341, 1519, and 3571.**17. Declaration and signature
of authorized
representative of debtor**

The debtor requests relief in accordance with the chapter of title 11, United States Code, specified in this petition.

I have been authorized to file this petition on behalf of the debtor.

I have examined the information in this petition and have a reasonable belief that the information is true and correct.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on 10/30/2025
MM / DD / YYYY**X** /s/ Christopher Rankin
Signature of authorized representative of debtor

Title Chief Restructuring Officer**Christopher Rankin**
Printed name**18. Signature of attorney****X** /s/ Eric Lopez Schnabel
Signature of attorney for debtorDate 10/30/2025
MM / DD / YYYY**Eric Lopez Schnabel**
Printed name**Dorsey & Whitney (Delaware) LLP**
Firm name**300 Delaware Avenue, Suite 1010**
Wilmington, DE 19801
Number, Street, City, State & ZIP CodeContact phone 302-425-7171Email address schnabel.eric@dorsey.com**3672 DE**

Bar number and State

Debtor **Exro Vehicle Systems, Inc.**
Name

Case number (if known)

Fill in this information to identify the case:

United States Bankruptcy Court for the:

DISTRICT OF DELAWARE

Case number (if known) Chapter **7**☐ Check if this is an amended filing**FORM 201. VOLUNTARY PETITION****Pending Bankruptcy Cases Attachment**

Debtor	Exro Technologies USA, Inc.	Relationship to you	
District		When	10/30/25
Case number, if known			
Debtor	Exro Vehicle Systems, Inc.	Relationship to you	
District		When	10/30/25
Case number, if known			
Debtor	Sea Electric LLC	Relationship to you	
District		When	10/30/25
Case number, if known			
Debtor	Sea Electric, Inc.	Relationship to you	
District		When	
Case number, if known			

B2030 (Form 2030) (12/15)

**United States Bankruptcy Court
District of Delaware**

In re **Exro Vehicle Systems, Inc.**

Debtor(s)

Case No.

Chapter

7

DISCLOSURE OF COMPENSATION OF ATTORNEY FOR DEBTOR(S)

1. Pursuant to 11 U.S.C. § 329(a) and Fed. Bankr. P. 2016(b), I certify that I am the attorney for the above named debtor(s) and that compensation paid to me within one year before the filing of the petition in bankruptcy, or agreed to be paid to me, for services rendered or to be rendered on behalf of the debtor(s) in contemplation of or in connection with the bankruptcy case is as follows:

For legal services, I have agreed to accept	\$	<u>50,000.00</u>
Prior to the filing of this statement I have received	\$	<u>50,000.00</u>
Balance Due	\$	<u>0.00</u>

2. The source of the compensation paid to me was:

☐ Debtor ☒ Other (specify): **Exro Technologies, Inc.**

3. The source of compensation to be paid to me is:

☒ Debtor ☐ Other (specify):

4. ☒ I have not agreed to share the above-disclosed compensation with any other person unless they are members and associates of my law firm.

☐ I have agreed to share the above-disclosed compensation with a person or persons who are not members or associates of my law firm. A copy of the agreement, together with a list of the names of the people sharing in the compensation is attached.

5. In return for the above-disclosed fee, I have agreed to render legal service for all aspects of the bankruptcy case, including:

- a. Analysis of the debtor's financial situation, and rendering advice to the debtor in determining whether to file a petition in bankruptcy;
- b. Preparation and filing of any petition, schedules, statement of affairs and plan which may be required;
- c. Representation of the debtor at the meeting of creditors and confirmation hearing, and any adjourned hearings thereof;
- d. [Other provisions as needed]

6. By agreement with the debtor(s), the above-disclosed fee does not include the following service:

Representation in any other matters that may arise in the bankruptcy case, including any adversary proceeding.

CERTIFICATION

I certify that the foregoing is a complete statement of any agreement or arrangement for payment to me for representation of the debtor(s) in this bankruptcy proceeding.

10/30/2025

Date

/s/ Eric Lopez Schnabel

Eric Lopez Schnabel

Signature of Attorney

Dorsey & Whitney (Delaware) LLP

300 Delaware Avenue, Suite 1010

Wilmington, DE 19801

302-425-7171

schnabel.eric@dorsey.com

Name of law firm

**RESOLUTIONS
OF THE BOARD OF DIRECTORS
OF EXRO VEHICLE SYSTEMS INC.**

(ADOPTED October 30, 2025)

WHEREAS, pursuant to the Delaware General Corporation Law and company bylaws and other governing documents (the “Governing Documents”) of Exro Vehicle Systems Inc., a Delaware corporation (the “Company”), the board of directors of the Company (the “Board”) is authorized to consent to, adopt and approve the following resolutions and each and every action effected thereby;

WHEREAS, the Board has reviewed and discussed the Company’s financial condition and affairs, including that the Company has ceased active business operations, has little or no remaining assets, and is unable to pay its debts as they come due;

WHEREAS, the Board has received the advice of management, the Company’s Chief Restructuring Officer (“CRO”) and legal counsel regarding the available alternatives and has determined that it is in the best interests of the Company, its creditors, and other interested parties that the Company file a voluntary petition for relief under Chapter 7 of Title 11 of the United States Code (the “Bankruptcy Code”);

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby authorizes and approves the filing by the Company of a voluntary petition for relief under Chapter 7 of the Bankruptcy Code in the United States Bankruptcy Court for the Delaware;

FURTHER RESOLVED, that the members of the Board have considered their fiduciary duties under applicable law in exercising their powers and discharging their duties, to act honestly and in good faith with a view to the best interests of the Company as a whole, to exercise the care, diligence, and skill that a reasonably prudent person would exercise in comparable circumstances;

FURTHER RESOLVED, that the CRO, any director or duly appointed officer of the Company, each acting individually and with full power of substitution (together with any persons to whom such persons delegate certain responsibilities, collectively, the “Authorized Persons”) be, and hereby is authorized and directed to execute and file, on behalf of the Company, all documents necessary or appropriate in connection with such Chapter 7 filing, including but not limited to the voluntary petition, schedules, statements, lists, and other documents, and to perform all such acts as may be necessary or desirable to carry out the intent and purpose of these resolutions;

FURTHER RESOLVED, that each of the Authorized Persons, acting individually and with full power of substitution, be, and hereby is, authorized, empowered and directed to employ the following professionals on behalf of the Company the law firm of Dorsey & Whitney LLP, as general bankruptcy counsel and any other legal counsel, accountants, financial advisors, restructuring advisors, or other professionals such Authorized Person deems necessary, appropriate, or advisable; each to represent and assist the Company in carrying out its duties and

responsibilities and exercising its rights under the Bankruptcy Code and any applicable law (including, but not limited to, the law firms filing any pleadings or responses) and to take any and all actions to advance the rights and obligations of the Company, including filing any motions, objections, replies, applications, or pleadings; and in connection therewith, each of the Authorized Persons be, and hereby is authorized, empowered, and directed, in accordance with the terms and conditions hereof, to execute appropriate retention agreements, pay appropriate retainers, and to cause to be filed appropriate applications for authority to retain such services.

FURTHER RESOLVED, that in addition to the specific authorizations heretofore conferred upon the Authorized Persons, the Authorized Persons, either individually or as otherwise required by the Company's Governing Documents and applicable law, be, and each of them hereby is, authorized to execute (under hand or under the common seal of the Company if appropriate), acknowledge, deliver, and file any and all agreements, certificates, instruments, powers of attorney, letters, forms, transfer, deeds and other documents on behalf of the Company relating to the Chapter 7 case;

FURTHER RESOLVED, that, in addition to the specific authorizations heretofore conferred upon the Authorized Persons, the Authorized Persons, either individually or as otherwise required by the Company's Governing Documents and applicable law, be, and each of them hereby is, authorized to take any and all such other and further actions, and to do all such other deeds and other things as the Company may lawfully do, in accordance with its Governing Documents and applicable law, including but not limited to, the negotiation, finalization, execution, acknowledgement, delivery, and filing of any and all agreements, certificates, instruments, powers of attorney, letters, forms, transfer, deeds, and other documents on behalf of the Company, and the payment of all expenses, including but not limited to filing fees, in each case as such Authorized Person's or Authorized Persons' may, in his/her/its/their absolute and unfettered discretion approve, deem or determine necessary, appropriate, advisable, or desirable in order to fully carry out the intent and accomplish the purposes of the resolutions adopted herein; such approval, deeming, or determination to be conclusively evidenced by said individual taking such action or the execution thereof;

FURTHER RESOLVED, that the Board has received sufficient notice of the actions and transactions relating to the matters contemplated by the foregoing resolutions, as may be required by the organizational documents of the Company, or hereby waive any right to have received such notice; and

FURTHER RESOLVED, that all acts, actions, and transactions relating to the matters contemplated by the foregoing resolutions done in the name of and on behalf of the Company, which acts would have been approved by the foregoing resolutions except that such acts were taken before the adoption of these resolutions, are hereby in all respects approved, confirmed and ratified as the true acts and deeds of the Company with the same force and effect as if each such act, transaction, agreement, or certificate had been specifically authorized in advance by resolution of the Board.

IN WITNESS WHEREOF, the undersigned executed these Resolutions of the Board of Directors of Exro Vehicle Systems Inc. as of October 30, 2025.

DocuSigned by:

BEE08EA247A64EF...
Sue Ozdemir

Fill in this information to identify the case:

United States Bankruptcy Court for the:

DISTRICT OF DELAWARE

Case number (if known) _____ Chapter 7☐ Check if this is an amended filing**Official Form 201****Voluntary Petition for Non-Individuals Filing for Bankruptcy**

04/25

If more space is needed, attach a separate sheet to this form. On the top of any additional pages, write the debtor's name and the case number (if known). For more information, a separate document, *Instructions for Bankruptcy Forms for Non-Individuals*, is available.

1.	Debtor's name	<u>SEA Electric, Inc.</u>	
2.	All other names debtor used in the last 8 years Include any assumed names, trade names and <i>doing business as</i> names		
3.	Debtor's federal Employer Identification Number (EIN)	<u>88-1652497</u>	
4.	Debtor's address	Principal place of business	Mailing address, if different from principal place of business
	<u>Corporation Trust Center 1209 Orange St</u>		
	<u>Wilmington, DE 19801</u>		
	Number, Street, City, State & ZIP Code		P.O. Box, Number, Street, City, State & ZIP Code
	<u>New Castle</u>		
	County		Location of principal assets, if different from principal place of business
			Number, Street, City, State & ZIP Code
5.	Debtor's website (URL)	<u>https://www.exro.com/</u>	
6.	Type of debtor	☒ Corporation (including Limited Liability Company (LLC) and Limited Liability Partnership (LLP)) ☐ Partnership (excluding LLP) ☐ Other. Specify: _____	

Debtor **SEA Electric, Inc.**
Name

Case number (if known)

7. Describe debtor's business A. *Check one:*

- ☐ Health Care Business (as defined in 11 U.S.C. § 101(27A))
- ☐ Single Asset Real Estate (as defined in 11 U.S.C. § 101(51B))
- ☐ Railroad (as defined in 11 U.S.C. § 101(44))
- ☐ Stockbroker (as defined in 11 U.S.C. § 101(53A))
- ☐ Commodity Broker (as defined in 11 U.S.C. § 101(6))
- ☐ Clearing Bank (as defined in 11 U.S.C. § 781(3))
- ☒ None of the above

B. *Check all that apply*

- ☐ Tax-exempt entity (as described in 26 U.S.C. §501)
- ☐ Investment company, including hedge fund or pooled investment vehicle (as defined in 15 U.S.C. §80a-3)
- ☐ Investment advisor (as defined in 15 U.S.C. §80b-2(a)(11))

C. NAICS (North American Industry Classification System) 4-digit code that best describes debtor. See <http://www.uscourts.gov/four-digit-national-association-naics-codes>.

3361**8. Under which chapter of the Bankruptcy Code is the debtor filing?** *Check one:*

- ☒ Chapter 7
- ☐ Chapter 9
- ☐ Chapter 11. *Check all that apply:*
- ☐ Debtor's aggregate noncontingent liquidated debts (excluding debts owed to insiders or affiliates) are less than \$3,424,000 (amount subject to adjustment on 4/01/28 and every 3 years after that).
- ☐ The debtor is a small business debtor as defined in 11 U.S.C. § 101(51D). If the debtor is a small business debtor, attach the most recent balance sheet, statement of operations, cash-flow statement, and federal income tax return or if all of these documents do not exist, follow the procedure in 11 U.S.C. § 1116(1)(B).
- ☐ The debtor is a small business debtor as defined in 11 U.S.C. § 101(51D), and it chooses to proceed under Subchapter V of Chapter 11.
- ☐ A plan is being filed with this petition.
- ☐ Acceptances of the plan were solicited prepetition from one or more classes of creditors, in accordance with 11 U.S.C. § 1126(b).
- ☐ The debtor is required to file periodic reports (for example, 10K and 10Q) with the Securities and Exchange Commission according to § 13 or 15(d) of the Securities Exchange Act of 1934. File the *Attachment to Voluntary Petition for Non-Individuals Filing for Bankruptcy under Chapter 11* (Official Form 201A) with this form.
- ☐ The debtor is a shell company as defined in the Securities Exchange Act of 1934 Rule 12b-2.
- ☐ Chapter 12

9. Were prior bankruptcy cases filed by or against the debtor within the last 8 years?

- ☒ No.
- ☐ Yes.

If more than 2 cases, attach a separate list.

District	_____	When	_____	Case number	_____
District	_____	When	_____	Case number	_____

10. Are any bankruptcy cases pending or being filed by a business partner or an affiliate of the debtor?

- ☐ No
- ☒ Yes.

Debtor **SEA Electric, Inc.**
Name

Case number (if known)

List all cases. If more than 1,
attach a separate listDebtor **See Attachment**

District _____ When _____

Relationship

Case number, if known _____

11. Why is the case filed in this district?*Check all that apply:*

- ☒ Debtor has had its domicile, principal place of business, or principal assets in this district for 180 days immediately preceding the date of this petition or for a longer part of such 180 days than in any other district.
- ☐ A bankruptcy case concerning debtor's affiliate, general partner, or partnership is pending in this district.

12. Does the debtor own or have possession of any real property or personal property that needs immediate attention?☐ No☒ Yes. Answer below for each property that needs immediate attention. Attach additional sheets if needed.**Why does the property need immediate attention?** *(Check all that apply.)*☐ It poses or is alleged to pose a threat of imminent and identifiable hazard to public health or safety.

What is the hazard? _____

☐ It needs to be physically secured or protected from the weather.☐ It includes perishable goods or assets that could quickly deteriorate or lose value without attention (for example, livestock, seasonal goods, meat, dairy, produce, or securities-related assets or other options).☒ Other **Batteries and battery cells. Detailed spreadsheet to be furnished to trustee.****Where is the property?****Detailed spreadsheet to be furnished to trustee**

Number, Street, City, State & ZIP Code

Is the property insured?☒ No☐ Yes. Insurance agency _____

Contact name _____

Phone _____

Statistical and administrative information**13. Debtor's estimation of available funds***Check one:*

- ☐ Funds will be available for distribution to unsecured creditors.
- ☒ After any administrative expenses are paid, no funds will be available to unsecured creditors.

14. Estimated number of creditors☒ 1-49☐ 50-99☐ 100-199☐ 200-999☐ 1,000-5,000☐ 5001-10,000☐ 10,001-25,000☐ 25,001-50,000☐ 50,001-100,000☐ More than 100,000**15. Estimated Assets**☒ \$0 - \$50,000☐ \$50,001 - \$100,000☐ \$100,001 - \$500,000☐ \$500,001 - \$1 million☐ \$1,000,001 - \$10 million☐ \$10,000,001 - \$50 million☐ \$50,000,001 - \$100 million☐ \$100,000,001 - \$500 million☐ \$500,000,001 - \$1 billion☐ \$1,000,000,001 - \$10 billion☐ \$10,000,000,001 - \$50 billion☐ More than \$50 billion**16. Estimated liabilities**☐ \$0 - \$50,000☐ \$50,001 - \$100,000☐ \$100,001 - \$500,000☐ \$500,001 - \$1 million☐ \$1,000,001 - \$10 million☒ \$10,000,001 - \$50 million☐ \$50,000,001 - \$100 million☐ \$100,000,001 - \$500 million☐ \$500,000,001 - \$1 billion☐ \$1,000,000,001 - \$10 billion☐ \$10,000,000,001 - \$50 billion☐ More than \$50 billion

Debtor **SEA Electric, Inc.**
Name

Case number (if known)

Request for Relief, Declaration, and Signatures**WARNING --** Bankruptcy fraud is a serious crime. Making a false statement in connection with a bankruptcy case can result in fines up to \$500,000 or imprisonment for up to 20 years, or both. 18 U.S.C. §§ 152, 1341, 1519, and 3571.**17. Declaration and signature
of authorized
representative of debtor**

The debtor requests relief in accordance with the chapter of title 11, United States Code, specified in this petition.

I have been authorized to file this petition on behalf of the debtor.

I have examined the information in this petition and have a reasonable belief that the information is true and correct.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on 10/30/2025
MM / DD / YYYY**X** /s/ Christopher Rankin
Signature of authorized representative of debtor

Title Chief Restructuring Officer**Christopher Rankin**
Printed name**18. Signature of attorney****X** /s/ Eric Lopez Schnabel
Signature of attorney for debtorDate 10/30/2025
MM / DD / YYYY**Eric Lopez Schnabel**
Printed name**Dorsey & Whitney (Delaware) LLP**
Firm name**300 Delaware Avenue, Suite 1010**
Wilmington, DE 19801
Number, Street, City, State & ZIP CodeContact phone 302-425-7171Email address schnabel.eric@dorsey.com**3672 DE**

Bar number and State

Debtor **SEA Electric, Inc.**
Name

Case number (if known)

Fill in this information to identify the case:

United States Bankruptcy Court for the:

DISTRICT OF DELAWARE

Case number (if known) Chapter **7**☐ Check if this is an amended filing**FORM 201. VOLUNTARY PETITION****Pending Bankruptcy Cases Attachment**

Debtor	Exro Technologies USA, Inc.	Relationship to you	
District		When	10/30/25
		Case number, if known	
Debtor	Exro Vehicle Systems, Inc.	Relationship to you	
District		When	10/30/25
		Case number, if known	
Debtor	Sea Electric LLC	Relationship to you	
District		When	10/30/25
		Case number, if known	
Debtor	Sea Electric, Inc.	Relationship to you	
District		When	10/30/25
		Case number, if known	

B2030 (Form 2030) (12/15)

**United States Bankruptcy Court
District of Delaware**

In re SEA Electric, Inc.

Debtor(s)

Case No.

Chapter

7

DISCLOSURE OF COMPENSATION OF ATTORNEY FOR DEBTOR(S)

1. Pursuant to 11 U.S.C. § 329(a) and Fed. Bankr. P. 2016(b), I certify that I am the attorney for the above named debtor(s) and that compensation paid to me within one year before the filing of the petition in bankruptcy, or agreed to be paid to me, for services rendered or to be rendered on behalf of the debtor(s) in contemplation of or in connection with the bankruptcy case is as follows:

For legal services, I have agreed to accept	\$	<u>50,000.00</u>
Prior to the filing of this statement I have received	\$	<u>50,000.00</u>
Balance Due	\$	<u>0.00</u>

2. The source of the compensation paid to me was:

☐ Debtor ☒ Other (specify): **Exro Technologies, Inc.**

3. The source of compensation to be paid to me is:

☒ Debtor ☐ Other (specify):

4. ☒ I have not agreed to share the above-disclosed compensation with any other person unless they are members and associates of my law firm.

☐ I have agreed to share the above-disclosed compensation with a person or persons who are not members or associates of my law firm. A copy of the agreement, together with a list of the names of the people sharing in the compensation is attached.

5. In return for the above-disclosed fee, I have agreed to render legal service for all aspects of the bankruptcy case, including:

- a. Analysis of the debtor's financial situation, and rendering advice to the debtor in determining whether to file a petition in bankruptcy;
- b. Preparation and filing of any petition, schedules, statement of affairs and plan which may be required;
- c. Representation of the debtor at the meeting of creditors and confirmation hearing, and any adjourned hearings thereof;
- d. [Other provisions as needed]

6. By agreement with the debtor(s), the above-disclosed fee does not include the following service:

Representation in any other matters that may arise in the bankruptcy case, including any adversary proceeding.

CERTIFICATION

I certify that the foregoing is a complete statement of any agreement or arrangement for payment to me for representation of the debtor(s) in this bankruptcy proceeding.

10/30/2025

Date

/s/ Eric Lopez Schnabel

Eric Lopez Schnabel

Signature of Attorney

Dorsey & Whitney (Delaware) LLP

300 Delaware Avenue, Suite 1010

Wilmington, DE 19801

302-425-7171

schnabel.eric@dorsey.com

Name of law firm

**RESOLUTIONS
OF THE BOARD OF DIRECTORS
OF SEA ELECTRIC INC.**

(ADOPTED October 30, 2025)

WHEREAS, pursuant to the Delaware General Corporation Law and company bylaws and other governing documents (the “Governing Documents”) of SEA Electric Inc., a Delaware corporation (the “Company”), the board of directors of the Company (the “Board”) is authorized to consent to, adopt and approve the following resolutions and each and every action effected thereby;

WHEREAS, the Board has reviewed and discussed the Company’s financial condition and affairs, including that the Company has ceased active business operations, has little or no remaining assets, and is unable to pay its debts as they come due;

WHEREAS, the Board has received the advice of management, the Company’s Chief Restructuring Officer (“CRO”) and legal counsel regarding the available alternatives and has determined that it is in the best interests of the Company, its creditors, and other interested parties that the Company file a voluntary petition for relief under Chapter 7 of Title 11 of the United States Code (the “Bankruptcy Code”);

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby authorizes and approves the filing by the Company of a voluntary petition for relief under Chapter 7 of the Bankruptcy Code in the United States Bankruptcy Court for the Delaware;

FURTHER RESOLVED, that the members of the Board have considered their fiduciary duties under applicable law in exercising their powers and discharging their duties, to act honestly and in good faith with a view to the best interests of the Company as a whole, to exercise the care, diligence, and skill that a reasonably prudent person would exercise in comparable circumstances;

FURTHER RESOLVED, that the CRO, any director or duly appointed officer of the Company, each acting individually and with full power of substitution (together with any persons to whom such persons delegate certain responsibilities, collectively, the “Authorized Persons”) be, and hereby is authorized and directed to execute and file, on behalf of the Company, all documents necessary or appropriate in connection with such Chapter 7 filing, including but not limited to the voluntary petition, schedules, statements, lists, and other documents, and to perform all such acts as may be necessary or desirable to carry out the intent and purpose of these resolutions;

FURTHER RESOLVED, that each of the Authorized Persons, acting individually and with full power of substitution, be, and hereby is, authorized, empowered and directed to employ the following professionals on behalf of the Company the law firm of Dorsey & Whitney LLP, as general bankruptcy counsel and any other legal counsel, accountants, financial advisors, restructuring advisors, or other professionals such Authorized Person deems necessary, appropriate, or advisable; each to represent and assist the Company in carrying out its duties and

responsibilities and exercising its rights under the Bankruptcy Code and any applicable law (including, but not limited to, the law firms filing any pleadings or responses) and to take any and all actions to advance the rights and obligations of the Company, including filing any motions, objections, replies, applications, or pleadings; and in connection therewith, each of the Authorized Persons be, and hereby is authorized, empowered, and directed, in accordance with the terms and conditions hereof, to execute appropriate retention agreements, pay appropriate retainers, and to cause to be filed appropriate applications for authority to retain such services.

FURTHER RESOLVED, that in addition to the specific authorizations heretofore conferred upon the Authorized Persons, the Authorized Persons, either individually or as otherwise required by the Company's Governing Documents and applicable law, be, and each of them hereby is, authorized to execute (under hand or under the common seal of the Company if appropriate), acknowledge, deliver, and file any and all agreements, certificates, instruments, powers of attorney, letters, forms, transfer, deeds and other documents on behalf of the Company relating to the Chapter 7 case;

FURTHER RESOLVED, that, in addition to the specific authorizations heretofore conferred upon the Authorized Persons, the Authorized Persons, either individually or as otherwise required by the Company's Governing Documents and applicable law, be, and each of them hereby is, authorized to take any and all such other and further actions, and to do all such other deeds and other things as the Company may lawfully do, in accordance with its Governing Documents and applicable law, including but not limited to, the negotiation, finalization, execution, acknowledgement, delivery, and filing of any and all agreements, certificates, instruments, powers of attorney, letters, forms, transfer, deeds, and other documents on behalf of the Company, and the payment of all expenses, including but not limited to filing fees, in each case as such Authorized Person's or Authorized Persons' may, in his/her/its/their absolute and unfettered discretion approve, deem or determine necessary, appropriate, advisable, or desirable in order to fully carry out the intent and accomplish the purposes of the resolutions adopted herein; such approval, deeming, or determination to be conclusively evidenced by said individual taking such action or the execution thereof;

FURTHER RESOLVED, that the Board has received sufficient notice of the actions and transactions relating to the matters contemplated by the foregoing resolutions, as may be required by the organizational documents of the Company, or hereby waive any right to have received such notice; and

FURTHER RESOLVED, that all acts, actions, and transactions relating to the matters contemplated by the foregoing resolutions done in the name of and on behalf of the Company, which acts would have been approved by the foregoing resolutions except that such acts were taken before the adoption of these resolutions, are hereby in all respects approved, confirmed and ratified as the true acts and deeds of the Company with the same force and effect as if each such act, transaction, agreement, or certificate had been specifically authorized in advance by resolution of the Board.

IN WITNESS WHEREOF, the undersigned executed these Resolutions of the Board of Directors of SEA Electric Inc. as of October 30, 2025.

DocuSigned by:

BEE08EA247A64EF...
Sue Ozdemir

Fill in this information to identify the case:

United States Bankruptcy Court for the:

DISTRICT OF DELAWARE

Case number (if known)

Chapter

7☐ Check if this is an amended filing**Official Form 201****Voluntary Petition for Non-Individuals Filing for Bankruptcy**

04/25

If more space is needed, attach a separate sheet to this form. On the top of any additional pages, write the debtor's name and the case number (if known). For more information, a separate document, *Instructions for Bankruptcy Forms for Non-Individuals*, is available.

1. Debtor's name SEA Electric, LLC

2. All other names debtor used in the last 8 years

Include any assumed names, trade names and *doing business as* names

3. Debtor's federal Employer Identification Number (EIN) 32-0576237

4. Debtor's address

Principal place of business

Mailing address, if different from principal place of business

1500 SE 19th Street
Grimes, IA 50111

Number, Street, City, State & ZIP Code

P.O. Box, Number, Street, City, State & ZIP Code

Polk

County

Location of principal assets, if different from principal place of business

Number, Street, City, State & ZIP Code

5. Debtor's website (URL) https://www.exro.com/

6. Type of debtor

☒ Corporation (including Limited Liability Company (LLC) and Limited Liability Partnership (LLP))

☐ Partnership (excluding LLP)

☐ Other. Specify: _____

Debtor **SEA Electric, LLC**
Name

Case number (if known)

7. Describe debtor's business A. Check one:

- ☐ Health Care Business (as defined in 11 U.S.C. § 101(27A))
- ☐ Single Asset Real Estate (as defined in 11 U.S.C. § 101(51B))
- ☐ Railroad (as defined in 11 U.S.C. § 101(44))
- ☐ Stockbroker (as defined in 11 U.S.C. § 101(53A))
- ☐ Commodity Broker (as defined in 11 U.S.C. § 101(6))
- ☐ Clearing Bank (as defined in 11 U.S.C. § 781(3))
- ☒ None of the above

B. Check all that apply

- ☐ Tax-exempt entity (as described in 26 U.S.C. § 501)
- ☐ Investment company, including hedge fund or pooled investment vehicle (as defined in 15 U.S.C. § 80a-3)
- ☐ Investment advisor (as defined in 15 U.S.C. § 80b-2(a)(11))

C. NAICS (North American Industry Classification System) 4-digit code that best describes debtor. See <http://www.uscourts.gov/four-digit-national-association-naics-codes>.

3361**8. Under which chapter of the Bankruptcy Code is the debtor filing?** Check one:

- ☒ Chapter 7
- ☐ Chapter 9
- ☐ Chapter 11. Check **all** that apply:
- ☐ Debtor's aggregate noncontingent liquidated debts (excluding debts owed to insiders or affiliates) are less than \$3,424,000 (amount subject to adjustment on 4/01/28 and every 3 years after that).
- ☐ The debtor is a small business debtor as defined in 11 U.S.C. § 101(51D). If the debtor is a small business debtor, attach the most recent balance sheet, statement of operations, cash-flow statement, and federal income tax return or if all of these documents do not exist, follow the procedure in 11 U.S.C. § 1116(1)(B).
- ☐ The debtor is a small business debtor as defined in 11 U.S.C. § 101(51D), and it chooses to proceed under Subchapter V of Chapter 11.
- ☐ A plan is being filed with this petition.
- ☐ Acceptances of the plan were solicited prepetition from one or more classes of creditors, in accordance with 11 U.S.C. § 1126(b).
- ☐ The debtor is required to file periodic reports (for example, 10K and 10Q) with the Securities and Exchange Commission according to § 13 or 15(d) of the Securities Exchange Act of 1934. File the *Attachment to Voluntary Petition for Non-Individuals Filing for Bankruptcy under Chapter 11* (Official Form 201A) with this form.
- ☐ The debtor is a shell company as defined in the Securities Exchange Act of 1934 Rule 12b-2.

☐ Chapter 12**9. Were prior bankruptcy cases filed by or against the debtor within the last 8 years?**

- ☒ No.
- ☐ Yes.

If more than 2 cases, attach a separate list.

District	_____	When	_____	Case number	_____
District	_____	When	_____	Case number	_____

10. Are any bankruptcy cases pending or being filed by a business partner or an affiliate of the debtor?

- ☐ No
- ☒ Yes.

Debtor **SEA Electric, LLC**
Name

Case number (if known)

List all cases. If more than 1,
attach a separate listDebtor **See Attachment**

District _____ When _____

Relationship

Case number, if known _____

11. Why is the case filed in this district?

Check all that apply:

- ☒ Debtor has had its domicile, principal place of business, or principal assets in this district for 180 days immediately preceding the date of this petition or for a longer part of such 180 days than in any other district.
- ☐ A bankruptcy case concerning debtor's affiliate, general partner, or partnership is pending in this district.

12. Does the debtor own or have possession of any real property or personal property that needs immediate attention?☐ No☒ Yes. Answer below for each property that needs immediate attention. Attach additional sheets if needed.**Why does the property need immediate attention?** (Check all that apply.)☐ It poses or is alleged to pose a threat of imminent and identifiable hazard to public health or safety.

What is the hazard? _____

☐ It needs to be physically secured or protected from the weather.☐ It includes perishable goods or assets that could quickly deteriorate or lose value without attention (for example, livestock, seasonal goods, meat, dairy, produce, or securities-related assets or other options).☒ Other **Batteries and battery cells. Detailed spreadsheet to be furnished to trustee.****Where is the property?****Detailed spreadsheet to be furnished to trustee**

Number, Street, City, State & ZIP Code

Is the property insured?☒ No☐ Yes. Insurance agency _____

Contact name _____

Phone _____

Statistical and administrative information**13. Debtor's estimation of available funds**

Check one:

- ☐ Funds will be available for distribution to unsecured creditors.
- ☒ After any administrative expenses are paid, no funds will be available to unsecured creditors.

14. Estimated number of creditors☐ 1-49☒ 50-99☐ 100-199☐ 200-999☐ 1,000-5,000☐ 5001-10,000☐ 10,001-25,000☐ 25,001-50,000☐ 50,001-100,000☐ More than 100,000**15. Estimated Assets**☐ \$0 - \$50,000☐ \$50,001 - \$100,000☐ \$100,001 - \$500,000☐ \$500,001 - \$1 million☐ \$1,000,001 - \$10 million☒ \$10,000,001 - \$50 million☐ \$50,000,001 - \$100 million☐ \$100,000,001 - \$500 million☐ \$500,000,001 - \$1 billion☐ \$1,000,000,001 - \$10 billion☐ \$10,000,000,001 - \$50 billion☐ More than \$50 billion**16. Estimated liabilities**☐ \$0 - \$50,000☐ \$50,001 - \$100,000☐ \$100,001 - \$500,000☐ \$500,001 - \$1 million☐ \$1,000,001 - \$10 million☒ \$10,000,001 - \$50 million☐ \$50,000,001 - \$100 million☐ \$100,000,001 - \$500 million☐ \$500,000,001 - \$1 billion☐ \$1,000,000,001 - \$10 billion☐ \$10,000,000,001 - \$50 billion☐ More than \$50 billion

Debtor **SEA Electric, LLC**
Name

Case number (if known)

Request for Relief, Declaration, and Signatures**WARNING** -- Bankruptcy fraud is a serious crime. Making a false statement in connection with a bankruptcy case can result in fines up to \$500,000 or imprisonment for up to 20 years, or both. 18 U.S.C. §§ 152, 1341, 1519, and 3571.**17. Declaration and signature
of authorized
representative of debtor**

The debtor requests relief in accordance with the chapter of title 11, United States Code, specified in this petition.

I have been authorized to file this petition on behalf of the debtor.

I have examined the information in this petition and have a reasonable belief that the information is true and correct.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on 10/30/2025
MM / DD / YYYY**X** /s/ Christopher Rankin
Signature of authorized representative of debtor

Title Chief Restructuring OfficerChristopher Rankin
Printed name**18. Signature of attorney****X** /s/ Eric Lopez Schnabel
Signature of attorney for debtorDate 10/30/2025
MM / DD / YYYYEric Lopez Schnabel
Printed nameDorsey & Whitney (Delaware) LLP
Firm name300 Delaware Avenue, Suite 1010
Wilmington, DE 19801
Number, Street, City, State & ZIP CodeContact phone 302-425-7171Email address schnabel.eric@dorsey.com3672 DE

Bar number and State

Debtor **SEA Electric, LLC**
Name

Case number (if known)

Fill in this information to identify the case:

United States Bankruptcy Court for the:

DISTRICT OF DELAWARE

Case number (if known) Chapter **7**☐ Check if this is an amended filing**FORM 201. VOLUNTARY PETITION****Pending Bankruptcy Cases Attachment**

Debtor	Exro Technologies USA, Inc.	Relationship to you	
District		When	10/30/25
		Case number, if known	
Debtor	Exro Vehicle Systems, Inc.	Relationship to you	
District		When	10/30/25
		Case number, if known	
Debtor	Sea Electric Inc	Relationship to you	
District		When	10/30/25
		Case number, if known	
Debtor	Sea Electric LLC	Relationship to you	
District		When	10/30/25
		Case number, if known	

B2030 (Form 2030) (12/15)

United States Bankruptcy Court
District of Delaware

In re SEA Electric, LLC

Debtor(s)

Case No.

Chapter

7

DISCLOSURE OF COMPENSATION OF ATTORNEY FOR DEBTOR(S)

1. Pursuant to 11 U.S.C. § 329(a) and Fed. Bankr. P. 2016(b), I certify that I am the attorney for the above named debtor(s) and that compensation paid to me within one year before the filing of the petition in bankruptcy, or agreed to be paid to me, for services rendered or to be rendered on behalf of the debtor(s) in contemplation of or in connection with the bankruptcy case is as follows:

For legal services, I have agreed to accept	\$	50,000.00
Prior to the filing of this statement I have received	\$	50,000.00
Balance Due	\$	0.00

2. The source of the compensation paid to me was:

☐ Debtor ☒ Other (specify): **Exro Technologies, Inc.**

3. The source of compensation to be paid to me is:

☒ Debtor ☐ Other (specify):

4. ☒ I have not agreed to share the above-disclosed compensation with any other person unless they are members and associates of my law firm.

☐ I have agreed to share the above-disclosed compensation with a person or persons who are not members or associates of my law firm. A copy of the agreement, together with a list of the names of the people sharing in the compensation is attached.

5. In return for the above-disclosed fee, I have agreed to render legal service for all aspects of the bankruptcy case, including:

- a. Analysis of the debtor's financial situation, and rendering advice to the debtor in determining whether to file a petition in bankruptcy;
- b. Preparation and filing of any petition, schedules, statement of affairs and plan which may be required;
- c. Representation of the debtor at the meeting of creditors and confirmation hearing, and any adjourned hearings thereof;
- d. [Other provisions as needed]

6. By agreement with the debtor(s), the above-disclosed fee does not include the following service:

Representation in any other matters that may arise in the bankruptcy case, including any adversary proceeding.

CERTIFICATION

I certify that the foregoing is a complete statement of any agreement or arrangement for payment to me for representation of the debtor(s) in this bankruptcy proceeding.

10/30/2025

Date

/s/ Eric Lopez Schnabel

Eric Lopez Schnabel

Signature of Attorney

Dorsey & Whitney (Delaware) LLP

300 Delaware Avenue, Suite 1010

Wilmington, DE 19801

302-425-7171

schnabel.eric@dorsey.com

Name of law firm

**WRITTEN CONSENT OF THE
MANAGER AND
SOLE MEMBER
OF
SEA ELECTRIC, LLC**

October 30, 2025

The undersigned, being the manager (the “Manager”) and the sole member (the “Member”) of Sea Electric, LLC, a Delaware limited liability company (the “Company”), do hereby consent to, adopt and approve, ratify and confirm by written consent the following resolutions and direct that this written consent be filed with the minutes of the proceedings of the Company:

WHEREAS, the Manager and the Member have each considered information provided by the management of the Company regarding the liabilities and liquidity situation of the Company, and information provided by the legal advisors of the Company concerning the strategic alternatives available to it, and the effect of the foregoing on the Company’s business; and

WHEREAS, the Manager and the Member have each had the opportunity to consult with the management and legal advisors of the Company to fully consider each of the strategic alternatives available to the Company and have determined, in the judgment of the Manager and the Member, that the following resolutions are in the best interests of the Company, its member and its creditors.

Commencement of Chapter 7 Case

NOW, THEREFORE, BE IT RESOLVED, that the Manager and the Member hereby find and determine it to be in the best interests of the Company, its member, and its creditors for the Company to commence a case pursuant to chapter 7 of title 11 of the United States Code, 11 U.S.C. § 101 et seq. (as amended, the “Bankruptcy Code”); and be it

RESOLVED FURTHER, that Christopher Rankin, in his capacity as the Manager, as an authorized signatory or other agent of the Company, be and hereby is, authorized, empowered and directed, without further action by the Member or any other person or entity, in the name and on behalf of the Company, to execute and file all petitions, schedules, lists, and other motions, pleadings, papers or documents and to take any and all action that he deems necessary, appropriate, or desirable to obtain such relief; and be it

Retention of Advisors

RESOLVED FURTHER, that the previous retention by the Company’s management and agents of the law firm of Dorsey & Whitney, LLP (“Dorsey”) as bankruptcy counsel to the Company to represent and assist the Company in connection with its consideration of various insolvency-related obligations and bankruptcy alternatives, and to commence and prosecute the aforementioned chapter 7 case, and to do all things, and to prepare, sign and file all papers and documents necessary and proper to the prosecution of said chapter 7 case, is hereby approved and ratified; and Dorsey is authorized to take such actions in the bankruptcy case which Dorsey, in its discretion, concludes are necessary to Dorsey’s or the Company’s fulfillment of their fiduciary obligations in the bankruptcy case; and the Company’s Manager and agents are hereby authorized

and directed in the name and on behalf of the Company to execute and ratify appropriate retention agreements, pay appropriate retainers and fees; and be it

RESOLVED FURTHER, that Christopher Rankin, in his capacity as Manager, authorized signatory or other agent of the Company, be, and hereby is, authorized and empowered to employ on behalf of the Company any other professionals necessary to assist the Company in carrying out its duties under the Bankruptcy Code; and in connection therewith, Mr. Rankin in his capacity as Manager, authorized signatory or other agent of the Company, in the name and on behalf of the Company is hereby authorized and directed to execute appropriate retention agreements, pay appropriate retainers and fees, and cause to be filed an appropriate application for authority to retain the services of any other professionals as necessary; and be it

General

RESOLVED FURTHER, that Christopher Rankin, in his capacity as Manager, authorized signatory or other agent of the Company be, and hereby is, authorized and directed, in the name and on behalf of the Company, to take such actions and to make, sign, execute, acknowledge, and deliver all petitions, schedules, motions, lists, applications, pleadings, and any and all such additional documents, agreements, affidavits, applications for approvals or rulings of governmental or regulatory authorities, motions, orders, directions, certificates, requests, receipts, financing statements, or other instruments as such Manager, authorized signatory, or agent or the Company's legal counsel may deem necessary, proper, or desirable in connection with the case under chapter 7 of the Bankruptcy Code, with a view to the successful prosecution of such case; and be it

RESOLVED FURTHER, that to the extent that any of the actions authorized by any of the foregoing resolutions have been taken by a Manager, authorized signatory or agent on behalf of the Company, such actions are hereby ratified and confirmed in their entirety; and be it

RESOLVED FURTHER, that this written consent may be executed in counterparts, with each an original and all of which together shall constitute one and the same instrument and further, that any copy, facsimile or other reliable reproduction of this written consent may be substituted or used in lieu of the original writing for any and all purposes for which the original writing could be used.

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned have executed this written consent to be effective as of the date first set forth above.

MANAGER:

Signed by:

Christopher Rankin

AA916D971A66478...

Name: Christopher Rankin

MEMBER:

EXRO TECHNOLOGIES USA INC.

By: _____

Name:

Title:

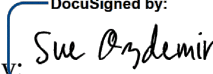
IN WITNESS WHEREOF, the undersigned have executed this written consent to be effective as of the date first set forth above.

MANAGER:

Name: Christopher Rankin

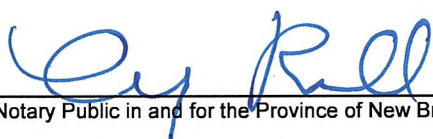
MEMBER:

EXRO TECHNOLOGIES USA INC.

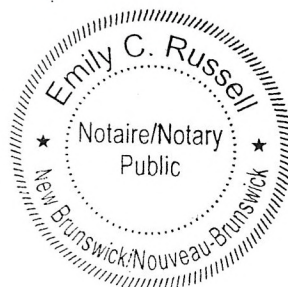
DocuSigned by:

By: _____
Name: Sue Ozdemir
Title: Director

THIS IS EXHIBIT "I" REFERRED TO IN THE
AFFIDAVIT OF MARK HOLLERAN

SWORN BEFORE ME THIS 3rd DAY OF
NOVEMBER, 2025.



A Notary Public in and for the Province of New Brunswick



**AMENDED AND RESTATED
INDENTURE**

Made as of July 11, 2025 Between

EXRO TECHNOLOGIES INC.
(the “Corporation”)

and

ODYSSEY TRUST COMPANY
(the “Trustee”)

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INDENTURE

This Amended and Restated Indenture is made as of July 11, 2025, between

EXRO TECHNOLOGIES INC.

a corporation existing under the laws of the Province of British Columbia and having its head office in the City of Vancouver, in the Province British Columbia (the “**Corporation**”)

AND

ODYSSEY TRUST COMPANY

a trust company existing under the laws of Canada and registered to carry on business in the Province of British Columbia (the “**Trustee**”)

RECITALS:

- (A) the Corporation entered into a debenture indenture with the Trustee dated as of December 30, 2022, which provided for the issue of an aggregate principal amount of up to \$17,250,000 of 12% senior secured convertible debentures of the Corporation, defined herein as the Initial Debentures, due December 31, 2027 (the “**Original Indenture**”);
- (B) the Corporation and the Trustee pursuant to Extraordinary Resolutions of holders of the Initial Debentures dated as of July 11, 2025, have agreed to amend and restate the Original Indenture with this Amended and Restated Indenture;
- (C) pursuant to section 13.11 of the Original Indenture, the Extraordinary Resolution of holders of the Initial Debentures the holders have directed the Trustee to carry out the necessary steps to:
 - i. subordinate the Security Interests created by the Security Documents issued under the Original Indenture in the manner set out in Article 5 of this Amended and Restated Indenture; and
 - ii. postpone the obligations of the Corporation under the Original Indenture to make any repayment of principal or interest (other than by way of PIK Interest) owing, howsoever arising pursuant to Original Indenture or the Debentures until payment in full of the principal and interest outstanding under the Interim Credit Facility and thereafter, *pari passu* with the payment of the principal and interest outstanding under the 2024 Notes;
- (D) the foregoing recitals are made as representations and statements of fact by the Corporation and not by the Trustee.
- (E) all Debentures (as herein defined) issued and to be issued hereunder, are subject to the terms and conditions of this Amended and Restated Indenture, and the Initial Debentures are hereby deemed to be issued under this Amended and Restated Indenture;

FOR VALUE RECEIVED, the parties agree as follows:

ARTICLE 1– INTERPRETATION

Section 1.1 Definitions

In this Indenture and in the Debentures, unless there is something in the subject matter or context inconsistent therewith, the expressions following shall have the following meanings, namely:

- (1) “**1933 Act**” means the United States *Securities Act of 1933*, as amended, and the rules and regulations promulgated thereunder;

- (2) **“2024 Notes”** means a series of Senior Secured Promissory Notes in the aggregate principal amount of USD \$70,832,830 issued by the Corporation to NBIMC Quantitative Strategies Fund – Class N together with NBIMC Quantitative Strategies (2017) Fund, NBIMC Quantitative Strategic Beta (2017) Fund and NBIMC Quantitative Strategic Beta Fund – Class N;
- (3) **“90% Redemption Right”** has the meaning ascribed thereto in clause 2.5(9)(b);
- (4) **“this Indenture”, “hereto”, “herein”, “hereby”, “hereunder”, “hereof”** and similar expressions refer to this Amended and Restated Indenture and not to any particular Article, Section, subsection, clause, subdivision or other portion hereof and include any and every instrument supplemental or ancillary hereto;
- (5) **“Additional Debentures”** means Debentures of any one or more series, other than the first series of Debentures, being the Initial Debentures, issued under this Indenture;
- (6) **“Applicable Law”** means, in respect of any Person, property, transaction, event or other matter, as applicable, all laws, rules, statutes, regulations and all official directives, rules, guidelines, orders, policies and other requirements of law of any governmental authority (collectively the **“Law”**) relating or applicable to such Person, property, transaction, event or other matter and shall include any interpretation of the Law or any part of the Law by any Person have jurisdiction over it or charged with its administration or interpretation;
- (7) **“Applicable Securities Legislation”** means applicable securities laws (including rules, regulations, policies and instruments) in each of the applicable provinces and territories of Canada;
- (8) **“Auditors of the Corporation”** means an independent firm of chartered accountants duly appointed as auditors of the Corporation;
- (9) **“Beneficial Holder”** means any Person who holds a beneficial interest in a Debenture that is represented by a Debenture Certificate or an Uncertificated Debenture registered in the name of such person’s nominee;
- (10) **“Board of Directors”** means the board of directors of the Corporation;
- (11) **“Book Based Only Debentures”** means Debentures issued under this Indenture in non-certificated form which are held only by way of book based (electronic) register maintained by the Trustee;
- (12) **“Business Day”** means any day other than a Saturday, Sunday or any other day that the Trustee and banking institutions in Vancouver, British Columbia are not generally open for business;
- (13) **“Change of Control”** means: (i) any event as a result of or following which a Person or group of Persons acting jointly or in concert within the meaning of Applicable Securities Legislation, beneficially owns or exercises control or direction over an aggregate of more than 50% of the then outstanding Common Shares; or (ii) the sale or other transfer of all or substantially all of the consolidated assets of the Corporation, unless the holders of voting securities of the Corporation immediately prior to such sale, merger, reorganization or other similar transaction hold securities representing 50% or more of the voting control or direction in the Corporation or the successor entity upon completion of such merged, reorganized or other continuing entity;
- (14) **“Change of Control Notice”** has the meaning ascribed thereto in subsection 2.5(9);
- (15) **“Change of Control Offer”** has the meaning ascribed thereto in subsection 2.5(9);
- (16) **“Change of Control Purchase Date”** has the meaning ascribed thereto in subsection 2.5(9);
- (17) **“Common Shares”** means the common shares in the capital of the Corporation, as such common shares are constituted on the date of execution and delivery of this Indenture; provided that in the event of a change or a subdivision, revision, reduction, combination or consolidation thereof, any reclassification, capital reorganization, consolidation, amalgamation, arrangement, merger, sale or conveyance or liquidation, dissolution or winding-up, or such successive changes, subdivisions, redivisions, reductions, combinations or consolidations, reclassifications, capital reorganizations, consolidations, amalgamations, arrangements, mergers, sales or conveyances or liquidations, dissolutions or windings-up, then, subject to adjustments, if any, having been made in accordance with the provisions of Section 7.5, **“Common Shares”** shall, as the context may

require, mean the shares or other securities or property resulting from such change, subdivision, redivision, reduction, combination or consolidation, reclassification, capital reorganization, consolidation, amalgamation, arrangement, merger, sale or conveyance or liquidation, dissolution or winding-up;

(18) **“Conversion Price”** means the dollar amount for which each Common Share may be issued from time to time upon the conversion of Debentures or any series of Debentures which are by their terms convertible in accordance with the provisions of Article 7;

(19) **“Corporation”** means Exro Technologies Inc. and includes any successor to or of the Corporation which shall have complied with the provisions of Article 11;

(20) **“Counsel”** means a barrister or solicitor or firm of barristers or solicitors retained or employed by the Trustee or retained or employed by the Corporation and reasonably acceptable to the Trustee;

(21) **“Current Market Price”** means, generally, the VWAP of the Common Shares on the TSX, if the Common Shares are listed on the TSX, for the 20 consecutive trading days ending on the date immediately preceding the applicable date. If at any time the Common Shares are not listed on the TSX, reference shall be made for the purpose of the above calculation to the principal securities exchange or market on which the Common Shares are listed or quoted or if no such prices are available **“Current Market Price”** shall be the fair value of a Common Share as reasonably determined by the Board of Directors;

(22) **“Date of Conversion”** has the meaning ascribed thereto in subsection 7.4(2);

(23) **“Debenture Certificate”** means a certificate evidencing Debentures substantially in the form attached as Schedule A hereto;

(24) **“Debentureholders”** or **“holders”** means the Persons for the time being entered in the register for Debentures as registered holders of Debentures or any transferees of such Persons by endorsement or delivery;

(25) **“Debentures”** means the debentures, notes or other evidence of indebtedness of the Corporation issued and certified hereunder, or deemed to be issued and certified hereunder, including, without limitation, the Initial Debentures, and for the time being outstanding, whether in definitive, uncertificated or interim form;

(26) **“Defeased Debentures”** has the meaning ascribed thereto in subsection 10.6(2);

(27) **“Depository”** or **“CDS”** means CDS Clearing and Depository Services Inc. and its successors in interest;

(28) **“Equity Interests”** means shares of capital stock, partnership interests, membership interests in a limited liability company, beneficial interests in a trust, warrants, options or any other equity interests in any Person;

(29) **“Event of Default”** has the meaning ascribed thereto in Section 9.1;

(30) **“Excluded Property”** means:

- (a) the last day of any term created by any lease or agreement therefor now held or hereafter acquired by the Corporation but the Corporation agrees to stand possessed of the reversion thereby remaining in the Corporation of any leasehold premises upon trust for the Debentureholder to assign and dispose thereof as the Debentureholder directs; or
- (b) any lease or other agreement which contains a provision which provides in effect that such lease or agreement may not be assigned, subleased, charged or encumbered without the leave, licence, consent or approval of the lessor, until such leave, licence, consent or approval is obtained and the Security Interest will attach and extend to such lease or agreement as soon as such leave, licence, consent or approval is obtained; provided, however, that the Corporation agrees to stand possessed of such last day in trust for such person as the Debentureholder may direct and the Corporation shall assign and dispose thereof in accordance with such direction; or

- (c) any consumer goods of the Corporation;
- (31) **“Extraordinary Resolution”** has the meaning ascribed thereto in Section 13.12;
- (32) **“General Security Agreement”** means the general security agreement, dated on or about the date hereof, by the Corporation in favour of the Trustee;
- (33) **“Global Debenture”** means a Debenture that is issued to and registered in the name of the Depository, or its nominee, pursuant to Section 2.7 for the purpose of being held by or on behalf of the Depository as custodian for participants in the Depository’s book-entry only registration system or non- certificated inventory system;
- (34) **“Guarantees”** means any guarantee, undertaking to assume, endorse, contingently agree to purchase, or to provide funds for the payment of, or otherwise become liable in respect of, any indebtedness, liability or obligation of any Person;
- (35) **“Ineligible Consideration”** shall have the meaning ascribed to it in Section 7.5(n);
- (36) **“IFRS”** means International Financial Reporting Standards issued by the International Accounting Standards Board (including as further described in Section 1.16);
- (37) **“Initial Debentures”** means the Debentures designated as “12.0% Senior Secured Convertible Debentures” and described in Section 2.5;
- (38) **“Interest Payment Date”** means a date specified in a Debenture as the date on which interest on such Debenture shall become due and payable, computed on the basis of a year of 360 days comprised of twelve 30-day months, unless otherwise specified herein, and which for the Initial Debentures shall be semi- annual payments in arrears on June 30 and December 31 of each year, the first such payment to fall due on June 30, 2023;
- (39) **“Interim Credit Facility”** means a senior secured, interim, non-revolving multiple draw credit facility to a maximum principal amount of USD \$30,000,000 dated May 15, 2025 between the Corporation and its subsidiaries Exro Technologies Inc., Exro Technologies USA Inc., Exro Vehicle Services Inc., DPM Technologies Inc., Cellex Energy Inc., Cellex Energy IP Inc., and SEA Electric Inc., SEA Electric ASIA Ltd, SEA Electric LLC, SEA Electric GmbH, and SEA Electric Limited and NBIMC Quantitative Strategies Fund – Class N (the “2025 Lender”);
- (40) **“Internal Procedures”** means in respect of the making of any one or more entries to, changes in or deletions of any one or more entries in the register of Debentureholders at any time (including without limitation, original issuance or registration of transfer of ownership) the minimum number of the Trustee’s internal procedures customary at such time for the entry, change or deletion made to be complete under the operating procedures followed by the time by the Trustee, it being understood that neither preparation and issuance shall constitute part of such procedures for any purpose of this definition;
- (41) **“IP Security Agreement”** means the intellectual property security agreement, dated on or about the date hereof, by the Corporation in favour of the Trustee;
- (42) **“Lien”** means in respect of any Person, any mortgage, debenture, pledge, hypothec, lien, charge, assignment by way of security, hypothecation or security interest granted or permitted by such Person or arising by operation of law, in respect of any such Person’s property, or any consignment or capital leases of Property by such Person as consignee or lessee or any other security agreement, trust or arrangement having the effect of security for the payment of any debt, liability or obligations;
- (43) **“Material Subsidiary”** means any Subsidiary of the Corporation which has consolidated assets equal to or greater than 10% of the consolidated assets of the Corporation and its Subsidiaries;
- (44) **“Maturity Account”** means an account or accounts required to be established by the Corporation (and which shall be maintained by and subject to the control of the Trustee) for each series of Debentures issued pursuant to and in accordance with this Indenture;

- (45) **“Maturity Date”** means the date specified for maturity of any Debentures;
- (46) **“Merger Event”** has the meaning ascribed thereto in Section 7.5(d);
- (47) **“NI 62-104”** means National Instrument 62-104 — *Take-Over Bids and Issuer Bids*;
- (48) **“Non-Recourse Debt”** means any indebtedness, liabilities or other obligations (including purchase money obligations), and Guarantees, indemnities, endorsements (other than endorsements for collection in the ordinary course of business) or other contingent obligations in respect of obligations of another Person and, in each case, incurred to finance the creation, development, construction or acquisition of real and tangible personal property (including fixtures) and any increases in or extensions, renewals or refunding of any such indebtedness, liabilities and obligations, provided that the recourse of the lender thereof or any agent, trustee, receiver or other Person acting on behalf of the lender in respect of such indebtedness, liabilities and obligations or any judgment in respect thereof is limited in all circumstances to the real and tangible personal property (including fixtures) created, developed, constructed or acquired in respect of which such indebtedness, liabilities and obligations have been incurred and to any receivables, inventory, equipment, chattel paper, intangibles and other rights or collateral arising from or connected with such property (and, for certainty, shall include the shares or other ownership interests of a Subsidiary of the Corporation which holds only such property and other rights and collateral arising from or connected therewith) and to which the lender has recourse;
- (49) **“Offer Price”** has the meaning ascribed thereto in subsection 2.5(9);
- (50) **“Offering”** means the private placement of units, each unit consisting of: (i) one Initial Debenture in the principal amount of \$1,000; and (ii) 416 warrants to purchase Common Shares, for aggregate gross proceeds of up to \$17,250,000 pursuant to an underwriting agreement dated the date hereof between the Corporation and Eight Capital;
- (51) **“Offeror’s Notice”** has the meaning ascribed thereto in Section 12.3;
- (52) **“Officer’s Certificate”** means a certificate of the Corporation signed by any authorized officer or director of the Corporation, in their capacity as an officer or director of the Corporation, and not in their personal capacity;
- (53) **“Participant”** means a Person recognized by CDS as a participant in the non-certificated inventory system administered by CDS;
- (54) **“Periodic Offering”** means an offering of Debentures of a series from time to time, the specific terms of which Debentures, including, without limitation, the rate or rates of interest, if any, thereon, the stated maturity or maturities thereof and the redemption provisions, if any, with respect thereto, are to be determined by the Corporation upon the issuance of such Debentures from time to time;
- (55) **“Permitted Encumbrances”** means as of any particular time any of the following encumbrances on the Secured Assets or property intended to form part of the Secured Assets or any part thereof:
- (a) liens for taxes, assessments or governmental charges or levies not at the time due and delinquent or the validity of which are being contested in good faith by proper legal proceedings;
 - (b) the lien of any judgment rendered or claim filed which is being contested in good faith by proper legal proceedings (other than that which constitutes an Event of Default);
 - (c) undetermined or inchoate liens and charges incidental to current operations which have not at such time been filed pursuant to law or which relate to obligations not yet due or delinquent;
 - (d) any Security Interest (as defined herein) consented to in writing by an Extraordinary Resolution delivered to the Trustee;
 - (e) the Security Interests created by this Indenture; and

- (f) any lien granted in connection with any Permitted Secured Indebtedness pursuant to Section 5.8, the Interim Credit Facility or the 2024 Notes.

(56) **“Person”** includes an individual, corporation, company, partnership, joint venture, association, trust, trustee, unincorporated organization or government or any agency or political subdivision thereof (and for the purposes of the definition of **“Change of Control”**, in addition to the foregoing, **“Person”** shall include any syndicate or group that would be deemed to be a **“Person”** under NI 62-104);

(57) **“Pledge Agreements”** means, collectively, (a) the pledge agreement, dated on or about the date hereof, by the Corporation in favour of the Trustee pursuant to which the Corporation grants a Lien in favour of the Trustee over all the Equity Interests in DPM Technologies Inc.; (b) the pledge agreement, dated on or about the date hereof, by the Corporation in favour of the Trustee pursuant to which the Corporation grants a Lien in favour of the Trustee over all the Equity Interests in Exro Technologies USA, Inc.; (c) the pledge agreement, dated on or about the date hereof, by Exro Technologies USA, Inc. in favour of the Trustee pursuant to which Exro Technologies USA, Inc. grants a Lien in favour of the Trustee over all the Equity Interests in Exro Vehicles Systems Inc. and (d) each other pledge agreement by the holder of the Equity Interests in any Material Subsidiary;

(58) **“Pledged Shares”** means the Equity Interests that are pledged pursuant to the Pledge Agreements;

(59) **“PPSA”** means the *Personal Property Security Act* (Alberta);

(60) **“Property”** means, with respect to any Person, all of the property and assets, both real and personal, including for greater certainty any Equity Interests in any Person, of such Person, and proceeds thereof;

(61) **“Redemption Date”** has the meaning ascribed thereto in Section 6.3;

(62) **“Redemption Notice”** has the meaning ascribed thereto in Section 6.3;

(63) **“Redemption Price”** has the meaning ascribed thereto in Section 2.5(6);

(64) **“Regulation S”** means Regulation S adopted by the SEC under the 1933 Act;

(65) **“Restricted Debentures”** means collectively the Restricted Uncertificated Debentures and Restricted Physical Debentures;

(66) **“Restricted Physical Debenture”** means a definitive Debenture that bears the U.S. Legend;

(67) **“Restricted Uncertificated Debenture”** means an Uncertificated Debenture that is marked to bear the U.S. Legend;

(68) **“SEC”** has the meaning ascribed thereto in Section 8.11;

(69) **“Securities”** has the meaning ascribed thereto in Section 2.15;

(70) **“Secured Assets”** means collectively all of the Corporation’s right, title and interest in and to all of the Corporation’s present and after-acquired personal property and all proceeds of whatsoever nature and kind and wherever situate, other than Excluded Property and other than as provided in Section 5.1, and subject to Permitted Encumbrances, including without limiting the generality of the foregoing all of the following property:

- (a) Accounts. All debts, accounts, claims, monies and choses in action which now are, or which may at any time hereafter be due or owing to or owned by the Corporation, and all books, records, documents, agreements, papers and electronically recorded data recording, evidencing, securing or otherwise relating to such debts, accounts, claims, monies and choses in action or any part or parts thereof (collectively “**Accounts**”);
- (b) Equipment. All present and future equipment now or hereafter owned by the Corporation, including all machinery, fixtures, plants, tools, furniture, vehicles of any kind or description, all spare parts, accessions and accessories located at or installed in or affixed or attached to any of the foregoing, and all drawings, specifications, plans and manuals relating thereto and any other goods that are not Inventory (collectively “**Equipment**”);
- (c) Intangibles: All the Corporation's right, title and interest in and to all the Corporation's present and after-acquired intangible property wherever situate and now or hereafter owned by the Corporation including, without limitation, any patents, trademarks, tradenames, copyrights, other industrial designs and other industrial or intellectual property of the Corporation, all contractual rights, licenses and undertaking of the Corporation and all other choses in action of the Corporation of every kind which now are, or which may at any time hereafter be, due or owing to or owned by the Corporation and all other intangible property of the Corporation which is not Accounts, goods, chattel paper, documents of title, instruments, money or securities.
- (d) Inventory. All present and future inventory of whatever kind now or hereafter owned by the Corporation, including all raw materials, materials used or consumed in the business or profession of the Corporation, goods, work in progress, finished goods, returned goods, repossessed goods, goods used for packing, all packaging materials, supplies and containers, materials used in the business of the Corporation whether or not intended for sale and goods acquired or held for sale, lease or resale or furnished or to be furnished under contracts of rental or service (collectively “**Inventory**”);
- (e) Documents of Title. All present and future documents of title of the Corporation, whether negotiable or otherwise including all warehouse receipts and bills of lading;
- (f) Chattel Paper. All present and future agreements made between the Corporation as secured party and others which evidence both a monetary obligation and a security interest in or a lease of specific goods;
- (g) Instruments. All present and future bills, notes and cheques (as such are defined pursuant to the *Bills of Exchange Act* (Canada)), and all other writings that evidence a right to the payment of money and that are of a type that in the ordinary course of business are transferred by delivery without any necessary endorsement or assignment;
- (h) Money. All present and future money of the Corporation, whether authorized or adopted by the Parliament of Canada as part of its currency or any foreign government as part of its currency;
- (i) Securities. All present and future securities held by the Corporation, including shares, options, rights, warrants, other securities, joint venture interests, interests in limited partnerships, bonds, debentures and all other documents which constitute evidence of a security, participation or other interest of the Corporation in property or in an enterprise or which constitute evidence of an obligation of the issuer, including the Pledged Shares; and including an uncertified security within the meaning of Part VI (Investment Securities) of

the *Business Corporations Act* (British Columbia) and all substitutions therefor and dividends and in-come derived therefrom and all rights in respect thereof;

- (j) Leases. All leases now owned or hereafter acquired by the Corporation as tenant (whether oral or written) or any agreement therefor, together with all of the Corporation's erections, improvements and fixtures situate thereupon;
- (k) Undertaking. All present and future personal property, assets and undertaking of the Corporation not referred to elsewhere in this subsection, inclusive, and the Secured Assets; and
- (l) Proceeds. All proceeds derived from the property, assets and undertaking of the Corporation referred to elsewhere in this subsection and the Secured Assets including, without limitation, insurance proceeds and any other payment representing indemnity or compensation for loss of or damage thereto or the proceeds therefrom;

(71) **“Security Interest”** means the pledges, assignments, mortgages, charges, hypothecations and encumbrances of and the security interests in the Secured Assets created in favour of the Trustee (for itself and the Debentureholders);

(72) **“Secured Creditor”** means a holder or holders of Secured Indebtedness and includes any representative or representatives, agent or agents or trustee or trustees of any such holder or holders;

(73) **“Secured Indebtedness”** means the principal of, the premium (if any) and interest and other obligations on secured indebtedness, statutory liens (other than statutory liens where the party is defending same in good faith), secured bank or other institutional indebtedness, the secured project indebtedness and the indebtedness under the Interim Credit Facility, in each case owing by the Corporation, or renewals, extensions and refunding of such indebtedness, including, without limitation: (a) obligations of the Corporation or its Subsidiaries under any swap, hedging or other similar contracts or arrangements; (b) all costs and expenses incurred by or on behalf of the holder of any Secured Indebtedness in enforcing payment or collection of any such Secured Indebtedness, including enforcing any security interest securing the same. “Secured Indebtedness” shall not include any indebtedness pursuant to the Debentures or that would otherwise be Secured Indebtedness if it is expressly stated to be subordinate to or rank *pari passu* with the Debentures;

(74) **“Security Documents”** means the General Security Agreement, the Pledge Agreements, the IP Security Agreement and any other agreements, instruments and documents, including supplements thereto, delivered from time to time to the Trustee by the Corporation for the purpose of creating, perfecting, preserving or protecting any Liens granted to the Trustee over the Property of the Corporation or any of the Pledged Shares as security for the obligations of the Corporation under this Indenture and the Debentures;

(75) **“Serial Meeting”** has the meaning ascribed thereto in clause 13.2(2)(a);

(76) **“Subsidiary”** has the meaning ascribed thereto in the *Securities Act* (British Columbia);

(77) **“Tax Act”** means the *Income Tax Act* (Canada), as amended;

(78) **“Time of Expiry”** means the time of expiry of certain rights with respect to the conversion of Debentures under Article 7 which is to be set forth separately in the form and terms for each series of Debentures which by their terms are to be convertible, and has the meaning ascribed thereto in subsection 2.5(5) with respect to the Initial Debentures;

- (79) **“trading day”** means, with respect to the TSX or other market for securities, any day on which such exchange or market is open for trading or quotation;
- (80) **“Trustee”** means Odyssey Trust Company, or its successor or successors for the time being as trustee hereunder;
- (81) **“TSX”** means the Toronto Stock Exchange;
- (82) **“Uncertificated Debenture”** means any Debenture which is not issued as part of a Debenture Certificate;
- (83) **“United States”** or **“U.S.”** means the United States of America, its territories and possessions, any state of the United States, or any political subdivision thereof, and the District of Columbia;
- (84) **“Unrestricted Physical Debenture”** means a definitive Debenture that does not bear the U.S. Legend;
- (85) **“Unrestricted Uncertificated Debenture”** means a Debenture that is not marked to bear the U.S. Legend;
- (86) **“U.S. Accredited Investor”** means an accredited investor that satisfies one or more the of criteria set forth in Rule 501(a) of Regulation D under the 1933 Act;
- (87) **“U.S. Legend”** has the meaning ascribed thereto in Section 2.15;
- (88) **“U.S. Securities Exchange Act”** means the United States Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder;
- (89) **“VWAP”** means the per share volume weighted average trading price of the Common Shares for the applicable period (which must be calculated utilizing days in which the Common Shares actually trade) on the TSX (or if the Common Shares are no longer traded on the TSX, on such other exchange as the Common Shares are then traded);
- (90) **“Withholding Taxes”** has the meaning ascribed to it in Section 8.10; and
- (91) **“Written Direction of the Corporation”** means an instrument in writing signed by any one officer or director of the Corporation.

Section 1.2 Meaning of “Outstanding”

Every Debenture certified and delivered by the Trustee or every Uncertificated Debenture authenticated by the Trustee by completing its internal procedures hereunder shall be deemed to be outstanding until it is cancelled, converted or redeemed or delivered to the Trustee for cancellation, conversion or redemption for monies and/or Common Shares, as the case may be, or the payment thereof shall have been set aside under Section 10.2, provided that:

- (a) Debentures which have been partially redeemed, purchased or converted shall be deemed to be outstanding only to the extent of the unredeemed, unpurchased or unconverted part of the principal amount thereof;

- (b) when a new Debenture has been issued in substitution for a Debenture which has been lost, stolen or destroyed, only one of such Debentures shall be counted for the purpose of determining the aggregate principal amount of Debentures outstanding; and
- (c) for the purposes of any provision of this Indenture entitling holders of outstanding Debentures to vote, sign consents, requisitions or other instruments or take any other action under this Indenture, or to constitute a quorum of any meeting of Debentureholders, Debentures owned directly or indirectly, legally or equitably, by the Corporation shall be disregarded except that:
 - (i) for the purpose of determining whether the Trustee shall be protected in relying on any such vote, consent, requisition or other instrument or action, or on the holders of Debentures present or represented at any meeting of Debentureholders, only the Debentures which the Trustee knows are so owned shall be so disregarded; and
 - (ii) Debentures so owned which have been pledged in good faith other than to the Corporation shall not be so disregarded if the pledgee shall establish to the satisfaction of the Trustee the pledgee's right to vote such Debentures, sign consents, requisitions or other instruments or take such other actions in his discretion free from the control of the Corporation or a Subsidiary of the Corporation.

Section 1.3 Interpretation

In this Indenture:

- (a) words importing the singular number or masculine gender shall include the plural number or the feminine or neuter genders, and vice versa;
- (b) all references to Articles and Schedules refer, unless otherwise specified, to articles of and schedules to this Indenture;
- (c) all references to Sections, subsections or clauses refer, unless otherwise specified, to Sections, subsections or clauses of this Indenture;
- (d) words and terms denoting inclusiveness (such as "include" or "includes" or "including"), whether or not so stated, are not limited by and do not imply limitation of their context or the words or phrases which precede or succeed them;
- (e) reference to any agreement or other instrument in writing means such agreement or other instrument in writing as amended, modified, replaced or supplemented from time to time;
- (f) unless otherwise indicated, reference to a statute shall be deemed to be a reference to such statute as amended, re-enacted or replaced from time to time; and
- (g) unless otherwise indicated, time periods within which a payment is to be made or any other action is to be taken hereunder shall be calculated by including the day on which the period commences and excluding the day on which the period ends.

Section 1.4 Headings, etc.

The division of this Indenture into Articles and Sections, the provision of a Table of Contents and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Indenture or of the Debentures.

Section 1.5 Time of Essence

Time shall be of the essence of this Indenture.

Section 1.6 Monetary References

Whenever any amounts of money are referred to herein, such amounts shall be deemed to be in lawful money of Canada unless otherwise expressed.

Section 1.7 Invalidity, etc.

Any provision hereof which is prohibited or unenforceable shall be ineffective only to the extent of such prohibition or unenforceability, without invalidating the remaining provisions hereof.

Section 1.8 Language

Each of the parties hereto hereby acknowledges that it has consented to and requested that this Indenture and all documents relating hereto, including, without limiting the generality of the foregoing, the form of Debenture attached hereto as Schedule A and the form of Declaration for Removal of Legend and Form of Broker-Dealer Affirmation attached hereto as Schedule F, be drawn up in the English language only.

Section 1.9 Successors and Assigns

All covenants and agreements of the Corporation in this Indenture and the Debentures shall bind its successors and assigns, whether so expressed or not. All covenants and agreements of the Trustee in this Indenture shall bind its successors.

Section 1.10 Severability

In case any provision in this Indenture or in the Debentures shall be invalid, illegal or unenforceable, such provision shall be deemed to be severed herefrom or therefrom and the validity, legality and enforceability of the remaining provisions shall not in any way be affected, prejudiced or impaired thereby.

Section 1.11 Entire Agreement

This Indenture and all supplemental indentures and Schedules hereto and thereto, and the Debentures issued hereunder and thereunder, together constitute the entire agreement between the parties hereto with respect to the indebtedness created hereunder and thereunder and under the Debentures and supersedes as of the date hereof all prior memoranda, agreements, negotiations, discussions and term sheets, whether oral or written, with respect to the indebtedness created hereunder or thereunder and under the Debentures.

Section 1.12 Benefits of Indenture

Nothing in this Indenture or in the Debentures, express or implied, shall give to any Person, other than the parties hereto and their successors hereunder, any paying agent, the holders of Debentures, any Secured

Creditors (to the extent provided in Article 5 only), and (to the extent provided in Section 9.11) the holders of Common Shares, any benefit or any legal or equitable right, remedy or claim under this Indenture.

Section 1.13 Applicable Law and Attornment

This Indenture, any supplemental indenture and the Debentures shall be governed by and interpreted in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein and shall be treated in all respects as British Columbia contracts, with respect to any suit, action or proceedings relating to this Indenture, any supplemental indenture or any Debenture, the Corporation, the Trustee and each holder irrevocably submit and attorn to the non-exclusive jurisdiction of the courts of the Province of British Columbia.

Section 1.14 Currency of Payment

Unless otherwise indicated in a supplemental indenture with respect to any particular series of Debentures, all payments to be made under this Indenture or a supplemental indenture shall be made in Canadian dollars.

Section 1.15 Non-Business Days

Whenever any payment to be made hereunder shall be due, any period of time would begin or end, any calculation is to be made or any other action is to be taken on, or as of, or from a period ending on, a day other than a Business Day, such payment shall be made, such period of time shall begin or end, such calculation shall be made and such other action shall be taken, as the case may be, unless otherwise specifically provided herein, on or as of the next succeeding Business Day without any additional interest, cost or charge to the Corporation.

Section 1.16 Accounting Terms

Except as hereinafter provided or as otherwise indicated in this Indenture, all calculations required or permitted to be made hereunder pursuant to the terms of this Indenture shall be made in accordance with IFRS. For greater certainty, IFRS shall include any accounting standards that may from time to time be approved for general application by the Canadian Institute of Chartered Accountants.

Section 1.17 Calculations

The Corporation shall be responsible for making all calculations called for hereunder including, without limitation, calculations of Current Market Price. The Corporation shall make such calculations in good faith and, absent manifest error, the Corporation's calculations shall be final and binding on holders and the Trustee. The Corporation will provide a schedule of its calculations to the Trustee and the Trustee shall be entitled to rely conclusively on the accuracy of such calculations without independent verification.

Section 1.18 Schedules

- (1) The following Schedules are incorporated into and form part of this Indenture:

- Schedule A – Form of Debenture
- Schedule B – Form of Notice of Conversion
- Schedule C – Common Share Legend
- Schedule D – Form of Certificate of Transfer
- Schedule E – Form of Certificate of Exchange
- Schedule F – Form of Declaration for Removal of Legend and Form of Broker-Dealer Affirmation

(2) In the event of any inconsistency between the provisions of any Section of this Indenture and the provisions of the Schedules which form a part hereof, the provisions of this Indenture shall prevail to the extent of the inconsistency.

ARTICLE 2– THE DEBENTURES

Section 2.1 Issue of Global Debentures

(1) The Corporation may specify that the Debentures of a series are to be issued in whole or in part as one or more Global Debentures, that may or may not be Book Based Only Debentures, registered in the name of a Depository, or its nominee, designated by the Corporation in the Written Direction of the Corporation delivered to the Trustee at the time of issue of such Debentures, and in such event the Corporation shall execute and the Trustee shall certify and deliver one or more Global Debentures that are not Book Based Only Debentures that shall:

- (a) represent an aggregate amount equal to the principal amount of the outstanding Debentures of such series to be represented by one or more Global Debentures;
- (b) be released by the Trustee as instructed by the Corporation for further delivery to such Depository or pursuant to such Depository's instructions; and
- (c) bear a legend substantially to the following effect, or as may otherwise be required by the Depository:

“THIS DEBENTURE IS A GLOBAL DEBENTURE WITHIN THE MEANING OF THE INDENTURE HEREIN REFERRED TO AND IS REGISTERED IN THE NAME OF A DEPOSITORY OR A NOMINEE THEREOF. THIS DEBENTURE MAY NOT BE TRANSFERRED TO OR EXCHANGED FOR DEBENTURES REGISTERED IN THE NAME OF ANY PERSON OTHER THAN THE DEPOSITORY OR A NOMINEE THEREOF AND NO SUCH TRANSFER MAY BE REGISTERED EXCEPT IN THE LIMITED CIRCUMSTANCES DESCRIBED IN THE TRUST INDENTURE DATED AS OF DECEMBER 30, 2022 BETWEEN EXRO TECHNOLOGIES INC. (THE “CORPORATION”) AND ODYSSEY TRUST COMPANY (THE “INDENTURE”). EVERY DEBENTURE AUTHENTICATED AND DELIVERED UPON REGISTRATION OF, TRANSFER OF, OR IN EXCHANGE FOR, OR IN LIEU OF, THIS DEBENTURE SHALL BE A GLOBAL DEBENTURE SUBJECT TO THE FOREGOING, EXCEPT IN SUCH LIMITED CIRCUMSTANCES DESCRIBED IN THE INDENTURE.

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF CDS CLEARING AND DEPOSITORY SERVICES INC. (“CDS”) TO THE CORPORATION OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IN RESPECT THEREOF IS REGISTERED IN THE NAME OF CDS & CO., OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF CDS (AND ANY PAYMENT IS MADE TO CDS & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED

REPRESENTATIVE OF CDS), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED HOLDER HEREOF, CDS & CO., HAS A PROPERTY INTEREST IN THE SECURITIES REPRESENTED BY THIS CERTIFICATE HEREIN AND IT IS A VIOLATION OF ITS RIGHTS FOR ANOTHER PERSON TO HOLD, TRANSFER OR DEAL WITH THIS CERTIFICATE.”

(2) Each Depository designated for a Global Debenture must, at the time of its designation and at all times while it serves as such Depository, be a clearing agency registered or designated under the Applicable Securities Legislation of the jurisdiction where the Depository has its principal offices.

Section 2.2 Limit of Debentures

The aggregate principal amount of Debentures authorized to be issued under this Indenture is unlimited, but Debentures may be issued only upon and subject to the conditions and limitations herein set forth.

Section 2.3 Terms of Debentures of any Series

(1) The Debentures may be issued in one or more series. There shall be established herein or in or pursuant to one or more indentures supplemental hereto, prior to the initial issuance of Debentures of any particular series:

- (a) the designation of the Debentures of the series (which need not include the term “**Debentures**”), which shall distinguish the Debentures of the series from the Debentures of all other series;
- (b) any limit upon the aggregate principal amount of the Debentures of the series that may be certified and delivered under this Indenture (except for Debentures certified and delivered upon registration of, transfer of, amendment of, or in exchange for, or in lieu of, other Debentures of the series pursuant to Sections 2.10, 2.11, Section 3.1 and Section 3.6 and Article 4 and Article 7);
- (c) the date or dates on which the principal of the Debentures of the series is payable;
- (d) the rate or rates at which the Debentures of the series shall bear interest, if any, the date or dates from which such interest shall accrue, on which such interest shall be payable and on which record date, if any, shall be taken for the determination of holders to whom such interest shall be payable and/or the method or methods by which such rate or rates or date or dates shall be determined;
- (e) the place or places where the principal of and any interest on Debentures of the series shall be payable or where any Debentures of the series may be surrendered for registration of transfer or exchange;
- (f) the right, if any, of the Corporation to redeem Debentures of the series, in whole or in part, at its option and the period or periods within which, the price or prices at which and any terms and conditions upon which, Debentures of the series may be so redeemed;
- (g) the obligation, if any, of the Corporation to redeem, purchase or repay Debentures of the series pursuant to any mandatory redemption, sinking fund or analogous provisions or at

the option of a holder thereof and the price or prices at which, the period or periods within which, the date or dates on which, and any terms and conditions upon which, Debentures of the series shall be redeemed, purchased or repaid, in whole or in part, pursuant to such obligations;

- (h) if other than denominations of \$1,000 and any integral multiple thereof, the denominations in which Debentures of the series shall be issuable;
- (i) subject to the provisions of this Indenture, any trustee, Depositories, authenticating or paying agents, transfer agents or registrars or any other agents with respect to the Debentures of the series;
- (j) any other events of default or covenants with respect to the Debentures of the series;
- (k) whether and under what circumstances the Debentures of the series will be convertible into or exchangeable for securities of any Person;
- (l) whether the Debentures of the series will be guaranteed by any person and the terms of any such guarantee;
- (m) the form and terms of the Debentures of the series;
- (n) if applicable, that the Debentures of the series shall be issuable in certificated or uncertificated form;
- (o) if other than Canadian currency, the currency in which the Debentures of the series are issuable; and
- (p) any other terms of the Debentures of the series (which terms shall not be inconsistent with the provisions of this Indenture).

(2) All Debentures of any one series shall be substantially identical, except as may otherwise be established herein or by or pursuant to a resolution of the Board of Directors, Officer's Certificate or in an indenture supplemental hereto. All Debentures of any one series need not be issued at the same time and may be issued from time to time, including pursuant to a Periodic Offering, consistent with the terms of this Indenture, if so provided herein, by or pursuant to such resolution of the Board of Directors, Officer's Certificate or in an indenture supplemental hereto.

Section 2.4 Form of Debentures

Except in respect of the Initial Debentures, the form of which is provided for herein, the Debentures of each series shall be substantially in such form or forms (not inconsistent with this Indenture) as shall be established herein or by or pursuant to one or more resolutions of the Board of Directors (or to the extent established pursuant to, rather than set forth in, a resolution of the Board of Directors, in an Officer's Certificate detailing such establishment) or in one or more indentures supplemental hereto, in each case with such appropriate insertions, omissions, substitutions and other variations as are required or permitted by this Indenture, and may have imprinted or otherwise reproduced thereon such legend or legends or endorsements, not inconsistent with the provisions of this Indenture, as may be required to comply with any law or with any rules or regulations pursuant thereto or with any rules or regulations of any securities exchange or securities regulatory authority or to conform to general usage, all as may be determined by the directors or officers of the Corporation executing such Debentures on behalf of the Corporation, as conclusively evidenced by their execution of such Debentures.

Section 2.5 Form and Terms of Initial Debentures

(1) The first series of Debentures (the “**Initial Debentures**”) authorized for issue immediately is limited to an aggregate principal amount of up to \$17,250,000 and shall be designated as “12.0% Senior Secured Convertible Debentures”.

(2) The Initial Debentures shall be dated the date of closing of the Offering and shall mature on December 31, 2027 (the “**Maturity Date**” for the Initial Debentures).

(3) The Initial Debentures shall bear interest from the date of closing of the Offering at the rate of 12.0% per annum (based on a year of 360 days comprised of twelve 30-day months), payable in semi-annual payments in arrears on June 30 and December 31 in each year, the first such payment to fall due on June 30, 2023, and the last such payment (representing interest payable from the last Interest Payment Date to, but excluding, the Maturity Date of the Initial Debentures) to fall due on December 31, 2027, payable after as well as before maturity and after as well as before default, with interest on amounts in default at the same rate, compounded annually. Each payment of interest on the Initial Debentures will include interest accrued for the period commencing on and including the immediately preceding Interest Payment Date (or, if none, the initial issuance date of the Initial Debentures) to but excluding the next following Interest Payment Date (or prepayment, redemption, repurchase or conversion date, as the case may be). Any payment required to be made on any day that is not a Business Day will be made on the next succeeding Business Day. The record date for the payment of interest on the Initial Debentures will be that date which is five Business Days prior to each Interest Payment Date.

(4) The Debentures will be direct secured obligations of the Corporation. The Initial Debentures will rank *pari passu* with each other series of Debentures issued under this Indenture or under indentures supplemental to this Indenture (regardless of their actual date or terms of issue) and, except as prescribed by law or as otherwise set out herein, will rank senior to all other existing and future indebtedness of the Corporation, whether secured or unsecured.

(5) Upon and subject to the provisions and conditions of Article 7 and Section 3.7, the holder of each Initial Debenture shall have the right at such holder’s option, at any time prior to the close of business on the earliest of (i) the Business Day immediately preceding the Maturity Date of the Initial Debentures; or (ii) if subject to repurchase pursuant to a Change of Control, the date specified by the Corporation for repurchase (the earlier of which will be the “**Time of Expiry**” for the purposes of Article 7 in respect of the Initial Debentures), to convert any part, being \$1,000 or an integral multiple thereof, of the principal amount of a Debenture into Common Shares at the Conversion Price in effect on the Date of Conversion. Notwithstanding the foregoing, no Initial Debentures may be converted on an Interest Payment Date or during the five Business Days preceding each Interest Payment Date.

The Conversion Price in effect on the date hereof for each Common Share to be issued upon the conversion of Initial Debentures shall be equal to \$2.40 such that approximately 416.67 Common Shares shall be issued for each \$1,000 principal amount of Initial Debentures so converted. Except as provided below, no adjustment in the number of Common Shares to be issued upon conversion will be made for dividends or distributions on Common Shares issuable upon conversion, the record date for the payment of which precedes the date upon which the holder becomes a holder of Common Shares in accordance with Article 7. No fractional Common Shares will be issued, and holders will receive a cash payment in satisfaction of any fractional interest based on the Current Market Price as of the Date of Conversion, provided, however, the Corporation shall not be required to make any payment of less than \$1.00. The Conversion Price applicable to, and the Common Shares, securities or other property receivable on the conversion of, the Initial Debentures is subject to adjustment pursuant to the provisions of Section 7.5. Holders converting their Initial Debentures will receive, in addition to the applicable number of Common Shares, accrued and unpaid interest (less any taxes required to be deducted) in respect of the Initial Debentures surrendered for conversion up to but excluding the Date of Conversion from, and including, the most recent Interest Payment Date. For clarity, payment of such interest

may, at the option of the Corporation, be paid on the next regularly scheduled Interest Payment Date following the Date of Conversion.

The Conversion Price will not be adjusted for accrued interest.

Notwithstanding any other provisions of this Indenture, if a Debenture is surrendered for conversion on an Interest Payment Date or during the five preceding Business Days, the Person or Persons entitled to receive Common Shares in respect of the Debenture so surrendered for conversion shall not become the holder or holders of record of such Common Shares until the Business Day following such Interest Payment Date and, for clarity, any interest payable on such Debentures will be for the account of the holder of record of such Debentures at the close of business on the relevant record date.

A Debenture in respect of which a holder has accepted a notice in respect of a Change of Control Offer pursuant to the provisions of subsection 2.5(9) may be surrendered for conversion only if such notice is withdrawn in accordance with this Indenture.

(6) Upon and subject to the terms and conditions of this Indenture, and subject to regulatory approval and provided that no Event of Default has occurred and is continuing, any time after December 31, 2024 and prior to the Maturity Date, with not more than 60 days' but not less than 30 days' prior written notice to Debentureholders, the Corporation shall be entitled to redeem the principal amount of the Debentures in whole or in part, plus accrued interest thereon (less any taxes required to be deducted), at a price equal to 105% of the principal amount thereof plus any accrued and unpaid interest thereon (the "**Redemption Price**").

(7) Subject to regulatory approval and provided that no Event of Default has occurred and is continuing, the Corporation may, at its option, elect to satisfy its obligation to pay interest accrued on the Initial Debentures by issuing freely tradable Common Shares to such Debentureholders (less any taxes required to be deducted in accordance with applicable law). If the Corporation elects to exercise such option, it shall provide details in a written notice (the "**Interest PIK Notice**") delivered to the holders of the Initial Debentures via the issuance of a press release of the Corporation, and to the Trustee via delivery of a copy of such press release, at least 5 Business Days prior to the Interest Payment Date setting out the details thereof. The number of Common Shares to be issued in satisfaction of the Corporation's interest obligation shall be calculated based on the VWAP of the Common Shares for the 5 trading days immediately prior to the date of the Interest PIK Notice. No fractional Common Shares will be issued in respect of the Corporation's interest obligation but in lieu thereof the Corporation shall satisfy fractional interests by a cash payment equal to the market price of any fractional interest as calculated based on the VWAP of the Common Shares for the 5 trading days immediately prior to the date of the Interest PIK Notice.

(8) The Initial Debentures shall be issued in denominations of \$1,000 and integral multiples of \$1,000. Each Initial Debenture and the certificate of the Trustee endorsed thereon shall be issued in substantially the form set out in Schedule A, with such insertions, omissions, substitutions or other variations as shall be required or permitted by this Indenture, and may have imprinted or otherwise reproduced thereon such legend or legends or endorsements, not inconsistent with the provisions of this Indenture, as may be required to comply with any law or with any rules or regulations pursuant thereto or with any rules or regulations of any securities exchange or securities regulatory authority or to conform with general usage, all as may be determined by the Board of Directors executing such Initial Debenture in accordance with Section 2.8 hereof, as conclusively evidenced by their execution of an Initial Debenture. Each Initial Debenture shall additionally bear such distinguishing letters and numbers as the Trustee shall approve. Notwithstanding the foregoing, an Initial Debenture may be in such other form or forms as may, from time to time, be, approved by a resolution of the Board of Directors, or as specified in an Officer's Certificate. The Initial Debentures may be engraved, lithographed, printed, mimeographed or typewritten or partly in one form and partly in another.

The Initial Debentures shall be issued in the form of one or more Debenture Certificates, shall bear the U.S. Legend, if applicable, and as Uncertificated Debentures.

(9) Within 30 days following a Change of Control, and subject to the provisions and conditions of this subsection 2.5(9), the Corporation shall be obligated to offer to purchase all of the Initial Debentures then outstanding. The terms and conditions of such obligation are set forth below:

- (a) Not less than 30 days following the occurrence of a Change of Control, the Corporation shall deliver to the Trustee, and the Trustee shall promptly deliver to the holders of the Initial Debentures, a notice stating that there has been a Change of Control and specifying the date on which such Change of Control occurred and the circumstances or events giving rise to such Change of Control (a **“Change of Control Notice”**) together with an offer in writing (the **“Change of Control Offer”**) to purchase on the Change of Control Purchase Date, all of the Debentures then outstanding from the holders thereof at a price equal to 100% of the principal amount thereof plus accrued and unpaid interest (less any taxes required to be deducted in accordance with applicable law) (the **“Offer Price”**). The Change of Control Offer shall specify the date and time on which such offer shall expire. The **“Change of Control Purchase Date”** shall be the date that is 30 Business Days after the date of the Change of Control Notice is delivered to holders of Initial Debentures.
- (b) If 90% or more in aggregate principal amount of Initial Debentures outstanding on the date the Corporation provides the Change of Control Notice to holders of the Initial Debentures have been surrendered for purchase pursuant to the Change of Control Offer on the expiration thereof, the Corporation has the right upon written notice provided to the Trustee within 10 days following the expiration of the Change of Control Offer, to redeem all the Initial Debentures remaining outstanding on the expiration of the Change of Control Offer at the Offer Price as at the Change of Control Purchase Date (the **“90% Redemption Right”**).
- (c) Upon receipt of notice that the Corporation has exercised or is exercising the 90% Redemption Right and is acquiring the remaining Initial Debentures, the Trustee shall promptly provide written notice to each Debentureholder that did not previously accept the Change of Control Offer that:
 - (i) the Corporation has exercised the 90% Redemption Right and is purchasing all outstanding Initial Debentures effective on the expiry of the Change of Control Offer at the Offer Price, and shall include a calculation of the amount payable to such holder as payment of the Offer Price as at the Change of Control Purchase Date;
 - (ii) each such holder must transfer their Initial Debentures to the Trustee on the same terms as those holders that accepted the Change of Control Offer and must send their respective Initial Debentures, duly endorsed for transfer, to the Trustee within 10 days after the sending of such notice; and
 - (iii) the rights of such holder under the terms of the Initial Debentures and this Indenture cease effective as of the date of expiry of the Change of Control Offer provided the Corporation has, on or before the time of notifying the Trustee of the exercise of the 90% Redemption Right, paid the Offer Price to, or to the order of, the Trustee and thereafter the Initial Debentures shall not be considered to be outstanding and the holder shall not have any right except to receive such holder's Offer Price upon surrender and delivery of such holder's Initial Debentures in accordance with the Indenture.

- (d) Subject to regulatory approval, in the event of a Change of Control where the aggregate consideration payable in connection therewith is or can be received wholly or at least 10% in cash, holders of the Initial Debentures shall have the option to elect to convert their Initial Debentures at the Change of Control Conversion Price instead of the Conversion Price, provided that the Change of Control Conversion Price is not less than discounts to the Current Market Price imposed by applicable legal, regulatory and stock exchange requirements, in which case the Change of Control Conversion Price shall be re-calculated using that Conversion Price which is equal to the maximum permitted discount to market price.

The "**Change of Control Conversion Price**" will be calculated as follows:

$COCCP = ECP / (1 + (CP \times (c/t)))$ where:

COCCP is the Change of Control Conversion Price;

ECP = the Conversion Price in effect on the effective date of the Change of Control;

CP = 20%

c = the number of days from and including the effective date of the Change of Control to but excluding December 31, 2024; and

t = the number of days from and including the Closing Date to but excluding December 31, 2024.

- (e) The Corporation shall, on or before 11:00 a.m. (Vancouver time) on the Business Day immediately prior to the Change of Control Purchase Date, deposit with the Trustee or any paying agent to the order of the Trustee, such sums of money as may be sufficient to pay the Offer Price of the Initial Debentures to be purchased or redeemed by the Corporation on the Change of Control Purchase Date (less any tax required by law to be deducted in respect of accrued and unpaid interest), provided the Corporation may elect to satisfy this requirement by providing the Trustee with a certified cheque or wire transfer for such amounts required under this clause 2.5(9)(d) post-dated to the date of expiry of the Change of Control Offer. The Corporation shall also deposit with the Trustee a sum of money sufficient to pay any charges or expenses which may be incurred by the Trustee in connection with such purchase. Every such deposit shall be irrevocable. From the sums so deposited, the Trustee shall pay or cause to be paid to the holders of such Initial Debentures, the Offer Price to which they are entitled (less any tax required by law to be deducted in respect of accrued and unpaid interest) on the Corporation's purchase.
- (f) In the event that one or more of such Initial Debentures being purchased in accordance with this subsection 2.5(9) becomes subject to purchase in part only, upon surrender of such Initial Debentures for payment of the Offer Price, the Corporation shall execute and the Trustee shall certify and deliver without charge to the holder thereof or upon the holder's order, one or more new Initial Debentures for the portion of the principal amount of the Initial Debentures not purchased.
- (g) Initial Debentures for which holders have accepted the Change of Control Offer and Initial Debentures which the Corporation has elected to redeem in accordance with this subsection 2.5(9) shall become due and payable at the Offer Price on the Change of Control Purchase Date, in the same manner and with the same effect as if it were the date of maturity specified in such Initial Debentures, anything therein or herein to the contrary notwithstanding, and from and after the Change of Control Purchase Date, if the money

necessary to purchase or redeem, or the Common Shares necessary to purchase or redeem, the Initial Debentures shall have been deposited as provided in this subsection 2.5(9) and affidavits or other proofs satisfactory to the Trustee as to the publication and/or mailing of such notices shall have been lodged with it, interest on the Initial Debentures shall cease. If any question shall arise as to whether any notice has been given as above provided and such deposit made, such question shall be decided by the Trustee whose decision shall be final and binding upon all parties in interest.

- (h) In case the holder of any Initial Debenture to be purchased or redeemed in accordance with this subsection 2.5(9) shall fail on or before the Change of Control Purchase Date to so surrender such holder's Initial Debenture or shall not within such time accept payment of the monies payable, to take delivery of certificates representing such Common Shares issuable in respect thereof, or give such receipt therefor, if any, as the Trustee may require, such monies may be set aside in trust, or such certificates may be held in trust, without interest, either in the deposit department of the Trustee or in a chartered bank, and such setting aside shall for all purposes be deemed a payment to the Debentureholder of the sum or the Common Shares so set aside and the Debentureholder shall have no other right except to receive payment of the monies so paid and deposited, or take delivery of the certificates so deposited, or both, upon surrender and delivery of such holder's Initial Debenture. In the event that any money or certificates representing Common Shares required to be deposited hereunder with the Trustee or any depository or paying agent on account of principal, premium, if any, or interest, if any, on Initial Debentures issued hereunder shall remain so deposited for a period of six years from the Change of Control Purchase Date, then such monies, or certificates representing Common Shares, together with any accumulated interest thereon, or any distributions paid thereon, shall at the end of such period be paid over or delivered over by the Trustee or such depository or paying agent to the Corporation and the Trustee shall not be responsible to Debentureholders for any amounts owing to them.
- (i) Subject to the provisions above related to Initial Debentures purchased in part, all Initial Debentures redeemed and paid under this subsection 2.5(9) shall forthwith be delivered to the Trustee and cancelled and no Initial Debentures shall be issued in substitution therefor.

Section 2.6 Certification and Delivery of Additional Debentures

The Corporation may from time to time request the Trustee to certify and deliver Additional Debentures of any series by delivering to the Trustee the documents referred to below in this Section 2.6 whereupon the Trustee shall certify such Debentures and cause the same to be delivered in accordance with the Written Direction of the Corporation referred to below or pursuant to such procedures acceptable to the Trustee as may be specified from time to time by a Written Direction of the Corporation. The maturity date, issue date, interest rate (if any) and any other terms of the Debentures of such series shall be set forth in or determined by or pursuant to such Written Direction of the Corporation and procedures. In certifying such Debentures, the Trustee shall be entitled to receive and shall be fully protected in relying upon, unless and until such documents have been superseded or revoked:

- (a) an Officer's Certificate and/or executed supplemental indenture by or pursuant to which the form and terms of such Additional Debentures were established;
- (b) a Written Direction of the Corporation requesting certification and delivery of such Additional Debentures and setting forth delivery instructions, provided that, with respect to Debentures of a series subject to a Periodic Offering:

- (i) such Written Direction of the Corporation may be delivered by the Corporation to the Trustee prior to the delivery to the Trustee of such Additional Debentures of such series for certification and delivery;
 - (ii) the Trustee shall certify and deliver Additional Debentures of such series for original issue from time to time, in an aggregate principal amount not exceeding the aggregate principal amount, if any, established for such series, pursuant to a Written Direction of the Corporation or pursuant to procedures acceptable to the Trustee as may be specified from time to time by a Written Direction of the Corporation;
 - (iii) the maturity date or dates, issue date or dates, interest rate or rates (if any) and any other terms of Additional Debentures of such series shall be determined by an executed supplemental indenture or by Written Direction of the Corporation or pursuant to such procedures; and
 - (iv) if provided for in such procedures, such Written Direction of the Corporation may authorize certification and delivery pursuant to oral or electronic instructions from the Corporation which oral or electronic instructions shall be promptly confirmed in writing;
- (c) an opinion of Counsel, in form and substance satisfactory to the Trustee, acting reasonably, to the effect that all requirements imposed by this Indenture and by law in connection with the proposed issue of Additional Debentures have been complied with, subject to the delivery of certain documents or instruments specified in such opinion; and
 - (d) an Officer's Certificate (which Officer's Certificate shall be in such form that satisfies all applicable laws) certifying that the Corporation is not in default under this Indenture, that the terms and conditions for the certification and delivery of Additional Debentures (including those set forth in Section 15.4), have been complied with subject to the delivery of any documents or instruments specified in such Officer's Certificate and that no Event of Default exists or will exist upon such certification and delivery.

Section 2.7 Non-Certificated Deposit

(1) Subject to the provisions hereof, at the Corporation's option, Debentures may be issued and registered in the name of CDS or its nominee and:

- (a) the deposit of which may be confirmed electronically by the Trustee to a particular Participant through CDS; and
- (b) shall be identified by a specific CUSIP/ISIN as requested by the Corporation from CDS to identify each specific series of Debentures and the Initial Debentures shall be identified by CUSIP – 30222RAA7 / ISIN – CA30222RAA73.

(2) If the Corporation issues Debentures in a non-certificated format, Beneficial Holders of such Debentures registered and deposited with CDS shall not receive Debenture Certificates in definitive form and shall not be considered owners or holders thereof under this Indenture or any supplemental indenture. Beneficial interests in Debentures registered and deposited with CDS will be represented only through the non-certificated inventory system administered by CDS. Transfers of Debentures registered and deposited with CDS between Participants shall occur in accordance with the rules and procedures of CDS. Neither the Corporation nor the Trustee shall have any responsibility or liability for any aspects of the records relating to or payments made by CDS or its nominee, on account of the beneficial interests in Debentures registered and

deposited with CDS. Nothing herein shall prevent the Beneficial Holders of Debentures registered and deposited with CDS from voting such Debentures using duly executed proxies or voting instruction forms.

(3) All references herein to actions by, notices given or payments made to Debentures shall, where Debentures are held through CDS, refer to actions taken by, or notices given or payments made to, CDS upon instruction from the Participants in accordance with its rules and procedures. For the purposes of any provision hereof requiring or permitting actions with the consent of or the direction of Debentureholders evidencing a specified percentage of the aggregate Debentures outstanding, such direction or consent may be given by Beneficial Holders acting through CDS and the Participants owning Debentures evidencing the requisite percentage of the Debentures. The rights of a Beneficial Holder whose Debentures are held established by law and agreements between such holders and CDS and the Participants upon instructions from the Participants. Each Trustee and the Corporation may deal with CDS for all purposes (including the making of payments) as the authorized representative of the respective Debentures and such dealing with CDS shall constitute satisfaction or performance, as applicable, of their respective obligations hereunder.

(4) For so long as Debentures are held through CDS, if any notice or other communication is required to be given to Debentureholders, the Trustee will give such notices and communications to CDS.

(5) If CDS resigns or is removed from its responsibility as Depository and the Trustee is unable or does not wish to locate a qualified successor, CDS shall provide the Trustee with instructions for registration of Debentures in the names and in the amounts specified by CDS and the Corporation shall issue and the Trustee shall certify and deliver the aggregate number of Debentures then outstanding in the form of definitive Debentures Certificates representing such Debentures.

(6) The rights of Beneficial Holders who hold securities entitlements in respect of the Debentures through non-certificated inventory system administered by CDS shall be limited to those established by applicable law and agreements between the Depository and the Participants and between such Participants and the Beneficial Holders who hold securities entitlements in respect of the Debentures through the non-certificated inventory system administered by CDS, and such rights must be exercised through a Participant in accordance with the rules and procedures of the Depository.

(7) Notwithstanding anything herein to the contrary, none of the Corporation nor the Trustee nor any agent thereof shall have any responsibility or liability for:

- (a) the electronic records maintained by the Depository relating to any ownership interests or other interests in the Debentures or the depository system maintained by the Depository, or payments made on account of any ownership interest or any other interest of any Person in any Debenture represented by an electronic position in the non-certificated inventory system administered by CDS (other than Depository or its nominee);
- (b) for maintaining, supervising or reviewing any records of the Depository or any Participant relating to any such interest; or
- (c) any advice or representation made or given by the Depository or those contained herein that relate to the rules and regulations of the Depository or any action to be taken by the Depository on its own direction or at the direction of any Participant.

(8) The Corporation may terminate the application of this Section 2.7 in its sole discretion in which case all Debentures shall be evidenced by Debenture Certificates registered in the name of a Person other than the Depository.

Section 2.8 Execution of Debentures

All Debentures shall be signed (either manually or by facsimile or other electronic signature) by any one authorized director or officer of the Corporation holding office at the time of signing. A facsimile or electronic signature upon a Debenture shall for all purposes of this Indenture be deemed to be the signature of the Person whose signature it purports to be. Notwithstanding that any Person whose signature, either manual or in facsimile or electronic form, appears on a Debenture as a director or officer may no longer hold such office at the date of the Debenture or at the date of the certification and delivery thereof, such Debenture shall be valid and binding upon the Corporation and entitled to the benefits of this Indenture.

Section 2.9 Certification

(1) No Debenture shall be issued or, if issued, shall be obligatory or shall entitle the holder to the benefits of this Indenture, until it has been certified by or on behalf of the Trustee substantially in the form set out in this Indenture, in the relevant supplemental indenture, or in some other form approved by the Trustee. Such certification or authentication of any Debenture shall be conclusive evidence that such Debenture is duly issued, is a valid obligation of the Corporation and the holder is entitled to the benefits hereof. Debentures will be certified or authenticated on a Written Direction of the Corporation.

(2) The certificate of the Trustee signed on the Debentures, or interim Debentures hereinafter mentioned, and the authentication of Uncertificated Debentures, shall not be construed as a representation or warranty by the Trustee as to the validity of this Indenture or of the Debentures or interim Debentures or as to the issuance of the Debentures or interim Debentures and the Trustee shall in no respect be liable or answerable for the use made of the Debentures or interim Debentures or any of them or the proceeds thereof. The certificate of the Trustee on the Debentures or interim Debentures, and the authentication of Uncertificated Debentures, shall, however, be a representation and warranty by the Trustee that the Debentures or interim Debentures have been duly certified or authenticated by or on behalf of the Trustee pursuant to the provisions of this Indenture.

(3) The Trustee shall authenticate Uncertificated Debentures (whether upon original issuance, exchange, registration of transfer or otherwise) by completing its Internal Procedures and the Corporation shall, and hereby acknowledges that it shall, thereupon be deemed to have duly and validly issued such Uncertificated Debentures have been duly issued hereunder and that the holder or holders are entitled to the benefits of this Indenture. The register shall be final and conclusive evidence as to all matters relating to Uncertificated Debentures with respect to which this Indenture requires the Trustee to maintain records or accounts. In case of differences between the register at any time and any other time the register at the later time shall be controlling, absent manifest error and such Uncertificated Debentures are binding on the Corporation.

Section 2.10 Interim Debentures or Certificates

Pending the delivery of definitive Debentures of any series to the Trustee, the Corporation may issue and the Trustee certify in lieu thereof interim Debentures in such forms and in such denominations and signed in such manner as provided herein, entitling the holders thereof to definitive Debentures of the series when the same are ready for delivery; or the Corporation may execute and the Trustee certify a temporary Debenture for the whole principal amount of Debentures of the series then authorized to be issued hereunder and deliver the same to the Trustee and thereupon the Trustee may issue its own interim certificates in such form and in such amounts, not exceeding in the aggregate the principal amount of the temporary Debenture so delivered to it, as the Corporation and the Trustee may approve entitling the holders thereof to definitive Debentures of the series when the same are ready for delivery; and, when so issued and certified, such interim or temporary Debentures or interim certificates shall, for all purposes but without duplication, rank in respect of this Indenture equally with Debentures duly issued hereunder and, pending the exchange thereof for definitive Debentures, the holders of the interim or temporary Debentures or interim certificates shall be deemed without duplication to be Debentureholders and entitled to the benefit of this Indenture to the same extent and in the same manner as

though the said exchange had actually been made. Forthwith after the Corporation shall have delivered the definitive Debentures to the Trustee, the Trustee shall cancel such temporary Debentures, if any, and shall call in for exchange all interim Debentures or certificates that shall have been issued and forthwith after such exchange shall cancel the same. No charge shall be made by the Corporation or the Trustee to the holders of such interim or temporary Debentures or interim certificates for the exchange thereof. All interest paid upon interim or temporary Debentures or interim certificates shall be noted thereon as a condition precedent to such payment unless paid by cheque to the registered holders thereof.

Section 2.11 Mutilation, Loss, Theft or Destruction

In case any of the Debentures issued hereunder shall become mutilated or be lost, stolen or destroyed, the Corporation, in its discretion, may issue, and thereupon the Trustee shall certify and deliver, a new Debenture upon surrender and cancellation of the mutilated Debenture, or in the case of a lost, stolen or destroyed Debenture, in lieu of and in substitution for the same, and the substituted Debenture shall be in a form approved by the Trustee and shall be entitled to the benefits of this Indenture and rank equally in accordance with its terms with all other Debentures issued or to be issued hereunder. In case of loss, theft or destruction the applicant for a substituted Debenture shall furnish to the Corporation and to the Trustee such evidence of the loss, theft or destruction of the Debenture as shall be satisfactory to them in their discretion and shall also furnish an indemnity and surety bond satisfactory to them in their discretion. The applicant shall pay all reasonable expenses incidental to the issuance of any substituted Debenture.

Section 2.12 Concerning Interest

(1) All Debentures issued hereunder, whether originally or upon exchange or in substitution for previously issued Debentures which are interest bearing, shall bear interest (i) from and including their issue date, or (ii) from and including the last Interest Payment Date to which interest shall have been paid or made available for payment on the outstanding Debentures of that series, whichever shall be the later, or, in respect of Debentures subject to a Periodic Offering, from and including their issue date or from and including the last Interest Payment Date to which interest shall have been paid or made available for payment on such Debentures, in all cases, to and excluding the next Interest Payment Date.

(2) Unless otherwise specifically provided in the terms of the Debentures of any series, interest shall be computed on the basis of a year of 360 days comprised of twelve 30-day months. With respect to any series of Debentures, whenever interest is computed on the basis of a year (the “**deemed year**”) which contains fewer days than the actual number of days in the calendar year of calculation, such rate of interest shall be expressed as a yearly rate for purposes of the *Interest Act* (Canada) by multiplying such rate of interest by the actual number of days in the calendar year of calculation and dividing it by the number of days in the deemed year.

Section 2.13 Debentures to Rank Pari Passu

The Debentures will be direct secured obligations of the Corporation. Each Debenture of the same series of Debentures will rank *pari passu* with each other Debenture of the same series (regardless of their actual date or terms of issue) and, and, unless otherwise specified herein or in any supplemental indenture, with each series of Debentures issued under this Indenture or under any supplemental indenture to this Indenture.

Section 2.14 Payments of Amounts Due on Maturity

Except as may otherwise be provided herein or in any supplemental indenture in respect of any series of Debentures, payments of amounts due upon maturity of the Debentures will be made in the following manner. The Corporation will establish and maintain with the Trustee a Maturity Account for each series of Debentures. Each such Maturity Account shall be maintained by and be subject to the control of the Trustee for

the purposes of this Indenture. On or before 11:00 a.m. (Vancouver time) on the Business Day immediately prior to each Maturity Date for Debentures outstanding from time to time under this Indenture, the Corporation will deliver to the Trustee a certified cheque or wire transfer for deposit in the applicable Maturity Account in an amount sufficient to pay the cash amount payable in respect of such Debentures (including the principal amount together with any accrued and unpaid interest thereon less any tax required by law to be deducted), provided the Corporation may elect to satisfy this requirement by providing the Trustee with a certified cheque for such amounts required under this Section 2.14. The Trustee, on behalf of the Corporation, will pay to each holder entitled to receive payment the principal amount of and premium (if any) and accrued and unpaid interest on the Debenture, upon surrender of the Debenture at any branch of the Trustee designated for such purpose from time to time by the Corporation and the Trustee. The delivery of such funds to the Trustee for deposit to the applicable Maturity Account will satisfy and discharge the liability of the Corporation for the Debentures to which the delivery of funds relates to the extent of the amount delivered (plus the amount of any tax deducted as aforesaid) and such Debentures will thereafter to that extent not be considered as outstanding under this Indenture and such holder will have no other right in regard thereto other than to receive out of the money so delivered or made available the amount to which it is entitled.

Section 2.15 U.S. Legend

(1) The Debentures and Common Shares issuable upon conversion thereof have not been and will not be registered under the 1933 Act or any securities laws of any state of the United States. To the extent that Initial Debentures are offered and sold in the United States to U.S. Accredited Investors in reliance on an exemption from registration under Rule 506(b) under the 1933 Act, such Initial Debentures and all Common Shares issuable on conversion thereof (collectively, the **“Securities”**), shall be “restricted securities” within the meaning assigned to that term in Rule 144(a)(3) under the 1933 Act. Subject to subsection 2.15(3), such Securities, as well as all securities issued in exchange for or in substitution of the Securities, shall be issued in certificated form bearing the legend below or under a separate, restricted CUSIP number and, until such time as the same is no longer required under applicable requirements of the 1933 Act or the applicable securities laws of any state of the United States, shall bear the following legend (the **“U.S. Legend”**):

- (a) **“THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “U.S. SECURITIES ACT”) OR THE LAWS OF ANY STATE OF THE UNITED STATES. THE HOLDER HEREOF, BY PURCHASING SUCH SECURITIES, AGREES FOR THE BENEFIT OF EXRO TECHNOLOGIES INC. (THE “CORPORATION”), THAT SUCH SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, ONLY (A) TO THE CORPORATION, (B) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH APPLICABLE LOCAL LAWS AND REGULATIONS, (C) IN COMPLIANCE WITH THE EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY (i) RULE 144 THEREUNDER, IF AVAILABLE, OR (ii) RULE 144A THEREUNDER, IF AVAILABLE, AND, IN BOTH CASES, IN ACCORDANCE WITH APPLICABLE U.S. STATE SECURITIES LAWS, OR (D) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE U.S. STATE SECURITIES LAWS, AND, IN THE CASE OF (C)(i) OR (D) ABOVE, AFTER THE SELLER FURNISHES TO THE CORPORATION AN OPINION OF COUNSEL OF**

**RECOGNIZED STANDING IN FORM AND SUBSTANCE
REASONABLY SATISFACTORY TO THE CORPORATION AND
THE TRUSTEE OR TRANSFER AGENT TO SUCH EFFECT.
DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE
“GOOD DELIVERY” IN SETTLEMENT OF TRANSACTIONS ON
STOCK EXCHANGES IN CANADA.”**

provided that if the Debentures or Common Shares are being sold in compliance with the requirements of Rule 904 of Regulation S and in compliance with Canadian local laws and regulations, and provided that the Corporation is a “foreign issuer” within the meaning of Regulation S at the time of issuance of the Debentures or Common Shares, as applicable, such Securities may be transferred to an unrestricted CUSIP or the U.S. Legend may be removed by providing a declaration to the Trustee substantially as set forth in Schedule F (or as the Corporation or the Trustee may reasonably prescribe from time to time); and provided further that, if any Debentures or Common Shares are being sold in accordance with Rule 144 under the 1933 Act, if available, the Debentures or Common Shares, as applicable, may be transferred into an unrestricted CUSIP or the U.S. Legend may be removed by delivery to the Trustee of an opinion of counsel of recognized standing, in form and substance reasonably satisfactory to the Trustee and the Corporation, that the Debentures or Common Shares no longer require a restricted CUSIP or the U.S. Legend is no longer required under applicable requirements of the 1933 Act or applicable securities laws of any state of the United States. Provided that the Trustee obtains confirmation from the Corporation that such counsel is satisfactory to it, it shall be entitled to rely on such opinion of counsel without further inquiry.

(2) The parties hereto hereby acknowledge and agree that the Securities may not be reoffered, or resold, pledged or otherwise transferred except: (i) to the Corporation; (ii) outside the United States in accordance with Regulation S and in compliance with applicable local laws and regulations; (iii) in compliance with the exemption from registration under the 1933 Act provided by (A) Rule 144 under the 1933 Act, or (B) Rule 144A under the 1933 Act, if applicable, and, in each case, in accordance with any applicable securities laws of any state of the United States; or (iv) in a transaction that does not require registration under the 1933 Act or any applicable securities laws of any state of the United States.

(3) Prior to the issuance of the Debentures, the Corporation shall notify the Trustee, in writing, concerning which Debentures are to be included in the Restricted Debentures which shall bear the U.S. Legend. All Securities issued to U.S. Accredited Investors pursuant to Rule 506(b) under the 1933 Act shall bear the U.S. Legend. The Trustee will thereafter maintain a list of all registered holders from time to time of such legended Debentures.

Section 2.16 Payment of Interest

The following provisions shall apply to Debentures, except as otherwise provided in subsection 2.5(3) or specified in a resolution of the Board of Directors, an Officer’s Certificate or a supplemental indenture relating to a particular series of Additional Debentures:

- (a) As interest becomes due on each Debenture (except, subject to certain exceptions set forth herein including in subsection 2.5(3), on conversion or on redemption, when interest may at the option of the Corporation be paid upon surrender of such Debenture), the Corporation, either directly (which shall be confirmed by the Corporation by an Officer’s Certificate) or through the Trustee or any agent of the Trustee, shall send or forward a cheque by prepaid ordinary mail, wire transfer of funds or such other means as may be agreed to by the Trustee, payment of such interest (less any tax required to be withheld therefrom) to the order of the registered holder of such Debenture appearing on the registers maintained by the Trustee at the close of business on the record date prior to the applicable Interest Payment Date and addressed to the holder at the holder’s last address appearing on the

register, unless such holder otherwise directs in writing to the Trustee in advance. If payment is made by cheque, such cheque shall be forwarded at least three days prior to each date on which interest becomes due (and the Corporation shall deliver sufficient funds to the Trustee by wire transfer or make such other arrangements for the provision of funds as may be agreeable between the Trustee and the Corporation in order to effect such payment) and if payment is made by other means (such as electronic transfer of funds, provided the Trustee must receive confirmation of receipt of funds prior to being able to wire funds to holders), such payment shall be made in a manner whereby the holder receives credit for such payment on the date such interest on such Debenture becomes due. The mailing of such cheque or the making of such payment by other means shall, to the extent of the sum represented thereby, plus the amount of any tax withheld as aforesaid, satisfy and discharge all liability for interest on such Debenture, unless in the case of payment by cheque, such cheque is not paid at par on presentation. In the event of non- receipt of any cheque for or other payment of interest by the Person to whom it is so sent as aforesaid, the Corporation will issue to such Person a replacement cheque or other payment for a like amount upon being furnished with such evidence of non-receipt as it shall reasonably require and upon being indemnified to its satisfaction. Notwithstanding the foregoing, if the Corporation is prevented by circumstances beyond its control (including, without limitation, any interruption in mail service) from making payment of any interest due on each Debenture in the manner provided above, the Corporation may make payment of such interest or make such interest available for payment in any other manner acceptable to the Trustee with the same effect as though payment had been made in the manner provided above.

- (b) All payments of interest on each Uncertificated Debenture registered in the name of the Depository shall be made by wire funds transfer or certified cheque made payable (i) to the Depository or its nominee on the day interest is payable for subsequent payment to Beneficial Holders of the applicable Uncertificated Debenture, unless the Corporation and the Depository otherwise agree or (ii) if the Corporation wishes to have the Trustee act as interest paying agent, to the Trustee by no later than the Business Day prior to the day interest is payable for subsequent payment to Beneficial Holders of the applicable Uncertificated Debenture. None of the Corporation, the Trustee or any agent of the Trustee for any Debenture issued as an Uncertificated Debenture will be liable or responsible to any Person for any aspect of the records related to or payments made on account of beneficial interests in any Uncertificated Debenture or for maintaining, reviewing, or supervising any records relating to such beneficial interests.
- (c) The Trustee shall have no obligation to disburse funds pursuant to this Section unless it has received written confirmation satisfactory to it that the funds have been deposited with it in sufficient amount to pay in full all amounts due and payable with respect to such Interest Payment Date. The Trustee shall, if any funds are received by it in the form of uncertified cheques, be entitled to delay the time for release of such funds until such uncertified cheques shall be determined to have cleared the financial institution upon which the same are drawn.

ARTICLE 3– REGISTRATION, TRANSFER, EXCHANGE AND OWNERSHIP

Section 3.1 Global Debentures or Book Based Only Debentures

- (1) With respect to each series of Debentures issuable in whole or in part as one or more Global Debentures and/or as Book Based Only Debentures, the Corporation shall cause to be kept by and at the principal offices of the Trustee in Vancouver, British Columbia and by the Trustee or such other registrar as

the Corporation, with the approval of the Trustee, may appoint at such other place or places, if any, as the Corporation may designate with the approval of the Trustee, a register in which shall be entered the name and address of the holder of each such Global Debenture and/or Book Based Only Debenture as holder thereof and particulars of the Global Debenture and/or Book Based Only Debenture held by it, and of all transfers thereof. If any Debentures of such series are at any time not Global Debentures or Book Based Only Debentures, the provisions of Section 3.2 shall govern with respect to registrations and transfers of such Debentures.

(2) Notwithstanding any other provision of this Indenture, a Global Debenture or Book Based Only Debenture may not be transferred by the registered holder thereof and accordingly, no definitive certificates shall be issued to Beneficial Holders except in the following circumstances or as otherwise specified in a resolution of the Directors, an Officer's Certificate or a supplemental indenture relating to a particular series of Additional Debentures:

- (a) Global Debentures or Book Based Only Debentures may be transferred by a Depository to a nominee of such Depository or by a nominee of a Depository to such Depository or to another nominee of such Depository or by a Depository or its nominee to a successor Depository or its nominee;
- (b) Global Debentures or Book Based Only Debentures may be transferred at any time after (i) the Depository for such Global Debentures or Book Based Only Debentures, as the case may be, or the Corporation has notified the Trustee that the Depository is unwilling or unable to continue as Depository for such Global Debentures or Book Based Only Debentures, or (ii) the Depository ceases to be a clearing agency or otherwise ceases to be eligible to be a Depository under Section 2.1(2), provided in each case that at the time of such transfer the Trustee and the Corporation are unable to locate a qualified successor Depository for such Global Debentures or Book Based Only Debentures;
- (c) Global Debentures or Book Based Only Debentures may be transferred at any time after the Corporation has determined, in its sole discretion, with the consent of the Trustee to terminate the book-entry only registration system or book based entry, as the case may be, in respect of such Global Debentures or Book Based Only Debentures and has communicated such determination to the Trustee in writing;
- (d) Global Debentures or Book Based Only Debentures may be transferred at any time after the Trustee has determined that an Event of Default has occurred and is continuing with respect to the Debentures of the series issued as a Global Debenture or Book Based Only Debentures, as the case may be, provided that Beneficial Holders of the Debentures representing, in the aggregate, more than 25% of the aggregate principal amount of the Debentures of such series advise the Depository in writing, through the Depository Participants, that the continuation of the book-entry only registration system or book based entry, as applicable, for such series of Debentures is no longer in their best interest and also provided that at the time of such transfer the Debentureholders have not waived the Event of Default pursuant to Section 8.3;
- (e) Global Debentures or Book Based Only Debentures may be transferred if required by applicable law; or
- (f) Global Debentures or Book Based Only Debentures may be transferred if the book-entry only registration system or book based entry, as applicable, ceases to exist.

(3) With respect to the Global Debentures, unless and until definitive certificates have been issued to Beneficial Holders of the Debentures pursuant to subsection Section 3.1(2):

- (a) the Corporation and the Trustee may deal with the Depository for all purposes (including paying interest on the Debentures) as the sole holder of such series of Debentures and the authorized representative of the Beneficial Holders;
- (b) the rights of the Beneficial Holders of the Debentures shall be exercised only through the Depository and shall be limited to those established by law and agreements between such Beneficial Holders and the Depository or the Depository Participants;
- (c) the Depository will make book-entry or book based, as applicable, transfers among the Depository Participants; and
- (d) whenever this Indenture requires or permits actions to be taken based upon instructions or directions of Debentureholders evidencing a specified percentage of the outstanding Debentures, the Depository shall be deemed to be counted in that percentage only to the extent that it has received instructions to such effect from the Beneficial Holders of the Debentures or the Depository Participants, and has delivered such instructions to the Trustee.

(4) Whenever a notice or other communication is required to be provided to Debentureholders, unless and until definitive certificate(s) have been issued to Beneficial Holders of the Debentures pursuant to this Section 3.1, the Trustee shall provide all such notices and communications to the Depository for forwarding by the Depository to such Beneficial Holders in accordance with Applicable Securities Legislation. Upon the termination of the book-entry only registration system or book based entry, as applicable, on the occurrence of one of the conditions specified in Section 3.1(2) with respect to a series of Debentures issued hereunder, the Trustee shall notify all applicable Depository Participants and Beneficial Holders, through the Depository, of the availability of definitive Debenture certificates. Upon surrender by the Depository of the certificate(s) representing the Global Debentures and receipt of new registration instructions from the Depository, the Trustee shall deliver the definitive Debenture certificates for such Debentures to the holders thereof in accordance with the new registration instructions and thereafter, the registration and transfer of such Debentures will be governed by Section 3.2 and the remaining Sections of this Article 3, as applicable.

(5) Notwithstanding any other provisions of this Indenture or the Debentures, transfers and exchanges of Debentures and beneficial interests in Global Debentures shall be made in accordance with the applicable rules and guidelines of the Securities Transfer Association of Canada.

(6) Notwithstanding any provisions made in this Indenture for the issuance, certification and authentication of Debentures in physical form as Additional Debentures, Debentures or Global Debentures, the Debentures issued under the terms of this Indenture may also be issued to the Depository in book based only form, non-certificated and appearing on the register of the Trustee as a book based entry. In the absence of any physical securities being created for certification by the Corporation and authentication by the Trustee both at the initial issuance of the Debentures and at the time of any subsequent additional issuance of Debentures pursuant to the terms of a supplemental indenture, confirmation of the due issuance and validity of any Debentures shall be based upon the comparison of the Debentures in quantity and description appearing under the relevant broker's instant deposit request identification number to the quantity and description of Debentures as detailed in the Written Direction of the Corporation addressed to the Trustee and to the broker upon whose posting of the Book Based Only Debentures to the book entry records of the Depository on a non-certificated basis on which both the Corporation and the Trustee shall depend. It is the responsibility of the Corporation to make the necessary arrangements with its broker or brokers to obtain, in a timely manner, the necessary instant deposit request identification number to facilitate the issuance of non-certificated Book Based Only Debentures.

(7) In the establishment and maintenance of a non-certificated Book Based Only Debenture issue, the Trustee shall maintain such a record on its register for Debentures in book based form only. Transfers of Debentures appearing on the register of the Depository shall otherwise occur as provided for in this Indenture. The parties hereto further recognize that, notwithstanding the issuance of Book Based Only Debentures, conversions of Debentures shall occur as contemplated by the terms of this Indenture but the Trustee is permitted to employ whatever reasonable means it may from time to time require in order to guarantee the unhindered (but subject to the terms and conditions hereof) conversion of such Debentures appearing on the register for Debentures in book based only form by making whatever arrangements are deemed necessary by it with the Depository.

(8) At the time of the execution of this Indenture, the parties hereto understand that no declarations or other paper certificates or documentation will be required in order to effect conversions of Debentures held by Persons in the United States. If at any time subsequent to the initial issuance of Debentures it is determined by the Depository, the Trustee, the Corporation or legal counsel that physical declarations or other paper documentation are required for conversions or otherwise, the parties hereto and the Debentureholders acknowledge that the Trustee may be obliged to require the Debentures held by such Persons converting their Debentures to be certificated rather than held in book based form.

Section 3.2 Debentures

(1) With respect to each series of Debentures, the Corporation shall cause to be kept by and at the principal office of the Trustee in Vancouver, British Columbia and by the Trustee or such other registrar as the Corporation, with the approval of the Trustee, may appoint at such other place or places, if any, as may be specified in the Debentures of such series or as the Corporation may designate with the approval of the Trustee, a register in which shall be entered the names and addresses of the holders of Debentures and particulars of the Debentures held by them respectively and of all transfers of Debentures. Such registration shall be noted on the Debentures by the Trustee or other registrar unless a new Debenture shall be issued upon such transfer.

(2) No transfer of a Debenture shall be valid unless made on such register referred to in subsection 3.2(1) by the registered holder or such holder's executors, administrators or other legal representatives or an attorney duly appointed by an instrument in writing in form and executed in a manner satisfactory to the Trustee or other registrar upon surrender of the Debentures together with a duly executed form of transfer acceptable to the Trustee upon compliance with such other reasonable requirements as the Trustee or other registrar may prescribe, or unless the name of the transferee shall have been noted on the Debenture by the Trustee or other registrar.

(3) Notwithstanding any other provisions in this Indenture or the Debentures, transfers and exchanges of Restricted Debentures shall be made in accordance with this Section 3.2(3):

(a) **Transfer and Exchange of Interests in a Restricted Uncertificated Debenture for Interests in an Unrestricted Uncertificated Debenture.** An interest in a Restricted Uncertificated Debenture may be exchanged by any holder thereof for an interest in an Unrestricted Uncertificated Debenture or transferred to a Person who takes delivery thereof in the form of a beneficial interest in an Unrestricted Uncertificated Debenture if the Trustee receives the following:

(i) if the holder of such interest in a Restricted Uncertificated Debenture proposes to exchange such beneficial interest for a beneficial interest in an Unrestricted Uncertificated Debenture, a certificate from such holder in the form of Schedule E, including the certifications in item (1)(a) thereof; or

- (ii) if the holder of such beneficial interest in a Restricted Uncertificated Debenture proposes to transfer such beneficial interest to a Person who shall take delivery thereof in the form of a beneficial interest in an Unrestricted Uncertificated Debenture, a certificate from such holder in the form of Schedule D, including the certifications in items (2) or (3) thereof;

and, in each such case set forth in this clause 3.2(3)(a), an opinion of counsel in form reasonably acceptable to the Corporation and the Trustee to the effect that such transfer or exchange is in compliance with the 1933 Act and all applicable securities laws of any state of the United States.

- (b) **Transfer of Restricted Physical Debenture for Restricted Physical Debenture.** A Restricted Physical Debenture may be transferred to a Person who takes delivery thereof in the form of a Restricted Physical Debenture if the Trustee receives a certificate to the effect set forth in Schedule D, including the certifications in item (1) thereof.
- (c) **Transfer and Exchange of Restricted Physical Debentures for Unrestricted Physical Debentures.** A Restricted Physical Debenture may be exchanged by the holder thereof for an Unrestricted Physical Debenture or transferred to a Person who takes delivery thereof in the form of an Unrestricted Physical Debenture if the Trustee receives the following:
 - (i) if the holder of such Restricted Physical Debenture proposes to exchange such Debenture for an Unrestricted Physical Debenture, a certificate from such holder in the form of Schedule E, including the certifications in item (1)(b) thereof; or
 - (ii) if the holder of such Restricted Physical Debenture proposes to transfer such Debenture to a Person who shall take delivery thereof in the form of an Unrestricted Physical Debenture, a certificate from such holder in the form of Schedule D, including the certifications in item (2) or (3) thereof;

and, in each such case set forth in this clause 3.2(3)(c), an opinion of counsel in form reasonably acceptable to the Corporation and the Trustee to the effect that such transfer or exchange is in compliance with the 1933 Act and all applicable securities laws of any state of the United States.

Section 3.3 Transferee Entitled to Registration

The transferee of a Debenture shall be entitled, after the appropriate form of transfer is lodged with the Trustee or other registrar and upon compliance with all other conditions in that behalf required by this Indenture or by law, to be entered on the register as the owner of such Debenture free from all equities or rights of set-off or counterclaim between the Corporation and the transferor or any previous holder of such Debenture, save in respect of equities of which the Corporation is required to take notice by statute or by order of a court of competent jurisdiction. The Corporation shall direct the Trustee in writing as to matters related to any applicable hold periods and Applicable Securities Legislation and legending restrictions and requirements. Upon surrender for registration of transfer of Debentures, the Corporation shall issue and thereupon the Trustee shall certify and deliver a new Debenture Certificate or confirm the electronic deposit of Uncertificated Debentures of like tenor in the name of the designated transferee and register such transfer in accordance with Section 3.2. If less than all of the Debentures evidenced by the Debenture Certificate(s) or Uncertificated Debentures so surrendered are transferred, the transferor shall be entitled to receive, in the same manner, a new Debenture Certificate or electronically deposited Uncertificated Debentures registered in his name evidencing the Debentures not transferred.

Notwithstanding any other provisions of this Indenture, in processing and registering transfers of Debentures, no duty or responsibility whatsoever shall rest upon the Trustee to determine the compliance by any transferor or transferee with Applicable Securities Legislation and the Trustee shall be entitled to assume that all transfers are legal and proper.

Section 3.4 No Notice of Trusts

Neither the Corporation nor the Trustee nor any registrar shall be bound to take notice of or see to the execution of any trust (other than that created by this Indenture) whether express, implied or constructive, in respect of any Debenture, and may transfer the same on the direction of the Person registered as the holder thereof, whether named as trustee or otherwise, as though that Person were the beneficial owner thereof.

Section 3.5 Registers Open for Inspection

The registers referred to in Sections 3.1 and 3.2 shall at all reasonable times be open for inspection by the Corporation, the Trustee or any Debentureholder. Every registrar, including the Trustee, shall from time to time when requested so to do by the Corporation, in writing, furnish the Corporation with a list of names and addresses of holders of registered Debentures entered on the register kept by them and showing the principal amount and serial numbers of the Debentures held by each such holder, provided the Trustee shall be entitled to charge a reasonable fee to the Corporation to provide such a list.

Section 3.6 Exchanges of Debentures

- (1) Subject to Section 3.1, 3.2 and 3.7, Debentures in any authorized form or denomination, other than Uncertificated Debentures, may be exchanged for Debentures in any other authorized form or denomination, of the same series and date of maturity, bearing the same interest rate and of the same aggregate principal amount as the Debentures so exchanged.
- (2) In respect of exchanges of Debentures permitted by subsection 3.6(1), Debentures of any series may be exchanged only at the principal offices of the Trustee in the city of Vancouver, British Columbia or at such other place or places, if any, as may be specified in the Debentures of such series and at such other place or places as may from time to time be designated by the Corporation with the approval of the Trustee. Any Debentures tendered for exchange shall be surrendered to the Trustee. The Corporation shall execute and the Trustee shall certify all Debentures necessary to carry out exchanges as aforesaid. All Debentures surrendered for exchange shall be cancelled.
- (3) Debentures issued in exchange for Debentures which at the time of such issue have been selected or called for redemption at a later date shall be deemed to have been selected or called for redemption in the same manner and shall have noted thereon a statement to that effect.

Section 3.7 Closing of Registers

- (1) Neither the Corporation nor the Trustee nor any registrar shall be required to:
 - (a) make transfers or exchanges or convert any Debentures on any Interest Payment Date for such Debentures or during the five preceding Business Days;
 - (b) make transfers or exchanges of, or convert any Debentures on the day of any selection by the Trustee of Debentures to be redeemed or during the ten preceding Business Days;
 - (c) make conversions of Debentures on any Interest Payment Date or during the five preceding Business Days;

- (d) make exchanges of any Debentures which will have been selected or called for redemption unless upon due presentation thereof for redemption such Debentures shall not be redeemed, as the register for the applicable series of Debentures shall be closed in respect of such actions on such dates; or
- (e) make conversions of any Debentures the Business Day immediately preceding the Maturity Date for such Debentures or during such greater period prior to an applicable maturity date as directed in writing by the Corporation (which period shall not exceed the five Business Days preceding the applicable date of maturity).

(2) Subject to any restriction herein provided, the Corporation with the approval of the Trustee may at any time close any register for any series of Debentures, other than those kept at the principal offices of the Trustee in Vancouver, British Columbia, and transfer the registration of any Debentures registered thereon to another register (which may be an existing register) and thereafter such Debentures shall be deemed to be registered on such other register. Notice of such transfer shall be given to the holders of such Debentures.

Section 3.8 Charges for Registration, Transfer and Exchange

For each Debenture exchanged, registered, transferred or discharged from registration, the Trustee or other registrar, except as otherwise herein provided, may make a reasonable charge for its services and in addition may charge a reasonable sum for each new Debenture issued (such amounts to be agreed upon from time to time by the Trustee and the Corporation), and payment of such charges and reimbursement of the Trustee or other registrar for any stamp taxes or governmental or other charges required to be paid shall be made by the party requesting such exchange, registration, transfer or discharge from registration as a condition precedent thereto. Notwithstanding the foregoing provisions, no charge shall be made to a Debentureholder hereunder:

- (a) for any exchange, registration, transfer or discharge from registration of any Debenture applied for within a period of two months from the date of the first delivery of Debentures of that series or, with respect to Debentures subject to a Periodic Offering, within a period of two months from the date of delivery of any such Debenture;
- (b) for any exchange of any interim or temporary Debenture or interim certificate that has been issued under Section 2.10 for a definitive Debenture;
- (c) for any exchange of any Debenture resulting from a partial redemption under Section 6.2;
- (d) for any exchange of any Debenture resulting from conversion under Section 7.4(4); or
- (e) for any exchange of an Uncertificated Debenture as contemplated in Section 3.1.

Section 3.9 Ownership of Debentures

(1) Unless otherwise required by law, the Person in whose name any registered Debenture is registered shall for all purposes of this Indenture be and be deemed to be the owner thereof and payment of or on account of the principal of and premium, if any, on such Debenture and interest thereon shall be made to such registered holder.

(2) The registered holder for the time being of any registered Debenture shall be entitled to the principal, premium, if any, and/or interest evidenced by such instruments, respectively, free from all equities or rights of set-off or counterclaim between the Corporation and the original or any intermediate holder thereof and all persons may act accordingly and the receipt of any such registered holder for any such principal, premium or

interest shall be a good discharge to the Trustee, any registrar and to the Corporation for the same and none shall be bound to inquire into the title of any such registered holder.

(3) Where Debentures are registered in more than one name, the principal, premium, if any, and interest from time to time payable in respect thereof may be paid to the order of all such holders, failing written instructions from them to the contrary, and the receipt of any one of such holders therefor shall be a valid discharge, to the Trustee, any registrar and to the Corporation.

(4) Subject to the Trustee's receipt of appropriate supporting documentation, in the case of the death of one or more joint holders of any Debenture the principal, premium, if any, and interest from time to time payable thereon may be paid to the order of the survivor or survivors of such registered holders and the receipt of any such survivor or survivors therefor shall be a valid discharge to the Trustee and any registrar and to the Corporation.

ARTICLE 4– PURCHASE OF DEBENTURES

Section 4.1 Purchase of Debentures by the Corporation

(1) Unless otherwise specifically provided with respect to a particular series of Debentures, the Corporation may, if it is not at the time in default hereunder, at any time and from time to time, purchase Debentures in the market (which shall include purchases from or through an investment dealer or a firm holding membership on a recognized stock exchange) or by tender or by contract, at any price. All Debentures so purchased will be delivered to the Trustee and shall be cancelled and no Debentures shall be issued in substitution therefor.

(2) If, upon an invitation for tenders, more Debentures are tendered at the same lowest price than the Corporation is prepared to accept, the Debentures to be purchased by the Corporation shall be selected by the Trustee on a pro rata basis or in such other manner consented to by the TSX or such other exchange or quotation system on which the Debentures are then listed which the Trustee considers appropriate from the Debentures tendered by each tendering Debentureholder who tendered at such lowest price. For this purpose, the Trustee may make, and from time to time amend, regulations with respect to the manner in which Debentures may be so selected, and regulations so made shall be valid and binding upon all Debentureholders, notwithstanding the fact that as a result thereof one or more of such Debentures become subject to purchase in part only. The holder of a Debenture of which a part only is purchased, upon surrender of such Debenture for payment, shall be entitled to receive, without expense to such holder, one or more new Debentures for the unpurchased part so surrendered, and the Trustee shall certify and deliver such new Debenture or Debentures upon receipt of the Debenture so surrendered or, with respect to an Uncertificated Debenture, the Depository shall electronically deposit the unpurchased part so surrendered.

Section 4.2 Deposit of Maturity Monies

Payment on maturity of Debentures shall be provided for by the Corporation depositing with the Trustee or any paying agent to the order of the Trustee, on or before 11:00 a.m. (Vancouver time) on the Business Day immediately prior to the Maturity Date such sums of money or Common Shares, as applicable, as may be sufficient to pay all accrued and unpaid interest thereon up to but excluding the Maturity Date, provided the Corporation may elect to satisfy this requirement by providing the Trustee with a certified cheque or wire transfer for such amounts of money required under this Section 4.2 post-dated to the Maturity Date. The Corporation shall also deposit with the Trustee a sum of money sufficient to pay any charges or expenses which may be incurred by the Trustee in connection therewith. Every such deposit shall be irrevocable. From the sums and Common Shares so deposited, the Trustee shall pay or cause to be paid to the holders of such Debentures, upon surrender of such Debentures, the principal and interest to which they are respectively entitled on the Maturity Date.

ARTICLE 5– SECURITY FOR DEBENTURES AND PRIORITY OF DEBENTURES

Section 5.1 Grant of Security Interest

(1) The Corporation shall execute and deliver each of the Security Documents, in each case as continuing collateral security for the due, prompt and complete payment, performance and satisfaction by the Corporation of all of its indebtedness, liabilities and obligations (whether present or future, direct or indirect, absolute or contingent, matured or unmatured, at any time due or accruing due, including any ultimate unpaid balance thereof, in any currency, and whether incurred prior to, at the time of or subsequent to the execution of this Indenture) to the Trustee and the holders of Debentures under and in respect of the Indenture and the Debentures.

(2) Without limiting the generality of the foregoing provision, the Corporation shall ensure that:

- (a) the Debentures are secured by a first priority Lien over (i) all the Secured Assets, subject to only Permitted Encumbrances and (ii) all the Pledged Shares; and, which second priority lien shall rank second in priority to indebtedness incurred by the Corporation pursuant to the Interim Credit Facility;
- (b) the second priority Lien referred to in section 5.1(2)(a) shall rank equal in priority to security granted by the Corporation in respect of the 2024 Notes; and
- (c) the Trustee will receive (i) where the Equity Interests of any Material Subsidiary are certificated, certificates representing such Equity Interests, duly endorsed in blank for transfer or attached to duly executed stock transfers and powers of attorney; and (ii) where the Equity Interests of any Material Subsidiary are uncertificated, control or other similar agreements, in each case, in order to ensure that the Trustee has control (as defined in the *Securities Transfer Act* (British Columbia) or similar legislation in any other jurisdiction) in respect of such Equity Interests.

(3) The Security Documents shall be effective as of the date of this Indenture regardless of the date that the Debentures are issued or the date on which any money is advanced to the Corporation pursuant to the Indenture Documents.

Section 5.2 Priority of Security

The Security Documents and the Liens created thereunder are for the equal and rateable benefit and security of all holders of Debentures and the Trustee. Each holder of Debentures by his, her or its acceptance of the Debentures hereby (i) designates and appoints the Trustee to hold the Liens created by the Security Documents for the benefit of all holders of Debentures; and (ii) authorizes and directs the Trustee to execute and deliver any Security Document.

All rights, agreements and obligations of the holders of the Debentures and the Trustee and the priorities of the Security Interests created by the Security Documents and the obligations set out in this Indenture will be for the benefit of the lenders under the Interim Credit Facility and the 2024 Notes as set out herein, notwithstanding:

- (a) the validity, lack of validity, perfection, lack of perfection, enforceability or unenforceability of any provision of the Interim Credit Facility and the 2024 Notes or any agreement contemplated therein;
- (b) the time of creation, granting, execution, delivery, attachment, registration, filing, perfection or enforcement of any of the security interests or the security contemplated by the Interim Credit Facility and the 2024 Notes or any agreement contemplated therein;
- (c) the time of any loan or advance made pursuant to the Interim Credit Facility or the 2024 Notes;
- (d) the jurisdictions where any of the Security Interests created by the Security Documents are

registered or the failure of the lenders under the Interim Credit Facility and the 2024 Notes to properly register or perfect any of the security interests or the security contemplated by the Interim Credit Facility and the 2024 Notes or any agreement contemplated therein, in any jurisdiction;

- (e) the time of default, demand or acceleration of payment under the Interim Credit Facility and the 2024 Notes;
- (f) any priority otherwise granted to the obligations of the Corporation under this Indenture, the Debenture or the Security Interests created by the Security Documents under applicable law, including any purchase-money security interest; or
- (g) any other matter whatsoever.

Any action taken or thing done by a Debentureholder or the Trustee in contravention of this Indenture will be null and void and of no effect

Section 5.3 After Acquired Property Further Assurances

Subject to the rights of the lenders under the Interim Credit Facility, the Corporation shall forthwith, and from time to time, take such action and execute and deliver to the Trustee, on behalf of the holders of Debentures such agreements, conveyances, deeds and other documents and instruments which are necessary or advisable as a result of any change in Applicable Law after the date hereof or as may be necessary to ensure that any additional interests in the Secured Assets or any of the Pledged Shares acquired after the date hereof or in any Property of the Corporation to be subject to a security interest pursuant to the terms hereof or the Security Documents are subject to the security interests created hereby and pursuant to the Security Documents, in each case by giving the Trustee a valid Lien upon any of such Secured Assets, Pledged Shares or Property to secure the payment of all principal, interest and other amounts outstanding under the Indenture and the Debentures and the performance of all obligations of the Corporation to each of the holders of Debentures and the Trustee from time to time, under and in respect of the Indenture and the Debentures.

Section 5.4 PPSA Registration; Ranking

The Corporation shall, from time to time, at the expense of the Corporation:

- (1) record, file, enter or register or cause to be recorded, filed, entered or registered, this Indenture and all Security Documents, financing statements and all other instruments without delay, where necessary or advisable to perfect or to subordinate the Liens created by the Security Documents;
- (2) renew or cause to be renewed the recordings, filings or registrations made in respect of the Security Documents from time to time as and when required to maintain the perfection and intended priority of the Liens granted pursuant to the Security Documents; and
- (3) deliver to the Trustee, on demand, certificates or other forms of confirmation acceptable to the Trustee establishing such registration or recording, and renew the same from time to time, if such renewal is necessary in Counsel's opinion to preserve or protect the Liens created pursuant to the Security Documents.

If the Corporation fails to perform its obligations under this Section 5.4, the Trustee may, in its sole discretion and without obligation or liability for doing so, perform any such obligation capable of being performed by it at the expense of the Corporation.

Section 5.5 Order of Payment

The Corporation may make no repayment of principal or interest (other than by way of PIK Interest) owing, howsoever arising, pursuant to Original Indenture or the Debentures and such amounts are fully subordinated and postponed to the prior repayment in full of the principal and interest outstanding under the Interim Credit Facility, and thereafter, may only be paid *pari passu* with the payment of the principal and interest outstanding under the 2024 Notes.

Subject to the immediately preceding paragraph, nothing otherwise contained in this Article 5 or elsewhere in this Indenture or in the Debentures is intended to or shall impair, as between the Corporation, its creditors, and the holders of the Debentures, the obligation of the Corporation, which is absolute and unconditional, to pay to the holders of the Debentures the principal of, premium, if any, and interest on the Debentures, as and when the same shall become due and payable in accordance with their terms, or affect the relative rights of the holders of the Debentures and creditors of the Corporation, nor shall anything herein or therein prevent the Trustee or the holder of any Debenture from exercising all remedies otherwise permitted by Applicable Law upon default under this Indenture.

Section 5.6 Right of Debentureholder to Convert not Impaired

No provision in this Indenture shall impair in any way the right of a Debentureholder to convert its Debentures.

Section 5.7 Right to Appoint Receiver, etc.

Without limiting any of the foregoing, if requested by the Trustee no less than 120 days following the occurrence of an Event of Default, the Corporation hereby consents and agrees to the immediate appointment of a receiver (the “**Receiver**”), upon the occurrence of an Event of Default, in any action commenced by the Trustee, with authority to take possession of, operate (or contract for the operation of) and dispose of all of the Property of the Corporation, and further consents and agrees that (i) hearings on the Trustee’s motion for the appointment of the Receiver may be conducted and the order appointing the Receiver may be entered on an expedited basis on shortened notice and (ii) it will not object, support an objection to, or cause any Person to file an objection to such motion for the appointment of the Receiver or the entry of an order appointing the Receiver.

Section 5.8 Additional Indebtedness

This Indenture does not restrict the Corporation from incurring additional indebtedness for borrowed money or other obligations or liabilities or mortgaging, pledging or charging its properties to secure any indebtedness or liabilities provided that any other additional indebtedness for borrowed money or other obligations or liabilities or other debts will be subordinated to the Debentures on terms and conditions

satisfactory to the Trustee (acting on behalf of the Debentureholders) and provided further that, if no Event of Default has occurred and is continuing, the Corporation shall be permitted to incur, in aggregate, up to \$10,000,000 of additional indebtedness secured by inventory and/or the accounts receivable of the Corporation (the “**Permitted Secured Indebtedness**”), which Permitted Secured Indebtedness may rank equally with the Debentures on terms and conditions satisfactory to the Trustee (acting on behalf of the Debentureholders). Notwithstanding the above, the Corporation and the Trustee confirm that the principal and interest under the Interim Credit Facility and the 2024 Notes are permitted additional indebtedness.

Section 5.9 Knowledge of Trustee

Notwithstanding the provisions of this Article 5 or any provision in this Indenture or in the Debentures contained, the Trustee will not be charged with knowledge of any Secured Indebtedness or of any default in the payment thereof, or of the existence of any Event of Default or any other fact that would prohibit the making of any payment of monies to or by the Trustee, or the taking of any other action by the Trustee, unless and until the Trustee has received written notice thereof from the Corporation, any Debentureholder or any Secured Creditor.

ARTICLE 6 – REDEMPTION

Section 6.1 Redemption

(1) Subject to the terms and conditions of the Debentures, and provided that no Event of Default has occurred and is continuing, the Corporation shall have the right, but not the obligation, at any time on and after December 31, 2024 to redeem such Debentures in cash, in whole or in part, upon payment of the Redemption Price.

(2) At the Corporation’s option, provided no Event of Default has occurred and is continuing and provided all applicable regulatory approvals have been obtained (including any required approval of the TSX or any stock exchange on which the Common Shares are listed), the Redemption Price may be paid in cash or through the issuance of freely tradable Common Shares. The number of Common Shares to be issued in satisfaction of the Redemption Price shall be calculated based on the VWAP of the Common Shares for the 5 trading days immediately prior to date of the Redemption Notice.

Section 6.2 Partial Redemption

If less than all the Debentures of any series for the time being outstanding are at any time to be prepaid, the Debentures to be so prepaid shall be selected by the Trustee on a pro rata basis to the nearest multiple of \$1,000 in accordance with the principal amount of the Debentures registered in the name of each holder or in such other manner as the Trustee deems equitable, subject to compliance with Applicable Securities Legislation and to the approval of the TSX or such other exchange or quotation system on which the Common Shares are then listed, as required. Unless otherwise specifically provided in the terms of any series of Debentures, no Debenture shall be prepaid in part unless the principal amount redeemed is \$1,000 or a multiple thereof. For this purpose, the Trustee may make, and from time to time vary, regulations with respect to the manner in which such Debentures may be drawn for redemption and regulations so made shall be valid and binding upon all holders of such Debentures notwithstanding that as a result thereof one or more of such Debentures may become subject to redemption in part only or for cash only. In the event that one or more of such Debentures becomes subject to redemption in part only, upon surrender of any such Debentures for payment of the Redemption Price the Corporation shall execute and the Trustee shall certify and deliver without charge to the holder thereof or upon the holder’s order one or more new Debentures for the non- prepaid part of the principal amount of the Debenture or Debentures so surrendered or, with respect to a Global Debenture, the Trustee shall make notations on the Global Debenture of the principal amount thereof so prepaid. Unless the context otherwise requires, the terms “**Debenture**” or “**Debentures**” as used in this Article 6 shall be deemed to mean or include any part of the principal amount of any Debenture which in accordance with the foregoing provisions has become subject to redemption.

Section 6.3 Notice of Redemption

Notice of redemption (the “**Redemption Notice**”) of any series of Debentures shall be given in writing to the holders of the Debentures to be so redeemed via the issuance of a press release of the Corporation, and to the Trustee via delivery of a copy of such press release, not more than 60 nor less than 30 days prior to the date fixed for redemption (the “**Redemption Date**”) in the manner provided in this Indenture. Every such notice shall specify the aggregate principal amount of Debentures called for prepayment, accrued and unpaid interest thereon, the Redemption Date, the Redemption Price, and the places of payment and shall state that interest upon the principal amount of Debentures called for redemption shall cease to accrue and be payable from and after the Redemption Date. In addition, unless all the outstanding Debentures are to be prepaid, the Redemption Notice shall specify:

- (a) the distinguishing letters and numbers of the registered Debentures which are to be redeemed (or of such thereof as are registered in the name of such Debentureholder);
- (b) in the case of a published notice, the distinguishing letters and numbers of the Debentures which are to be redeemed or, if such Debentures are selected pro rata or by terminal digit or other similar system, such particulars as may be sufficient to identify the Debentures so selected;
- (c) in the case of a Global Debenture, that the redemption will take place in such manner as may be agreed upon by the Depository, the Trustee and the Corporation; and
- (d) in all cases, the principal amounts of such Debentures or, if any such Debenture is to be prepaid in part only, the principal amount of such part.

In the event that all Debentures to be prepaid are registered Debentures, publication shall not be required.

If the payment of any Debenture called for repayment by the Corporation is not made or the payment of the purchase price of any Debenture which has been tendered in acceptance of an offer by the Corporation to purchase Debentures for cancellation is not made, in the case of a repayment upon due surrender of such Debenture or in the case of a purchase on the date on which such purchase is required to be made, as the case may be, then, provided the Time of Expiry has not passed, the right to convert such Debentures shall revive and continue as if such Debenture had not been called for repayment or tendered in acceptance of the Corporation's offer, respectively.

Section 6.4 Debentures Due on Redemption Dates

Notice having been given as aforesaid, all the Debentures so called for redemption shall thereupon be and become due and payable at the Redemption Price on the Redemption Date specified in such notice, in the same manner and with the same effect as if it were the date of maturity specified in such Debentures, anything therein or herein to the contrary notwithstanding, and from and after such Redemption Date, if the monies necessary to redeem such Debentures shall have been deposited as provided in Section 6.5 and affidavits or other proof satisfactory to the Trustee as to the publication and/or mailing of such notices shall have been lodged with it, interest upon the Debentures shall cease. If any question shall arise as to whether any notice has been given as above provided and such deposit made, such question shall be decided by the Trustee whose decision shall be final and binding upon all parties in interest.

Section 6.5 Deposit of Redemption Price

Redemption of Debentures shall be provided for by the Corporation depositing with the Trustee or any paying agent to the order of the Trustee, by way of same day value wire transfer, on or before 9:00 a.m. (Vancouver)

five Business Days immediately prior to the Redemption Date specified in such notice, such sums of money or Common Shares, as applicable, as may be sufficient to pay the Redemption Price of the Debentures so called for redemption. The Corporation shall also deposit with the Trustee a sum of money sufficient to pay any charges or expenses which may be incurred by the Trustee in connection with such redemption. Every such deposit shall be irrevocable. From the sums so deposited the Trustee shall pay or cause to be paid to the holders of such Debentures so called for redemption, upon surrender of such Debentures, the principal, premium (if any) and interest (if any) to which they are respectively entitled on redemption (less any taxes required to be deducted in accordance with applicable law).

Section 6.6 Failure to Surrender Debentures Called for Redemption

In case the holder of any Debenture so called for redemption shall fail on or before the Redemption Date so to surrender such holder's Debenture, or shall not within such time accept payment of the Redemption Price payable or give such receipt therefor, if any, as the Trustee may require, such Redemption Price may be set aside in trust, may be held in trust without interest, either in the deposit department of the Trustee or in a chartered bank, and such setting aside shall for all purposes be deemed a payment to the Debentureholder of the Redemption Price so set aside and, to that extent, the Debenture shall thereafter not be considered as outstanding hereunder and the Debentureholder shall have no other right except to receive payment out of the Redemption Price so paid and deposited, upon surrender and delivery up of such holder's Debenture of the Redemption Price, as the case may be, of such Debenture. In the event that any money or Common Shares, as applicable, required to be deposited hereunder with the Trustee or any depository or paying agent on account of principal, premium, if any, or interest, if any, on Debentures issued hereunder shall remain so deposited for a period of five years less a day from the Redemption Date, then such monies or Common Shares, together with any distribution paid thereon, shall at the end of such period be paid over or delivered over by the Trustee or such depository or paying agent to the Corporation on its written demand, and thereupon the Trustee shall not be responsible to Debentureholders for any amounts owing to them and subject to applicable law, thereafter the holder of a Debenture in respect of which such Redemption Price was so repaid to the Corporation shall have no rights in respect thereof except to obtain payment of the Redemption Price due from the Corporation, without additional interest thereon, subject to any limitation period provided by any applicable laws relating to unclaimed property.

Section 6.7 Cancellation of Debentures Prepaid

Subject to the provisions of Section 6.2 as to Debentures that are prepaid in part, all Debentures converted pursuant to this Article 6 shall forthwith be delivered to the Trustee and cancelled and no Debentures shall be issued in substitution for those converted.

ARTICLE 7– CONVERSION OF DEBENTURES

Section 7.1 Applicability of Article

(1) Any Debentures issued hereunder of any series which by their terms are convertible (subject, however, to any applicable restriction of the conversion of Debentures of such series) will be convertible into Common Shares or other securities of the Corporation, at such conversion rate or rates, and on such date or dates and in accordance with such other provisions as shall have been determined at the time of issue of such Debentures and shall have been expressed in this Indenture (including subsection 2.5(5) and Section 3.7 hereof), in such Debentures, in an Officer's Certificate, or in a supplemental indenture authorizing or providing for the issue thereof.

(2) Such right of conversion shall extend only to the maximum number of whole Common Shares into which the aggregate principal amount of the Debenture or Debentures surrendered for conversion at any one time by the holder thereof may be converted. Fractional interests in Common Shares shall be adjusted for in the manner provided in Section 7.6.

Section 7.2 Notice of Expiry of Conversion Privilege

Notice of the expiry of the conversion privileges of the Debentures shall be given by or on behalf of the Corporation, not more than 60 days and not less than 30 days prior to the date fixed for the Time of Expiry, in the manner provided in Section 14.2.

Section 7.3 Revival of Right to Convert

If the redemption of any Debenture called for redemption by the Corporation is not made or the payment of the purchase price of any Debenture which has been tendered in acceptance of an offer by the Corporation to purchase Debentures for cancellation is not made, in the case of a redemption upon due surrender of such Debenture or in the case of a purchase on the date on which such purchase is required to be made, as the case may be, then, provided the Time of Expiry has not passed, the right to convert such Debentures shall revive and continue as if such Debenture had not been called for redemption or tendered in acceptance of the Corporation's offer, respectively.

Section 7.4 Manner of Exercise of Right to Convert

(1) The holder of a Debenture desiring to convert such Debenture in whole or in part into Common Shares shall surrender such Debenture to the Trustee at its principal office in the City of Vancouver, British Columbia together with the conversion notice in the form of Schedule B or any other written notice in a form satisfactory to the Trustee and the Corporation, duly executed by the holder or his executors or administrators or other legal representatives or his or their attorney duly appointed by an instrument in writing in form and executed in a manner satisfactory to the Trustee, exercising his right to convert such Debenture in accordance with the provisions of this Article; provided that with respect to an Uncertificated Debenture, registration and surrender of interests in the Debentures will be made only through the Depository's non-certificated system. Thereupon such Debentureholder or, subject to payment of all applicable stamp or security transfer taxes or other governmental charges and compliance with all reasonable requirements of the Trustee, his nominee(s) or assignee(s) shall be entitled to be entered in the books of the Corporation as at the Date of Conversion (or such later date as is specified in subsection 7.4(2)) as the holder of the number of Common Shares, as applicable, into which such Debenture is convertible in accordance with the provisions of this Article and, as soon as practicable thereafter, the Corporation shall deliver to such Debentureholder or, subject as aforesaid, his nominee(s) or assignee(s), a certificate or certificates for such Common Shares or deposit such Common Shares through the Depository's non-certificated system and make or cause to be made any payment of interest to which such holder is entitled in accordance with subsection 7.4(5). With respect to a Global Debenture, the obligation to surrender a Debenture to the Trustee shall be satisfied if the Trustee makes a notation on the Global Debenture of the principal amount thereof so converted and the Trustee is provided with all other documentation which it may request.

(2) For the purposes of this Article, a Debenture shall be deemed to be surrendered for conversion on the date which all documents related thereto are received in good order by the Trustee and (herein called the "**Date of Conversion**") on which it is so surrendered when the register of the Trustee is open and in accordance with the provisions of this Article or, in the case of an Uncertificated Debenture which the Trustee received notice of and all necessary documentation in respect of the exercise of the conversion rights and, in the case of a Debenture so surrendered by mail or other means of transmission, on the date on which it is received by the Trustee at one of its offices specified in subsection 7.4(1); provided that if a Debenture is surrendered for conversion on a day on which the register of Common Shares is closed, the Person or Persons entitled to

receive Common Shares shall become the holder or holders of record of such Common Shares as at the date on which such registers are next reopened.

(3) Any part, being \$1,000 or an integral multiple thereof, of a Debenture in a denomination in excess of \$1,000 may be converted as provided in this Article and all references in this Indenture to conversion of Debentures shall be deemed to include conversion of such parts.

(4) The holder of any Debenture of which only a part is converted shall, upon the exercise of his right of conversion surrender such Debenture to the Trustee in accordance with subsection 7.4(1), and the Trustee shall cancel the same and shall without charge forthwith certify and deliver to the holder a new Debenture or Debentures in an aggregate principal amount equal to the unconverted part of the principal amount of the Debenture so surrendered or, with respect to an Uncertificated Debenture, registration and surrender of interests in the Debentures will be made only through the Depository's non-certificated system.

(5) The holder of a Debenture surrendered for conversion in accordance with this Section 7.4 shall be entitled (subject to any applicable restriction on the right to receive interest on conversion of Debentures of any series) to receive accrued and unpaid interest in respect thereof, in cash, up to but excluding the Date of Conversion and the Common Shares issued upon such conversion shall rank only in respect of distributions or dividends declared in favour of shareholders of record on and after the Date of Conversion or such later date as such holder shall become the holder of record of such Common Shares pursuant to subsection 7.4(2), from which applicable date they will for all purposes be and be deemed to be issued and outstanding as fully paid and non-assessable Common Shares.

Section 7.5 Adjustment of Conversion Price

The Conversion Price in effect at any date shall be subject to adjustment from time to time as set forth below.

- (a) If and whenever at any time prior to the Time of Expiry the Corporation shall:
 - (i) subdivide or redivide the outstanding Common Shares into a greater number of shares,
 - (ii) reduce, combine or consolidate the outstanding Common Shares into a smaller number of shares, or
 - (iii) issue Common Shares to the holders of all or substantially all of the outstanding Common Shares by way of a dividend or distribution (other than the issue of Common Shares to holders of Common Shares who have elected to receive dividends or distributions in the form of Common Shares in lieu of cash dividends or cash distributions paid in the ordinary course on the Common Shares),

the Conversion Price in effect on the effective date of such subdivision, redivision, reduction, combination or consolidation or on the record date for such issue of Common Shares by way of a dividend or distribution, as the case may be, shall in the case of any of the events referred to in (i) and (iii) above be decreased in proportion to the number of outstanding Common Shares resulting from such subdivision, redivision or dividend, or shall, in the case of any of the events referred to in (ii) above, be increased in proportion to the number of outstanding Common Shares resulting from such reduction, combination or consolidation. Such adjustment shall be made successively whenever any event referred to in this subsection 7.5(a) shall occur. Any such issue of Common Shares by way of a dividend or distribution shall be deemed to have been made on the record date for the dividend or distribution for the

purpose of calculating the number of outstanding Common Shares under subsections (c) and (d) of this Section 7.5.

- (b) If and whenever at any time prior to the Time of Expiry the Corporation shall fix a record date for the payment of a cash dividend or distribution to the holders of all or substantially all of the outstanding Common Shares, the Conversion Price shall be adjusted immediately after such record date so that it shall be equal to the price determined by multiplying the Conversion Price in effect on such record date by a fraction, of which the denominator shall be the Current Market Price on such record date and of which the numerator shall be the Current Market Price on such record date minus the amount in cash per Common Share distributed to holders of Common Shares. Such adjustment shall be made successively whenever such a record date is fixed. To the extent that any such cash dividend or distribution is not paid, the Conversion Price shall be re-adjusted to the Conversion Price which would then be in effect if such record date had not been fixed.
- (c) If and whenever at any time prior to the Time of Expiry the Corporation shall fix a record date for the issuance of options, rights or warrants to all or substantially all the holders of its outstanding Common Shares entitling them, for a period expiring not more than 45 days after such record date, to subscribe for or purchase Common Shares (or securities convertible into Common Shares) at a price per share (or having a conversion or exchange price per share) less than 95% of the Current Market Price on such record date, the Conversion Price shall be adjusted immediately after such record date so that it shall equal the price determined by multiplying the Conversion Price in effect on such record date by a fraction, of which the numerator shall be the total number of Common Shares outstanding on such record date plus a number of Common Shares equal to the number arrived at by dividing the aggregate price of the total number of additional Common Shares offered for subscription or purchase (or the aggregate conversion or exchange price of the convertible securities so offered) by such Current Market Price, and of which the denominator shall be the total number of Common Shares outstanding on such record date plus the total number of additional Common Shares offered for subscription or purchase (or into which the convertible securities so offered are convertible). Such adjustment shall be made successively whenever such a record date is fixed. To the extent that any such options, rights or warrants are not so issued or any such options, rights or warrants are not exercised prior to the expiration thereof, the Conversion Price shall be re-adjusted to the Conversion Price which would then be in effect if such record date had not been fixed or to the Conversion Price which would then be in effect based upon the number of Common Shares (or securities convertible into Common Shares) actually issued upon the exercise of such options, rights or warrants were included in such fraction, as the case may be.
- (d) If and whenever at any time prior to the Time of Expiry, there is a reclassification of the Common Shares or a capital reorganization of the Corporation other than as described in Section 7.5(a) or a consolidation, amalgamation, arrangement, binding share exchange, merger of the Corporation with or into any other Person or other entity or acquisition of the Corporation or other combination pursuant to which the Common Shares are converted into or acquired for cash, securities or other property; or a sale or conveyance of the property and assets of the Corporation as an entirety or substantially as an entirety to any other Person (other than a direct or indirect wholly-owned subsidiary of the Corporation) or other entity or a liquidation, dissolution or winding-up of the Corporation (any such event, a “**Merger Event**”), any holder of a Debenture who has not exercised its right of conversion prior to the effective date of such reclassification, capital reorganization, consolidation, amalgamation, arrangement, merger, share exchange, acquisition, combination, sale or conveyance or liquidation, dissolution or winding-up, upon the exercise of such right

thereafter, shall be entitled to receive and shall accept, in lieu of the number of Common Shares then sought to be acquired by it, such amount of cash or the number of shares or other securities or property of the Corporation or of the Person or other entity resulting from such merger, amalgamation, arrangement, acquisition, combination or consolidation, or to which such sale or conveyance may be made or which holders of Common Shares receive pursuant to such liquidation, dissolution or winding-up, as the case may be, that such holder of a Debenture would have been entitled to receive on such reclassification, capital reorganization, consolidation, amalgamation, arrangement, merger, share exchange, acquisition, combination, sale or conveyance or liquidation, dissolution or winding-up, if, on the record date or the effective date thereof, as the case may be, the holder had been the registered holder of the number of Common Shares sought to be acquired by it and to which it was entitled to acquire upon the exercise of the conversion right, subject to subsection 7.5(m). If determined appropriate by the Board of Directors, to give effect to or to evidence the provisions of this subsection 7.5(d), the Corporation, its successor, or such purchasing Person or other entity, as the case may be, shall, prior to or contemporaneously with any such reclassification, capital reorganization, consolidation, amalgamation, arrangement, merger, share exchange, acquisition, combination, sale or conveyance or liquidation, dissolution or winding-up, enter into an indenture which shall provide, to the extent possible, for the application of the provisions set forth in this Indenture with respect to the rights and interests thereafter of the holder of Debentures to the end that the provisions set forth in this Indenture shall thereafter correspondingly be made applicable, as nearly as may reasonably be, with respect to any cash, shares or other securities or property to which a holder of Debentures is entitled on the exercise of its acquisition rights thereafter. Any indenture entered into between the Corporation and the Trustee pursuant to the provisions of this subsection 7.5(d) shall be a supplemental indenture entered into pursuant to the provisions of Article 17. Any indenture entered into between the Corporation, any successor to the Corporation or such purchasing Person or other entity and the Trustee shall provide for adjustments which shall be as nearly equivalent as may be practicable to the adjustments provided in this subsection 7.5(d) and which shall apply to successive reclassifications, capital reorganizations, amalgamations, consolidations, mergers, share exchanges, acquisitions, combinations, sales or conveyances. For greater certainty, nothing in this subsection 7.5(d) shall affect or reduce the requirement for any Person to make a Change of Control Offer, and notice of any transaction to which this subsection 7.5(d) applies shall be given in accordance with Section 7.10.

The Corporation shall not become a party to any Merger Event unless its terms are consistent with this subsection 7.5(d).

- (e) If the Corporation shall make a distribution to all or substantially all of the holders of Common Shares of shares in the capital of the Corporation, other than Common Shares, or evidences of indebtedness or other assets of the Corporation, including securities (but excluding (i) any issuance of rights or warrants for which an adjustment was made pursuant to subsection Section 7.5(c), and (ii) any dividend or distribution paid exclusively in cash for which an adjustment was made pursuant to subsection 7.5(b)) (the “**Distributed Securities**”), then in each such case (unless the Corporation at its option chooses to distribute such Distributed Securities to the holders of Debentures on such dividend or distribution date (as if each holder had converted such Debenture into Common Shares immediately preceding the record date with respect to such distribution)) the Conversion Price in effect immediately preceding the ex-distribution date fixed for the dividend or distribution shall be adjusted so that the same shall equal the price determined by multiplying the Conversion Price in effect immediately preceding such ex-distribution date by a fraction of which the denominator shall be the five-day VWAP immediately prior to

the ex-distribution date and of which the numerator shall be the five-day VWAP for the first five trading days that occur immediately post the ex-distribution date. Such adjustment shall be made successively whenever any such distribution is made and shall become effective five Business Days immediately after the ex-distribution date. In the event that such dividend or distribution is not so paid or made, the Conversion Price shall again be adjusted to be the Conversion Price that would then be in effect if such dividend or distribution had not been declared.

Notwithstanding the foregoing, if the securities distributed by the Corporation to all holders of its Common Shares consist of capital stock of, or similar equity interests in, a Subsidiary or other business of the Corporation (the “**Spinoff Securities**”), the Conversion Price shall be adjusted, unless the Corporation makes an equivalent distribution to the holders of Debentures, so that the same shall be equal to the rate determined by multiplying the Conversion Price in effect on the record date fixed for the determination of shareholders entitled to receive such distribution by a fraction, the denominator of which shall be the sum of (A) the weighted average trading price of one Common Share over the 20 consecutive trading day period (the “**Spinoff Valuation Period**”) commencing on and including the fifth trading day after the date on which ex-dividend trading commences for such distribution on the TSX (or such other exchange on which the Common Shares are then listed) and (B) the product of (i) the weighted average trading price (calculated in substantially the same way as the Current Market Price is calculated for the Common Shares) over the Spinoff Valuation Period of the Spinoff Securities or, if no such prices are available, the fair market value of the Spinoff Securities as reasonably determined by the Board of Directors (which determination shall be conclusive and shall be evidenced by an Officer’s Certificate delivered to the Trustee) multiplied by (ii) the number of Spinoff Securities distributed in respect of one Common Share and the numerator of which shall be the weighted average trading price of one Common Share over the Spinoff Valuation Period, such adjustment to become effective immediately preceding the opening of business on the 25th trading day after the date on which ex-dividend trading commences; provided, however, that the Corporation may in lieu of the foregoing adjustment elect to make adequate provision so that each holder of Debentures shall have the right to receive upon conversion thereof the amount of such Spinoff Securities that such holder of Debentures would have received if such Debentures had been converted on the record date with respect to such distribution.

- (f) If any issuer bid made by the Corporation or any of its Subsidiaries for all or any portion of Common Shares shall expire, then, if the issuer bid shall require the payment to shareholders of consideration per Common Share having a fair market value (determined as provided below) that exceeds the Current Market Price on the last date (the “**Expiration Date**”) tenders could have been made pursuant to such issuer bid (as it may be amended) (the last time at which such tenders could have been made on the Expiration Date is hereinafter sometimes called the “**Expiration Time**”), the Conversion Price shall be adjusted so that the same shall equal the rate determined by multiplying the Conversion Price in effect immediately preceding the close of business on the Expiration Date by a fraction of which (i) the denominator shall be the sum of (A) the fair market value of the aggregate consideration (the fair market value as determined by the Board of Directors, whose determination shall be conclusive evidence of such fair market value and which shall be evidenced by an Officer’s Certificate delivered to the Trustee) payable to shareholders based on the acceptance (up to any maximum specified in the terms of the issuer bid) of all Common Shares validly tendered and not withdrawn as of the Expiration Time (the Common Shares deemed so accepted, up to any such maximum, being referred to as the “**Purchased Common Shares**”) and (B) the product of the

number of Common Shares outstanding (less any Purchased Common Shares and excluding any Common Shares held in the treasury of the Corporation) at the Expiration Time and the Current Market Price on the Expiration Date and (ii) the numerator of which shall be the product of the number of Common Shares outstanding (including Purchased Common Shares but excluding any Common Shares held in the treasury of the Corporation) at the Expiration Time multiplied by the Current Market Price on the Expiration Date, such increase to become effective immediately preceding the opening of business on the day following the Expiration Date. In the event that the Corporation is obligated to purchase Common Shares pursuant to any such issuer bid, but the Corporation is permanently prevented by applicable law from effecting any or all such purchases or any or all such purchases are rescinded, the Conversion Price shall again be adjusted to be the Conversion Price which would have been in effect based upon the number of Common Shares actually purchased, if any. If the application of this subsection 7.5(f) to any issuer bid would result in a decrease in the Conversion Price, no adjustment shall be made for such issuer bid under this subsection 7.5(f).

For purposes of this subsection 7.5(f), the term “**issuer bid**” shall mean an issuer bid under Applicable Securities Legislation or a take-over bid under Applicable Securities Legislation by a Subsidiary of the Corporation for the Common Shares and all references to “purchases” of Common Shares in issuer bids (and all similar references) shall mean and include the purchase of Common Shares in issuer bids and all references to “tendered Common Shares” (and all similar references) shall mean and include Common Shares tendered in issuer bids.

- (g) In any case in which this Section 7.5 shall require that an adjustment shall become effective immediately after a record date for an event referred to herein, the Corporation may defer, until the occurrence of such event, issuing to the holder of any Debenture converted after such record date and before the occurrence of such event the additional Common Shares issuable upon such conversion by reason of the adjustment required by such event before giving effect to such adjustment; provided, however, that the Corporation shall deliver to such holder an appropriate instrument evidencing such holder’s right to receive such additional Common Shares upon the occurrence of the event requiring such adjustment and the right to receive any distributions made on such additional Common Shares declared in favour of holders of record of Common Shares on and after the Date of Conversion or such later date as such holder would, but for the provisions of this subsection 7.5(g), have become the holder of record of such additional Common Shares pursuant to subsection 7.4(2).
- (h) The adjustments provided for in this Section 7.5 are cumulative and shall apply to successive subdivisions, redivisions, reductions, combinations, consolidations, distributions, issues or other events resulting in any adjustment under the provisions of this Section, provided that, notwithstanding any other provision of this Section, no adjustment of the Conversion Price shall be required unless such adjustment would require an increase or decrease of at least 1% in the Conversion Price then in effect; provided however, that any adjustments which by reason of this subsection 7.5(h) are not required to be made shall be carried forward and taken into account in any subsequent adjustment.
- (i) For the purpose of calculating the number of Common Shares outstanding, Common Shares owned by or for the benefit of the Corporation shall not be counted.
- (j) In the event of any question arising with respect to the adjustments provided in this Section 7.5, such question shall be conclusively determined by a firm of nationally recognized

chartered accountants appointed by the Corporation and acceptable to the Trustee (who may be the Auditors of the Corporation); such accountants shall have access to all necessary records of the Corporation and such determination shall be binding upon the Corporation, the Trustee, and the Debentureholders.

- (k) In case the Corporation shall take any action affecting the Common Shares other than action described in this Section 7.5, which in the opinion of the Board of Directors, would materially affect the rights of Debentureholders, the Conversion Price shall be adjusted in such manner and at such time, by action of the Board of Directors, as the Board of Directors, in their sole discretion may determine to be equitable in the circumstances. Failure of the directors to make such an adjustment shall be conclusive evidence that they have determined that it is equitable to make no adjustment in the circumstances.
- (l) No adjustment in the Conversion Price shall be made in respect of any event described in subsections 7.5(a), 7.5(b), 7.5(c), 7.5(e) or 7.5(f) other than the events described in clauses 7.5(a)(i) or 7.5(a)(ii) if the holders of the Debentures are entitled to participate in such event on the same terms mutatis mutandis as if they had converted their Debentures prior to the effective date or record date, as the case may be, of such event.
- (m) Except as stated above in this Section 7.5, no adjustment will be made in the Conversion Price for any Debentures as a result of the issuance of Common Shares at less than the Current Market Price on the date of issuance or the then applicable Conversion Price.
- (n) Notwithstanding any of the foregoing in this Section 7.5, if a holder of a Debenture would otherwise be entitled to receive, upon conversion of the Debenture, any property (including cash) or securities that would not constitute “prescribed securities” for the purposes of clause 212(1)(b)(vii)(E) of the Tax Act as it applied on December 31, 2007 (“**Ineligible Consideration**”), such holder of a Debenture shall not be entitled to receive such Ineligible Consideration and the Corporation or the successor or acquirer, as the case may be, shall have the right (at the sole option of the Corporation or the successor or acquirer, as the case may be) to deliver to such holder “prescribed securities” for the purposes of clause 212(1)(b)(vii)(E) of the Tax Act as it applied on December 31, 2007 with a market value (as conclusively determined by the Board of Directors) equal to the market value of such Ineligible Consideration.

Section 7.6 No Requirement to Issue Fractional Common Shares

The Corporation shall not be required to issue fractional Common Shares upon the conversion of Debentures pursuant to this Article. If more than one Debenture shall be surrendered for conversion at one time by the same holder, the number of whole Common Shares issuable upon conversion thereof shall be computed on the basis of the aggregate principal amount of such Debentures to be converted. If any fractional interest in a Common Share would, except for the provisions of this Section, be deliverable upon the conversion of any principal amount of Debentures, the Corporation shall, in lieu of delivering any certificate representing such fractional interest, make a cash payment to the holder of such Debenture of an amount equal to the fractional interest which would have been issuable multiplied by the Current Market Price, provided, however, the Corporation shall not be required to make any payment of less than \$1.00.

Section 7.7 Corporation to Reserve Common Shares

The Corporation covenants with the Trustee that it will at all times reserve and keep available out of its authorized Common Shares (if the number thereof is or becomes limited), solely for the purpose of issue upon conversion of Debentures as in this Article provided, and conditionally allot to Debentureholders who

may exercise their conversion rights hereunder, such number of Common Shares as shall then be issuable upon the conversion of all outstanding Debentures. The Corporation covenants with the Trustee that all Common Shares which shall be so issuable shall be duly and validly issued as fully-paid and non-assessable.

Section 7.8 Cancellation of Converted Debentures

Subject to the provisions of Section 7.4 as to Debentures converted in part, all Debentures converted in whole or in part under the provisions of this Article shall be forthwith delivered to and cancelled by the Trustee and no Debenture shall be issued in substitution for those converted.

Section 7.9 Certificate as to Adjustment

The Corporation shall from time to time immediately after the occurrence of any event which requires an adjustment or readjustment as provided in Section 7.5, deliver an Officer's Certificate to the Trustee specifying the nature of the event requiring the same and the amount of the adjustment necessitated thereby and setting forth in reasonable detail the method of calculation and the facts upon which such calculation is based, which certificate and the amount of the adjustment specified therein shall be conclusively determined by a firm of nationally recognized chartered accountants appointed by the Corporation and acceptable to the Trustee (who may be the Auditors of the Corporation) and such advice or determination shall be conclusive and binding on all parties in interest. When so approved, the Corporation shall, except in respect of any subdivision, redivision, reduction, combination or consolidation of the Common Shares, forthwith give notice to the Debentureholders in the manner provided in Section 14.2 specifying the event requiring such adjustment or readjustment and the results thereof, including the resulting Conversion Price; provided that, if the Corporation has given notice under this Section 7.9 covering all the relevant facts in respect of such event and if the Trustee approves, no such notice need be given under this Section 7.9.

Section 7.10 Notice of Special Matters

(1) The Corporation covenants with the Trustee that so long as any Debenture remains outstanding, it will give notice to the Trustee, and to the Debentureholders in the manner provided in Section 14.2, of its intention to fix a record date for any event referred to in subsections 7.5(a), Section 7.5(b), Section 7.5(c), Section 7.5(d) or 7.5(e) (other than the subdivision, redivision, reduction, combination or consolidation of its Common Shares) which may give rise to an adjustment in the Conversion Price, and, in each case, such notice shall specify the particulars of such event and the record date and the effective date for such event; provided that the Corporation shall only be required to specify in such notice such particulars of such event as shall have been fixed and determined on the date on which such notice is given. Such notice shall be given not less than 14 days in each case prior to such applicable record date.

(2) In addition, the Corporation covenants with the Trustee that so long as any Debenture remains outstanding, it will give notice to the Trustee, and to the Debentureholders in the manner provided in Section 14.2, at least 30 days prior to the (i) effective date of any transaction referred to in Section 7.5(d) stating the consideration into which the Debentures will be convertible after the effective date of such transaction, and (ii) Expiration Date of any transaction referred to in subsection 7.5(f) stating the consideration paid per Common Share in such transaction.

Section 7.11 Protection of Trustee

The Trustee:

- (a) shall not at any time be under any duty or responsibility to any Debentureholder to determine whether any facts exist which may require any adjustment in the Conversion

Price, or with respect to the nature or extent of any such adjustment when made, or with respect to the method employed in making the same;

- (b) shall be entitled to rely on any adjustment calculation of the Corporation, the directors and/or the Corporation's Auditors;
- (c) shall not be accountable with respect to the validity or value (or the kind or amount) of any Common Shares or of any shares or other securities or property which may at any time be issued or delivered upon the conversion of any Debenture; and
- (d) shall not be responsible for any failure of the Corporation to make any cash payment or to issue, transfer or deliver Common Shares or share certificates upon the surrender of any Debenture for the purpose of conversion, or to comply with any of the covenants contained in this Article.

Section 7.12 Conversion of Restricted Debentures and Restricted CUSIP or U.S. Legend on Certain Common Shares

No Restricted Debenture may be converted and Common Shares issued on conversion of a Restricted Debenture may not be issued in the United States or, for the account or benefit of a person in the United States or U.S. Person, unless such conversion and issuance is exempt from the registration requirements of the 1933 Act and any applicable securities laws of any state of the United States; provided that if no commission or remuneration is paid to solicit the conversion, such conversion will be exempt from such registration requirements pursuant to Section 3(a)(9) of the 1933 Act and similar exemptions from any applicable securities laws of any state of the United States. Each Common Share issued upon conversion of Debentures represented by the Restricted Debentures shall be represented by a certificate with a restricted CUSIP for Common Shares and each certificate representing Common Shares issued upon conversion of Debentures bearing the U.S. Legend shall have imprinted or otherwise reproduced thereon such legend or legends in substantially the form of Schedule C attached hereto; provided that if such Common Shares are being sold in compliance with the requirements of Rule 904 of Regulation S and in compliance with local laws and regulations, and provided that the Corporation is a “foreign issuer” within the meaning of Regulation S at the time of issuance of such Common Shares, the U.S. Legend may be removed or the Common Shares may be transferred from the restricted CUSIP by providing a declaration to the Trustee, as registrar and transfer agent for the Common Shares, substantially as set forth in Schedule F (or as the Corporation or the Trustee may prescribe from time to time); and provided further that, if any such Common Shares are being sold in accordance with Rule 144 under the 1933 Act, Common Shares may be transferred from the restricted CUSIP or the U.S. Legend may be removed by delivery to the Trustee, as registrar and transfer agent for the Common Shares, of an opinion of counsel of recognized standing, in form and substance reasonably satisfactory to the Trustee and the Corporation, that the transfer out of the restricted CUSIP is permissible or that the U.S. Legend is no longer required under applicable requirements of the 1933 Act or applicable state securities laws. Provided that the Trustee obtains confirmation from the Corporation that such counsel is satisfactory to it, it shall be entitled to rely on such opinion of counsel without further inquiry.

ARTICLE 8 – COVENANTS OF THE CORPORATION

The Corporation hereby covenants and agrees with the Trustee for the benefit of the Trustee and the Debentureholders, that so long as any Debentures remain outstanding:

Section 8.1 To Pay Principal, Premium (if any) and Interest

The Corporation will duly and punctually pay or cause to be paid to every Debentureholder the principal of, premium (if any) and interest accrued on the Debentures of which it is the holder on the dates, at the places and in the manner mentioned herein and in the Debentures.

Section 8.2 To Pay Trustee's Remuneration

The Corporation will pay the Trustee reasonable remuneration for its services as Trustee hereunder and will repay to the Trustee on demand all monies which shall have been paid by the Trustee in connection with the execution of the trusts hereby created and such monies including the Trustee's remuneration, shall be payable out of any funds coming into the possession of the Trustee in priority to payment of any principal of the Debentures or interest or premium thereon. Such remuneration shall continue to be payable until the trusts hereof be finally wound up and whether or not the trusts of this Indenture shall be in the course of administration by or under the direction of a court of competent jurisdiction.

Section 8.3 To Give Notice of Default

The Corporation shall notify the Trustee and the Debentureholders immediately upon obtaining knowledge of any Event of Default hereunder.

Section 8.4 Preservation of Existence, etc.

Subject to the express provisions hereof, the Corporation will carry on and conduct its activities, and cause its Subsidiaries to carry on and conduct their businesses, in a business-like manner and in accordance with good business practices; and, subject to the express provisions hereof, it will do or cause to be done all things necessary to preserve and keep in full force and effect its existence and rights.

Section 8.5 Keeping of Books

The Corporation will keep or cause to be kept proper books of record and account, in which full and correct entries shall be made of all financial transactions and the assets and business of the Corporation in accordance with generally accepted accounting principles.

Section 8.6 Annual Certificate of Compliance

The Corporation shall deliver to the Trustee, within 120 days after the end of each calendar year, (and at any reasonable time upon demand by the Trustee) an Officer's Certificate as to the knowledge of such officers of the Corporation who execute the Officer's Certificate of the Corporation's compliance with all conditions and covenants in this Indenture certifying that after reasonable investigation and inquiry, the Corporation has complied with all covenants, conditions or other requirements contained in this Indenture, the non-compliance with which could, with the giving of notice, lapse of time or otherwise, constitute an Event of Default hereunder, or if such is not the case, setting forth with reasonable particulars the circumstances of any failure to comply and steps taken or proposed to be taken to eliminate such circumstances and remedy such Event of Default, as the case may be.

Section 8.7 Performance of Covenants by Trustee

If the Corporation shall fail to perform any of its covenants contained in this Indenture, the Trustee may notify the Debentureholders of such failure on the part of the Corporation or may itself perform any of the covenants capable of being performed by it, but shall be under no obligation to do so or to notify the Debentureholders. All sums so expended or advanced by the Trustee shall be repayable as provided in

Section 8.2. No such performance, expenditure or advance by the Trustee shall be deemed to relieve the Corporation of any default hereunder.

Section 8.8 Maintain Listing

The Corporation will use reasonable commercial efforts to maintain the listing of the Common Shares on the TSX, and to maintain the Corporation's status as a "reporting issuer" not in default of the requirements of the Applicable Securities Legislation; provided that the foregoing covenant shall not prevent or restrict the Corporation from carrying out a transaction to which Article 11 would apply if carried out in compliance with Article 11 even if as a result of such transaction the Corporation ceases to be a "reporting issuer" in all or any of the provinces of Canada or the Common Shares cease to be listed on the TSX or any other stock exchange.

Section 8.9 No Dividends on Common Shares if Event of Default

The Corporation shall not declare or pay any dividend to the holders of its issued and outstanding Common Shares after the occurrence of an Event of Default unless and until such default shall have been cured or waived or shall have ceased to exist.

Section 8.10 Withholding Matters

All payments made by or on behalf of the Corporation under or with respect to the Debentures (including, without limitation, any penalties, interest and other liabilities related thereto) will be made free and clear of and without withholding, or deduction for, or on account of, any present or future tax, duty, levy, impost, assessment or other governmental charge (including, without limitation, penalties, interest and other liabilities related hereto) imposed or levied by or on behalf of the Government of Canada or the United States or elsewhere, or of any province or territory thereof or by any authority or agency therein or thereof having power to tax ("**Withholding Taxes**"), unless the Corporation is required by law or the interpretation or administration thereof, to withhold or deduct any amounts for, or on account of Withholding Taxes. If the Corporation is so required to withhold or deduct any amount for, or on account of, Withholding Taxes from any payment made under or with respect to the Debentures, the Corporation shall deduct and withhold such Withholding Taxes from any payment to be made or with respect to the Debentures and, provided that the Corporation forthwith remits such amount to the relevant governmental authority or agency, the amount of any such deduction or withholding will be considered an amount paid in satisfaction of the Corporation's obligations under the Debentures. There is no obligation on the Corporation to gross-up or pay additional amounts to a holder of Debentures in respect of such deductions or withholdings. For greater certainty, if any amount is required to be deducted or withheld in respect of Withholding Taxes upon a conversion of a Debenture, the Corporation shall be entitled to liquidate such number of Common Shares (or other securities) issuable as a result of such conversion as shall be necessary in order to satisfy such requirement. The Corporation shall provide the Trustee with copies of receipts or other communications relating to the remittance of such withheld amount or the filing of any forms received from such government authority or agency promptly after receipt thereof.

Section 8.11 SEC Reporting Status

The Corporation confirms that as at the date of execution of this Indenture it does not have a class of securities registered pursuant to Section 12 of the U.S. Securities Exchange Act or have a reporting obligation pursuant to Section 15(d) of the U.S. Securities Exchange Act.

The Corporation covenants that in the event that (i) any class of its securities shall become registered pursuant to Section 12 of the U.S. Securities Exchange Act or such Corporation shall incur a reporting obligation pursuant to Section 15(d) of the U.S. Securities Exchange Act, or (ii) any such registration or reporting obligation shall be terminated by such Corporation in accordance with the U.S. Securities Exchange Act, such

Corporation shall promptly deliver to the Trustee an Officers' Certificate (in a form provided by the Trustee) notifying the Trustee of such registration or termination and such other information as the Trustee may require at the time. The Corporation acknowledges that the Trustee is relying upon the foregoing representation and covenants in order to meet certain U.S. Securities and Exchange Commission (the “SEC”) obligations with respect to those clients who are filing with the SEC.

Section 8.12 Covenants as to Security

The Corporation will:

- (a) ensure that the Security Interest will at all times constitute a valid and perfected security on the Secured Assets, and at all times take all actions necessary or desirable to create, perfect and maintain the Security Interest granted herein as perfected security over the Secured Assets;
- (b) at all times do, execute, acknowledge and deliver, or cause to be done, executed, acknowledged and delivered, all such acts, deeds, mortgages, hypothecs, transfers, assignments and assurances in law (including consents, approvals or waivers from third parties under applicable documents or applicable legislation) as may be necessary or desirable to ensure that the Trustee (for itself and the Debentureholders) has a perfected Security Interest upon the Secured Assets;
- (c) cause all necessary and proper steps to be taken diligently to protect and defend the Secured Assets and the proceeds thereof against any adverse claims or demands, including without limitation, the employment or use of counsel for the prosecution or defence of litigation and the contest, settlement, release or discharge of any such claim or demand; and
- (d) if the Security Interest created herein shall have become enforceable and the Trustee shall have become bound to enforce or has commenced enforcing the same, it shall from time to time execute and do all such assurances and things as the Trustee may reasonably require for facilitating the realization of the Security Interest created herein and for exercising all the powers, authorities and discretions conferred upon the Trustee under this Indenture and for confirming to any purchaser of the Secured Assets, whether sold by the Trustee hereunder or by judicial proceedings, the title to the Secured Assets so sold, and will give all notices and directions as the Trustee may consider expedient.

ARTICLE 9– DEFAULT

Section 9.1 Events of Default

(1) Each of the following events constitutes, and is herein sometimes referred to as, an “**Event of Default**”:

- (a) failure for 10 Business Days to pay interest on the Debentures when due;
- (b) failure to pay principal or premium (whether by way of payment of cash or delivery of Common Shares), if any, within 10 Business Days of coming due on the Debentures whether at maturity, upon redemption or a Change of Control, by declaration or otherwise;
- (c) default in the delivery, when due, of any Common Shares or other consideration, payable on conversion with respect to the Debentures, which default continues for 15 Business Days;

- (d) default in the observance or performance of any covenant or condition of the Indenture by the Corporation and the failure to cure (or obtain a waiver for) such default for a period of 30 days after notice in writing has been given by the Trustee or from holders of not less than 25% in aggregate principal amount of the Debentures to the Corporation specifying such default and requiring the Corporation to rectify such default or obtain a waiver for same;
- (e) if a decree or order of a Court having jurisdiction is entered adjudging the Corporation or any Material Subsidiary a bankrupt or insolvent under the *Bankruptcy and Insolvency Act* (Canada) or any other bankruptcy, insolvency or analogous laws, or issuing sequestration or process of execution against, or against any substantial part of, the property of the Corporation or any Material Subsidiary, or appointing a receiver of, or of any substantial part of, the property of the Corporation or any Material Subsidiary or ordering the winding-up or liquidation of its affairs, and any such decree or order continues unstayed and in effect for a period of 60 days;
- (f) if the Corporation or any Material Subsidiary institutes proceedings to be adjudicated a bankrupt or insolvent, or consents to the institution of bankruptcy or insolvency proceedings against it under the *Bankruptcy and Insolvency Act* (Canada) or any other bankruptcy, insolvency or analogous laws, or consents to the filing of any such petition or to the appointment of a receiver of, or of any substantial part of, the property of the Corporation or any Material Subsidiary or makes a general assignment for the benefit of creditors, or admits in writing its inability to pay its debts generally as they become due;
- (g) if a resolution is passed for the winding-up or liquidation of the Corporation or any Material Subsidiary except in the course of carrying out or pursuant to a transaction in respect of which the conditions of Section 11.1 are duly observed and performed;
- (h) if, after the date of this Indenture, any proceedings with respect to the Corporation or any Material Subsidiary are taken with respect to a compromise or arrangement, with respect to creditors of the Corporation or any Material Subsidiary generally, under the applicable legislation of any jurisdiction; or
- (i) if an event of default occurs or exists under any indenture, agreement or other instrument evidencing or governing indebtedness for borrowed money (other than Non-Recourse Debt) of the Corporation or any Material Subsidiary and as a result of such event of default (i) indebtedness for borrowed money thereunder in excess of \$1,000,000 (or the equivalent amount in any other currency) has become due and payable before the date it would otherwise have been due and payable or (ii) the holders of such indebtedness are entitled to commence, and have commenced, the enforcement of security they hold for such indebtedness (if any) or the exercise of any other creditors' remedies to collect such indebtedness; and
- (j) if the Corporation fails to comply with Article 11 hereof;

then: (i) in each and every such event listed above, the Trustee may, in its discretion, but subject to the provisions of this Section, and shall, upon receipt of a request in writing signed by the holders of not less than 25% in principal amount of the Debentures then outstanding (or if the Event of Default shall exist only in respect of one or more series of the Debentures then outstanding, then upon receipt of a request in writing signed by the holders of not less than 25% in principal amount of the Debentures of such series then outstanding), subject to the provisions of Section 9.3, by notice in writing to the Corporation declare the principal of and interest and premium, if any, on all Debentures then outstanding and all other monies

outstanding hereunder to be due and payable and the same shall thereupon forthwith become immediately due and payable (or, if the Event of Default shall exist only in respect of one or more series of the Debentures then outstanding, then the Trustee may declare due and payable the principal and interest and premium, if any, only with respect to such Debentures in respect of which there is an Event of Default) to the Trustee, and (ii) on the occurrence of an Event of Default under clauses 9.1(1)(e), 9.1(1)(f), 9.1(1)(g) or 9.1(1)(i), the principal of and interest and premium, if any, on all Debentures then outstanding hereunder and all other monies outstanding hereunder, shall automatically without any declaration or other act on the part of the Trustee or any Debentureholder become immediately due and payable to the Trustee and, in either case, upon such amounts becoming due and payable in either (i) or (ii) above, the Corporation shall forthwith pay to the Trustee for the benefit of the Debentureholders such principal, accrued and unpaid interest and premium, if any, and interest on amounts in default on such Debenture and all other monies outstanding hereunder, together with subsequent interest at the rate borne by the Debentures on such principal, interest, premium and such other monies from the date of such declaration or event until payment is received by the Trustee, such subsequent interest to be payable at the times and places and in the manner mentioned in and according to the tenor of the Debentures. Such payment when made shall be deemed to have been made in discharge of the Corporation's obligations hereunder and any monies so received by the Trustee shall be applied in the manner provided in Section 9.6.

(2) For greater certainty, for the purposes of this Section 9.1, a series of Debentures shall be in default in respect of an Event of Default if such Event of Default relates to a default in the payment of principal, premium, if any, or interest on the Debentures of such series in which case references to Debentures in this Section 9.1 refer to Debentures of that particular series.

(3) For purposes of this Article 9, where the Event of Default refers to an Event of Default with respect to a particular series of Debentures as described in this Section 9.1, then this Article 9 shall apply *mutatis mutandis* to the Debentures of such series and references in this Article 9 to the Debentures shall mean Debentures of the particular series and references to the Debentureholders shall refer to the Debentureholders of the particular series, as applicable.

Section 9.2 Notice of Events of Default

If an Event of Default shall occur and be continuing for a period of no less than 120 days, the Trustee shall, within 30 days after it receives written notice of the occurrence of such Event of Default, give notice of such Event of Default to the Debentureholders in the manner provided in Section 14.2, provided that notwithstanding the foregoing, unless the Trustee shall have been requested to do so by the holders of at least 25% of the principal amount of the Debentures then outstanding, the Trustee shall not be required to give such notice if the Trustee in good faith shall have determined that the withholding of such notice is in the best interests of the Debentureholders and shall have so advised the Corporation in writing.

When notice of the occurrence of an Event of Default has been given and the Event of Default is thereafter cured, notice that the Event of Default is no longer continuing shall be given by the Trustee to the Debentureholders within 15 days after the Trustee becomes aware the Event of Default has been cured.

Section 9.3 Waiver of Default

(1) Upon the happening of any Event of Default hereunder:

- (a) the holders of the Debentures shall have the power (in addition to the powers exercisable by Extraordinary Resolution as hereinafter provided) by requisition in writing by the holders of more than 50% of the principal amount of Debentures then outstanding, to instruct the Trustee to waive any Event of Default and to cancel any declaration made by the Trustee pursuant to Section 9.1 and the Trustee shall thereupon waive the Event of Default and cancel such declaration, or either, upon such terms and conditions as shall be prescribed in such requisition; provided that notwithstanding the foregoing if the Event of Default has

occurred by reason of the non-observance or non-performance by the Corporation of any covenant applicable only to one or more series of Debentures, then the holders of more than 50% of the principal amount of the outstanding Debentures of that series shall be entitled to exercise the foregoing power and the Trustee shall so act and it shall not be necessary to obtain a waiver from the holders of any other series of Debentures; and

- (b) the Trustee, so long as it has not become bound to declare the principal and interest on the Debentures then outstanding to be due and payable, or to obtain or enforce payment of the same, shall have power to waive any Event of Default if, in the Trustee's opinion, the same shall have been cured or adequate satisfaction made therefor, and in such event to cancel any such declaration theretofore made by the Trustee in the exercise of its discretion, upon such terms and conditions as the Trustee may deem advisable.

- (2) No such act or omission either of the Trustee or of the Debentureholders shall extend to or be taken in any manner whatsoever to affect any subsequent Event of Default or the rights resulting therefrom.

Section 9.4 Enforcement by the Trustee

- (1) Subject to Article 5 and Section 9.3 and to the provisions of any Extraordinary Resolution that may be passed by the Debentureholders, if the Corporation shall fail to pay to the Trustee, forthwith after the same shall have been declared to be due and payable under Section 9.1, the principal of and premium (if any) and interest on all Debentures then outstanding, together with any other amounts due hereunder, the Trustee may no less than 120 days following the occurrence of an Event of Default, in its discretion and shall upon receipt of a request in writing signed by the holders of not less than 25% in principal amount of the Debentures then outstanding and upon being funded and indemnified to its reasonable satisfaction against all costs, expenses and liabilities to be incurred, proceed in its name as trustee hereunder to obtain or enforce payment of such principal of and premium (if any) and interest on all the Debentures then outstanding together with any other amounts due hereunder by such proceedings authorized by this Indenture or by law or equity as the Trustee in such request shall have been directed to take, or if such request contains no such direction, or if the Trustee shall act without such request, then by such proceedings authorized by this Indenture or by suit at law or in equity as the Trustee shall deem expedient.

- (2) The Trustee shall be entitled and empowered, either in its own name or as Trustee of an express trust, or as attorney-in-fact for the holders of the Debentures, or in any one or more of such capacities, no less than 120 days following the occurrence of an Event of Default to file such proof of debt, amendment of proof of debt, claim, petition or other document as may be necessary or advisable in order to have the claims of the Trustee and of the holders of the Debentures allowed in any insolvency, bankruptcy, liquidation or other judicial proceedings relative to the Corporation or its creditors or relative to or affecting its property. The Trustee is hereby irrevocably appointed (and the successive respective holders of the Debentures by taking and holding the same shall be conclusively deemed to have so appointed the Trustee) the true and lawful attorney-in-fact of the respective holders of the Debentures with authority to make and file in the respective names of the holders of the Debentures or on behalf of the holders of the Debentures as a class, subject to deduction from any such claims of the amounts of any claims filed by any of the holders of the Debentures themselves, any proof of debt, amendment of proof of debt, claim, petition or other document in any such proceedings and to receive payment of any sums becoming distributable on account thereof, and to execute any such other papers and documents and to do and perform any and all such acts and things for and on behalf of such holders of the Debentures, as may be necessary or advisable in the opinion of the Trustee, in order to have the respective claims of the Trustee and of the holders of the Debentures against the Corporation or its property allowed in any such proceeding, and to receive payment of or on account of such claims; provided, however, that subject to Section 9.3, nothing contained in this Indenture shall be deemed to give to the Trustee, unless so authorized by Extraordinary Resolution, any right to accept or consent to any plan of reorganization or otherwise by action of any character in such proceeding to waive or change in any way any right of any Debentureholder.

(3) The Trustee shall also have the power at any time and from time to time no less than 120 days following the occurrence of an Event of Default to institute and to maintain such suits and proceedings as it may be advised shall be necessary or advisable to preserve and protect its interests and the interests of the Debentureholders.

(4) All rights of action hereunder may be enforced by the Trustee without the possession of any of the Debentures or the production thereof on the trial or other proceedings relating thereto.

(5) Any such suit or proceeding instituted by the Trustee shall be brought in the name of the Trustee as trustee of an express trust, and any recovery of judgment shall be for the rateable benefit of the holders of the Debentures subject to the provisions of this Indenture. In any proceeding brought by the Trustee (and also any proceeding in which a declaratory judgment of a court may be sought as to the interpretation or construction of any provision of this Indenture, to which the Trustee shall be a party) the Trustee shall be held to represent all the holders of the Debentures, and it shall not be necessary to make any holders of the Debentures parties to any such proceeding.

(6) If the Trustee has become entitled to enforce the Security Interest constituted by this Indenture, in addition to any right or remedy arising under this Indenture or pursuant to applicable laws, including the PPSA, and in any case no less than 120 days following the occurrence of an Event of Default:

- (a) the Trustee, by itself, its officers, its agents or its attorneys, may, in its discretion, as advised by Counsel, and either with or without notice, enter into and upon and take possession of the Secured Assets with full power to exclude the Corporation and additionally shall have full power and authority:
 - (i) to carry on, manage and conduct the business operations of or relating to the Secured Assets and to borrow money in its own name or advance its own monies for the purpose of the conduct of such business operations, the maintenance and preservation of the Secured Assets or any part thereof, the making of such replacements of and additions to the Secured Assets as the Trustee shall deem desirable, as advised by counsel, and the payment of taxes, wages and other charges ranking in priority to the Security Interest constituted by this Indenture and of current operating expenses incurred not more than 45 Business Days prior to such taking of possession, and monies so borrowed or advanced shall be repaid by the Corporation on demand and until repaid shall (with interest thereon at the rate of 10% per annum) be secured by the Security Interest constituted by this Indenture in priority to sums otherwise secured thereby; and
 - (ii) to receive and give notifications of and receipts for the revenues, incomes, issues and profits in respect of the Secured Assets and to pay therefrom the reasonable costs, charges and expenses of the Trustee incurred in connection with carrying on the said business operations, and all taxes, assessments and other charges against such property ranking in priority to the Security Interest constituted by this Indenture or the payment of which may be necessary as advised by counsel to preserve such property, and to apply the remainder of the monies so received in the same manner as if the same arose from a sale or realization of such property. If so requested by the holders of no less than 50% in principal amount of the Debentures then outstanding, the Trustee and such agents and attorneys as advised by counsel shall return such business and property to the Corporation without prejudice to the rights of the Trustee and the Debentureholders hereunder with respect to the same Event of Default (if not then waived or remedied) or any other subsequent Event of Default, and in such event, the balance of income received by the Trustee pursuant hereto, after payment in full of all amounts due to or property payable to the Trustee

hereunder as advised by counsel, shall be returned to the Corporation and the Security Interest constituted by this Indenture shall no longer be deemed to have become enforceable by reason of the Event of Default which theretofore existed, but the rights arising out of the same Event of Default (if not then waived or remedied) or any other subsequent Event of Default shall not be affected thereby;

- (A) the Trustee, either after entry as aforesaid or after other entries by itself or its agents, or without any entry, may sell or dispose of the Secured Assets either as a whole or in separate parcels (to the extent permitted by applicable legislation):
 - (I) by private contract upon notice to the Corporation given prior thereto of such length; or
 - (II) at public auction or by public tender, having first given such notice of the time and place of such sale to the Corporation and otherwise.

The Trustee may make any such sale either for cash or upon credit and upon such reasonable conditions as to upset or reserve bid or price and terms of payment, rescind or vary any contract or sale that may have been entered into and re-sell with or under any of the powers conferred herein, adjourn such sale from time to time, and execute and deliver to the purchaser or purchasers of the said property or any part thereof good and sufficient deed or deeds for the same, the Trustee being hereby irrevocably constituted the attorney of the Corporation for the purpose of making such sale and executing such deeds, and any such sale made as aforesaid shall be a perpetual bar at law and in equity against the Corporation and their respective successors and assigns and all other Persons claiming the said property or any part or parcel thereof by, from, through or under the Corporation and their respective successors or assigns, and the proceeds of any such sale shall be distributed in the manner hereinafter provided;

- (iii) the Trustee may, with or without entry or sale as aforesaid, proceed to protect and enforce its rights under this Indenture and the other Debenture Documents by sale under judgment or order in any judicial proceeding or by foreclosure or a suit or suits in equity or at law or otherwise whether for the specific performance of any covenant or agreement contained in this Indenture or any other Debenture Document or in aid of the execution of this Indenture or any other Debenture Document or for the enforcement of any other legal or equitable remedy as the Trustee shall deem most effective to protect and enforce any of the rights or duties of the Trustee and Debentureholders, on the advice of Counsel;
- (iv) the Trustee may appoint a receiver (the “**Receiver**”) of the Secured Assets or any part thereof and of the rents, issues, profits, revenues and income thereof and in respect thereto the following provisions shall apply:
 - (A) such appointment shall be made in writing signed by the Trustee and such writing shall be conclusive evidence for all purposes of such appointment. The Trustee may from time to time in the same manner remove any Receiver so appointed and appoint another in its stead; in making any such appointment the Trustee shall be deemed to be acting as the attorney for the Corporation;

- (B) any such appointment may be limited to any part or parts of the Secured Assets or may extend to the whole thereof;
- (C) every such Receiver may be vested with all or any of the powers and discretions of the Trustee;
- (D) the Trustee may from time to time fix the reasonable remuneration of every such Receiver and direct the payment thereof out of the Secured Assets, the income therefrom or the proceeds thereof (in priority to the Trustee);
- (E) the Trustee may from time to time require any such Receiver to give security for the performance of its duties and may fix the nature and amount thereof, but shall not be bound to require such security;
- (F) every such Receiver may, with the consent in writing of the Trustee as advised by counsel, borrow money for the purposes of carrying on the business of the Corporation in respect of any part of the Secured Assets or for the maintenance, protection or preservation of the Secured Assets or any part thereof, and any receiver may issue certificates (in this Section called **“Receiver Certificates”**) for such sums as will be sufficient for obtaining upon the security of the Secured Assets or any part thereof the amounts from time to time required, and such Receiver’s Certificates may be payable either to order or bearer and may be payable at such time or times as the Trustee may consider expedient as advised by counsel, and shall bear interest at the rate of 12% per annum and the receiver may sell, pledge or otherwise dispose of the same in such manner as the Trustee may consider advisable as advised by counsel and may pay such commission on the sale thereof and the amount from time to time payable by virtue of such Receiver’s Certificates shall at the option of the Trustee as advised by counsel be entitled to the Security Interest constituted by this Indenture in priority to the principal, interest and other amounts secured thereby;
- (G) every such receiver shall, so far as concerns responsibility for his acts or omissions, be deemed the agent of the Corporation, and in no event the agent of the Trustee or any Debentureholder, and the Trustee shall not, in making or consenting to such appointment, incur any liability to any receiver for his remuneration or otherwise; provided, however, that the Trustee shall not in any way be responsible for any misconduct, negligence or non-feasance of such Receiver, his employees or agents;
- (H) except as may be otherwise directed by the Trustee, on the advice of Counsel, all monies from time to time received by any receiver shall be received in trust for and paid over to the Trustee at the principal office of the Trustee in the City of Vancouver as hereinbefore provided, to be held by it as part of the Secured Assets; and
- (I) the Trustee may, on the advice of Counsel, pay over to any receiver any monies constituting part of the Secured Assets to the extent that the same may be applied for the purposes hereof by such receiver, and the Trustee may, on the advice of Counsel, from time to time determine what funds any receiver shall be at liberty to keep on hand with a view to the performance of his duties as such Receiver;

- (v) the Trustee may, on the advice of Counsel, in lieu of appointing a receiver as provided in this Section, and without regard to the adequacy of the Security Interest constituted by this Indenture or the solvency of the Corporation, apply to any court or courts of competent jurisdiction for the appointment of a receiver of the Secured Assets, and of the rents, issues, profits, revenues and income thereof, with such powers as the court of courts making such appointment or appointments shall confer; and
- (vi) the Corporation shall on demand by the Trustee, yield up possession of the Secured Assets whenever the Trustee shall have a right or entry under the foregoing provisions and agrees to put no obstacle in the way of, but to facilitate by all legal means, the actions of the Trustee or any receiver hereunder and not to interfere with the carrying out of the powers granted hereby or conferred by any court or courts hereunder to or upon the Trustee or any receiver.

Section 9.5 No Suits by Debentureholders

No holder of any Debenture shall have any right to institute any action, suit or proceeding at law or in equity for the purpose of enforcing payment of the principal of or interest on the Debentures or for the execution of any trust or power hereunder or for the appointment of a liquidator or receiver or for a receiving order under the *Bankruptcy and Insolvency Act* (Canada) or to have the Corporation wound up or to file or prove a claim in any liquidation or bankruptcy proceeding or for any other remedy hereunder, unless: (a) such holder shall previously have given to the Trustee written notice of the happening of an Event of Default hereunder and 120 days shall have passed; and (b) the Debentureholders by Extraordinary Resolution or by written instrument signed by the holders of at least 25% in principal amount of the Debentures then outstanding shall have made a request to the Trustee and the Trustee shall have been afforded reasonable opportunity either itself to proceed to exercise the powers hereinbefore granted or to institute an action, suit or proceeding in its name for such purpose; and (c) the Debentureholders or any of them shall have furnished to the Trustee, when so requested by the Trustee, sufficient funds and security and indemnity satisfactory to it against the costs, expenses and liabilities to be incurred therein or thereby; (d) the Trustee shall have failed to act within a reasonable time after such notification, request, funding, and offer of indemnity and such notification, request and offer of indemnity are hereby declared in every such case, at the option of the Trustee, to be conditions precedent to any such proceeding or for any other remedy hereunder by or on behalf of the holder of any Debentures; and (e) during such 30 day period, the holders of a majority in principal amount of Debentures do not give the Trustee a direction inconsistent with the request, including a waiver pursuant to Section 9.3.

Notwithstanding the forging, any recovery made by a holder of a Debenture under this section 9.5 shall remain subject to Section 5.5 of this Indenture. Any payment which might be received by a holder of any Debenture notwithstanding the foregoing shall be received in trust for the lenders under the Interim Credit Facility and the 2024 Notes and shall be paid to such lender forthwith on receipt.

Section 9.6 Application of Monies by Trustee

(1) Except as herein otherwise expressly provided and subject to Article 5, any monies received by the Trustee from the Corporation pursuant to the foregoing provisions of this Article 9, or as a result of legal or other proceedings or from any trustee in bankruptcy or liquidator of the Corporation, shall be applied, together with any other monies in the hands of the Trustee available for such purpose, as follows:

- (a) first, if and to the extent that the Trustee deems it in the interest of the Debentureholders generally, based on the advice of Counsel, in payment of all liens, Security Interests and other encumbrances (if any) on the Secured Assets ranking in priority to the Security Interest granted pursuant to this Indenture (if any) or to keep in good standing any such prior encumbrances;
- (b) second, in payment or in reimbursement to the Trustee of its compensation, costs, charges, expenses, borrowings, advances or other monies furnished or provided by or at the instance

of the Trustee in or about the execution of its trusts under, or otherwise in relation to, this Indenture, with interest thereon as herein provided;

- (c) third, but subject as hereinafter in this Section 9.6 provided, in payment, rateably and proportionately to the holders of Debentures, of the principal of and premium (if any) and accrued and unpaid interest and interest on amounts in default on the Debentures which shall then be outstanding in the priority of principal first and then premium and then accrued and unpaid interest and interest on amounts in default unless otherwise directed by Extraordinary Resolution and in that case in such order or priority as between principal, premium (if any) and interest as may be directed by such resolution; and
- (d) fourth, in payment of the surplus, if any, of such monies to the Corporation or its assigns;

provided, however, that no payment shall be made pursuant to clause (c) above in respect of the principal, premium or interest on any Debenture held, directly or indirectly, by or for the benefit of the Corporation or any Subsidiary (other than any Debenture pledged for value and in good faith to a Person other than the Corporation or any Subsidiary but only to the extent of such person's interest therein) except subject to the prior payment in full of the principal, premium (if any) and interest (if any) on all Debentures which are not so held.

(2) The Trustee shall not be bound to apply or make any partial or interim payment of any monies coming into its hands if the amount so received by it, after reserving thereout such amount as the Trustee may think necessary to provide for the payments mentioned in subsection 9.6(1), is insufficient to make a distribution of at least 2% of the aggregate principal amount of the outstanding Debentures, but it may retain the money so received by it and invest or deposit the same as provided in Section 15.8 until the money or the investments representing the same, with the income derived therefrom, together with any other monies for the time being under its control shall be sufficient for the said purpose or until it shall consider it advisable to apply the same in the manner hereinbefore set forth. The foregoing shall, however, not apply to a final payment in distribution hereunder.

Section 9.7 Notice of Payment by Trustee

Not less than 15 days' notice shall be given in the manner provided in Section 14.2 by the Trustee to the Debentureholders of any payment to be made under this Article 9. Such notice shall state the time when and place where such payment is to be made and also the liability under this Indenture to which it is to be applied. After the day so fixed, unless payment shall have been duly demanded and have been refused, the Debentureholders will be entitled to interest only on the balance (if any) of the principal monies, premium (if any) and interest due (if any) to them, respectively, on the Debentures, after deduction of the respective amounts payable in respect thereof on the day so fixed.

Section 9.8 Trustee May Demand Production of Debentures

The Trustee shall have the right to demand production of the Debentures in respect of which any payment of principal, interest or premium required by this Article 9 is made and may cause to be endorsed on the same a memorandum of the amount so paid and the date of payment, but the Trustee may, in its discretion, dispense with such production and endorsement, upon such indemnity being given to it and to the Corporation as the Trustee shall deem sufficient.

Section 9.9 Remedies Cumulative

No remedy herein conferred upon or reserved to the Trustee, or upon or to the holders of Debentures is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now existing or hereafter to exist by law or by statute.

Section 9.10 Judgment Against the Corporation

The Corporation covenants and agrees with the Trustee that, in case of any judicial or other proceedings to enforce the rights of the Debentureholders, judgment may be rendered against it in favour of the Debentureholders or in favour of the Trustee, as trustee for the Debentureholders, for any amount which may remain due in respect of the Debentures and premium (if any) and the interest thereon and any other monies owing hereunder.

Section 9.11 Immunity of Directors, Officers and Others

The Debentureholders and the Trustee hereby waive and release any right, cause of action or remedy now or hereafter existing in any jurisdiction against any past, present or future officer, director or employee of the Corporation or holder of Common Shares of the Corporation or of any successor for the payment of the principal of or premium or interest on any of the Debentures or on any covenant, agreement, representation or warranty by the Corporation contained herein or in the Debentures.

ARTICLE 10– SATISFACTION AND DISCHARGE

Section 10.1 Cancellation and Destruction

All Debentures shall forthwith after payment thereof be delivered to the Trustee and cancelled by it. All Debentures cancelled or required to be cancelled under this or any other provision of this Indenture shall be destroyed by the Trustee and, if required by the Corporation, the Trustee shall furnish to it a destruction certificate setting out the designating numbers of the Debentures so destroyed.

Section 10.2 Non-Presentation of Debentures

In case the holder of any Debenture shall fail to present the same for payment on the date on which the principal of, premium (if any) or the interest thereon or represented thereby becomes payable either at maturity or otherwise or shall not accept payment on account thereof and give such receipt therefor, if any, as the Trustee may require:

- (a) the Corporation shall be entitled to pay or deliver to the Trustee and direct it to set aside; or
- (b) in respect of monies in the hands of the Trustee which may or should be applied to the payment of the Debentures, the Corporation shall be entitled to direct the Trustee to set aside; or
- (c) if the redemption was pursuant to notice given by the Trustee, the Trustee may itself set aside;

the monies or Common Shares, as the case may be, in trust to be paid to the holder of such Debenture upon due presentation or surrender thereof in accordance with the provisions of this Indenture; and thereupon the principal of, premium (if any) or the interest payable on or represented by each Debenture in respect whereof such monies or Common Shares, if applicable, have been set aside shall be deemed to have been paid and the holder thereof shall thereafter have no right in respect thereof except that of receiving delivery and payment of the monies or Common Shares, if applicable (less any taxes required to be deducted in accordance with applicable law) so set aside by the Trustee upon due presentation and surrender thereof, subject always to the provisions of Section 10.3.

Section 10.3 Repayment of Unclaimed Monies

Subject to applicable law, any monies or Common Shares, if applicable, set aside under Section 10.2 and not claimed by and paid to holders of Debentures as provided in Section 10.2 within six years after the date of such setting aside shall be repaid and delivered to the Corporation by the Trustee and thereupon the Trustee shall be released from all further liability with respect to such monies or Common Shares, if applicable, and thereafter the holders of the Debentures in respect of which such monies or Common Shares, if applicable, were so repaid to the Corporation shall have no rights in respect thereof except to obtain payment and delivery of the monies or Common Shares, if applicable, from the Corporation subject to any limitation provided by the laws of the Province of British Columbia.

Section 10.4 Discharge

The Trustee shall at the written request of the Corporation release and discharge this Indenture and execute and deliver such instruments as it shall be advised by Counsel are requisite for that purpose and to release the Corporation from its covenants herein contained (other than the provisions relating to the indemnification of the Trustee), upon proof being given to the reasonable satisfaction of the Trustee that the principal of, premium (if any) and interest (including interest on amounts in default, if any), on all the Debentures and all other monies or Common Shares, if applicable, payable hereunder have been paid or satisfied or that all the Debentures having matured or having been duly called for redemption, payment of the principal of and interest (including interest on amounts in default, if any) on such Debentures and of all other monies or Common Shares, if applicable, payable hereunder has been duly and effectually provided for in accordance with the provisions hereof.

Section 10.5 Satisfaction

(1) The Corporation shall be deemed to have fully paid, satisfied and discharged all of the outstanding Debentures of any series and the Trustee, at the expense of the Corporation, shall execute and deliver proper instruments acknowledging the full payment, satisfaction and discharge of such Debentures, when, with respect to all of the outstanding Debentures or all of the outstanding Debentures of any series, as applicable:

- (a) the Corporation has deposited or caused to be deposited with the Trustee as trust funds, Common Shares or property in trust for the purpose of making payment on such Debentures, an amount in money or Common Shares, if applicable, sufficient to pay, satisfy and discharge the entire amount of principal of, premium, if any, and interest, if any, to maturity, or any repayment date, or any Change of Control Purchase Date, or upon conversion or otherwise as the case may be, of such Debentures;
- (b) the Corporation has deposited or caused to be deposited with the Trustee as trust property in trust for the purpose of making payment on such Debentures:
 - (i) if the Debentures are issued in Canadian dollars, such amount in Canadian dollars of direct obligations of, or obligations the principal and interest of which are guaranteed by, the Government of Canada or Common Shares, if applicable; or
 - (ii) if the Debentures are issued in a currency or currency unit other than Canadian dollars, cash in the currency or currency unit in which the Debentures are payable and/or such amount in such currency or currency unit of direct obligations of, or obligations the principal and interest of which are guaranteed by, the Government of Canada or the government that issued the currency or currency unit in which the Debentures are payable or Common Shares, if applicable;

as will be sufficient to pay and discharge the entire amount of principal of, premium, if any on, and accrued and unpaid interest to maturity or any repayment date, as the case may be, of all such Debentures; or

- (c) all Debentures authenticated and delivered (other than (A) Debentures which have been destroyed, lost or stolen and which have been replaced or paid as provided in Section 2.11 and (B) Debentures for whose payment has been deposited in trust and thereafter repaid to the Corporation as provided in Section 10.3) have been delivered to the Trustee for cancellation;

so long as in any such event:

- (d) the Corporation has paid, caused to be paid or made provisions to the satisfaction of the Trustee for the payment of all other sums payable or which may be payable with respect to all of such Debentures (together with all applicable expenses of the Trustee in connection with the payment of such Debentures); and
- (e) the Corporation has delivered to the Trustee an Officer's Certificate stating that all conditions precedent herein provided relating to the payment, satisfaction and discharge of all such Debentures have been complied with.

Any deposits with the Trustee referred to in this Section 10.5 shall be irrevocable, subject to Section 10.6, and shall be made under the terms of an escrow and/or trust agreement in form and substance satisfactory to the Trustee and which provides for the due and punctual payment of the principal of, premium, if any, and interest on the Debentures being satisfied.

(2) Upon the satisfaction of the conditions set forth in this Section 10.5 with respect to all the outstanding Debentures, or all the outstanding Debentures of any series, as applicable, the terms and conditions of the Debentures, including the terms and conditions with respect thereto set forth in this Indenture (other than those contained in Article 2 and Article 4 and the provisions of Article 1 pertaining to Article 2 and Article 4) shall no longer be binding upon or applicable to the Corporation.

(3) Any funds or obligations deposited with the Trustee pursuant to this Section 10.5 shall be denominated in the currency or denomination of the Debentures in respect of which such deposit is made.

(4) If the Trustee is unable to apply any money or securities in accordance with this Section 10.5 by reason of any legal proceeding or any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, the Corporation's obligations under this Indenture and the affected Debentures shall be revived and reinstated as though no money or securities had been deposited pursuant to this Section 10.5 until such time as the Trustee is permitted to apply all such money or securities in accordance with this Section 10.5, provided that if the Corporation has made any payment in respect of principal of, premium, if any, or interest on Debentures or, as applicable, other amounts because of the reinstatement of its obligations, the Corporation shall be subrogated to the rights of the holders of such Debentures to receive such payment from the money or securities held by the Trustee.

Section 10.6 Continuance of Rights, Duties and Obligations

(1) Where trust funds or trust property have been deposited pursuant to Section 10.5, the holders of Debentures and the Corporation shall continue to have and be subject to their respective rights, duties and obligations under Article 2 and Article 4.

(2) In the event that, after the deposit of trust funds or trust property pursuant to Section 10.5 in respect of a series of Debentures (the "**Defeased Debentures**"), any holder of any of the Defeased Debentures from time to time converts its Debentures to Common Shares or other securities of the Corporation in accordance with Section 2.5 (in respect of Initial Debentures or the comparable provision of any other series of Debentures),

Article 7 or any other provision of this Indenture, the Trustee shall upon receipt of a Written Direction of the Corporation return to the Corporation from time to time the proportionate amount of the trust funds or other trust property deposited with the Trustee pursuant to Section 10.5 in respect of the Defeased Debentures which is applicable to the Defeased Debentures so converted (which amount shall be based on the applicable principal amount of the Defeased Debentures being converted in relation to the aggregate outstanding principal amount of all the Defeased Debentures).

(3) In the event that, after the deposit of trust funds or trust property pursuant to Section 10.5, the Corporation is required to make a Change of Control Offer to purchase any outstanding Debentures pursuant to subsection 2.5(9) (in respect of Initial Debentures or the comparable provision of any other series of Debentures), in relation to Initial Debentures or to make an offer to purchase Debentures pursuant to any other similar provisions relating to any other series of Debentures, the Corporation shall be entitled to use any trust money or trust property deposited with the Trustee pursuant to Section 10.5 for the purpose of paying to any holders of Defeased Debentures who have accepted any such offer of the Corporation the Offer Price payable to such holders in respect of such Change of Control Offer in respect of Initial Debentures (or the total offer price payable in respect of an offer relating to any other series of Debentures). Upon receipt of a Written Direction from the Corporation, the Trustee shall be entitled to pay to such holder from such trust money or trust property deposited with the Trustee pursuant to Section 10.5 in respect of the Defeased Debentures which is applicable to the Defeased Debentures held by such holders who have accepted any such offer to the Corporation (which amount shall be based on the applicable principal amount of the Defeased Debentures held by accepting offerees in relation to the aggregate outstanding principal amount of all the Defeased Debentures).

ARTICLE 11– SUCCESSORS

Section 11.1 Corporation may Consolidate, etc., Only on Certain Terms

(1) The Corporation may not, without the consent of the holders of the Debentures by Extraordinary Resolution hereunder, consolidate with or amalgamate or merge with or into any Person (other than a directly or indirectly wholly-owned Subsidiary of the Corporation) or sell, convey, transfer or lease all or substantially all of the properties and assets of the Corporation to another Person (other than a directly or indirectly wholly-owned Subsidiary of the Corporation) unless:

- (a) the Person formed by such consolidation or into which the Corporation is amalgamated or merged, or the Person which acquires by sale, conveyance, transfer or lease all or substantially all of the properties and assets of the Corporation is a corporation, organized and existing under the laws of Canada or any province or territory thereof or the laws of the United States or any state thereof and such corporation (if other than the Corporation or the continuing corporation resulting from the amalgamation of the Corporation with another corporation under the laws of Canada or any province or territory thereof) expressly assumes, by an indenture supplemental hereto, executed and delivered to the Trustee, in form satisfactory to the Trustee, the obligations of the Corporation under the Debentures and this Indenture and the performance or observance of every covenant and provision of this Indenture and the Debentures required on the part of the Corporation to be performed or observed and the conversion rights shall be provided for in accordance with Article 7, by supplemental indenture satisfactory in form to the Trustee, executed and delivered to the Trustee, by the Person (if other than the Corporation or the continuing corporation resulting from the amalgamation of the Corporation with another corporation under the laws of Canada or any province or territory thereof) formed by such consolidation or into which the Corporation shall have been merged or by the Person which shall have acquired the Corporation's assets;

- (b) after giving effect to such transaction, no Event of Default, and no event which, after notice or lapse of time or both, would become an Event of Default, shall have occurred and be continuing; and
- (c) if the Corporation or the continuing corporation resulting from the amalgamation or merger of the Corporation with another Person under the laws of Canada or any province or territory thereof or the laws of the United States or any state thereof will not be the resulting, continuing or surviving corporation, the Corporation shall have, at or prior to the effective date of such consolidation, amalgamation, merger or sale, conveyance, transfer or lease, delivered to the Trustee an Officer's Certificate and an opinion of Counsel, each stating that such consolidation, merger or transfer complies with this Article and, if a supplemental indenture is required in connection with such transaction, such supplemental indenture complies with this Article, and that all conditions precedent herein provided for relating to such transaction have been complied with.

(2) For purposes of the foregoing, the sale, conveyance, transfer or lease (in a single transaction or a series of related transactions) of the properties or assets of one or more Subsidiaries of the Corporation (other than to the Corporation or another wholly-owned Subsidiary of the Corporation), which, if such properties or assets were directly owned by the Corporation, would constitute all or substantially all of the properties and assets of the Corporation and its Subsidiaries, taken as a whole, shall be deemed to be the sale, conveyance, transfer or lease of all or substantially all of the properties and assets of the Corporation.

Section 11.2 Successor Substituted

Upon any consolidation of the Corporation with, or amalgamation or merger of the Corporation into, any other Person or any sale, conveyance, transfer or lease of all or substantially all of the properties and assets of the Corporation and its Subsidiaries, taken as a whole, in accordance with Section 11.1, the successor Person formed by such consolidation or into which the Corporation is amalgamated or merged or to which such sale, conveyance, transfer or lease is made shall succeed to, and be substituted for, and may exercise every right and power of, the Corporation under this Indenture with the same effect as if such successor Person had been named as the Corporation herein, and thereafter, except in the case of a lease, and except for obligations the predecessor Person may have under a supplemental indenture entered into pursuant to clause 11.1(1)(c), the predecessor Person shall be relieved of all obligations and covenants under this Indenture and the Debentures.

ARTICLE 12— COMPULSORY ACQUISITION

Section 12.1 Definitions In this Article:

- (1) **“Affiliate”** and **“Associate”** shall have their respective meanings set forth in the *Securities Act* (British Columbia);
- (2) **“Dissenting Debentureholders”** means a Debentureholder who does not accept an Offer referred to in Section 12.2 and includes any assignee of the Debenture of a Debentureholder to whom such an Offer is made, whether or not such assignee is recognized under this Indenture;
- (3) **“Offer”** means an offer to acquire outstanding Debentures, which is a takeover bid for Debentures within the meaning ascribed thereto in NI 62-104, whereas of the date of the offer to acquire, the Debentures that are subject to the offer to acquire, together with the Offeror's Debentures, constitute in the aggregate 20% or more of the outstanding principal amount of the Debentures;
- (4) **“offer to acquire”** includes an acceptance of an offer to sell;

- (5) **“Offeror”** means a person, or two or more persons acting jointly or in concert, who make an Offer to acquire Debentures;
- (6) **“Offeror’s Debentures”** means Debentures beneficially owned, or over which control or direction is exercised, on the date of an Offer by the Offeror, any Affiliate or Associate of the Offeror or any Person or company acting jointly or in concert with the Offeror; and
- (7) **“Offeror’s Notice”** means the notice described in Section 12.3.

Section 12.2 Offer for Debentures

If an Offer for all of the outstanding Debentures (other than Debentures held by or on behalf of the Offeror or an Affiliate or Associate of the Offeror) is made and:

- (a) within the time provided in the Offer for its acceptance or within 120 days after the date the Offer is made, whichever period is the shorter, the Offer is accepted by Debentureholders representing at least 90% of the outstanding principal amount of the Debentures, other than the Offeror’s Debentures;
- (b) the Offeror is bound to take up and pay for, or has taken up and paid for the Debentures of the Debentureholders who accepted the Offer;
- (c) the Offeror complies with Sections 12.3 and 12.5; and
- (d) the Offer complies with applicable securities laws (including any applicable requirements of the U.S. Securities Exchange Act).

the Offeror is entitled to acquire, and the Dissenting Debentureholders are required to sell to the Offeror, the Debentures held by the Dissenting Debentureholder for the same consideration per Debenture payable or paid, as the case may be, under the Offer.

Section 12.3 Offeror’s Notice to Dissenting Shareholders

Where an Offeror is entitled to acquire Debentures held by Dissenting Debentureholders pursuant to Section 12.2 and the Offeror wishes to exercise such right, the Offeror shall send by registered mail within 30 days after the date of termination of the Offer a notice (the **“Offeror’s Notice”**) to each Dissenting Debentureholder stating that:

- (a) Debentureholders holding at least 90% of the principal amount of all outstanding Debentures, other than Offeror’s Debentures, have accepted the Offer;
- (b) the Offeror is bound to take up and pay for, or has taken up and paid for, the Debentures of the Debentureholders who accepted the Offer;
- (c) Dissenting Debentureholders must transfer their respective Debentures to the Offeror on the terms on which the Offeror acquired the Debentures of the Debentureholders who accepted the Offer within 21 days after the date of the sending of the Offeror’s Notice; and
- (d) Dissenting Debentureholders must send their respective Debenture certificate(s) to the Trustee within 21 days after the date of the sending of the Offeror’s Notice.

Section 12.4 Delivery of Debenture Certificates

A Dissenting Debentureholder to whom an Offeror's Notice is sent pursuant to Section 12.3 shall, within 21 days after the sending of the Offeror's Notice, send his or her Debenture certificate(s) to the Trustee duly endorsed for transfer.

Section 12.5 Payment of Consideration to Trustee

Within 21 days after the Offeror sends an Offeror's Notice pursuant to Section 12.3, the Offeror shall pay or transfer to the Trustee, or to such other Person as the Trustee may direct, the cash or other consideration that is payable to Dissenting Debentureholders pursuant to Section 12.2. The acquisition by the Offeror of all Debentures held by all Dissenting Debentureholders shall be effective as of the time of such payment or transfer.

Section 12.6 Consideration to be held in Trust

The Trustee, or the Person directed by the Trustee, shall hold in trust for the Dissenting Debentureholders the cash or other consideration they or it receives under Section 12.5. The Trustee, or such persons, shall deposit cash in a separate account in a Canadian chartered bank, or other body corporate, any of whose deposits are insured by the Canada Deposit Insurance Corporation, and shall place other consideration in the custody of a Canadian chartered bank or such other body corporate.

Section 12.7 Completion of Transfer of Debentures to Offeror

Within 30 days after the date of the sending of an Offeror's Notice pursuant to Section 12.3, the Trustee, if the Offeror has complied with Section 12.5, shall:

- (a) do all acts and things and execute and cause to be executed all instruments as in the Trustee's opinion, relying on the advice of Counsel, may be necessary or desirable to cause the transfer of the Debentures of the Dissenting Debentureholders to the Offeror;
- (b) send to each Dissenting Debentureholder who has complied with Section 12.4 the consideration to which such Dissenting Debentureholder is entitled under this Article 12; and
- (c) send to each Dissenting Debentureholder who has not complied with Section 12.4 a notice stating that:
 - (i) his or her Debentures have been transferred to the Offeror;
 - (ii) the Trustee or some other Person designated in such notice are holding in trust the consideration for such Debentures; and
 - (iii) the Trustee, or such other Person, will send the consideration to such Dissenting Debentureholder as soon as possible after receiving such Dissenting Debentureholder's Debenture certificate(s) or such other documents as the Trustee or such other Person may require in lieu thereof;

and the Trustee is hereby appointed the agent and attorney of the Dissenting Debentureholders for the purposes of giving effect to the foregoing provisions including, without limitation, the power and authority to execute such transfers as may be necessary or desirable in respect of the book-entry only registration system of the Depository.

Section 12.8 Communication of Offer to the Corporation

An Offeror cannot make an Offer for Debentures unless, concurrent with the communication of the Offer to any Debentureholder, a copy of the Offer is provided to the Corporation.

ARTICLE 13– MEETINGS OF DEBENTUREHOLDERS

Section 13.1 Right to Convene Meeting

The Trustee or the Corporation may at any time and from time to time, and the Trustee shall, on receipt of a Written Direction of the Corporation or a written request signed by the holders of not less than 25% of the principal amount of the Debentures then outstanding and upon receiving funding and being indemnified to its reasonable satisfaction by the Corporation or by the Debentureholders signing such request against the costs which may be incurred in connection with the calling and holding of such meeting, convene a meeting of the Debentureholders. In the event of the Trustee failing, within 30 days after receipt of any such request and such funding of indemnity, to give notice convening a meeting, the Corporation or such Debentureholders, as the case may be, may convene such meeting. Every such meeting shall be held in the City of Vancouver or at such other place as may be approved or determined by the Trustee. Any meeting held pursuant to this Article 13 may be done through a virtual or electronic meeting platform, subject to the Trustee's capabilities at the time.

Section 13.2 Notice of Meetings

(1) At least 21 days' notice of any meeting shall be given to the Debentureholders in the manner provided in Section 14.2 and a copy of such notice shall be sent by post to the Trustee, unless the meeting has been called by it. Such notice shall state the time when and the place where the meeting is to be held and shall state briefly the general nature of the business to be transacted thereat and it shall not be necessary for any such notice to set out the terms of any resolution to be proposed or any of the provisions of this Article. The accidental omission to give notice of a meeting to any holder of Debentures shall not invalidate any resolution passed at any such meeting. A holder may waive notice of a meeting either before or after the meeting.

(2) If the business to be transacted at any meeting by Extraordinary Resolution or otherwise, or any action to be taken or power exercised by instrument in writing under Section 13.15, especially affects the rights of holders of Debentures of one or more series in a manner or to an extent differing in any material way from that in or to which the rights of holders of Debentures of any other series are affected (determined as provided in subsections 13.2(3) and (4)), then:

- (a) a reference to such fact, indicating each series of Debentures in the opinion of the Trustee so especially affected (hereinafter referred to as the "especially affected series") shall be made in the notice of such meeting, and in any such case the meeting shall be and be deemed to be and is herein referred to as a "**Serial Meeting**"; and
- (b) the holders of Debentures of an especially affected series shall not be bound by
- (c) any action taken at a Serial Meeting or by instrument in writing under Section 13.15 unless in addition to compliance with the other provisions of this Article 13:
 - (i) at such Serial Meeting: (I) there are Debentureholders present in person or by proxy and representing at least 25% in principal amount of the Debentures then outstanding of such series, subject to the provisions of this Article 13 as to quorum at adjourned meetings; and (II) the resolution is passed by the affirmative vote of the holders of more than 50% (or in the case of an Extraordinary Resolution not less than 66⅔%) of

the principal amount of the Debentures of such series then outstanding voted on the resolution; or

- (ii) in the case of action taken or power exercised by instrument in writing under Section 13.15, such instrument is signed in one or more counterparts by the holders of not less than 66⅔% in principal amount of the Debentures of such series then outstanding.

(3) Subject to Section 13.2(4), the determination as to whether any business to be transacted at a meeting of Debentureholders, or any action to be taken or power to be exercised by instrument in writing under Section 13.15, especially affects the rights of the Debentureholders of one or more series in a manner or to an extent differing in any material way from that in or to which it affects the rights of Debentureholders of any other series (and is therefore an especially affected series) shall be determined by an opinion of Counsel, which shall be binding on all Debentureholders, the Trustee and the Corporation for all purposes hereof.

(4) A proposal:

- (a) to extend the maturity of Debentures of any particular series or to reduce the principal amount thereof, the rate of interest or redemption premium thereon or to impair any conversion right thereof;
- (b) to modify or terminate any covenant or agreement which by its terms is effective only so long as Debentures of a particular series are outstanding; or
- (c) to reduce with respect to Debentureholders of any particular series any percentage stated in this Section 13.2 or Sections 13.4, 13.12 and 13.15;

shall be deemed to especially affect the rights of the Debentureholders of such series in a manner differing in a material way from that in which it affects the rights of holders of Debentures of any other series, whether or not a similar extension, reduction, modification or termination is proposed with respect to Debentures of any or all other series.

Section 13.3 Chairman

Some person, who need not be a Debentureholder, nominated in writing by the Trustee shall be chairman of the meeting and if no Person is so nominated, or if the Person so nominated is not present within 15 minutes from the time fixed for the holding of the meeting, a majority of the Debentureholders present in person or by proxy shall choose some Person present to be chairman.

Section 13.4 Quorum

Subject to the provisions of Section 13.12, at any meeting of the Debentureholders a quorum shall consist of Debentureholders present in person or by proxy and representing at least 25% in principal amount of the outstanding Debentures and, if the meeting is a Serial Meeting, at least 25% of the Debentures then outstanding of each especially affected series. If a quorum of the Debentureholders shall not be present within 30 minutes from the time fixed for holding any meeting, the meeting, if summoned by the Debentureholders or pursuant to a request of the Debentureholders, shall be dissolved, but in any other case the meeting shall be adjourned to the same day in the next week (unless such day is not a Business Day in which case it shall be adjourned to the next following Business Day thereafter) at the same time and place to the extent possible and no notice shall be required to be given in respect of such adjourned meeting. At the adjourned meeting, the Debentureholders present in person or by proxy shall, subject to the provisions of Section 13.12, constitute a quorum and may transact the business for which the meeting was originally convened notwithstanding that they may not represent 25% of the principal amount of the outstanding Debentures or of the Debentures then

outstanding of each especially affected series. Any business may be brought before or dealt with at an adjourned meeting which might have been brought before or dealt with at the original meeting in accordance with the notice calling the same. No business shall be transacted at any meeting unless the required quorum is present at the commencement of business.

Section 13.5 Power to Adjourn

The chairman of any meeting at which a quorum of the Debentureholders is present may, with the consent of the holders of a majority in principal amount of the Debentures represented thereat, adjourn any such meeting and no notice of such adjournment need be given except such notice, if any, as the meeting may prescribe.

Section 13.6 Show of Hands

Every question submitted to a meeting shall, subject to Section 13.7, be decided in the first place by a majority of the votes given on a show of hands except that votes on Extraordinary Resolutions shall be given in the manner hereinafter provided. At any such meeting, unless a poll is duly demanded as herein provided, a declaration by the chairman that a resolution has been carried or carried unanimously or by a particular majority or lost or not carried by a particular majority shall be conclusive evidence of the fact. The chairman of any meeting shall be entitled, both on a show of hands and on a poll, to vote in respect of the Debentures, if any, held by him.

Section 13.7 Poll

On every Extraordinary Resolution, and on any other question submitted to a meeting when demanded by the chairman or by one or more Debentureholders or proxies for Debentureholders, a poll shall be taken in such manner and either at once or after an adjournment as the chairman shall direct. Questions other than Extraordinary Resolutions shall, if a poll be taken, be decided by the votes of the holders of a majority in principal amount of the Debentures and of each especially affected series, if applicable, represented at the meeting and voted on the poll.

Section 13.8 Voting

On a show of hands every Person who is present and entitled to vote, whether as a Debentureholder or as proxy for one or more Debentureholders or both, shall have one vote. On a poll each Debentureholder present in person or represented by a proxy duly appointed by an instrument in writing shall be entitled to one vote in respect of each \$1.00 principal amount of Debentures of which he shall then be the holder. In the case of any Debenture denominated in a currency or currency unit other than Canadian dollars, the principal amount thereof for these purposes shall be computed in Canadian dollars on the basis of the conversion of the principal amount thereof at the applicable spot buying rate of exchange for such other currency or currency unit as reported by the Bank of Canada at the close of business on the Business Day preceding the meeting. Any fractional amounts resulting from such conversion shall be rounded to the nearest \$100. A proxy need not be a Debentureholder. In the case of joint holders of a Debenture, any one of them present in person or by proxy at the meeting may vote in the absence of the other or others but in case more than one of them be present in person or by proxy, they shall vote together in respect of the Debentures of which they are joint holders.

Section 13.9 Proxies

A Debentureholder may be present and vote at any meeting of Debentureholders by an authorized representative. The Corporation (in case it convenes the meeting) or the Trustee (in any other case) for the purpose of enabling the Debentureholders to be present and vote at any meeting without producing their Debentures, and of enabling them to be present and vote at any such meeting by proxy and of lodging

instruments appointing such proxies at some place other than the place where the meeting is to be held, may from time to time make and vary such regulations as it shall think fit providing for and governing the form of the instrument appointing a proxy, which shall be in writing, and the manner in which the same shall be executed and the production of the authority of any Person signing on behalf of a Debentureholder.

Any regulations so made shall be binding and effective and the votes given in accordance therewith shall be valid and shall be counted. Save as such regulations may provide, the only persons who shall be recognized at any meeting as the holders of any Debentures, or as entitled to vote or be present at the meeting in respect thereof, shall be Debentureholders and persons whom Debentureholders have by instrument in writing duly appointed as their proxies.

Section 13.10 Persons Entitled to Attend Meetings

The Corporation and the Trustee, by their respective officers and directors, the Auditors of the Corporation and the legal advisors of the Corporation, the Trustee or any Debentureholder (who is not otherwise able to vote at the meeting pursuant to this Indenture) may attend any meeting of the Debentureholders, but shall have no vote as such.

Section 13.11 Powers Exercisable by Extraordinary Resolution

(1) In addition to the powers conferred upon them by any other provisions of this Indenture or by law, a meeting of the Debentureholders shall have the following powers exercisable from time to time by Extraordinary Resolution (subject in the case of the matters in paragraphs (a)– (d) and (l) to the prior approval of the TSX (or such other recognized stock exchange on which the Common Shares are listed for trading)):

- (a) power to authorize the Trustee to grant extensions of time for payment of any principal, premium or interest on the Debentures, whether or not the principal, premium, or interest, the payment of which is extended, is at the time due or overdue;
- (b) power to sanction any modification, abrogation, alteration, compromise or arrangement of the rights of the Debentureholders or the Trustee (with its consent) against the Corporation, or against its property, whether such rights arise under this Indenture or the Debentures or otherwise;
- (c) power to assent to any modification of or change in or addition to or omission from the provisions contained in this Indenture or any Debenture which shall be agreed to by the Corporation and to authorize the Trustee to concur in and execute any indenture supplemental hereto embodying any modification, change, addition or omission;
- (d) power to sanction any scheme for the reconstruction, reorganization or recapitalization of the Corporation or for the consolidation, amalgamation, arrangement, combination or merger of the Corporation with any other Person or for the sale, leasing, transfer or other disposition of all or substantially all of the undertaking, property and assets of the Corporation or any part thereof, provided that no such sanction shall be necessary in respect of any such transaction if the provisions of Section 11.1 shall have been complied with;
- (e) power to direct or authorize the Trustee to exercise any power, right, remedy or authority given to it by this Indenture in any manner specified in any such Extraordinary Resolution or to refrain from exercising any such power, right, remedy or authority;
- (f) power to waive, and direct the Trustee to waive, any default hereunder and/or cancel any declaration made by the Trustee pursuant to Section 9.1 either unconditionally or upon any condition specified in such Extraordinary Resolution;

- (g) power to restrain any Debentureholder from taking or instituting any suit, action or proceeding for the purpose of enforcing payment of the principal, premium or interest on the Debentures, or for the execution of any trust or power hereunder;
 - (h) power to direct any Debentureholder who, as such, has brought any action, suit or proceeding to stay or discontinue or otherwise deal with the same upon payment, if the taking of such suit, action or proceeding shall have been permitted by Section 9.5, of the costs, charges and expenses reasonably and properly incurred by such Debentureholder in connection therewith;
 - (i) power to assent to any compromise or arrangement with any creditor or creditors or any class or classes of creditors, whether secured or otherwise, and with holders of any shares or other securities of the Corporation;
 - (j) power to appoint a committee with power and authority (subject to such limitations, if any, as may be prescribed in the resolution) to exercise, and to direct the Trustee to exercise, on behalf of the Debentureholders, such of the powers of the Debentureholders as are exercisable by Extraordinary Resolution or other resolution as shall be included in the resolution appointing the committee. The resolution making such appointment may provide for payment of the expenses and disbursements of and compensation to such committee. Such committee shall consist of such number of persons as shall be prescribed in the resolution appointing it and the members need not be themselves Debentureholders. Every such committee may elect its chairman and may make regulations respecting its quorum, the calling of its meetings and the filling of vacancies occurring in its number and its procedure generally. Such regulations may provide that the committee may act at a meeting at which a quorum is present or may act by minutes signed by the number of members thereof necessary to constitute a quorum. All acts of any such committee within the authority delegated to it shall be binding upon all Debentureholders. Neither the committee nor any member thereof shall be liable for any loss arising from or in connection with any action taken or omitted to be taken by them in good faith;
 - (k) power to remove the Trustee from office and to appoint a new Trustee or Trustees provided that no such removal shall be effective unless and until a new Trustee or Trustees shall have become bound by this Indenture;
 - (l) power to sanction the exchange of the Debentures for or the conversion thereof into shares, bonds, debentures or other securities or obligations of the Corporation or of any other Person formed or to be formed;
 - (m) power to authorize the distribution in specie of any shares or securities received pursuant to a transaction authorized under the provisions of subsection 13.11(1); and
 - (n) power to amend, alter or repeal any Extraordinary Resolution previously passed or sanctioned by the Debentureholders or by any committee appointed pursuant to clause 13.11(1)(j).
- (2) Notwithstanding the foregoing provisions of this Section 13.11 none of such provisions shall in any manner allow or permit any amendment, modification, abrogation or addition to the provisions of Article 5 which could reasonably be expected to detrimentally affect the rights, remedies or recourse of the priority of the Secured Creditors.

Section 13.12 Meaning of “Extraordinary Resolution”

(1) The expression “**Extraordinary Resolution**” when used in this Indenture means, subject as hereinafter in this Article provided, a resolution proposed to be passed as an Extraordinary Resolution at a meeting of Debentureholders (including an adjourned meeting) duly convened for the purpose and held in accordance with the provisions of this Article at which the holders of not less than 25% of the principal amount of the Debentures then outstanding, and if the meeting is a Serial Meeting, at which holders of not less than 25% of the principal amount of the Debentures then outstanding of each especially affected series, are present in person or by proxy and passed by the favourable votes of the holders of not less than 66⅔% of the principal amount of the Debentures, and if the meeting is a Serial Meeting by the affirmative vote of the holders of not less than 66⅔% of each especially affected series, in each case present or represented by proxy at the meeting and voted upon on a poll on such resolution.

(2) If, at any such meeting, the holders of not less than 25% of the principal amount of the Debentures then outstanding and, if the meeting is a Serial Meeting, 25% of the principal amount of the Debentures then outstanding of each especially affected series, in each case are not present in person or by proxy within 30 minutes after the time appointed for the meeting, then the meeting, if convened by or on the requisition of Debentureholders, shall be dissolved but in any other case it shall stand adjourned to such date, being not less than 14 nor more than 60 days later, and to such place and time as may be appointed by the chairman. Not less than 10 days’ notice shall be given of the time and place of such adjourned meeting in the manner provided in Section 14.2. Such notice shall state that at the adjourned meeting the Debentureholders present in person or by proxy shall form a quorum. At the adjourned meeting the Debentureholders present in person or by proxy shall form a quorum and may transact the business for which the meeting was originally convened and a resolution proposed at such adjourned meeting and passed thereat by the affirmative vote of holders of not less than 66⅔% of the principal amount of the Debentures and, if the meeting is a Serial Meeting, by the affirmative vote of the holders of not less than 66⅔% of the principal amount of the Debentures of each especially affected series, in each case present or represented by proxy at the meeting and voted upon on a poll shall be an Extraordinary Resolution within the meaning of this Indenture, notwithstanding that the holders of not less than 25% in principal amount of the Debentures then outstanding, and if the meeting is a Serial Meeting, holders of not less than 25% of the principal amount of the Debentures then outstanding of each especially affected series, are not present in person or by proxy at such adjourned meeting.

(3) Votes on an Extraordinary Resolution shall always be given on a poll and no demand for a poll on an Extraordinary Resolution shall be necessary.

Section 13.13 Powers Cumulative

Any one or more of the powers in this Indenture stated to be exercisable by the Debentureholders by Extraordinary Resolution or otherwise may be exercised from time to time and the exercise of any one or more of such powers from time to time shall not be deemed to exhaust the rights of the Debentureholders to exercise the same or any other such power or powers thereafter from time to time.

Section 13.14 Minutes

Minutes of all resolutions and proceedings at every meeting as aforesaid shall be made and duly entered in books to be from time to time provided for that purpose by the Trustee at the expense of the Corporation, and any such minutes as aforesaid, if signed by the chairman of the meeting at which such resolutions were passed or proceedings had, or by the chairman of the next succeeding meeting of the Debentureholders, shall be prima facie evidence of the matters therein stated and, until the contrary is proved, every such meeting, in respect of the proceedings of which minutes shall have been made, shall be deemed to have been duly held and convened, and all resolutions passed thereat or proceedings taken thereat to have been duly passed and taken.

Section 13.15 Instruments in Writing

All actions which may be taken and all powers that may be exercised by the Debentureholders at a meeting held as hereinbefore in this Article provided may also be taken and exercised by the holders of 66 $\frac{2}{3}$ % of the principal amount of all the outstanding Debentures and, if the meeting at which such actions might be taken would be a Serial Meeting, by the holders of 66 $\frac{2}{3}$ % of the principal amount of the Debentures then outstanding of each especially affected series, by an instrument in writing signed in one or more counterparts and the expression “**Extraordinary Resolution**” when used in this Indenture shall include an instrument so signed.

Section 13.16 Binding Effect of Resolutions

Every resolution and every Extraordinary Resolution passed in accordance with the provisions of this Article at a meeting of Debentureholders shall be binding upon all the Debentureholders, whether present at or absent from such meeting, and every instrument in writing signed by Debentureholders in accordance with Section 13.15 shall be binding upon all the Debentureholders, whether signatories thereto or not, and each and every Debentureholder and the Trustee (subject to the provisions for its indemnity herein contained) shall be bound to give effect accordingly to every such resolution, Extraordinary Resolution and instrument in writing.

Section 13.17 Evidence of Rights of Debentureholders

- (1) Any request, direction, notice, consent or other instrument which this Indenture may require or permit to be signed or executed by the Debentureholders may be in any number of concurrent instruments of similar tenor signed or executed by such Debentureholders.
- (2) The Trustee may, in its discretion, require proof of execution in cases where it deems proof desirable and may accept such proof as it shall consider proper.

Section 13.18 Concerning Serial Meetings

If in the opinion of Counsel any business to be transacted at any meeting, or any action to be taken or power to be exercised by instrument in writing under Section 13.15, does not adversely affect the rights of the holders of Debentures of one or more series, the provisions of this Article 13 shall apply as if the Debentures of such series were not outstanding and no notice of any such meeting need be given to the holders of Debentures of such series. Without limiting the generality of the foregoing, a proposal to modify or terminate any covenant or agreement which is effective only so long as Debentures of a particular series are outstanding shall be deemed not to adversely affect the rights of the holders of Debentures of any other series.

Section 13.19 Record Dates

If the Corporation shall solicit from the Debentureholders any request, demand, authorization, direction, notice, consent, waiver or other action, the Corporation may, at its option, by or pursuant to a Written Direction of the Corporation, fix in advance a record date for the determination of such holders entitled to provide such request, demand, authorization, direction, notice, consent, waiver or other action, but the Corporation shall have no obligation to do so. Any such record date shall be the record date specified in or pursuant to such Written Direction of the Corporation.

If such a record date is fixed, such request, demand, authorization, direction, notice, consent, waiver or other action may be given before or after such record date, but only the holders of record at the close of business on such record date shall be deemed to be holders for the purposes of determining whether holders of the requisite proportion of Debentures then outstanding have authorized or agreed or consented to such

request, demand, authorization, direction, notice, consent, waiver or other act, and for this purpose the Debentures then outstanding shall be computed as of such record date.

ARTICLE 14– NOTICES

Section 14.1 Notice to Corporation

Any notice to the Corporation under the provisions of this Indenture shall be valid and effective if delivered to the Corporation at: 1000 - 355 Burrard St, Vancouver, BC V6C 2G8, Attention: Chief Financial Officer, e-mail: jmeekison@exro.com, and a copy delivered to Stikeman Elliott LLP, 1700 – 666 Burrard St, Vancouver, BC V6C 2X8, Attention: Neville McClure, e-mail: nmccclure@stikeman.com, and shall be deemed to have been effectively delivered on the date of transmission, or if such day is not a Business Day, on the first Business Day following the day of transmission, provided that such notice delivered by e-mail is delivered before 4:00 p.m. (Vancouver time) on such Business Day or if given by registered letter, postage prepaid, to such offices and so addressed and if mailed, shall be deemed to have been effectively given three days following the mailing thereof. The Corporation may from time to time notify the Trustee in writing of a change of address which thereafter, until changed by like notice, shall be the address of the Corporation for all purposes of this Indenture.

Section 14.2 Notice to Debentureholders

(1) All notices to be given hereunder with respect to the Debentures shall be deemed to be validly given to the holders thereof if sent by first class mail, postage prepaid, by letter or circular addressed to such holders at their post office addresses appearing in any of the registers hereinbefore mentioned and shall be deemed to have been effectively given three days following the day of mailing. Accidental error or omission in giving notice or accidental failure to mail notice to any Debentureholder or the inability of the Corporation to give or mail any notice due to anything beyond the reasonable control of the Corporation shall not invalidate any action or proceeding founded thereon.

(2) If any notice given in accordance with the foregoing paragraph would be unlikely to reach the Debentureholders to whom it is addressed in the ordinary course of post by reason of an interruption in mail service, whether at the place of dispatch or receipt or both, the Corporation shall give such notice by publication at least once in the city of Vancouver (or in such of those cities as, in the opinion of the Trustee, is sufficient in the particular circumstances), each such publication to be made in a daily newspaper of general circulation in the designated city.

(3) Any notice given to Debentureholders by publication shall be deemed to have been given on the day on which publication shall have been effected at least once in each of the newspapers in which publication was required.

(4) All notices with respect to any Debenture may be given to whichever one of the holders thereof (if more than one) is named first in the registers hereinbefore mentioned, and any notice so given shall be sufficient notice to all holders of any persons interested in such Debenture.

Section 14.3 Notice to Trustee

Any notice to the Trustee under the provisions of this Indenture shall be valid and effective if delivered, receipt confirmed, to the Trustee at its principal office in the City of Vancouver, at 350, 409 Granville Street, Vancouver, British Columbia V6C 1T2, Attn: Corporate Trust, or by Email: corptrust@odysseytrust.com, and shall be deemed to have been effectively given as of the date of such receipt confirmation or if given by registered letter, postage prepaid, to such office and so addressed and, if mailed, shall be deemed to have been effectively given three days following the mailing thereof.

Section 14.4 Mail Service Interruption

If by reason of any interruption of mail service, actual or threatened, any notice to be given to the Trustee would reasonably be unlikely to reach its destination by the time notice by mail is deemed to have been given pursuant to Section 14.3, such notice shall be valid and effective only if delivered at the appropriate address in accordance with Section 14.3.

ARTICLE 15- CONCERNING THE TRUSTEE

Section 15.1 Replacement of Trustee

(1) The Trustee may resign its trust and be discharged from all further duties and liabilities hereunder by giving to the Corporation 90 days' notice in writing or such shorter notice as the Corporation may accept as sufficient. In the event of the Trustee resigning or being removed or being dissolved, becoming bankrupt, going into liquidation or otherwise becoming incapable of acting hereunder, the Corporation shall forthwith appoint a new Trustee unless a new Trustee has already been appointed by the Debentureholders. Failing such appointment by the Corporation, the retiring Trustee or any Debentureholder may apply to a Judge of the Supreme Court of British Columbia, on such notice as such Judge may direct at the Corporation's expense, for the appointment of a new Trustee but any new Trustee so appointed by the Corporation or by the Court shall be subject to removal as aforesaid by the Debentureholders and the appointment of such new Trustee shall be effective only upon such new Trustee becoming bound by this Indenture. Any new Trustee appointed under any provision of this Section 15.1 shall be a corporation authorized to carry on the business of a trust company in all of the Provinces of Canada. On any new appointment the new Trustee shall be vested with the same powers, rights, duties and responsibilities as if it had been originally named herein as Trustee.

(2) Any company into which the Trustee may be merged or, with or to which it may be consolidated, amalgamated or sold, or any company resulting from any merger, consolidation, sale or amalgamation to which the Trustee shall be a party, or any company which shall purchase all or substantially all of the corporate trust book of business of the Trustee, shall be the successor trustee under this Indenture without the execution of any instrument or any further act. Nevertheless, upon the written request of the successor Trustee or of the Corporation, the Trustee ceasing to act shall execute and deliver an instrument assigning and transferring to such successor Trustee, upon the trusts herein expressed, all the rights, powers and trusts of the Trustee so ceasing to act, and, upon receipt by the Trustee of payment in full for any outstanding charges due to it, shall duly assign, transfer and deliver all property and money held by such Trustee to the successor Trustee so appointed in its place. Should any deed, conveyance or instrument in writing from the Corporation be required by any new Trustee for more fully and certainly vesting in and confirming to it such estates, properties, rights, powers and trusts, then any and all such deeds, conveyances and instruments in writing shall on request of said new Trustee, be made, executed, acknowledged and delivered by the Corporation.

Section 15.2 Duties of Trustee

In the exercise of the rights, duties and obligations prescribed or conferred by the terms of this Indenture, the Trustee shall act honestly and in good faith and exercise that degree of care, diligence and skill that a reasonably prudent trustee would exercise in comparable circumstances.

Section 15.3 Reliance Upon Declarations, Opinions, etc.

In the exercise of its rights, duties and obligations hereunder the Trustee may, if acting in good faith, rely, as to the truth of the statements and accuracy of the opinions expressed therein, upon statutory declarations, opinions, reports or certificates furnished pursuant to any covenant, condition or requirement of this Indenture or required by the Trustee to be furnished to it in the exercise of its rights and duties hereunder, if the Trustee examines such statutory declarations, opinions, reports or certificates and determines that they

comply with Section 15.4, if applicable, and with any other applicable requirements of this Indenture. The Trustee may nevertheless, in its discretion, require further proof in cases where it deems further proof desirable. Without restricting the foregoing, the Trustee may rely on an opinion of Counsel satisfactory to the Trustee notwithstanding that it is delivered by a solicitor or firm which acts as solicitors for the Corporation. The Trustee shall be entitled to rely, and act, upon any direction, request, order, instruction, notice or other communication provided to it hereunder which is sent to it by facsimile transmission or electronic delivery.

Section 15.4 Evidence and Authority to Trustee, Opinions, etc.

(1) The Corporation shall furnish to the Trustee evidence of compliance with the conditions precedent provided for in this Indenture relating to any action or step required or permitted to be taken by the Corporation or the Trustee under this Indenture or as a result of any obligation imposed under this Indenture, including without limitation, the certification and delivery of Debentures hereunder, the satisfaction and discharge of this Indenture and the taking of any other action to be taken by the Trustee at the request of or on the application of the Corporation, forthwith if and when (a) such evidence is required by any other Section of this Indenture to be furnished to the Trustee in accordance with the terms of this Section 15.4, or (b) the Trustee, in the exercise of its rights and duties under this Indenture, gives the Corporation written notice requiring it to furnish such evidence in relation to any particular action or obligation specified in such notice.

(2) Such evidence shall consist of

- (a) a certificate made by any two officers or directors of the Corporation, stating that any such condition precedent has been complied with in accordance with the terms of this Indenture;
- (b) in the case of a condition precedent compliance with which is, by the terms of this Indenture, made subject to review or examination by a solicitor, an opinion of Counsel that such condition precedent has been complied with in accordance with the terms of this Indenture; and
- (c) in the case of any such condition precedent compliance with which is subject to review or examination by auditors or accountants, an opinion or report of the Auditors of the Corporation whom the Trustee for such purposes hereby approves, that such condition precedent has been complied with in accordance with the terms of this Indenture.

(3) Whenever such evidence relates to a matter other than the certificates and delivery of Debentures and the satisfaction and discharge of this Indenture, and except as otherwise specifically provided herein, such evidence may consist of a report or opinion of any solicitor, auditor, accountant, engineer or appraiser or any other Person whose qualifications give authority to a statement made by him, provided that if such report or opinion is furnished by a trustee, officer or employer of the Corporation it shall be in the form of a statutory declaration. Such evidence shall be, so far as appropriate, in accordance with the immediately preceding paragraph of this Section.

(4) Each statutory declaration, certificate, opinion or report with respect to compliance with a condition precedent provided for in the Indenture shall include (a) a statement by the Person giving the evidence that he has read and is familiar with those provisions of this Indenture relating to the condition precedent in question, (b) a brief statement of the nature and scope of the examination or investigation upon which the statements or opinions contained in such evidence are based, (c) a statement that, in the belief of the Person giving such evidence, he has made such examination or investigation as is necessary to enable him to make the statements or give the opinions contained or expressed therein, and (d) a statement whether in the opinion of such Person the conditions precedent in question have been complied with or satisfied.

(5) The Corporation shall furnish or cause to be furnished to the Trustee at any time if the Trustee reasonably so requires, its certificate that the Corporation has complied with all covenants, conditions or other requirements contained in this Indenture, the non-compliance with which would, with the giving of notice or the lapse of time, or both, or otherwise, constitute an Event of Default, or if such is not the case, specifying the covenant, condition or other requirement which has not been complied with and giving particulars of such non-compliance. The Corporation shall, whenever the Trustee so requires, furnish the Trustee with evidence by way of statutory declaration, opinion, report or certificate as specified by the Trustee as to any action or step required or permitted to be taken by the Corporation or as a result of any obligation imposed by this Indenture.

Section 15.5 Officer's Certificates Evidence

Except as otherwise specifically provided or prescribed by this Indenture, whenever in the administration of the provisions of this Indenture the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or omitting any action hereunder, the Trustee, if acting in good faith, may rely upon an Officer's Certificate.

Section 15.6 Experts, Advisers and Agents

The Trustee may:

- (a) employ or retain and act and rely on the opinion or advice of or information obtained from any solicitor, auditor, valuer, engineer, surveyor, appraiser or other expert, whether obtained by the Trustee or by the Corporation, or otherwise, and shall not be liable for acting, or refusing to act, in good faith on any such opinion or advice and shall not be responsible for any misconduct on the part of any of them and may pay proper and reasonable compensation for all such legal and other advice or assistance as aforesaid. The reasonable costs of such services shall be added to and become part of the Trustee's remuneration hereunder; and
- (b) employ such agents and other assistants as it may reasonably require for the proper discharge of its duties hereunder, and may pay reasonable remuneration for all services performed for it (and shall be entitled to receive reasonable remuneration for all services performed by it) in the discharge of the trusts hereof and compensation for all disbursements, costs and expenses made or incurred by it in the discharge of its duties hereunder and in the management of the trusts hereof and any solicitors employed or consulted by the Trustee may, but need not be, solicitors for the Corporation, and the Trustee shall not be responsible for any negligence or misconduct on the part of any such person provided it has exercised due care in the selection of such person..

Section 15.7 Trustee May Deal in Debentures

Subject to Section 15.2, the Trustee may, in its personal or other capacity, buy, sell, lend upon and deal in the Debentures and generally contract and enter into financial transactions with the Corporation or otherwise, without being liable to account for any profits made thereby.

Section 15.8 Investment of Monies Held by Trustee

(1) Until released in accordance with this Indenture, monies held by the Trustee shall be kept segregated in the records of the Trustee and shall be deposited in one or more interest-bearing trust accounts to be maintained by the Trustee in the name of the Trustee at one or more banks having a Standard and Poors Issuer Credit rating of AA- or above (an "**Approved Bank**"). All amounts held by the Trustee pursuant to this Indenture shall be held by the Trustee pursuant to the term of this Indenture and shall not give rise to a debtor-

creditor or other similar relationship. The amounts held by the Trustee pursuant to this Indenture are at the sole risk of Corporation and, without limiting the generality of the foregoing, the Trustee shall have no responsibility or liability for any diminution of the monies which may result from any deposit made with an Approved Bank pursuant to this Section 15.8, including any losses resulting from a default by the Approved Bank or other credit losses (whether or not resulting from such a default) and any credit or other losses on any deposit liquidated or sold prior to maturity. The parties hereto acknowledge and agree that the Trustee will have acted prudently in depositing the monies at any Approved Bank.

Section 15.9 Trustee Not Ordinarily Bound

Except as provided in Section 9.2 and as otherwise specifically provided herein, the Trustee shall not, subject to Section 15.2, be bound to give notice to any Person of the execution hereof, nor to do, observe or perform or see to the observance or performance by the Corporation of any of the obligations herein imposed upon the Corporation or of the covenants on the part of the Corporation herein contained, nor in any way to supervise or interfere with the conduct of the Corporation's business, unless the Trustee shall have been required to do so in writing by the holders of not less than 25% of the aggregate principal amount of the Debentures then outstanding or by any Extraordinary Resolution of the Debentureholders passed in accordance with the provisions contained in Article 13, and then only after it shall have been funded and indemnified to its satisfaction against all actions, proceedings, claims and demands to which it may render itself liable and all costs, charges, damages and expenses which it may incur by so doing.

Section 15.10 Trustee Not Required to Give Security

The Trustee shall not be required to give any bond or security in respect of the execution of the trusts and powers of this Indenture or otherwise in respect of the premises.

Section 15.11 Trustee Not Bound to Act on Corporation's Request

Except as otherwise specifically provided in this Indenture, the Trustee shall not be bound to act in accordance with any direction or request of the Corporation until a duly authenticated copy of the instrument or resolution containing such direction or request shall have been delivered to the Trustee, and the Trustee shall be empowered to act upon any such copy purporting to be authenticated and believed by the Trustee to be genuine.

Section 15.12 Conditions Precedent to Trustee's Obligations to Act Hereunder

- (1) The obligation of the Trustee to commence or continue any act, action or proceeding for the purpose of enforcing the rights of the Trustee and of the Debentureholders hereunder shall be conditional upon the Debentureholders furnishing when required by notice in writing by the Trustee, sufficient funds to commence or continue such act, action or proceeding and indemnity reasonably satisfactory to the Trustee to protect and hold harmless the Trustee against the costs, charges and expenses and liabilities to be incurred thereby and any loss and damage it may suffer by reason thereof.
- (2) None of the provisions contained in this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers.
- (3) The Trustee may, before commencing or at any time during the continuance of any such act, action or proceeding require the Debentureholders at whose instance it is acting to deposit with the Trustee the Debentures held by them for which Debentures the Trustee shall issue receipts.

Section 15.13 Authority to Carry on Business

The Trustee represents to the Corporation that at the date of execution and delivery by it of this Indenture it is authorized to carry on the business of a trust company in each of the provinces and territories of Canada but if, notwithstanding the provisions of this Section 15.13, it ceases to be so authorized to carry on business, the validity and enforceability of this Indenture and the securities issued hereunder shall not be affected in any manner whatsoever by reason only of such event but the Trustee shall, within 90 days after ceasing to be authorized to carry on the business of a trust company in any of the provinces of Canada, either become so authorized or resign in the manner and with the effect specified in Section 15.1.

Section 15.14 Compensation and Indemnity

(1) The Corporation shall pay to the Trustee from time to time compensation for its services hereunder as agreed separately by the Corporation and the Trustee, and shall pay or reimburse the Trustee upon its request for all reasonable expenses, disbursements and advances incurred or made by the Trustee in the administration or execution of its duties under this Indenture (including the reasonable and documented compensation and disbursements of its Counsel and all other advisers and assistants not regularly in its employ), both before any default hereunder and thereafter until all duties of the Trustee under this Indenture shall be finally and fully performed. Any fees and expenses of the trustee in connection herewith shall be paid by the Corporation within 30 days of issuance of an invoice therefor and, if not so paid, shall bear interest at a rate per annum to the then-current rate of interest charged by the Trustee to its corporate clients. The Trustee's compensation shall not be limited by any law on compensation of a trustee of an express trust. This Section shall survive the resignation or removal of the Trustee and/or the termination of this Indenture.

(2) The Corporation hereby indemnifies and agrees to hold harmless the Trustee, its affiliates, their officers, directors, employees, agents, successors and assigns (the “**Indemnified Parties**”) from and against any and all liabilities whatsoever, losses, damages, penalties, claims, demands, actions, suits, proceedings, costs, charges, assessments, judgments, expenses and disbursements, including reasonable legal fees and disbursements of whatever kind and nature which may at any time be imposed on or incurred by or asserted against the Indemnified Parties, or any of them, whether at law or in equity, in any way caused by or arising, directly or indirectly, in respect of any act, deed, matter or thing whatsoever made, done, acquiesced in or omitted in or about or in relation to the execution of the Indemnified Parties' duties, or any other services that the Trustee may provide in connection with or in any way relating to this Indenture. The Corporation agrees that its liability hereunder shall be absolute and unconditional regardless of the correctness of any representations of any third parties and regardless of any liability of third parties to the Indemnified Parties, and shall accrue and become enforceable without prior demand or any other precedent action or proceeding; provided that the Corporation shall not be required to indemnify the Indemnified Parties in the event of the gross negligence, bad faith or wilful misconduct of the Trustee, and this provision shall survive the resignation or removal of the Trustee or the termination or discharge of this Indenture.

(3) Notwithstanding any other provision of this Indenture, and whether such losses or damages are foreseeable or unforeseeable, the Trustee shall not be liable under any circumstances whatsoever for any (a) breach by any other party of securities law or other rule of any securities regulatory authority, (b) lost profits or (c) special, indirect, incidental, consequential, exemplary, aggravated or punitive losses or damages.

Section 15.15 Acceptance of Trust

The Trustee hereby accepts the trusts in this Indenture declared and provided for and agrees to perform the same upon the terms and conditions herein set forth and to hold all rights, privileges and benefits conferred hereby and by law in trust for the various persons who shall from time to time be Debentureholders, subject to all the terms and conditions herein set forth.

Section 15.16 Third Party Interests

Each party to this Indenture (in this paragraph referred to as a “**representing party**”) hereby represents to the Trustee that any account to be opened by, or interest to be held by, the Trustee in connection with this Indenture, for or to the credit of such representing party, either (i) is not intended to be used by or on behalf of any third party; or (ii) is intended to be used by or on behalf of a third party, in which case such representing party hereby agrees to complete, execute and deliver forthwith to the Trustee a declaration, in the Trustee’s prescribed form or in such other form as may be satisfactory to it, as to the particulars of such third party.

Section 15.17 Anti-Money Laundering

The Trustee shall retain the right not to act and shall not be liable for refusing to act if, due to a lack of information or for any other reason whatsoever, the Trustee, in its sole judgment, acting reasonably, determines that such act might cause it to be in noncompliance with any applicable anti-money laundering or anti-terrorist or economic sanctions legislation, regulation or guideline. Further, should the Trustee, in its sole judgment, acting reasonably, determine at any time that its acting under this Indenture has resulted in its being in non-compliance with any applicable anti-money laundering or anti-terrorist or economic sanctions legislation, regulation or guideline, then it shall have the right to resign on 10 days’ prior written notice sent to the Corporation provided that (i) the Trustee’s written notice shall describe the circumstances of such non-compliance; and (ii) if such circumstances are rectified to the Trustee’s satisfaction within such 10-day period, then such resignation shall not be effective.

Section 15.18 Privacy Laws

The Corporation acknowledges that the Trustee may, in the course of providing services hereunder, collect or receive financial and other personal information about such parties and/or their representatives, as individuals, or about other individuals related to the subject matter hereof, and use such information for the following purposes:

- (a) to provide the services required under this Indenture and other services that may be requested from time to time;
- (b) to help the Trustee manage its servicing relationships with such individuals;
- (c) to meet the Trustee’s legal and regulatory requirements; and
- (d) if Social Insurance Numbers are collected by the Trustee, to perform tax reporting and to assist in verification of an individual’s identity for security purposes.

Each party acknowledges and agrees that the Trustee may receive, collect, use and disclose personal information provided to it or acquired by it in the course of this Indenture for the purposes described above and, generally, in the manner and on the terms described in its Privacy Code, which the Trustee shall make available on its website, www.odysseytrust.com, or upon request, including revisions thereto. The Trustee may transfer personal information to other companies in or outside of Canada that provide data processing and storage or other support in order to facilitate the services it provides.

Further, each party agrees that it shall not provide or cause to be provided to the Trustee any personal information relating to an individual who is not a party to this Indenture unless that party has assured itself that such individual understands and has consented to the aforementioned uses and disclosures.

Section 15.19 Force Majeure

Neither party shall be liable to the other, or held in breach of this Indenture, if prevented, hindered, or delayed in the performance or observance of any provision contained herein by reason of act of God, riots, terrorism, acts of war, epidemics, governmental action or judicial order, earthquakes, or any other similar causes (including, but not limited to, mechanical, electronic or communication interruptions, disruptions or failures). Performance times under this Indenture shall be extended for a period of time equivalent to the time lost because of any delay that is excusable under this Section.

ARTICLE 16– SUPPLEMENTAL INDENTURES

Section 16.1 Supplemental Indentures

From time to time the Trustee and, when authorized by a resolution of the directors of Corporation, the Corporation, may, subject to the provisions hereof and subject to the prior approval of the TSX, as need be, and they shall when required by this Indenture, execute, acknowledge and deliver by their proper officers deeds or indentures supplemental hereto which thereafter shall form part hereof, for any one or more of the following purposes:

- (a) providing for the issuance of Additional Debentures under this Indenture and establishing the terms thereof;
- (b) adding to the covenants of the Corporation herein contained for the protection of the Debentureholders, or of the Debentures of any series, or providing for events of default, in addition to those herein specified;
- (c) making such provisions not inconsistent with this Indenture as may be necessary or desirable with respect to matters or questions arising hereunder, including the making of any modifications in the form of the Debentures which do not affect the substance thereof and which in the opinion of the Trustee relying on an opinion of Counsel will not be prejudicial to the interests of the Debentureholders;
- (d) evidencing the succession, or successive successions, of others to the Corporation and the covenants of and obligations assumed by any such successor in accordance with the provisions of this Indenture;
- (e) giving effect to any Extraordinary Resolution passed as provided in Article 13; and
- (f) for any other purpose not inconsistent with the terms of this Indenture including the correction or rectification of any ambiguities, defective or inconsistent provisions, errors, mistakes or omissions herein, provided that in the opinion of the Trustee, relying on the opinion of Counsel, the rights of the Trustee and of the Debentureholders are in no way prejudiced thereby.

Unless the supplemental indenture requires the consent or concurrence of Debentureholders or the holders of a particular series of Debentures, as the case may be, by Extraordinary Resolution, the consent or concurrence of Debentureholders or the holders of a particular series of Debentures, as the case may be, shall not be required in connection with the execution, acknowledgement or delivery of a supplemental indenture. The Corporation and the Trustee may amend any of the provisions of this Indenture related to matters of United States law or the issuance of Debentures into the United States in order to ensure that such issuances can be made in accordance with applicable law in the United States without the consent or approval of the Debentureholders. Further, the Corporation and the Trustee may without the consent or concurrence of the Debentureholders or

the holders of a particular series of Debentures, as the case may be, by supplemental indenture or otherwise, make any changes or corrections in this Indenture which it shall have been advised by Counsel are required for the purpose of curing or correcting any ambiguity or defective or inconsistent provisions or clerical omissions or mistakes or manifest errors contained herein or in any indenture supplemental hereto or any Written Direction of the Corporation provided for the issue of Debentures, providing that in the opinion of the Trustee (relying upon an opinion of Counsel) the rights of the Debentureholders are in no way prejudiced thereby.

ARTICLE 17– EXECUTION AND FORMAL DATE

Section 17.1 Execution

This Indenture may be simultaneously executed in several counterparts, each of which when so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument.

Section 17.2 Contracts of the Corporation

(1) The directors of the Corporation, in incurring any debts, liabilities or obligations, or in taking or omitting any other actions for or in connection with the affairs of the Corporation are, and will be conclusively deemed to be, acting for and on behalf of the Corporation, and not in their own personal capacities. None of the directors of the Corporation will be subject to any personal liability for any debts, liabilities, obligations, claims, demands, judgments, costs, charges or expenses (including legal expenses) against or with respect to the Corporation or in respect to the affairs of the Corporation. No property or assets of the directors, owned in their personal capacity or otherwise, will be subject to any levy, execution or other enforcement procedure with regard to any obligations under this Indenture or the Debentures. No recourse may be had or taken, directly or indirectly, against the directors in their personal capacity. The Corporation will be solely liable therefor and resort will be had solely to the property and assets of the Corporation for payment or performance thereof.

(2) No holder of Common Shares as such will be subject to any personal liability whatsoever, whether extra-contractually, contractually or otherwise, to any party to this Indenture or pursuant to the Debentures in connection with the obligations or the affairs of the Corporation or the acts or omissions of the directors, whether under this Indenture, the Debentures or otherwise, and the other parties to this Indenture and the holders of the Debentures will look solely to the property and assets of the Corporation for satisfaction of claims of any nature arising out of or in connection therewith and the property and assets of the Corporation only will be subject to levy or execution.

Section 17.3 Formal Date

For the purpose of convenience this Indenture may be referred to as bearing the formal date of June 11, 2025 irrespective of the actual date of execution hereof.

[Remainder of this page has been intentionally left blank.]

The parties have executed this Agreement.

EXRO TECHNOLOGIES INC.

By: *Darrell Bishop*
Name: John Meekison Darrell Bishop
Title: Authorized Signatory

ODYSSEY TRUST COMPANY

By: *Brett Higgs*
Name: Brett Higgs
Title: Managing Director, Corporate Trust

By: *[Signature]*
Name: Amy Douglas
Title: Managing Director, Corporate Trust

Schedule A – Form of Debenture

[INITIAL DEBENTURES LEGEND]

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE [insert date that is four months and a day after the applicable Issue Date].

[U.S. LEGEND (RULE 506) – TO BE INCLUDED ON ALL INITIAL DEBENTURES ISSUED TO U.S. ACCREDITED INVESTORS OR IN THE UNITED STATES PURSUANT TO RULE 506(b)]

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “U.S. SECURITIES ACT”), OR THE LAWS OF ANY STATE OF THE UNITED STATES. THE HOLDER HEREOF, BY PURCHASING SUCH SECURITIES, AGREES FOR THE BENEFIT OF EXRO TECHNOLOGIES INC. (THE “CORPORATION”) THAT SUCH SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, ONLY (A) TO THE CORPORATION, (B) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH APPLICABLE LOCAL LAWS AND REGULATIONS, (C) IN COMPLIANCE WITH THE EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY (i) RULE 144 THEREUNDER, IF AVAILABLE, OR RULE 144A THEREUNDER, IF AVAILABLE, AND, IN BOTH CASES, IN ACCORDANCE WITH APPLICABLE U.S. STATE SECURITIES LAWS, OR (D) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE U.S. STATE SECURITIES LAWS, AND, IN THE CASE OF (C)(i) OR (D) ABOVE, AFTER THE SELLER FURNISHES TO THE CORPORATION AN OPINION OF COUNSEL OF RECOGNIZED STANDING IN FORM AND SUBSTANCE REASONABLY SATISFACTORY TO THE CORPORATION AND THE TRUSTEE OR TRANSFER AGENT TO SUCH EFFECT. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE “GOOD DELIVERY” IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA.

CUSIP: 30222RAA7
ISIN: CA30222RAA73

No. ●

\$●

(A corporation incorporated under the laws of British Columbia)

12.0% SENIOR SECURED CONVERTIBLE DEBENTURE

DUE DECEMBER 31, 2027

Exro Technologies Inc. (the “**Corporation**”) for value received hereby acknowledges itself indebted and, subject to the provisions of the Amended and Restated Debenture Indenture (the “**Indenture**”) dated as of June __, 2025 between the Corporation and Odyssey Trust Company (the “**Trustee**”), promises to pay to the registered holder hereof on December 31, 2027 or on such earlier date as the principal amount hereof may become due in accordance with the provisions of the Indenture (any such date, the “**Maturity Date**”) the principal amount hereof in lawful money of Canada on presentation and surrender of this Initial Debenture at the main branch of the Trustee in Vancouver, British Columbia in accordance with the terms of the Indenture and, subject as hereinafter provided, to pay interest on the principal amount hereof from, and including, the date hereof, or from the last Interest Payment Date to which interest shall have been paid or made available for payment hereon, whichever is later, at the rate of 12.0% per annum (based on a year of 360 days comprised of twelve 30-day months), in like money, in arrears in equal (with the exception of the first interest payment which will include interest from December 30, 2022, as set forth below, and semi-annual instalments (less any tax required by law to be deducted) on June 30 and December 31 in each year commencing on June 30, 2023 and the last payment (representing interest payable from the last Interest Payment Date to, but excluding, the Maturity Date) to fall due on the Maturity Date and, should the Corporation at any time make default in the payment of any principal, premium, if any, or interest, to pay interest on the amount in default at the same rate, in like money or common shares of the Corporation (“**Common Shares**”), if applicable, and on the same dates.

This Initial Debenture is one of the 12.0% Senior Secured Convertible Debentures (referred to herein as the “**Initial Debentures**”) of the Corporation issued or issuable in one or more series under the provisions of the Indenture. The Initial Debentures authorized for issue immediately are limited to an aggregate principal amount of up to \$17,250,000 in lawful money of Canada. Reference is hereby expressly made to the Indenture for a description of the terms and conditions upon which the Initial Debentures are or are to be issued and held and the rights and remedies of the holders of the Initial Debentures and of the Corporation and of the Trustee, all to the same effect as if the provisions of the Indenture were herein set forth to all of which provisions the holder of this Initial Debenture by acceptance hereof assents.

The Initial Debentures are issuable only in denominations of \$1,000 and integral multiples thereof. Upon compliance with the provisions of the Indenture, Debentures of any denomination may be exchanged for an equal aggregate principal amount of Debentures in any other authorized denomination or denominations.

Any part, being \$1,000 or an integral multiple thereof, of the principal of this Initial Debenture, provided that the principal amount of this Initial Debenture is in a denomination in excess of \$1,000, is convertible, at the option of the holder hereof, upon surrender of this Initial Debenture at the principal office of the Trustee in Vancouver, British Columbia, at any time prior to the close of business on the Maturity Date or, if called for repurchase pursuant to a Change of Control (as defined in the Indenture) on the Business Day immediately prior to the payment date, into Common Shares (without adjustment for interest accrued hereon or

for dividends or distributions on Common Shares issuable upon conversion) at a conversion price of \$2.40 (the “**Conversion Price**”) per Common Share, being a rate of approximately 416.67 Common Shares for each \$1,000 principal amount of Initial Debentures, all subject to the terms and conditions and in the manner set forth in the Indenture. No Initial Debentures may be converted during the five Business Days preceding each of June 30 and December 31 in each year, commencing June 30, 2023, as the registers of the Trustee will be closed during such periods. The Indenture makes provision for the adjustment of the Conversion Price in the events therein specified. No fractional Common Shares will be issued on any conversion but in lieu thereof, the Corporation will satisfy such fractional interest by a cash payment equal to the market price of such fractional interest determined in accordance with the Indenture. Holders converting their Debentures will receive accrued and unpaid interest thereon. If a Debenture is surrendered for conversion on an Interest Payment Date or during the five preceding Business Days, the person or persons entitled to receive Common Shares in respect of the Debentures so surrendered for conversion shall not become the holder or holders of record of such Common Shares until the Business Day following such Interest Payment Date and, for clarity, any interest payable on such Debentures will be for the account of the holder of record of such Debentures at the close of business on the relevant record date.

Not less than 30 days prior to the consummation of: (i) any event as a result of or following which any person, or persons acting jointly or in concert directly or indirectly within the meaning of applicable securities legislation, beneficially owns or exercises control or direction over an aggregate of more than 50% of the outstanding Common Shares; or (ii) the sale or other transfer of all or substantially all of the consolidated assets of the Corporation, unless the holders of voting securities of the Corporation immediately prior to such sale, merger, reorganization or other similar transaction hold securities representing 50% or more of the voting control or direction in the Corporation or the successor entity upon completion of such merged, reorganized or other continuing entity (collectively, a “**Change of Control**”), the Corporation shall notify the holders of the Initial Debentures of the Change of Control, and the holders of the Initial Debentures shall, in their sole discretion, have the right to require the Corporation to purchase the Debentures at 100% of the principal amount thereof plus accrued and unpaid interest thereon (less any taxes required to be deducted in accordance with applicable law) (the “**Change of Control Offer**”). If 90% or more of the principal amount of all Debentures outstanding on the date the Corporation provides notice of a Change of Control to the Trustee have been tendered for purchase pursuant to the Change of Control Offer, the Corporation has the right to redeem all the remaining outstanding Initial Debentures on the same date and at the same price.

If an offer is made for the Initial Debentures which is a take-over bid for the Initial Debentures within the meaning of applicable Canadian securities laws and 90% or more of the principal amount of all the Initial Debentures (other than Initial Debentures held at the date of the offer by or on behalf of the Offeror, associates or affiliates of the Offeror or anyone acting jointly or in concert with the Offeror) are taken up and paid for by the Offeror, the Offeror will be entitled to acquire the Initial Debentures of those holders who did not accept the offer on the same terms as the Offeror acquired the first 90% of the principal amount of the Initial Debentures.

Subject to regulatory approval, in the event of a Change of Control where the aggregate consideration payable in connection therewith is or can be received wholly or at least 10% in cash, the holder of this Initial Debenture shall have the option to elect to convert their Initial Debenture at the Change of Control Conversion Price (as defined and provided for in the Indenture).

The indebtedness evidenced by this Initial Debenture, and by all other Initial Debentures now or hereafter certified and delivered under the Indenture, is a direct secured obligation of the Corporation senior to all other indebtedness of the Corporation to the extent and in the manner provided in the Indenture, whether outstanding at the date of the Indenture or thereafter created, incurred, assumed or guaranteed.

The Indenture contains provisions binding upon all holders of Initial Debentures outstanding thereunder (or in certain circumstances specific series of Initial Debentures) resolutions passed at meetings of such holders held

in accordance with such provisions and instruments signed by the holders of a specified majority of Initial Debentures outstanding (or specific series), which resolutions or instruments may have the effect of amending the terms of this Initial Debenture or the Indenture.

The Indenture contains provisions disclaiming any personal liability on the part of holders of Common Shares and officers, directors and employees of the Corporation in respect of any obligation or claim arising out of the Indenture or this Initial Debenture.

This Initial Debenture may only be transferred, upon compliance with the conditions prescribed in the Indenture, in one of the registers to be kept at the principal office of the Trustee in the City of Vancouver and in such other place or places and/or by such other registrars (if any) as the Corporation with the approval of the Trustee may designate. No transfer of this Initial Debenture shall be valid unless made on the register by the registered holder hereof or his executors or administrators or other legal representatives, or his or their attorney duly appointed by an instrument in form and substance satisfactory to the Trustee or other registrar, and upon compliance with such reasonable requirements as the Trustee and/or other registrar may prescribe and upon surrender of this Initial Debenture for cancellation. Thereupon a new Initial Debenture or Initial Debentures in the same aggregate principal amount shall be issued to the transferee in exchange hereof.

This Initial Debenture shall not become obligatory for any purpose until it shall have been certified by the Trustee under the Indenture.

Capitalized words or expressions used in this Initial Debenture shall, unless otherwise defined herein, have the meaning ascribed thereto in the Indenture. In the event of any inconsistency between the terms of this Initial Debenture and the Indenture, the terms of the Indenture shall govern.

IN WITNESS WHEREOF the Corporation has caused this Debenture to be signed by its authorized representatives as of [DATE].

EXRO TECHNOLOGIES INC.

By: _____

Name: John Meekison

Title: Authorized Signatory

TRUSTEE'S CERTIFICATE

This Initial Debenture is one of the 12.0% Senior Secured Convertible Debentures due December 31, 2027 referred to in the Indenture within mentioned.

Dated:

ODYSSEY TRUST COMPANY

By: _____

Name:

Title:

REGISTRATION PANEL

(No writing hereon except by Trustee or other registrar)

Date of Registration	In Whose Name Registered	Signature of Trustee or Registrar

FORM OF ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto _____, whose address and social insurance number, if applicable, are set forth below, this Initial Debenture (or \$ _____ principal amount hereof*) of **Exro Technologies Inc.** standing in the name(s) of the undersigned in the register maintained by the Corporation with respect to such Initial Debenture and does hereby irrevocably authorize and direct the Trustee to transfer such Initial Debenture in such register, with full power of substitution in the premises.

Dated: _____

Address of Transferee: _____
(Street Address, City, Province and Postal Code)

Social Insurance Number of Transferee, if applicable: _____

*If less than the full principal amount of the within Initial Debenture is to be transferred, indicate in the space provided the principal amount (which must be \$1,000 or an integral multiple thereof, unless you hold an Initial Debenture in a non-integral multiple of \$1,000 by reason of your having exercised your right to exchange upon the making of a Change of Control Offer, in which case such Initial Debenture is transferable only in its entirety) to be transferred.

☐ Check if the undersigned Transferor is a U.S. Accredited Investor that acquired Initial Debentures under the Offering as “restricted securities”. IF THIS BOX IS CHECKED, THE TRANSFEROR MUST COMPLETE AND DELIVER A CERTIFICATE OF TRANSFER SUBSTANTIALLY AS SET FORTH IN SCHEDULE D TO THE INDENTURE.

REASON FOR TRANSFER – For US Residents only (where the individual(s) or corporation receiving the securities is a US resident). Please select only one (see instructions below).

☐ Gift ☐ Estate ☐ Private Sale ☐ Other (or no change in ownership)

Date of Event (Date of gift, death or sale): **Value per Debenture** on the date of event:

		/			/				

\$				.					

☐ CAD **OR** ☐ USD

- The signature(s) of the transferor(s) must correspond with the name(s) as written upon the face of this certificate(s), in every particular, without alteration or enlargement, or any change whatsoever. The signature(s) on this form must be guaranteed by an authorized officer of Royal Bank of Canada, Scotia Bank or TD Canada Trust whose sample signature(s) are on file with the transfer agent, or by a member of an acceptable Medallion Signature Guarantee Program (STAMP, SEMP, NYSE, MSP). Notarized or witnessed signatures are not acceptable as guaranteed signatures. The Guarantor must affix a stamp bearing the actual words: “SIGNATURE GUARANTEED”, “MEDALLION GUARANTEED” OR “SIGNATURE & AUTHORITY TO SIGN GUARANTEE”, all in accordance with the transfer agent’s then current guidelines and requirements at the time of transfer. For corporate holders, corporate signing resolutions, including certificate of incumbency, will also be

required to accompany the transfer unless there is a “SIGNATURE & AUTHORITY TO SIGN GUARANTEE” Stamp affixed to the Form of Transfer obtained from an authorized officer of the Royal Bank of Canada, Scotia Bank or TD Canada Trust or a “MEDALLION GUARANTEED” Stamp affixed to the Form of Transfer, with the correct prefix covering the face value of the certificate.

2. The registered holder of this Initial Debenture is responsible for the payment of any documentary, stamp or other transfer taxes that may be payable in respect of the transfer of this Debenture

Signature of Guarantor:

Authorized Officer

Signature of transferring registered holder

Name of Institution

Schedule B – Form of Notice of Conversion

CONVERSION NOTICE

To: Exro Technologies Inc.

Note: All capitalized terms used herein have the meaning ascribed thereto in the Indenture mentioned below, unless otherwise indicated.

The undersigned registered holder of 12.0% Senior Secured Convertible Debentures irrevocably elects to convert such Debentures (or \$_____ principal amount thereof^{*}) in accordance with the terms of the Indenture referred to in such Debentures and tenders herewith the Debentures and directs that the Common Shares of Exro Technologies Inc. issuable upon a conversion be issued and delivered to the person indicated below. (If Common Shares are to be issued in the name of a person other than the holder, all requisite transfer taxes must be tendered by the undersigned and the Form of Assignment must be completed and delivered in respect of such other person).

☐ **Check if the undersigned registered holder is a U.S. Accredited Investor that acquired Initial Debentures under the Offering as “restricted securities”. IF THIS BOX IS CHECKED, THE UNDERSIGNED REGISTERED HOLDER ACKNOWLEDGES AND AGREES THAT IT IS NOT AWARE OF ANY COMMISSION OR OTHER REMUNERATION BEING PAID TO SOLICIT THE CONVERSION OF THIS DEBENTURE.**

Dated: _____

(Signature of Registered Holder)

* If less than the full principal amount of the Debentures, indicate in the space provided the principal amount (which must be \$1,000 or integral multiples thereof).

NOTE: If Common Shares are to be issued in the name of a person other than the holder, the signature must be guaranteed by a chartered bank, a trust company or by a member of an acceptable Medallion Guarantee Program. The Guarantor must affix a stamp bearing the actual words: “SIGNATURE GUARANTEED”.

(Print name in which Common Shares are to be issued, delivered and registered)

Name: _____

Address

(City, Province and Postal Code)

Name of
guarantor: _____

Authorized
signature: _____

Schedule C – Common Share Legend

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “**U.S. SECURITIES ACT**”), OR THE LAWS OF ANY STATE OF THE UNITED STATES. THE HOLDER HEREOF, BY PURCHASING SUCH SECURITIES, AGREES FOR THE BENEFIT OF EXRO TECHNOLOGIES INC. (THE “**CORPORATION**”) THAT SUCH SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, ONLY (A) TO THE CORPORATION, (B) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 904 OF REGULATIONS UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH APPLICABLE LOCAL LAWS AND REGULATIONS, (C) IN COMPLIANCE WITH THE EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY (i) RULE 144 THEREUNDER, IF AVAILABLE, OR (ii) RULE 144A THEREUNDER, IF AVAILABLE, AND, IN BOTH CASES, IN ACCORDANCE WITH APPLICABLE U.S. STATE SECURITIES LAWS, OR (D) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE U.S. STATE SECURITIES LAWS, AND, IN THE CASE OF (C)(i) OR (D) ABOVE, AFTER THE SELLER FURNISHES TO THE CORPORATION AN OPINION OF COUNSEL OF RECOGNIZED STANDING IN FORM AND SUBSTANCE REASONABLY SATISFACTORY TO THE CORPORATION AND THE TRUSTEE OR TRANSFER AGENT TO SUCH EFFECT. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE “GOOD DELIVERY” IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA.

Schedule D –Form of Certificate of Transfer

Exro Technologies Inc.
1000 - 355 Burrard St
Vancouver, BC V6C 2G8

Odyssey Trust Company
350, 409 Granville Street
Vancouver, British Columbia V6C 1T2

Re: Transfer of Debentures

Reference is hereby made to the Indenture, dated as of December 30, 2022 (the “**Indenture**”), between Exro Technologies Inc., as issuer (the “**Corporation**”), and Odyssey Trust Company, as trustee. Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture.

_____ (the “**Transferor**”) owns and proposes to transfer the Debentures or interests in such Debentures specified in Annex A hereto, in the principal amount of \$_____ (the “**Transfer**”), to _____ (the “**Transferee**”), as further specified in Annex A hereto. In connection with the Transfer, the Transferor hereby certifies that

[CHECK ALL THAT APPLY]

1. ☐ **Check if Transferee will take delivery of an interest in a Restricted Uncertificated Debenture or a Restricted Physical Debenture.** The Transfer is being effected pursuant to and in accordance with Rule 144A (“**Rule 144A**”) under the Securities Act of 1933, as amended (the “**Securities Act**”), and, accordingly, the Transferor hereby further certifies that the interest or physical Debenture is being transferred to a Person that the Transferor reasonably believes is purchasing the interest or physical Debenture for its own account, or for one or more accounts with respect to which such Person exercises sole investment discretion, and such Person and each such account is a “qualified institutional buyer” within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A, and such Transfer is in compliance with any applicable blue sky securities laws of any state of the United States. Upon consummation of the proposed Transfer in accordance with the terms of the Indenture, the transferred beneficial interest or physical Debenture will be subject to the restrictions on transfer enumerated in the U.S. Legend.

2. ☐ **Check if Transferee will take delivery of an interest in an Unrestricted Uncertificated Debenture or an Unrestricted Physical Debenture pursuant to Regulation S.** The Transfer is being effected pursuant to and in accordance with Rule 904 of Regulation S under the Securities Act and, accordingly, the Transferor hereby further certifies that (i) the Transferor is not an “affiliate” of the Corporation as that term is defined in Rule 405 under the Securities Act, (ii) the offer was not made, and the Transfer is not being made, to a Person in the United States and (x) at the time the buy order was originated, the Transferee was outside the United States or such Transferor and any Person acting on its behalf reasonably believed and believes that the Transferee was outside the United States or (y) the transaction was executed in, on or through the facilities of a designated offshore securities market and neither such Transferor nor any Person acting on its behalf knows that the transaction was prearranged with a buyer in the United States, (iii) neither the Transferor nor any affiliate of the Transferor nor any Person acting on any of their behalf has engaged or will engage in any directed selling efforts in the United States in connection with the Transfer, (iv) the Transfer is *bona fide* and not for the purpose of “washing off” the resale restrictions imposed because the securities are “restricted securities” (as that term is defined in Rule

144(a)(3) under the Securities Act), (v) the Transferor does not intend to replace such securities with fungible unrestricted securities and (vi) the transaction is not part of a plan or scheme to evade the registration requirements of the Securities Act. Terms used in this section have the meaning given to them by Regulation S under the Securities Act.

3. ☐ **Check and complete if Transferee will take delivery of an interest in an Unrestricted Uncertificated Debenture or an Unrestricted Physical Debenture pursuant to any provision of the Securities Act other than Regulation S.**

(a) ☐ **Check if Transfer is pursuant to Rule 144.** (i) The Transfer is being effected pursuant to and in accordance with Rule 144 under the Securities Act (“**Rule 144**”) and in compliance with the transfer restrictions contained in the Indenture and any applicable blue sky securities laws of any state of the United States and (ii) the restrictions on transfer contained in the Indenture and the U.S. Legend are not required to be imposed on the beneficial interest of the Transferor in order to maintain compliance with the Securities Act.

(b) ☐ **Check if Transfer is Pursuant to Other Exemption.** (i) The Transfer is being effected pursuant to and in compliance with an exemption from the registration requirements of the Securities Act other than Rule 144A, Regulation S and Rule 144, and in compliance with the transfer restrictions contained in the Indenture and any applicable blue sky securities laws of any State of the United States and (ii) the restrictions on transfer contained in the Indenture and the U.S. Legend are not required to be imposed on the beneficial interest of the Transferor in order to maintain compliance with the Securities Act.

In connection with requests for transfers pursuant to item 3(a) or Rule 144, the Transferor must deliver to the Corporation and the Trustee an opinion of counsel of recognized standing in form and substance satisfactory to the Trustee and reasonably satisfactory to the Corporation, to the effect that the legend is no longer required under applicable requirements of the Securities Act or state securities laws.

This certificate and the statements contained herein are made for your benefit and the benefit of the Corporation.

[Insert Name of Transferor]

By: _____

Name: _____

Title: _____

Dated: _____

ANNEX A TO CERTIFICATE OF TRANSFER

1. The Transferor owns and proposes to transfer the following:

[CHECK ONE OF (a) OR (b) OR (c) OR (d)]

- (a) ☐ a Restricted Uncertificated Debenture CUSIP
- (b) ☐ an Unrestricted Uncertificated Debenture CUSIP
- (c) ☐ a Restricted Physical Debenture
- (d) ☐ an Unrestricted Physical Debenture

after the Transfer the Transferee will hold:

[CHECK ONE OF (e) OR (f) OR (g) OR (h)]

- (e) ☐ a Restricted Uncertificated Debenture CUSIP
- (f) ☐ an Unrestricted Uncertificated Debenture CUSIP
- (g) ☐ a Restricted Physical Debenture
- (h) ☐ an Unrestricted Physical Debenture

in accordance with the terms of the Indenture.

Schedule E –Form of Certificate of Exchange

Exro Technologies Inc.
1000 - 355 Burrard St
Vancouver, BC V6C 2G8

Odyssey Trust Company
350, 409 Granville Street
Vancouver, British Columbia V6C 1T2

Re: Exchange of Debentures

(CUSIP 30222RAA7)

Reference is hereby made to the Indenture, dated as of December 30, 2022 (the “**Indenture**”), between Exro Technologies Inc., as issuer (the “**Corporation**”), and Odyssey Trust Company, as trustee. Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture.

_____ (the “**Owner**”) owns and proposes to exchange the Debentures or interests in such Debentures specified herein, in the principal amount of \$_____ (the “**Exchange**”). In connection with the Exchange, the Owner hereby certifies that:

1. Exchange of Restricted Physical Debentures or Restricted Uncertificated Debenture for Unrestricted Physical Debentures or Unrestricted Uncertificated Debenture

(a) ☐ **Check if Exchange is a Restricted Uncertificated Debenture to an Unrestricted Uncertificated Debenture.** In connection with the Exchange of the Restricted Uncertificated Debenture for an Unrestricted Uncertificated Debenture in an equal principal amount, the Owner hereby certifies (i) the interest is being acquired for the Owner’s own account without transfer, (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to the Uncertificated Debentures and pursuant to and in accordance with the Securities Act of 1933, as amended (the “**Securities Act**”), (iii) the restrictions on transfer contained in the Indenture and the U.S. Legend are not required to be imposed on the beneficial interest of the Owner in order to maintain compliance with the Securities Act and (iv) the interest in an Unrestricted Uncertificated Debenture is being acquired in compliance with any applicable blue sky securities laws of any state of the United States.

(b) ☐ **Check if Exchange is from Restricted Physical Debenture to Unrestricted Physical Debenture.** In connection with the Owner’s Exchange of a Restricted Physical Debenture for an Unrestricted Physical Debenture, the Owner hereby certifies (i) the Unrestricted Physical Debenture is being acquired for the Owner’s own account without transfer, such Exchange has been effected in compliance with the transfer restrictions applicable to Restricted Physical Debentures and pursuant to and in accordance with the Securities Act, the restrictions on transfer contained in the Indenture and the U.S. Legend are not required to be imposed on the Physical Debenture of the Owner in order to maintain compliance with the Securities Act and (iv) the Unrestricted Physical Debenture is being acquired in compliance with any applicable blue sky securities laws of any state of the United States.

In connection with requests for Exchanges pursuant to item 1(a) or 1(b), the Owner must deliver to the Corporation and the Trustee an opinion of counsel of recognized standing in form and substance satisfactory to the Trustee and reasonably satisfactory to the Corporation, to the effect that the legend is no longer required under applicable requirements of the Securities Act or state securities laws.

This certificate and the statements contained herein are made for your benefit and the benefit of the Corporation.

Name of Transferor:

By: _____

Name:

Title:

Dated: _____

Schedule F

**FORM OF DECLARATION FOR REMOVAL OF LEGEND
and
FORM OF BROKER-DEALER AFFIRMATION**

TO: Odyssey Trust Company, as registrar and transfer agent

AND TO: Exro Technologies Inc. (the "**Company**")

The undersigned (A) acknowledges that the sale of _____ [number] of _____ [type of security] of the Company represented by certificate number _____ to which this declaration relates is being made in reliance on Rule 904 of Regulation S ("**Regulation S**") under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), and (B) certifies that (1) the undersigned is not (a) an "affiliate" of the Company (as that term is defined in Rule 405 under the U.S. Securities Act), (b) a "distributor" as defined in Regulation S or (c) an affiliate of a distributor; or (d) acting on behalf of any of the persons described in (a), (b), or (c) above; (2) the offer of such securities was not made to a person in the United States and either (a) at the time the buy order was originated, the buyer was outside the United States, or the seller and any person acting on its behalf reasonably believed that the buyer was outside the United States, or (b) the transaction was executed on or through the facilities of a designated offshore securities market and neither the seller nor any person acting on its behalf knows that the transaction has been prearranged with a buyer in the United States or a U.S. person; (3) neither the seller nor any affiliate of the seller nor any person acting on their behalf has engaged or will engage in any directed selling efforts in the United States in connection with the offer and sale of such securities; (4) the sale was bona fide and not for the purpose of "washing off" the resale restrictions imposed because the securities are "restricted securities" (as that term is defined in Rule 144(a)(3) under the U. S. Securities Act); (5) the seller does not intend to replace securities sold in reliance on Rule 904 of Regulation S with fungible unrestricted securities; and (6) the sale was not a transaction, or part of a series of transactions, which, although in technical compliance with Regulation S, is part of a plan or scheme to evade the registration provisions of the U. S. Securities Act.

Unless otherwise specified, terms used herein have the meanings given to them by Regulation S under the U.S. Securities Act.

Dated: _____

By: _____
Authorized signatory

Name of Seller (**please print**)

Name of authorized signatory (**please print**)

Title of authorized signatory (**please print**)

Affirmation By Seller's Broker-Dealer
(required for sales in accordance with Section (B)(2)(b) above)

We have read the foregoing representations of our customer, _____ (the "Seller") dated _____, pursuant to which Seller requested that we sell, for Seller's account, _____ [NUMBER] of the securities of the Company described therein. We have executed the sale pursuant to Rule 904 of Regulation S under the U.S. Securities Act. With respect to the sale, and on behalf of ourselves, we certify and affirm that (A) no offer to sell the securities was made to a person in the United States (within the meaning of Regulation S under the U.S. Securities Act); (B) we have no knowledge that the transaction had been prearranged with a buyer in the United States; (C) the sale was executed on or through the facilities of a "designated offshore securities market;" (D) no "directed selling efforts" were made in the United States by the Seller, any affiliate of the Seller, or any person acting on behalf of the Seller; and (E) we have done no more than execute the order to sell the securities as agent for Seller and will receive no more than the usual and customary broker's commission that would be received by a person executing such transaction as agent.

Terms used herein have the meanings given to them by Regulation S under the U.S. Securities Act.

Name of Firm

By: _____
Authorized officer

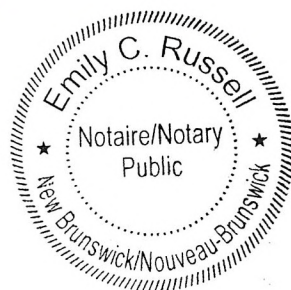
Date: _____

THIS IS EXHIBIT "J" REFERRED TO IN THE
AFFIDAVIT OF MARK HOLLERAN

SWORN BEFORE ME THIS 3rd DAY OF
NOVEMBER, 2025.



A Notary Public in and for the Province of New Brunswick



INTERIM FINANCING CREDIT FACILITY**As of May 15, 2025**

WHEREAS, Exro Technologies Inc., Exro Technologies USA Inc., Exro Vehicle Services Inc., DPM Technologies Inc., Cellex Energy Inc., Cellex Energy IP Inc., and SEA Electric Inc., [NTD: SEA Electric ASIA Ltd, SEA Electric LLC, SEA Electric GmbH, and SEA Electric Limited] (collectively, the **"Borrowers"**);

AND WHEREAS prior to the date hereof, NBIMC Quantitative Strategies Fund – Class N (the **"Interim Lender"**) together with NBIMC Quantitative Strategies (2017) Fund, NBIMC Quantitative Strategic Beta (2017) Fund and NBIMC Quantitative Strategic Beta Fund – Class N, each parties related to the Interim Lender advanced funding to the Borrowers pursuant to a series of Senior Secured Promissory Notes and Convertible Debentures (the **"Existing Indebtedness"**);

AND WHEREAS the Interim Lender has agreed, subject to the terms and conditions of this Interim Financing Credit Facility, to provide financing to the Borrowers in order to fund certain obligations of the Borrowers;

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

1. Borrowers: as set out in the recitals (collectively, the **"Borrowers"** and each, a **"Borrower"**).
2. Interim Lender: NBIMC Quantitative Strategies Fund – Class N (the **"Interim Lender"**)
3. Interim Facility: A senior secured, interim, non-revolving multiple draw credit facility (the **"Interim Facility"**) up to a maximum principal amount of thirty million USD \$30,000,000 (the **"Facility Amount"**), subject to the terms and conditions contained herein.
4. Advances:
 - (a) Advances may be made available to the Borrowers in two million USD \$2,000,000 increments or such other amounts as may be agreed to by the Interim Lender (each, an **"Advance"**) which shall be provided only if the applicable Advance Conditions (as defined below) have been satisfied and / or waived in the sole discretion of the Interim Lender.
 - (b) Advances under the Interim Facility shall not exceed, in the aggregate, the Facility Amount.
 - (c) Each Advance shall be funded upon receipt of a certificate requesting such Advance from the Borrowers in the form attached as Schedule "A" (an **"Advance Request Certificate"**). An Advance Request Certificate shall only be honoured by the Interim Lender provided that the applicable Advance Conditions are satisfied to the satisfaction of the Interim Lender in its sole discretion as of the date on which such Advance Request Certificate is received and remain satisfied on the date of such corresponding Advance.
 - (d) If the applicable Advance Conditions are satisfied in accordance with the terms herein, each Advance shall be funded to a bank account of the Borrowers within three (3) business days following receipt of an Advance Request Certificate, or such shorter period as the Interim Lender may agree in its sole discretion. The

Borrowers' bank account shall not be subject to a blocked account agreement. Advances under the Interim Facility shall be made in United States Dollars.

5. Purpose: The Borrowers shall use the proceeds of the Interim Facility solely for the following purposes (each as defined below):
 - (a) with the approval of the Strategic Advisor, to fund the Borrowers' general corporate and working capital purposes including the pursuit of any sales and investment solicitation process;
 - (b) in accordance with the Cash Flow Statement;
 - (c) to pay (i) the reasonable and documented legal, financial consulting and evaluation fees of professionals to be retained by the Interim Lender on a solicitor-client basis in connection with the preparation, negotiation and enforcement of this Interim Facility, and for the recovery of the Facility Amount and the Existing Indebtedness, (ii) to pay the interest, fees and other amounts owing to the Interim Lender under this Interim Financing Credit Facility; and (iii) to pay the principal, interest, fees and other amounts owing as the Existing Indebtedness when such amounts become due; and
 - (d) to pay the reasonable and documented legal fees and expenses of a strategic advisor, such advisor to be approved by the Interim Lender (the "**Strategic Advisor**") pursuant to the terms of the Strategic Advisor's Engagement (as defined below).

For greater certainty, the Borrowers may not use the proceeds of the Interim Facility in connection with the preparation to, or in anticipation of filing of any insolvency proceedings, or any creditors or obligations of the Borrowers or its affiliates unless set out in the Cash Flow Statement or without prior written consent of the Interim Lender; it being agreed by the Interim Lender that such consent is not required for the Borrowers to pay any amounts owing by the Borrowers to the extent specifically identified in the Cash Flow Statement.

6. Reporting Requirements: The Borrowers shall deliver to the Interim Lender the following:
 - (a) a copy of the cash flow statement prepared by the Borrowers, as contemplated in Schedule "D", and thereafter on a semi-monthly basis (the "**Cash Flow Statement**");
 - (b) monthly unconsolidated internal financial statements for each of the Borrowers;
 - (c) quarterly unaudited, combined financial statements and related management discussion and analysis of the Borrowers within 45 days of the end of each fiscal quarter;
 - (d) in addition to the Cash Flow Statement, a budget to be completed on a quarterly basis and include income statement, balance sheet, capital expenditure budget, detailed list of assumptions; and
 - (e) copies of any reports requested by the Strategic Advisor from time to time in their sole discretion.

7. Initial Advance Conditions: The Interim Lender's agreement to make an initial Advance under the Interim Facility in the maximum principal amount of two million USD \$2,000,000 (the "**Initial Advance Amount**") to the Borrowers is subject to the satisfaction, as determined by the Interim Lender in its sole and absolute discretion, of each of the following additional conditions precedent (collectively, the "**Initial Advance Conditions**"), each of which is for the benefit of the Interim Lender and may be waived by the Interim Lender in their sole discretion:
- (a) The Borrowers shall have executed and delivered this Interim Financing Credit Facility, the Security in respect of the Financing Charge, and such other documents as the Interim Lender may reasonably require;
 - (b) The Borrowers shall have delivered an Advance Request Certificate in respect of such Initial Advance;
 - (c) The Borrowers shall deliver evidence of all necessary corporate approvals to, among other things: (i) authorize and approve the Interim Facility up to the Facility Amount; (ii) grant the Financing Charge (as defined in Section 12) against the Collateral (as defined in Section 12) securing all obligations owing by the Borrowers in connection with the Existing Indebtedness and all obligations owing to the Interim Lender hereunder including, without limitation, all principal, interest and Interim Financing Fees and Expenses (as defined in Section 9), which shall be in full force and effect and shall have not modified or amended in any respect adversely affecting the Interim Lender unless otherwise agreed by the Interim Lender;
 - (d) The Financing Charge shall be granted priority over all mortgages, pledges, charges, encumbrances, hypothecs, liens and security interests of any kind or nature whatsoever ("**Encumbrances**") against the assets of the Borrowers against the Collateral subject only to the permitted encumbrances set out in Schedule "B" (the "**Permitted Encumbrances**");
 - (e) The Interim Lender and its counsel shall be satisfied that (i) the entering into of this Interim Financing Credit Facility and the consummation of the transactions contemplated hereby have been approved by the Borrowers and do not violate any applicable laws, statutes, rules, by-laws and regulations and all applicable official directives, orders, judgments and decrees of any governmental authority having the force of law and (ii) notice has been effected on a list of parties acceptable to the Interim Lender, which shall include, but not be limited to, all secured creditors of the Borrower;
 - (f) The Strategic Advisor shall have been appointed by the Borrowers on such terms and with such authority as agreed on by the Interim Lender (the "**Strategic Advisor's Engagement**") and shall include, without limitation, the express authorization to and shall make itself available to have direct discussions with the Interim Lender, and the Interim Lender shall be entitled to receive information from the Strategic Advisor as may be requested by the Interim Lender from time to time;
 - (g) The Borrowers shall have fully cooperated with, and provided access to any information, including financial information, requested by the Interim Lender or the Strategic Advisor;

- (h) The Interim Lender is satisfied that the Collateral remains sufficient to secure the obligations of the Borrowers to the Interim Lender under this Interim Financing Credit Facility, in the Interim Lender's judgment, acting reasonably;
- (i) The representations and warranties made by (or in respect of) the Borrowers under this Interim Financing Credit Facility are true and correct in all material respects as of the date of such requested Advance (unless stated to relate solely to an earlier date, in which case such representations and warranties shall be true and correct in all material respects as of such earlier date) and will remain true and correct in all material respects immediately following the making of such Advance; and
- (j) No default or Event of Default has occurred or will occur as a result of the requested advance.

For greater certainty, the Interim Lender shall not be obligated to make the initial Advance pursuant to this Interim Financing Credit Facility unless and until the foregoing conditions have been satisfied or waived and the foregoing documentation and confirmations have been obtained, each in form and content satisfactory to the Interim Lender.

8. Additional Advance Conditions: The Interim Lender's agreement to make any additional Advance under the Interim Facility to the Borrowers, following the Initial Advance, is subject to the satisfaction, as determined by the Interim Lender in its sole and absolute discretion, of each of the following additional conditions precedent (collectively, the "**Additional Advance Conditions**"; the Initial Advance Conditions and Additional Advance conditions are collectively referred to as the "**Advance Conditions**" in this Interim Financing Credit Facility), each of which is for the benefit of the Interim Lender and may be waived by the Interim Lender:

- (a) Exro shall have either: i) obtained a postponement of security from the holders of the senior secured debentures issued pursuant to an indenture dated December 30, 2022 (the "**Convertible Debentures**") confirming the Interim Lender holds a first ranking security interest in all of each of the Borrowers' present and after acquired personal property in respect of any Advances made under this Interim Facility and in respect of the Existing Indebtedness; or ii) issued redemption notices to the holders of each of the Convertible Debentures to satisfy the payment of the amounts outstanding thereunder by issuance of Common Shares of Exro in accordance with the terms of such debentures.
- (b) Satisfaction of the applicable milestones specified out on Schedule "C" by the date set out therein (the "**Milestones**") as such Milestones may be amended and supplemented from time to time by the Interim Lender in consultation with the Strategic Advisor;
- (c) The Borrowers shall have fully cooperated with, and provided access to any information, including financial information, requested by the Interim Lender and the Strategic Advisor;
- (d) The Borrowers shall have delivered an Advance Request Certificate in respect of such Advance;
- (e) The Interim Lender and its counsel shall be satisfied that service has been effected on a list of parties acceptable to the Interim Lender, which shall include, but not limited to, all secured creditors of the Borrower and any other parties as may be requested by the Interim Lender;

- (f) The Interim Lender is satisfied that the Collateral and the priority of the Interim Lender's Security thereon, remains sufficient to secure the obligations of the Borrowers to the Interim Lender under this Interim Financing Credit Facility, in the Interim Lender's judgment, acting reasonably;
- (g) The representations and warranties made by (or in respect of) the Borrowers under this Interim Financing Credit Facility are true and correct in all material respects as of the date of such requested Advance (unless stated to relate solely to an earlier date, in which case such representations and warranties shall be true and correct in all material respects as of such earlier date) and will remain true and correct in all material respects immediately following the making of such Advance;
- (h) No default or Event of Default has occurred or will occur as a result of the requested advance;
- (i) All other Initial Advance Conditions shall continue to be satisfied.

For greater certainty, the Interim Lender shall not be obligated to make any Advance (following the Initial Advance) pursuant to this Interim Financing Credit Facility unless and until all of the foregoing conditions have been satisfied or waived and all of the foregoing documentation and confirmations have been obtained, each in form and content satisfactory to the Interim Lender.

9. Costs and Expenses: The Borrowers shall pay all of the Interim Lender's reasonable legal and financial advisor fees and out-of-pocket disbursements and any costs of realization or enforcement, in each case in connection with or otherwise related to the Interim Facility, the Interim Lender's Financing Charge and / or any further insolvency proceedings (collectively, the "**Interim Financing Fees and Expenses**") within 5 business days after presentation of such invoices.
10. Repayment: The aggregate principal amount owing under the Interim Facility, together with all accrued and unpaid interest, fees and prepayment obligations, if applicable, and all fees, expenses and other amounts incurred by the Interim Lender in connection with the Interim Facility shall be repayable in full on the earlier of:
 - (a) the date on which the Interim Lender demands repayment of the Interim Facility upon the occurrence of an Event of Default;
 - (b) upon the occurrence of any of the following (each, an "**Insolvency Event**") in respect of any of the Borrowers:
 - (i) such Borrower is adjudged insolvent or bankrupt under any applicable legislation relating to reorganization, arrangement, compromise or re-adjustment of debt, dissolution or winding-up, or any similar legislation, and specifically includes for greater certainty the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada) and any corporate laws (collectively, the "**Insolvency Legislation**"), or a trustee, monitor, interim receiver, receiver, receiver and manager, liquidator or similar official is appointed in respect of such Borrower or a substantial part of its property.
 - (ii) such Borrower ceases to carry on its business, commits an act of bankruptcy or becomes insolvent (as such terms are used in Insolvency

Legislation), makes an assignment (or notice of intention to make an assignment) for the benefit of creditors, files a petition in bankruptcy, makes a proposal or commences a proceeding under Insolvency Legislation; or petitions or applies to any tribunal for, or consents to, the appointment of any receiver, trustee, liquidator or similar official in respect of all or a substantial part of its property; or admits the material allegations of a petition or application filed with respect to it in any proceeding commenced in respect of it under Insolvency Legislation; or takes any corporate action for the purpose of effecting any of the foregoing (including without limitation seeking any plan of arrangement under any corporate laws);

- (iii) any proceeding or filing is commenced against such Borrower seeking to have an order for relief entered against it as debtor or to adjudicate it a bankrupt or insolvent, or seeking liquidation, winding-up, reorganization, arrangement, adjustment or composition of it or its debts under any Insolvency Legislation, or seeking appointment of a receiver, trustee, custodian or other similar official for it or any of its property or assets; unless (i) such Borrower is diligently defending such proceeding in good faith and on reasonable grounds and (ii) such proceeding does not materially adversely affect its ability to carry on its business and to perform and satisfy all of its obligations; and such proceeding is dismissed within 45 days after its commencement; or
- (iv) such Borrower ceases or threatens to cease to carry on business or makes or agrees to make a bulk sale of assets without complying with applicable law or commits or threatens to commit an act of bankruptcy.

(c) the date that is twelve (12) months following the initial Advance;

(the earliest of such dates being the “**Maturity Date**”).

The Maturity Date may be extended from time to time at the request of the Borrowers and with the prior written consent of the Interim Lender, which consent may be given or withheld at the sole discretion of the Interim Lender, for such period and on such terms and conditions as the Borrowers and the Interim Lender may agree.

The commitment in respect of the Interim Facility shall expire on the Maturity Date (as may be extended pursuant to the terms hereof) and all amounts outstanding under the Interim Facility shall be repaid in full no later than the Maturity Date (as may be extended pursuant to the terms hereof), without the Interim Lender being required to make demand (or, in the case of clause (i) above, further demand) upon the Borrowers or to give notice that the Interim Facility has expired and the obligations are due and payable.

All payments received by the Interim Lender shall be applied first to any fees due hereunder and out-of-pocket disbursements, then to accrued and unpaid interest and then after all such amounts are paid in full, to principal.

11. Prepayment: The Borrowers may prepay any amounts outstanding under the Interim Facility, without penalty, at any time prior to the Maturity Date. The Facility Amount shall automatically be reduced by the amount of such prepayment and the amount prepaid may be re-borrowed upon receipt of a further Advance Request Certificate.
12. Interest Rate: Interest shall be charged on the aggregate principal amount outstanding of the Interim Facility from the date each such Advance is made, both before and after

maturity, demand, default, or judgment until payment in full at an annual rate equal to **14.00%**. Interest is calculated on a daily basis and is payable monthly in arrears on the first business day of each month. All interest rates and fees are calculated on a 365 or 366-day basis as appropriate. The Borrowers agree that the interest rate does not contravene the *Criminal Code of Canada*. Interest rates which would be otherwise applicable shall increase by 200 bps upon the occurrence of and during continuance of an Event of Default.

13. **Warrants:** As additional consideration for the making of the Interim Facility, subject to the prior approval of the TSX -V, Exro Technologies Inc. shall issue to the Interim Lender a warrant in the form attached as Schedule "D" for the purchase of 75,000,000 common shares in the capital of the Borrower for an aggregate purchase price of USD\$1.00;
14. **Security:** All obligations of the Borrowers (i) under or in connection with the Interim Facility and any of the credit documentation shall be secured by a first priority security interest, mortgage and charge and, (ii) under or in connection with the Existing Indebtedness, a second priority security interest, mortgage and charge ranking *pari passu* with the Convertible Debentures until the redemption of the Convertible Debentures, following which the Existing Indebtedness shall also be a first priority security interest (the "**Financing Charge**") on all tangible and intangible personal and real property of the Borrowers, whether now existing or in the future coming into existence and all proceeds thereof (the "**Collateral**") which shall be secured by the entry into by the Borrowers of the following security documents which shall be in form and substance satisfactory to the Interim Lender and its counsel and shall include, without limitation, the following (collectively, the "**Security**"):
 - (a) General security agreement or the equivalent in each relevant jurisdiction, from the Borrowers, providing the Interim Lender with a first-ranking security interest in all of each Borrowers' present and after-acquired personal property, including all shares and other equity interests held by it in the capital of other entities.
 - (b) An assignment of all material contracts of the Borrowers, as determined by the Interim Lender, acting reasonably;
 - (c) An intellectual property assignment agreement;
 - (d) An assignment of insurance with the Interim Lender to be named as loss payee on all property insurance policies.
 - (e) Landlord agreements in respect of each material leased property, including access rights, waiver of distraint, and permitting assignment of lease by the Lender subject to the landlord's consent not to be unreasonably withheld. Lender acknowledges Borrower will use commercially reasonable efforts to obtain such landlord agreements.
 - (f) Such other documents as may be requested by the Interim Lender or their counsel, acting reasonably.

Such Security is granted as security only and shall not subject the Interim Lender to, or transfer or in any way affect or modify, any obligation or liability of the Borrowers with respect to any of the Collateral or any transaction in connection therewith.

15. Representations and Warranties: Each Borrower represents and warrants to the Interim Lender, upon which the Interim Lender is relying in entering into this Interim Financing Credit Facility, that:
- (a) The transactions contemplated by this Interim Financing Credit Facility:
 - (i) are within the corporate power of such Borrower;
 - (ii) have been duly executed and delivered by or on behalf of such Borrower;
 - (iii) shall constitute legal, valid and binding obligations of such Borrower, enforceable against such Borrower in accordance with their terms; and
 - (iv) do not require any material authorization from, the consent or approval of, registration or filing with, or any other action by, any governmental authority or any third party.
 - (b) None of the reports, financial statements, certificates or other written information furnished by or on behalf of the Borrowers to the Interim Lender and its legal counsel in connection with the negotiation of this Interim Financing Credit Facility or delivered with respect thereto (as modified or supplemented by other information so furnished), contains any misstatement of material fact or omits to state any material fact necessary to make the statements therein, taken as a whole, in the light of the circumstances under which it was made, not materially misleading;
 - (c) Such Borrower has been duly incorporated or formed and is validly existing under the law of its jurisdiction of incorporation or formation and is duly qualified, licensed or registered to carry on business under the laws applicable to it in all jurisdictions in which the nature of its assets or business makes such qualification necessary and all such licenses, registrations and qualifications are valid and subsisting and in good standing.
 - (d) There is no change, effect, fact, circumstance, occurrence or event that, individually or in the aggregate, nor is there litigation or other proceedings are pending or, to its knowledge, threatened against such Borrower, which would, if determined adversely, result in a (i) material adverse change in the business, operations, financial condition or properties of the Borrowers taken as a whole; or (ii) materially impairs the Borrower's ability, taken as a whole, to timely and fully perform any of their material obligations under the Interim Financing Credit Facility or in respect of the Existing Indebtedness, or (iii) materially impairs the ability of the Interim Lender to enforce its rights and remedies under this Interim Financing Credit Facility or the Security (a "**Material Adverse Change**").
 - (e) Such Borrower has duly and timely filed all tax returns required to be filed by it, and has paid all taxes which are due and payable by it. There are no actions, suits, proceedings, investigations or claims pending or threatened against such Borrower in respect of taxes, governmental charges or assessments or any material matters under discussion with any federal, provincial, state, municipal, local or other governmental or public department, central bank, court, commission, board, bureau, agency or instrumentality, domestic or foreign; (ii) any subdivision or authority of any of the foregoing; or (iii) any quasi-governmental, judicial or administrative body exercising any regulatory, expropriation or taxing authority relating thereto.

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- (f) Such Borrower has remitted on a timely basis all amounts required to have been withheld and remitted (including withholdings from employee wages and salaries relating to income tax, employment insurance and Canada Pension Plan contributions (or similar for the jurisdiction in which the Borrower operates)), goods and services tax and all other amounts which if not paid when due could result in the creation of a statutory lien or deemed trust affecting against any of its property.
 - (g) Such Borrower maintains adequate insurance coverage in respect of the Collateral as is prudent given the nature of the Collateral with financially sound and reputable insurers and that contains reasonable coverage and scope; and
 - (h) Subject to the Permitted Encumbrances, no Borrower is aware of any person with a secured claim against a Borrower or the Collateral that would rank in priority to or *pari passu* with the Interim Lender's Financing Charge or any other Security granted hereunder.
16. Affirmative Covenants: Each Borrower agrees to do, or cause to be done, the following, unless otherwise consented to or waived in writing by the Interim Lender:
- (a) In connection with matters related to the Interim Facility or compliance of such Borrower with its obligations pursuant to this Interim Financing Credit Facility (i) provide representatives of the Interim Lender and its agents with reasonable access to the books and records, Collateral, financial information and electronic data rooms of or maintained by such Borrower, and (ii) cause management and legal counsel of the Borrower, to cooperate with requests for information by the Interim Lender or its legal counsel, in each case subject to solicitor-client privilege, all Court orders and applicable privacy laws and the Borrower's confidentiality obligations to third parties;
 - (b) While the Interim Financing Credit Facility is outstanding, provide the Strategic Advisor with complete and immediate access to the books and records, Collateral, financial information and electronic data rooms of or maintained by such Borrower, including to provide fulsome details concerning any material developments with respect to the business and affairs of such Borrower, including all material matters relating to any proposed transaction relating to the Collateral, and all employees;
 - (c) Keep the Interim Lender apprised on a timely basis of all material developments with respect to the business and affairs of such Borrower, including all material matters relating to any proposed transaction relating to the Collateral;
 - (d) Use the proceeds of the Interim Facility only in accordance with Section 5 hereof and in accordance with the restrictions set out herein;
 - (e) Promptly notify the Interim Lender of any material change in its contractual arrangements or with relationships with third parties;
 - (f) Maintain the Strategic Advisor's Engagement;
 - (g) Promptly notify the Interim Lender of any litigation or potential litigation;
 - (h) Promptly notify the Interim Lender of the occurrence of any Event of Default;

- (i) Maintain in good standing at all times all insurance coverage as is customarily carried by companies which are engaged in the same or similar business to the business of the Borrowers or as otherwise may be required by the Interim Lender;
 - (j) Provide the Interim Lender's legal counsel with draft copies of all material motions, applications or proposed orders that such Borrower intends to file in connection with any proposed insolvency proceedings as soon as is reasonably practicable in advance of the notification and filing of such materials; provided that all such filings by the Borrower shall be in form and substance acceptable to the Interim Lender and its legal counsel; and
 - (k) Comply with all of the terms and obligations of this Interim Financing Credit Facility.
17. Negative Covenants: Each Borrower covenants and agrees not to do the following while any obligations hereunder remain outstanding, other than with the prior written consent of the Interim Lender:
- (a) Permit any new liens to exist on the Collateral (including the issuance of any new or increase in the amount outstanding under any Convertible Debentures), other than the Encumbrances approved by the Interim Lender;
 - (b) Terminate the Strategic Advisor's Engagement;
 - (c) Interfere with the Strategic Advisor or block the Strategic Advisor's access to any of the books and records, Collateral, financial information, electronic data rooms of or maintained by such Borrower, or employees of the Borrowers or induce any employees not to cooperate with the Strategic Advisor;
 - (d) Merge, amalgamate, consolidate, reorganize, unless with the written consent of the Interim Lender;
 - (e) Materially change the nature of its business, maintain a place of business or any material assets in any jurisdiction other than the jurisdiction(s) in which it has assets and carries on business on the date hereof, or enter into any transaction whereby any of its property would become the property of any other person, including by way of amalgamation, transfer, sale or otherwise. For certainty, sale and leaseback transactions are not permitted.
 - (f) Sell any assets outside of the ordinary course of business unless with the consent of the Interim Lender;
 - (g) Make any acquisitions, investments or loans to any party or guarantee the obligations of any party;
 - (h) Initiate or settle any claims or enter into any agreement, the effect of which is to limit the Borrower's right to pursue any such claim;
 - (i) Incur or enter into any debts, liabilities or obligations, including, without limitation, guarantees and contingent obligations, except in the ordinary course of business and only then in accordance with the Cash Flow Statement; and
 - (j) Use the proceeds from the Interim Facility for anything other than the purpose as stated herein, and will not be used to repay or refinance existing debt obligations of the Borrowers, to make shareholder contributions, shareholder loans, loans to

parties related to the Borrowers (including affiliates and subsidiaries), to pay interest on shareholder loans, interest on loans to parties related to the Borrowers, pay management fees, buy back stock, issue stock options, or pay any bonuses or increase executive compensation.

- (k) CCAA Proceedings: The Borrowers agree that the Interim Lender shall be an unaffected creditor for the purpose of any proceedings under the *Companies' Creditors Arrangement Act* or any plan of arrangement, or similar insolvency regime, which may be commenced by the Borrowers. The Borrowers agree that they shall not, directly or indirectly, seek to secure any other financing, including in connection with any insolvency proceedings which would be secured by a lien senior to or *pari passu* with the Interim Lender's Security or the priority of its Financing Charge hereunder, without the express written consent of the Interim Lender.

18. Events of Default: The following events shall constitute events of default (each, an "**Event of Default**"):

- (a) failure to achieve a Milestone by the applicable date;
- (b) If the Borrowers fails to pay to the Interim Lender when due any amount of principal, interest, fees or other amounts under this Interim Financing Credit Facility or of the Existing Indebtedness;
- (c) the occurrence of an Insolvency Event unless agreed by the Interim Lender, acting reasonably;
- (d) the seeking or support by the Borrowers of any Court order to which the Interim Lender, in its sole discretion, does not consent;
- (e) any breach by any Borrower in the observance or performance of any provision, covenant (affirmative or negative) or agreement contained in this Interim Financing Credit Facility, provided, that, in the case of a breach of any affirmative covenant other than 16(f), such breach remains unremedied for longer than three (3) business days;
- (f) if the Interim Lender determines, acting reasonably, that a Material Adverse Change has occurred after the date hereof;
- (g) any Order is made which is or may be prejudicial to the Interim Lender's interests;
- (h) if any person challenges the enforceability of any of the rights of the Interim Lender hereunder or pursuant to the Security, and any such challenge has not been dismissed within 5 days;
- (i) the Interim Lender in good faith and on commercially reasonable grounds believes the prospect of payment of the Interim Facility or the Existing Indebtedness or any other amounts payable hereunder or the performance of the Borrowers' other obligations hereunder or under any of the Security granted in connection herewith is impaired or that any of the assets, properties or undertakings of the Borrowers hereunder or under any Security or other document granted in connection herewith is or is about to be placed in jeopardy;

- (j) any sale, transfer, assignment, conveyance or lease of the Collateral that has not been approved or consented to by the Interim Lender in writing; and
 - (k) the filing of any plan of reorganization, arrangement or liquidation to which the Interim Lender does not consent.
19. Remedies: Upon the occurrence and continuance of an Event of Default, the Interim Lender may, upon written notice to the Borrowers:
- (a) terminate the Interim Facility;
 - (b) on prior notice to the Borrowers and the service list of no less than three (3) business days, apply to the Court for the appointment of an interim receiver or a receiver and manager of the Collateral or for the appointment of a trustee in bankruptcy of the Borrowers;
 - (c) exercise the powers and rights of a secured party under any legislation, including the foreclosure and sale of the Collateral; and
 - (d) exercise all such other rights and remedies under the Interim Financing Credit Facility.
20. Indemnity: Each Borrower agrees to indemnify and hold harmless each of the Interim Lender and its affiliates, and each of their respective directors, officers, employees, advisors and agents (all such persons and entities being referred to hereafter as “**Indemnified Persons**”) from and against any and all actions, suits, proceedings, claims, losses, damages and liabilities of any kind or nature whatsoever (excluding indirect or consequential damages and claims for lost profits) which may be incurred by or asserted against any Indemnified Person as a result of or arising out of or in any way related to the Interim Facility or this Interim Financing Credit Facility and, upon demand, to pay and reimburse any Indemnified Person for any reasonable legal or other out-of-pocket expenses incurred in connection with investigating, defending or preparing to defend any such action, suit, proceeding or claim; provided, however, such Borrower shall not be obligated to indemnify any Indemnified Person against any loss, claim, damage, expense or liability (i) to the extent it resulted from the gross negligence, wilful misconduct or intentional breach of such Indemnified Person as finally determined by a court of competent jurisdiction, or (ii) to the extent arising from any dispute solely among Indemnified Persons other than any claims arising out of any act or omission on the part of such Borrower.
21. Confidentiality: This Interim Financing Credit Facility, its terms, the transactions referred to herein and any other information or advice delivered by the Interim Lender in connection herewith or therewith are private and confidential and, except as may be required by law, may not be disclosed by the Borrowers or any other company to any person whatsoever, (other than to the Borrower’s officers, directors, senior management and professional advisors) without the prior written consent of the Interim Lender. To the extent disclosure is required by law, including the issuance of any press releases or to otherwise comply with securities laws, the Borrower shall provide 5 days advance written notice to the Interim Lender. All press releases must be approved by the Interim Lender.
22. Interim Lender’s Approvals: Any consent, agreement, amendment, approval, waiver or instruction of the Interim Lender to be delivered hereunder, may be delivered by any written instrument, including by way of electronic mail, by legal counsel on behalf of the Interim Lender.

23. Notice: Any notice, request or other communication hereunder to any of the parties shall be in writing and be well and sufficiently given if delivered personally or sent by email to such party at its address set out on its signature page hereof, with a copy to counsel. Any such notice shall be deemed to be given and received when received, unless received after 5:00 p.m. Atlantic Time or on a day other than a business day, in which case the notice shall be deemed to be received the next business day.
24. Signatures: This Interim Financing Credit Facility may be executed in any number of counterparts and by facsimile, PDF or other electronic transmission, each of which when executed and delivered shall be deemed to be an original, and all of which when taken together shall constitute one and the same instrument.
25. Assignment: The Borrowers (or any of them) shall not assign this Interim Financing Credit Facility or any of the provisions set out herein without the consent of the Interim Lender in its sole and absolute discretion. The Interim Lender may assign or sell its rights or obligations with respect to this Interim Financing Credit Facility to any person without the prior written consent of the Borrowers.
26. Governing Law: This Interim Financing Credit Facility shall be governed by, and construed in accordance with, the laws of the Province of New Brunswick and the federal laws of Canada applicable therein.
27. Currency: All dollar amounts referred to in this Interim Financing Credit Facility are denominated in Canadian dollars.
28. Joint & Several: The obligations of the Borrowers hereunder are joint and several.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS HEREOF, the parties hereby execute this Interim Financing Credit Facility as at the date first above mentioned.

Interim Lender:

**NBIMC Quantitative Strategies Fund –
Class N**

Per: Mark Holleran
Mark Holleran
Vice President, Equities / Actions

Address:
140 Rue Carleton St #400,
Fredericton, NB E3B 3T4
Attention: Mark Holleran
mark.holleran@vestcor.org

Copy to:

Stewart McKelvey
Suite 1000, 44 Chipman Hill
Saint John, NB E2L 2A9
Attention: C. Paul W. Smith
psmith@stewartmckelvey.com

Borrowers:

Exro Technologies Inc.

Per: Sue Ozdemir
Sue Ozdemir
CEO

Address:
1000-355 Burrard Street
Vancouver, BC V6C 2G8
Attention: Sue Ozdemir
sozdemir@exro.com

Copy to:

Stikeman Elliott LLP
666 Burrard Street, Suite 1700
Vancouver, BC V6C 2X8
Attention: Neville McClure
nmccclure@stikeman.com

Exro Technologies USA Inc.

Per: Sue Ozdemir
Sue Ozdemir
CEO

Address: See Exro Technologies Inc.

Cellex Energy Inc.

Per: Sue Ozdemir
Sue Ozdemir
CEO

Address: See Exro Technologies Inc.

Cellex Energy IP Inc.

Per: Sue Ozdemir
Name: Sue Ozdemir
Title: CEO

Address: See Exro Technologies Inc.

SEA Electric Inc.

Per: Sue Ozdemir
Sue Ozdemir
CEO

Address: See Exro Technologies Inc.

SEA Electric ASIA Ltd.

Per: Sue Ozdemir
Sue Ozdemir
CEO

Address: See Exro Technologies Inc.

SEA Electric LLC

Per: Sue Ozdemir
Sue Ozdemir
CEO

Address: See Exro Technologies Inc.

SEA Electric GmbH

Per: Sue Ozdemir
Sue Ozdemir
CEO

Address: See Exro Technologies Inc.

SEA Electric Limited

Per: Sue Ozdemir
Sue Ozdemir
CEO

Address: See Exro Technologies Inc.

SCHEDULE "A"**ADVANCE REQUEST CERTIFICATE**

TO: _____ (collectively, the "Interim Lender")

FROM: ●

DATE: ●, 2025

1. This certificate is delivered to you, as Interim Lender, in connection with a request for an Advance pursuant to the Interim Financing Credit Facility made as of May ●, 2025 between the Borrowers and the Interim Lender, as amended, supplemented, restated or replaced from time to time (the "**Term Sheet**"). All defined terms used, but not otherwise defined in this certificate shall have the respective meanings set forth in the Term Sheet, unless the context requires otherwise.
2. The Borrowers hereby request an Advance in an amount of \$● to be made on ●.
3. The representations and warranties set forth in the Interim Financing Credit Facility are and shall be true and accurate.
4. No event has occurred and is continuing which constitutes an Event of Default or which would constitute an Event of Default with the giving of notice or lapse of time or both.
5. All conditions precedent to the requested Advance pursuant to the Interim Financing Credit Facility have been satisfied and all supporting evidence required by the Interim Lender is attached hereto.

SIGNED as of the date first written above.

EXRO.

Per: _____

Name: _____

Title: _____

SCHEDULE "B"
PERMITTED ENCUMBRANCES

1. The Existing Indebtedness (as defined in the preamble to this Interim Financing Credit Facility).
2. Liens for taxes, assessments or governmental charges or levies not at the time due and delinquent or the validity of which are being contested in good faith by proper legal proceedings or undetermined or inchoate liens and charges incidental to current operations which have not at such time been filed pursuant to law or which relate to obligations not yet due or delinquent.
3. Purchase money security interests (PMSIs) registered prior to the date hereof, or undertaken in the ordinary course of business with the consent of the Strategic Advisor, not cumulatively to exceed \$1,000,000.

SCHEDULE “C”**MILESTONES**

Milestones 1 – funds to be advanced no earlier than June 15, 2024	
May 20, 2025	Establish initial operating plan for Borrowers acceptable to the Interim Lender
	Establish initial 13 week Cash Flow acceptable to the Interim Lender
May 30, 2025	Engagement Letter(s) executed by Exro with such external advisors recommended by the Strategic Advisor and acceptable to the Interim Lender
June 3, 2025	Holders of the Convertible Debentures consent to the postponement of security in favour of the Interim Lender, or notices of redemption issued in respect of the Convertible Debentures
Milestones 2 – funds to be advanced no earlier than July 15, 2025	
June 15, 2025	Execution of operating plan by Borrower in a manner acceptable to the Interim Lender
July 1, 2025	If not otherwise postponed to the Interim Lender per the terms of the Interim Financing Credit Facility – conclusion of the redemption of the Convertible Debentures and issuance of common shares in the capital of Exro in payment thereof.
July 15, 2025	Evidence of active engagement with at least three (3) credible strategic partners in accordance with operating plan, as assessed by the Strategic Advisor
Milestone 3 – funds to be advanced no earlier than September 30, 2025	
July 15, 2025	Execution of operating plan by Borrower in a manner acceptable to the Interim Lender
Sept 1, 2025	Execution of definitive contract(s) with credible strategic partners in accordance with operating plan, as assessed by the Strategic Advisor

Following September 30, 2025, milestones shall be established in accordance with the Interim Financing Credit Facility prior to any further Advances hereunder.

SCHEDULE “D”

WARRANT CERTIFICATE

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE ●, 2025.

COMMON SHARE PURCHASE WARRANT CERTIFICATE OF

EXRO TECHNOLOGIES INC.

(Incorporated under the laws of British Columbia)

CERTIFICATE NUMBER:	NUMBER OF WARRANTS:
2025 – 01	●

THIS IS TO CERTIFY THAT, for value received,

NBIMC QUANTITATIVE STRATEGIES FUND – CLASS N

or its lawful assignee (the “**Holder**”) is entitled to receive up to ● (●) fully paid and non-assessable common shares (collectively, the “**Common Shares**” and individually, a “**Common Share**”) in the capital of Exro Technologies Inc. (the “**Company**”) at any time on or after the earlier of June 30, 2026, or the date authorized by the board of directors of the Company, for One Cent (\$0.01) for all of the Common Shares, subject, however, to the provisions and upon the Terms and Conditions attached hereto as Schedule A and forming part hereof.

The rights represented by this Warrant Certificate may be exercised by the Holder, in whole or in part by delivery and surrender of this Warrant Certificate (properly endorsed as required), together with the warrant exercise form attached hereto as Appendix “A” (the “**Warrant Exercise Form**”), duly completed and executed, at the address of the Company set out on the Warrant Exercise Form or such other office as the Company may from time to time advise the Holder in writing, together with immediately available funds payable to or to the order of the Company in payment of the purchase price.

[Signature page follows.]

IN WITNESS WHEREOF, the Company has caused this Warrant Certificate to be executed by a duly authorized officer.

DATED for reference this ● day of ●, 2025.

EXRO TECHNOLOGIES INC.

Per: _____
Authorized Signing Officer.
I have the authority to bind the corporation.

SCHEDULE A
TERMS AND CONDITIONS
ATTACHED TO COMMON SHARE PURCHASE WARRANTS

Each Warrant of the Company, whether single or part of a series, is subject to these Terms and Conditions as they were at the date of issue of the Warrant.

PART 1

DEFINITIONS AND INTERPRETATION

Definitions

1.1 In these Terms and Conditions, except as otherwise expressly provided herein, the following words and phrases will have the following meanings:

- (a) **"Applicable Securities Laws"** means the securities laws, regulations, policies, notices, rulings and orders in the Provinces of Canada.
- (b) **"Business Day"** means a day, other than a Saturday, Sunday or statutory holiday in the City of Vancouver, in the Province of British Columbia or in the City of Fredericton, in the Province of New Brunswick.
- (c) **"Common Shares"** means the common shares in the capital of the Company.
- (d) **"Company"** has the meaning given to it on the face page of this Warrant Certificate.
- (e) **"Exchange"** means any stock exchange on which the Common Shares principally trade.
- (f) **"Exercise Price"** means \$0.01 for all the Common Shares.
- (g) **"Holder"** has the meaning given to it on the face page of this Warrant Certificate and includes any other registered holder of this Warrant Certificate.
- (h) **"Person"** means an individual, corporation, partnership, trustee or any unincorporated organization, and words importing persons have a similar meaning.
- (i) **"Warrant"** means a warrant as evidenced by this Warrant Certificate, whereby one (1) Warrant entitles the holder thereof to receive one (1) Common Share.
- (j) **"Warrant Certificate"** means this certificate evidencing the Warrants.
- (k) **"Warrant Exercise Form"** means Appendix "A" hereof.
- (l) **"Warrant Transfer Form"** means Appendix "B" hereof.

Interpretation

1.2 In these Terms and Conditions, except as otherwise expressly provided herein:

- (a) The words “**herein**”, “**hereof**”, and “**hereunder**” and other words of similar import refer to this Warrant Certificate as a whole and not to any particular Part, clause, subclause or other subdivision.
- (b) A reference to a Part means a Part of these Terms and Conditions and the symbol § followed by a number or some combination of numbers and letters refers to the section, paragraph or subparagraph of these Terms and Conditions so designated.
- (c) The headings are for convenience only, do not form a part of these Terms and Conditions and are not intended to interpret, define or limit the scope, extent or intent of these Terms and Conditions or any of its provisions.
- (d) All dollar amounts referred to herein are expressed in Canadian funds.
- (e) Time will be of the essence hereof.
- (f) Words importing the singular number include the plural and vice versa, and words importing the masculine gender include feminine and neuter genders.

Applicable Law

1.3 The Warrants will be construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein and will be treated in all respects as an Ontario contract.

PART 2

ISSUE OF WARRANTS

Issue of Warrants

2.1 The Company here issues the number of Warrants set on the face page of this Warrant Certificate to the Holder.

Issue in Substitution for Lost Warrants

2.2 In case a Warrant Certificate becomes mutilated, lost, destroyed or stolen, the Company in its discretion may issue and deliver a new Warrant Certificate of like date and tenor as the one mutilated, lost, destroyed or stolen in exchange for, and in place of, and upon cancellation of, such mutilated Warrant Certificate, or in lieu of and in substitution for such lost, destroyed or stolen Warrant Certificate, and the Warrants represented by such substituted Warrant Certificate will be entitled to the benefit hereof and rank equally in accordance with its terms with all other Warrants of the same issue. The Company may charge a reasonable fee for the issuance and delivery of a new Warrant Certificate.

2.3 The applicant for the issue of a new Warrant Certificate pursuant hereto will bear the cost of the issue thereof and in the case of loss, destruction or theft furnish to the Company such evidence of ownership, and of loss, destruction or theft of the Warrant Certificate so lost, destroyed or stolen as will be satisfactory to the Company in its discretion (acting reasonably).

Holder not a Shareholder

2.4 The holding of a Warrant will not constitute the Holder a shareholder of the Company, nor entitle the Holder to any right or interest in respect thereof, except as expressly provided in this Warrant Certificate.

Securities Law Exemption

2.5 The Holder acknowledges and agrees that the Warrants and any Common Shares issued pursuant to the exercise of any Warrants have been or will be issued only on a “private placement” basis and that the Holder is an “accredited investor” as defined in National Instrument 45-106 – *Prospectus Exemptions*.

PART 3

OWNERSHIP AND TRANSFER OF WARRANT

Transfer of Warrants

3.1 Subject to compliance with Applicable Securities Laws, the Warrants are transferable, in whole or in part, by the Holder completing and submitting to the Company a completed and duly executed Warrant Transfer Form.

Charges for Transfer

3.2 On transfer of Warrants, the Company, except as otherwise herein provided, may charge a reasonable fee for each new Warrant Certificate issued, and payment of any transfer taxes or governmental or other charges required to be paid will be made by the party requesting such exchange.

Ownership of Warrants

3.3 The Company may deem and treat the Holder of a Warrant as the absolute owner of such Warrant for all purposes and will not be affected by any notice or knowledge to the contrary.

Notice to Holder

3.4 Unless herein otherwise expressly provided, any notice to be given hereunder to a Holder will be deemed to be validly given, if mailed to the address of the Holder as set out on the Warrant Certificate. Any notice so given will be deemed to have been received five days from the date of mailing to the Holder or any market intermediary then holding the Warrants of the Holder in any trust or brokerage account.

PART 4

EXERCISE OF WARRANTS

Method of Exercise of Warrants

4.1 The right to receive Common Shares conferred by this Warrant Certificate may be exercised by the Holder by delivering to the Company, at the address of the Company set out on the Warrant Exercise Form or such other office as the Company may from time to time advise the Holder in writing, this Warrant Certificate, together with a duly completed and executed Warrant Exercise Form.

Exercise Price

4.2 The Exercise Price must be paid on the first exercise of Warrants, by the first Holder to exercise Warrants. This is a one time payment only.

Effect of Exercise of Warrants

4.3 Upon exercise of Warrants, the required number of Common Shares will be deemed to have been issued, and the exercising Holder will be deemed to have become the holder of such Common Shares on the date of such exercise.

4.4 Within ten (10) Business Days after each exercise of Warrants, the Company will forthwith cause to be delivered to the Person in whose name the Common Shares are directed to be registered as specified in such Warrant Exercise Form, or if no such direction is given, the exercising Holder, a certificate for the appropriate number of Common Shares.

Exercise for Less than Entitlement

4.5 A Holder may exercise Warrants for a number of Common Shares less than the number which the Holder is entitled to receive pursuant to the surrendered Warrant Certificate. In this event, the Holder, upon exercise, will, in addition to certificates representing the Common Shares issued on such exercise, be entitled to receive a new Warrant Certificate in respect of the balance of the Common Shares which the Holder was entitled to receive pursuant to the surrendered Warrant Certificate but which were not then received.

Expiration of Warrants

4.6 The Warrants do not expire and only terminate upon exercise or surrender.

Surrender of Warrants

4.7 A Holder may surrender the Warrants, in whole or in part, by written notice and delivery of the Warrant Certificate to the Company. In the event that a Holder surrenders only part of the Warrants, the Holder will be entitled to receive a new Warrant Certificate in respect of the balance of the Common Shares which the Holder was entitled to receive pursuant to the surrendered Warrant Certificate, but which were not surrendered.

PART 5 COVENANTS BY THE COMPANY

Reservation of Common Shares

5.1 The Company covenants and agrees that while any of the Warrants shall be outstanding, it shall reserve and there shall remain unissued out of its authorized capital a sufficient number of Common Shares to satisfy the right of purchase herein provided. All Common Shares which shall be issued upon the exercise of the right to purchase herein provided for, upon payment therefor of the amount at which such Common Shares may at the time be purchased pursuant to the provisions hereof, shall be issued as fully paid and non-assessable shares and the holders thereof shall not be liable to the Company or its creditors in respect thereof.

PART 6 MODIFICATION OF TERMS, SUCCESSORS

Modification of Terms and Conditions for Certain Purposes

6.1 From time to time the Company may, subject to the provisions of the Warrant Certificate, and with the agreement of the Holder, modify the terms and conditions hereof, for any one or more or all of the following purposes:

- (a) Adding to the provisions hereof such additional covenants and enforcement provisions as, in the opinion of legal counsel for the Company, are necessary or advisable in the circumstances.
- (b) Making such provisions not inconsistent herewith as may be necessary or desirable with respect to matters or questions arising hereunder or for the purpose of obtaining a listing or quotation of Warrants on any stock exchange or over-the-counter market.
- (c) Adding to or altering the provisions hereof in respect of the registration of Warrants making provision for the exchange of Warrant Certificates of different denominations; and making any modification in the form of Warrant Certificates which does not affect the substance thereof.
- (d) For any other purpose not inconsistent with the terms hereof, including the correction or rectification of any ambiguities, defective provisions, errors or omissions herein.
- (e) To evidence any succession of any corporation and the assumption by any successor of the covenants of the Company herein and in the Warrants contained as provided hereafter in this Part 6.

Company may Amalgamate on Certain Terms

6.2 Nothing herein contained will prevent any amalgamation or merger of the Company with or into any other company, or the sale of the property or assets of the Company to any company lawfully entitled to acquire the same, provided however, that either; (a) upon exercise the Holder shall be entitled to such securities or assets as the holder of a Common Share receives pursuant to such transaction, or (b) the company formed by such merger or amalgamation or which acquires by conveyance or transfer all or substantially all the properties and assets of the Company will, simultaneously with such amalgamation, merger, conveyance or transfer, assume the due and punctual performance and observance of all the covenants and conditions hereof to be performed or observed by the Company and will succeed to and be substituted for the Company, and such changes in phraseology and form (but not in substance) may be made in the Warrant Certificate as may be appropriate in view of such amalgamation, merger or transfer.

Additional Financings

6.3 Nothing herein contained will prevent the Company from issuing any other securities or rights with respect thereto during the period within which a Warrant is exercisable, upon such terms as the Company may deem appropriate.

APPENDIX "A"
WARRANT EXERCISE FORM

TO: EXRO TECHNOLOGIES INC. (the "Company")

The undersigned Holder of the within Warrants hereby exercises its right to receive _____ common shares (the "Common Shares") of the Company pursuant to the within Warrants on the terms and price specified in the Warrants.

If this is the first exercise of Warrants, the Holder makes payment by immediately available funds to or to the order of the Company for the whole amount of One Cent (\$0.01).

By his/her/its signature below, the undersigned represents and warrants to the Company that the undersigned (i) is not (and is not exercising the Warrants for the account or benefit of) a U.S. Person, as defined in Regulation S of the *United States Securities Act of 1933*, as amended (the "1933 Act"), (ii) did not execute or deliver this exercise form while within any state, territory or possession of the United States, and (iii) has in all other respects complied with the terms of Regulation S of the 1933 Act, or any successor rule or regulation of the United States Securities and Exchange Commission as presently in effect.

The undersigned hereby directs that the Common Shares be registered as follows:

Name(s)	Address(es)	Number of Common Shares

DATED THIS _____ day of _____, 20____.

BY:

[HOLDER]

Per: _____
Authorized Signing Officer.
I have the authority to bind the corporation.

APPENDIX "B"

WARRANT TRANSFER FORM

TO: EXRO TECHNOLOGIES INC. (the “Company”)

FOR VALUE RECEIVED, the undersigned holder of the within Warrants hereby sells, assigns and transfers to _____, _____ Warrants of the Company, registered in the name of the undersigned on the records of the Company.

The undersigned hereby directs that the Warrants hereby transferred be issued and delivered as follows:

NAME IN FULL	ADDRESS	NUMBER OF WARRANTS

DATED THIS _____ day of _____, 20____.

BY:

[HOLDER]

Per: _____
Authorized Signing Officer.
I have the authority to bind the corporation.

JOINDER TO CREDIT AGREEMENT

This JOINDER AGREEMENT (this “**Agreement**”) is entered into as of August 22, 2025, by Exro Vehicle Services Inc., and DPM Technologies Inc. as borrowers in favour of NBIMC Quantitative Strategies Fund – Class N (the “**Lender**”) in connection with that certain Interim Credit Facility dated May 15, 2025 and as may be further amended, restated or otherwise modified from time to time, the “**Credit Facility**”) by and among, among others, Exro Technologies Inc., Exro Technologies USA Inc., Cellex Energy Inc., Cellex Energy IP Inc., and SEA Electric Inc., SEA Electric ASIA Ltd, SEA Electric LLC, SEA Electric GmbH, and SEA Electric Limited (as “**Borrowers**”). Capitalized terms not otherwise defined herein are being used herein as defined in the Credit Facility.

NOW THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each signatory hereby agrees as follows:

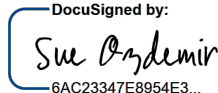
1. Each of Exro Vehicle Services Inc. and DPM Technologies Inc. acknowledge and agrees that it was identified as a “borrower” under and as defined in the Credit Facility, and was intended to be a borrower and proceeded as though it was a borrower under the Credit Facility effective as of May 15, 2025, notwithstanding that it did not execute the Credit Facility at such time.
2. Notwithstanding the acknowledgement in 1 above, each of Exro Vehicle Services Inc., and DPM Technologies Inc. also confirms that it is a “borrower” effective immediately upon the date of this Agreement. From and after the date of this Agreement, all references in the Credit Facility, to the term “borrower” and shall be deemed to include each of Exro Vehicle Services Inc., and DPM Technologies Inc. and each hereby agrees to be bound by all of the terms, provisions and conditions contained in the Credit Facility including, without limitation, all of the covenants of the borrowers set forth in the Credit Facility.
3. Each of Exro Vehicle Services Inc., and DPM Technologies Inc. hereby acknowledges and agrees that it is jointly and severally liable for all the obligations under the Credit Facility to the same extent and with the same force and effect as if Exro Vehicle Services Inc., and DPM Technologies Inc. had originally executed the Credit Facility.
4. Except as specifically modified hereby, all of the terms and conditions of the Credit Facility shall remain unchanged and in full force and effect.
5. Each of Exro Vehicle Services Inc., and DPM Technologies Inc. agrees to execute and deliver such further instruments and documents and do such further acts and things as the Lender may deem reasonably necessary or proper to carry out more effectively the purposes of this Agreement, with all such further actions to be at the cost and expense of each of Exro Vehicle Services Inc., and DPM Technologies Inc.
6. This Agreement and the Credit Facility shall be binding upon each of Exro Vehicle Services Inc., and DPM Technologies Inc. and its respective successors.
7. This Agreement shall be a contract made under and governed by the Province of Ontario and the federal laws applicable therein applicable to contracts made and to be performed entirely within such province, without regard to conflict of laws principles, and all matters relating hereto or arising herefrom (whether arising under contract law, tort law or

otherwise) shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws applicable therein, without regard to conflict of laws principles.

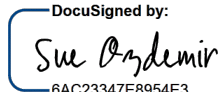
8. This Agreement shall be deemed to be part of, and a modification to, the Credit Facility and shall be governed by all the terms and provisions of the Credit Facility, with respect to the modifications intended to be made to such agreement, which terms are incorporated herein by reference, are ratified and confirmed and shall continue in full force and effect as valid and binding agreements of each of Exro Vehicle Services Inc., and DPM Technologies Inc. enforceable against such person.
9. This Agreement may be executed in any number of counterparts all of which together shall constitute one and the same instrument.
10. Transmission of an executed signature page by email or other electronic means is as effective as a manually executed counterpart of this Agreement.

The parties have caused this Agreement to be duly executed and delivered as of the date first set forth above.

Exro Vehicle Services Inc.

Per: 
6AC23347E8954E3...
Sue Ozdemir
CEO

DPM Technologies Inc.

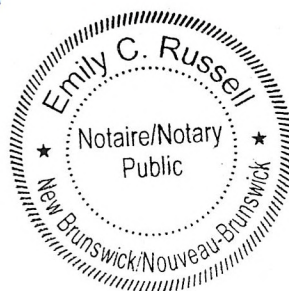
Per: 
6AC23347E8954E3...
Sue Ozdemir
CEO

THIS IS EXHIBIT "K" REFERRED TO IN THE
AFFIDAVIT OF MARK HOLLERAN

SWORN BEFORE ME THIS 3rd DAY OF
NOVEMBER, 2025.



A Notary Public in and for the Province of New Brunswick



This **PRIORITY, POSTPONEMENT AND STANDSTILL AGREEMENT** (this “**Agreement**”) is made as of August 26, 2025,

AMONG:

NBIMC QUANTITATIVE STRATEGIES FUND – CLASS N, as Interim Lender (the “**Interim Lender**”)

- and -

NBIMC QUANTITATIVE STRATEGIES FUND – CLASS N, **NBIMC QUANTITATIVE STRATEGIES (2017) FUND**, **NBIMC QUANTITATIVE STRATEGIC BETA (2017) FUND**, and **NBIMC QUANTITATIVE STRATEGIC BETA FUND – CLASS N**, as Existing Lenders (collectively, the “**Existing Lenders**”)

- and -

ODYSSEY TRUST COMPANY, as trustee under the Indenture (as defined below) (the “**Indenture Trustee**”),

- and -

EXRO TECHNOLOGIES INC., **EXRO TECHNOLOGIES USA INC.**, **EXRO VEHICLE SERVICES INC.**, **DPM TECHNOLOGIES INC.**, **CELLEX ENERGY INC.**, **CELLEX ENERGY IP INC.**, **AND SEA ELECTRIC INC.**, **SEA ELECTRIC ASIA LTD**, **SEA ELECTRIC LLC**, **SEA ELECTRIC GMBH**, and **SEA ELECTRIC LIMITED** (collectively, the “**Borrowers**”)

WHEREAS, reference is made to the interim financing credit facility dated May 15, 2025 (as amended, amended and restated, renewed, extended, supplemented, replaced or otherwise modified from time to time, the “**Interim Loan Agreement**”) by and among the Borrowers, as joint and several borrowers, and the Interim Lender, as lender, pursuant to which the Interim Lender has agreed to extend credit to the Borrowers on the terms and subject to the conditions specified in the Interim Loan Agreement;

AND WHEREAS, reference is made to those senior secured promissory notes (collectively, the “**2024 Notes**”) issued by the Borrowers, or any of them, to the Existing Lenders, or any of them, evidencing loans and funding advanced to the Borrowers, or any of them, by the Existing Lenders, or any of them;

AND WHEREAS, reference is made to those senior secured convertible debentures dated December 30, 2022 issued by Exro Technologies Inc. (as amended, amended and restated, renewed, extended, supplemented, replaced or otherwise modified from time to time, collectively, the “**Debentures**”) issued pursuant to an indenture dated as of the same date between Exro Technologies Inc. and the Indenture Trustee, (the “**Original Indenture**”) pursuant to which the holders of the notes issued thereunder (the “**Debentureholders**”) made loans and advances to Exro Technologies Inc.;

AND WHEREAS, pursuant to the terms of the Interim Loan Agreement (as subsequently agreed by the Interim Lender), the Debentureholders were required to postpone and subordinate the Indenture Obligations and Indenture Security to the Senior Obligations and Senior Security (as such terms are defined here), and to provide for the *pari passu* repayment of the 2024 Notes;

AND WHEREAS, the Debentureholders, executed an extraordinary resolution approving i) amendment of the Original Indenture to provide for, *inter alia*, the postponement and subordination of the Indenture Obligations and Indenture Security to the Senior Obligations and Senior Security (as such terms are defined here) and that the repayment of the obligations of the Borrowers under the 2024 Notes would be made *pari passu* with any repayment to the Debentureholders of the Indenture Obligations; and ii) that the Indenture Trustee be authorized and directed to enter into such further agreements as may be required by the Borrowers or the Interim or Existing Lenders may require to give effect to the extraordinary resolutions.

AND WHEREAS the Original Indenture was amended and an Amended and Restated Indenture was executed by the Indenture Trustee and Exro Technologies Inc. on July 11, 2025 (the “**Amended Indenture**”).

AND WHEREAS the Borrowers, Interim Lender, and the Existing Lenders wish to enter into this Agreement with the Indenture Trustee for the purpose of confirming the provisions set out in the Amended Indenture and the extraordinary resolution.

NOW, THEREFORE, in consideration of the mutual covenants, terms and conditions set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

ARTICLE 1 DEFINITIONS AND INTERPRETATION

1.1 Definitions. In this Agreement, the following terms have the following meanings:

“**Assets**” means all of the present and future assets, property and undertaking of each Borrower, real and personal, moveable and immovable, of whatsoever nature and kind and wheresoever situated.

“**BIA**” means the *Bankruptcy and Insolvency Act* (Canada).

“**Cash Proceeds of Enforcement**” means the aggregate of (i) all Proceeds of Enforcement in the form of cash; and (ii) all cash proceeds from the sale of non-cash Proceeds of Enforcement.

“**CCAA**” means the *Companies’ Creditors Arrangement Act* (Canada).

“**Collateral**” means all of the present and future Assets of the Borrowers.

“**DIP**” means “debtor-in-possession”.

“**Event of Default**” means any default or event of default under any of the Note Documents, the Indenture Loan Documents, or the Senior Loan Documents.

“**Encumbrance**” means any security interest, mortgage, debenture, pledge, hypothec, assignment (as security), deposit arrangement, lien (statutory or other), charge, title retention, consignment, lease or other security agreement or trust, right of set-off or other arrangement having the effect of security for the payment of any debt, liability or obligation.

“**Enforcement Action**” means any sale or disposition of, or other enforcement action taken by the Senior Lender, the Existing Lenders or the Debentureholders with respect to all or any of the Collateral pursuant to the PPSA, any federal or provincial laws, the Security, the Loan Documents,

or otherwise, either outside of, or within, an Insolvency Proceeding including: (a) notifying account debtors to directly collect accounts receivable or other payment rights of the Borrowers; (b) taking from, or for the account of, the Borrowers, by set-off or in any other manner, the whole or any part of any monies which may now or hereafter be owing to the Borrowers with respect to such obligations; (c) collecting insurance proceeds or any other payment representing indemnity or compensation for loss of, damage to or interruption of the business of any of the Borrowers; or (d) taking any other enforcement action to enforce, foreclose upon, take possession of or sell the Collateral;

“Indenture Loan Documents” means the Debentures, Indenture Security, and all other agreements, documents and instruments now or hereafter entered into in connection therewith by the Borrowers or any other Person, in each case as the same may be amended, amended and restated, renewed, extended, supplemented, replaced or otherwise modified from time to time.

“Indenture Obligations” means all of the obligations, liabilities and indebtedness, present or future, direct or indirect, matured or unmatured, absolute or contingent, and whether as principal debtor, guarantor, or otherwise, at any time owing under any of the Indenture Loan Documents by the Borrowers to any Noteholder.

“Indenture Security” means any and all agreements, documents and instruments creating or granting the Encumbrances in the Collateral in favour of the Debentureholders from time to time as security for all or any of the Indenture Obligations, in each case as the same may be amended, amended and restated, renewed, extended, supplemented, replaced or otherwise modified from time to time.

“Insolvency Proceeding” means any proceeding in respect of bankruptcy, insolvency, winding up, receivership, arrangement, restructuring, reorganization, liquidation, dissolution or similar proceeding under the BIA, CCAA, corporate legislation, or any other similar laws of any jurisdiction in respect of the Borrowers or the Assets.

“Lenders” means, collectively, the Senior Lender, the Existing Lenders, and the Debentureholders, and “Lender” shall mean any one of them.

“Loan Documents” means collectively, the Senior Loan Documents, the Notes, and the Indenture Loan Documents.

“Note Documents” means the 2024 Notes, the Note Security, and all other agreements, documents and instruments now or hereafter entered into in connection therewith by the Borrowers or any other Person, in each case as the same may be amended, amended and restated, renewed, extended, supplemented, replaced or otherwise modified from time to time.

“Note Obligations” means all of the obligations, liabilities and indebtedness, present or future, direct or indirect, matured or unmatured, absolute or contingent, and whether as principal debtor, guarantor, or otherwise, at any time owing under any of the Note Documents by the Borrowers or any other Person to the Existing Lenders.

“Note Security” means any and all agreements, documents and instruments creating or granting the Encumbrances in the Collateral in favour of any Existing Lenders from time to time as security for all or any of the Note Obligations, in each case as the same may be amended, amended and restated, renewed, extended, supplemented, replaced or otherwise modified from time to time.

“Obligations” means collectively, the Senior Obligations, the Note Obligations, and the Indenture Obligations.

“Paid in Full” or **“Payment in Full”** means that, with respect to the Senior Obligations: (a) all of the Senior Obligations have been indefeasibly paid, performed or discharged in full (with all Senior Obligations consisting of monetary or payment obligations having been paid in full in cash); and (b) no Person has any further right to obtain any loans, letters of credit or other extensions of credit under the Senior Loan Documents.

“Person” means any individual, sole proprietorship, corporation, company, partnership, joint venture, association, governmental authority, unincorporated organization, trust, or other entity.

“PPSA” means the *Personal Property Security Act* (Ontario) as in effect from time to time, provided that, if the attachment, perfection or priority of a Lender’s security in any Assets is governed by the laws of a jurisdiction outside of Ontario, PPSA shall mean the laws of the non-Ontario jurisdiction for the purposes hereof relating to attachment, perfection or priority.

“Proceeds of Enforcement” means all proceeds (including money, choses in action, securities, assets and other property) derived from any Enforcement Action, in each case net of all costs, charges and expenses incurred in connection with such Enforcement Action, including legal fees and receiver’s costs.

“Security” means, collectively, the Senior Security, the Note Security and the Indenture Security.

“Senior Lender” means, the Interim Lender and its successors and assigns.

“Senior Loan Documents” means the Interim Loan Agreement, Senior Security, and all other agreements, documents and instruments now or hereafter entered into in connection therewith by the Borrowers or any other Person, in each case as the same may be amended, amended and restated, renewed, extended, supplemented, replaced or otherwise modified from time to time.

“Senior Obligations” means all of the obligations, liabilities and indebtedness, present or future, direct or indirect, matured or unmatured, absolute or contingent, and whether as principal debtor, guarantor, or otherwise, at any time owing under any of the Senior Loan Documents by the Borrowers or any other Person to any Senior Lender.

“Senior Security” means any and all agreements, documents and instruments creating or granting the Encumbrances in the Collateral in favour of the Senior Lender from time to time as security for all or any of the Senior Obligations, in each case as the same may be amended, amended and restated, renewed, extended, supplemented, replaced or otherwise modified from time to time.

“Standstill Period” has the meaning given to it in section 4.2.

1.2 **Interpretation.** For purposes of this Agreement, (i) the words “include”, “includes” and “including” are deemed to be followed by the words “without limitation”; (ii) the word “or” is not exclusive; (iii) the words “herein”, “hereof”, “hereby”, “hereto” and “hereunder” refer to this Agreement as a whole; (iv) whenever the singular is used herein, the same includes the plural, and whenever the plural is used herein, the same includes the singular, where appropriate; (v) whenever the masculine is used herein, the same includes the feminine, and whenever the feminine is used herein, the same includes the masculine, where appropriate; and (vi) the term “ordinary course of business” or any similar phrase shall be

deemed to be followed by the words “consistent with past practice”]. Unless the context otherwise requires, references herein: (x) to sections, schedules and exhibits mean the sections of, and schedules and exhibits attached to, this Agreement; (y) to an agreement, instrument or other d

- 1.3 **Headings.** The headings in this Agreement are inserted for convenience or reference only and are in no way intended to describe, interpret, define or limit the scope, extent or intent of this Agreement or any provision of this Agreement.
- 1.4 **Additional** Obligor. Each of the Borrower and each Obligor shall cause every Person that becomes an Obligor after the date hereof to immediately execute and deliver an acknowledgement and agreement in favour of each Lender agreeing to be bound by this intercreditor agreement, substantially in a form as acceptable to the Lenders.

ARTICLE 2 POSTPONEMENT & SUBORDINATION

- 2.1 **Payment Subordination.** Until the Senior Obligations have been Paid in Full, the Indenture Trustee agrees, for and on behalf of the Debentureholders that the Indenture Obligations are fully subordinated and postponed to the prior repayment in full of all Senior Obligations. Indenture Trustee agrees, for and on behalf of the Debentureholders that, at any time, the Borrowers may make and the Senior Lender may accept any payment or prepayment in respect of the Senior Obligations, or any part thereof, whether or not, one or more of the following is in effect:
- (a) A Standstill Period is in effect;
 - (b) An Insolvency Proceeding is in effect; or
 - (c) A Event of Default has occurred.
- 2.2 **Payment of Indenture Obligations prior to Senior Obligations.** Until the Senior Obligations have been Paid in Full in cash and the Senior Loan Documents and all obligations of the Senior Lender thereunder have been terminated, no direct or indirect cash payment (including but not limited to, principal, interest (other than PIK Interest as defined under the Amended Indenture), premium, fees or any other amounts due on account of the Indenture Obligations or any judgment with respect thereto), prepayment or repayment, or the purchase or redemption or other acquisition on account of, or other distribution in respect of, the Indenture Obligations shall be made by, or on behalf of, the Borrower or received by, or on behalf of, the Debentureholders, except as and when expressly permitted by the Senior Lender in writing.
- 2.3 **Security Subordination.** Until the Senior Obligations have been Paid in Full, the Indenture Security shall be and is hereby subordinated and postponed for all purposes and in all respects to the Senior Security and the Senior Security will have priority, to the full extent of the Senior Obligations, over the Indenture Security, to the full extent of the Indenture Obligations, in all respects and at all times.

ARTICLE 3 PARI PASSU

- 3.1 **Pari Passu Repayment.** After the Senior Obligations are Paid in Full, the Indenture Trustee agrees, for and on behalf of the Debentureholders that the Indenture Obligations shall rank, *pari passu*, with the Note Obligations in all respects and without any preference or priority among themselves.
- 3.2 **Payment of Indenture Obligations prior to repayment of Note Obligations.** No direct or indirect cash payment (including but not limited to, principal, interest (other than PIK Interest as defined under the Amended Indenture), premium, fees or any other amounts due on account of the Indenture Obligations or any judgment with respect thereto), prepayment or repayment, or the purchase or redemption or other acquisition on account of, or other distribution in respect of, the Indenture Obligations shall be made by, or on behalf of, the Borrower or received by, or on behalf of, the Debentureholders, except to the extent that such cash payment is made *pari passu* to the Existing Lenders in accordance with this Agreement.
- 3.3 **Pari Passu Security.** Without limiting the generality of the foregoing, any Indenture Security or Note Security, shall secure both the Note Obligations and Indenture Obligations equally and rateably, and any such security shall be enforced and applied *pari passu* in satisfaction of the Note Obligations and the Indenture Obligations. Neither the Existing Lenders or the Indenture Trustee, for and on behalf of the Debentureholders, shall take any action, or enter into any agreement, that would result in either the Note Obligations or the Indenture Obligations, or any related security, ranking in priority to the other in right of payment or enforcement.

ARTICLE 4 STANDSTILL PERIOD

- 4.1 **No Enforcement of Indenture Security Before or During Standstill Period.** Until the Senior Obligations have been Paid in Full, whether or not an Insolvency Proceeding has been commenced by or against any Borrower, the Senior Lender shall have the exclusive right to take and continue (or refrain from taking and continuing) any Enforcement Action with respect to the Collateral it may determine necessary in its sole discretion, including the exclusive right to take or retake control or possession of any Collateral and to hold, prepare for sale, process, sell, lease, dispose of, foreclose upon, or liquidate any Collateral. In that regard, the Indenture Trustee, for and on behalf of the Debentureholders, shall not, without the prior written consent of the Senior Lender, take any Enforcement Action with respect to any Indenture Obligations or the Collateral.
- 4.2 **Enforcement of Indenture Security After Standstill Period.** Notwithstanding the foregoing, the Indenture Trustee, for and on behalf of the Debentureholders, may take any Enforcement Action with respect to the Indenture Obligations, the Indenture Security and the Collateral after the passage of a period of 120 days (the “Standstill Period”) from the date of delivery of a written notice to the Senior Lender from the Indenture Trustee of the acceleration or non-payment at maturity of the indebtedness then outstanding under the Indenture Loan Documents, *provided* that, notwithstanding the foregoing, in no event shall the Indenture Trustee exercise or continue to exercise any such rights or remedies if, notwithstanding the expiration of the Standstill Period, one or more of the following is in effect:

- (a) the Senior Lender, shall have commenced and be diligently pursuing the exercise of any Enforcement Action with respect to any of the Senior Obligations or the Collateral;
- (b) the Existing Lenders, or any of them, shall have commenced and be diligently pursuing the exercise of any Enforcement Action with respect to any of the Note Obligations or the Collateral;
- (c) an Insolvency Proceeding shall have been commenced in respect of any Borrower; or
- (d) the acceleration of the Indenture Obligations shall be rescinded in accordance with the terms of the Indenture Loan Documents.

4.3 Actions That the Indenture Trustee Can Take During Standstill Period. Notwithstanding Section 4.2, the Indenture Trustee, for and on behalf of the Debentureholders may do all of the following:

- (a) file and defend proofs of claim against the Borrowers or attend and vote at a meeting of creditors in any Insolvency Proceeding involving the Borrowers, so long as such vote does not impair any rights of the Senior Lender or Existing Lenders in accordance with this Agreement;
- (b) accelerate the Indenture Obligations;
- (c) take action for non-payment of the Indenture Obligations for the purposes of obtaining a monetary judgment in respect thereof, provided no action is taken to enforce such judgment;
- (d) take action that is required to preserve the validity, perfection, enforceability or priority of the Indenture Obligations; and
- (e) provide any Borrower with notice of default, demand for payment, acceleration, intention to enforce or dispose or similar notices in connection with the Indenture Obligations, provided no action is taken to enforce.

ARTICLE 5 ENFORCEMENT AND REMEDIES

5.1 Written Notice of Default. Each Lender agrees to give the other Lender concurrent written notice of any notice given to any Borrower of the occurrence of an Event of Default or demand or the exercise by such Lender of any Enforcement Action. The parties acknowledge that a Lender shall not incur any liability for failure to provide such notice (except in accordance with applicable laws).

5.2 Application of Cash Proceeds of Enforcement. All Cash Proceeds of Enforcement or any other payment or distribution will be applied and distributed, and the Security will be deemed to have the relative priorities which would result in the Cash Proceeds of Enforcement being applied and distributed as follows:

- (a) First, to the payment of all reasonable costs and expenses incurred by the Senior Lender in the exercise of all or any of the powers granted to it under the Senior Security (including the payment of receiver costs and expenses).
- (b) Second, to the Payment in Full of the Senior Obligations.
- (c) Third, in payment or in reimbursement to Indenture Trustee of its compensation, costs, charges, expenses, borrowings, advances or other monies furnished or provided by or at the instance of Indenture Trustee in or about the execution of its trusts under, or otherwise in relation to, the applicable Indentures, with interest thereon as provided for in the applicable Amended Indenture by which Indenture Trustee is governed;
- (d) Fourth, to the payment, *pari passu*, of:
 - (i) all reasonable costs and expenses incurred by the Debentureholders and the Existing Lenders in the exercise of all or any of the powers granted to it under the Indenture Security or the Note Security (including, without limitation, the payment of receiver costs and expenses, so long as the such parties are able to appoint a receiver in accordance with this Agreement).
- (e) Fifth, to the payment, *pari passu*, of the total of the Indenture Obligations and the Note Obligations.
- (f) The balance, if any, in accordance with the laws applicable to the parties hereto.

5.3 **Trust.** The Indenture Trustee acknowledges and agrees that any Cash Proceeds of Enforcement or any other payment or distribution of any kind or character from any Borrower or other Person in respect of the Indenture Obligations in violation of this Agreement, shall be held in trust by the Indenture Trustee for the benefit of the Senior Lender or the Existing Lenders and forthwith paid or delivered to the Senior Lender or Existing Lenders in the form received, in accordance with this Agreement.

5.4 **Lenders Rights.** The Indenture Trustee agrees that the Senior Lender and Existing Lenders shall be entitled to deal with the Senior Security and Note Security in accordance with the terms of the documents representing the Senior Security and Note Security and nothing herein shall prevent, restrict or limit the Senior Lender or the Existing Lenders in any manner from exercising all or any part of its rights and remedies otherwise permitted by such documents and by applicable laws upon any Event of Default, and without limiting the generality of the foregoing, the Indenture Trustee agrees that:

- (a) the Senior Lender or the Existing Lenders, in their absolute discretion or in the absolute discretion of any authorized officer or agent thereof, and without diminishing the obligations of the Indenture Trustee hereunder, may grant time or other indulgences to the Borrowers and any other Person now or hereafter liable to the Senior Lender or Existing Lenders in respect of the payment of the Senior Obligations or the Note Obligations, and the Senior Lender or the Existing Lenders may give up, amend, modify, vary, exchange, renew or abstain from taking advantage of the Senior Security or Note Security in whole or in part and may discharge any part or parts of or accept any composition or arrangements or realize upon the Senior Security or Note Security when and in such manner as the Senior Lender or Existing Lenders or any authorized officer or agent thereof may

think expedient, and in no such case shall the Senior Lender or the Existing Lenders, or any of them, be responsible for any neglect or omission with respect to the Senior Security or Note Security or any part thereof;

- (b) the Debentureholders shall not be released or exonerated from their obligations hereunder by extension of time periods or any other forbearance whatsoever, whether as to time, performance or otherwise or by any release, discharge, loss, amendment, modification or alteration in or dealing with all or any part of the Senior Obligations and the Senior Security or the Note Obligations or Note Security or any part thereof or by any failure or delay in giving any notice required under this Agreement, the Senior Obligations, any Senior Loan Document, the Note Obligations or any Note Document, or any part thereof, the waiver by any of the Senior Lender or Existing Lender of compliance with any conditions precedent to any advance of funds, or by any amendment, modification or alteration of any Senior Loan Document or Note Document or any part thereof, or by anything done, suffered or permitted by, any of the Senior Lender or Existing Lenders, or as a result of the method or terms of payment under any Senior Loan Document or Note Document or any part thereof or any assignment or other transfer of all or any part of a Senior Loan Document, the Senior Obligations, a Note Document or the Note Obligations or any part thereof;
- (c) the Senior Lender and Existing Lenders shall not be bound to seek or exhaust any recourse against any Borrower or any other Person or against the Assets of any Borrower or any other Person or against any security, guarantee or indemnity before being entitled to the benefit of the Debentureholders' obligations hereunder and the Senior Lender and Existing Lender may enforce the various remedies available to them and may realize upon the various security documents, guarantees and indemnities or any part thereof, held by them in such order as the Senior Lender and Existing Lender may determine appropriate;
- (d) the Debentureholders are fully responsible for acquiring and updating information relating to the financial condition of the Borrowers and all circumstances relating to the payment or non-payment of the Indenture Obligations;
- (e) the Senior Lender shall not be required to marshal in favour of the Debentureholders or Existing Lenders or any other Person the Senior Security or any other securities or any moneys or other Assets which the Senior Lender may be entitled to receive or upon which the Senior Lender may have a claim;
- (f) the Senior Lender shall be entitled to increase or decrease the principal amount of the Senior Obligations or any interest or fees under the Senior Loan Documents;
- (g) the Senior Lender shall be entitled to advance their own monies as they see fit in order to preserve or protect the Assets of the Borrowers or any part thereof, and all such sums advanced to the extent reasonably advanced to preserve and protect the Assets of the Borrowers or any part thereof, shall constitute part of the Senior Obligations and shall be secured by the Senior Security; and
- (h) the Senior Lender and Existing Lenders may deal with the Borrowers as they see fit in their sole and absolute discretion.

ARTICLE 6 REPRESENTATIONS AND WARRANTIES

- 6.1 **Representations and Warranties.** Each party hereto hereby represents and warrants to the to the other parties hereto of the date hereof (and each party acknowledges that the Senior Lender is relying upon such representations and warranties in continuing to extend credit to the Borrowers):
- (a) That such party has the capacity, power and authority to enter into, execute, deliver, and carry out the terms of this Agreement and the transactions contemplated by this Agreement, all of which have been duly authorized by all proper and necessary action and that such party has duly executed and delivered this Agreement.
 - (b) The execution of this Agreement will not violate or conflict with the constating documents of such party, the Indenture Loan Documents, the Note Documents, or the Senior Loan Documents, as applicable to such party, or any law, regulation or order or require any consent or approval that has not been obtained.
 - (c) This Agreement is the legal, valid, and binding obligation of such party, enforceable against such party in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, arrangement, reorganization, moratorium, or similar laws affecting the enforcement of creditors' rights generally and by equitable principles.

ARTICLE 7 BANKRUPTCY AND INSOLVENCY

- 7.1 **Agreement Binding on Receiver or Trustee.** This Agreement shall be effective before, during and after the commencement of an Insolvency Proceeding. All references in this Agreement to the Borrowers shall include any interim receiver, receiver, receiver-manager, monitor, proposal trustee, trustee, liquidator, custodian or other Person having authority for a Borrowers or over the Collateral of a Borrower in any Insolvency Proceeding.
- 7.2 **Insolvency Proceeding.** In the event of any Insolvency Proceeding involving the any Borrower:
- (a) The Obligations shall be distributed and applied in accordance with Section 5.2 of this Agreement.
 - (b) The Indenture Trustee, for and on behalf of the Debentureholders, irrevocably authorizes, empowers, and directs any debtor, DIP, interim receiver, receiver, receiver-manager, monitor, proposal trustee, trustee, liquidator, custodian or other Person having authority, to pay or otherwise deliver all such payments to the Senior Lender and Existing Lenders as provided in Section 5.2. The Indenture Trustee also irrevocably authorizes and empowers the Senior Lender and the Existing Lenders in the name of the Debentureholders, to demand, sue for, collect and receive any and all such payments.
 - (c) The Indenture Trustee, for and on behalf of the Debentureholders, agrees that the Senior Lender may consent to the use of cash collateral or provide DIP financing

to any Borrower on such terms and conditions and in such amounts as the Senior Lender, in their sole discretion, may decide and, in connection therewith, any Borrower may grant to the Senior Lender Encumbrances upon all of the Assets, which Encumbrances: (i) shall secure payment of all obligations owing to the Senior Lender for the DIP financing provided by the Senior Lender during such Insolvency Proceeding; and (ii) shall be superior in priority to the Encumbrances in favour of the Debentureholders on the Assets of the Borrowers as applicable. The Indenture Trustee, for and on behalf of the Debentureholders, agrees that it will not object to or oppose any such cash collateral usage or DIP financing provided or approved by the Senior Lender. The Indenture Trustee, for and on behalf of the Debentureholders, agrees that it will not provide, or offer to provide, any DIP financing to any Borrower without the prior written consent of the Senior Lender.

- (d) The Indenture Trustee, for and on behalf of the Debentureholders, agrees that it will not object to or oppose any sale or disposition of any property securing all or any part of the Senior Obligations free and clear of Encumbrances, or other claims of any Debentureholders, if the Senior Lender has consented to such sale or disposition. The Indenture Trustee, for and on behalf of the Debentureholders, will be deemed to have consented to any such sale or disposition supported by the Senior Lender and to have released their Encumbrances on such property (but not to any proceeds of sale required to be paid in accordance with this Agreement).
- (e) The Indenture Trustee, for and on behalf of the Debentureholders, agrees not to initiate, prosecute or participate in any claim, action or other proceeding challenging the enforceability, validity, perfection or priority of any portion of the Senior Obligations or Note Obligations or any Encumbrances securing any portion of the Senior Obligations or Note Obligations. The Senior Obligations and Note Obligations shall continue to be treated as Senior Obligations and Note Obligations (as applicable) and the provisions of this Agreement shall continue to govern the relative rights and priorities of the Lenders even if all or part of the Senior Obligations or Note Obligations or the Encumbrances securing the Senior Obligations or Note Obligations are subordinated, set aside, avoided, invalidated, or disallowed in connection with any such Insolvency Proceeding. This Agreement shall be reinstated if at any time any payment of any of the Senior Obligations or Note Obligations is rescinded or must otherwise be returned by the Senior Lender or Existing Lender (as applicable).
- (f) The Indenture Trustee, for and on behalf of the Debentureholders, agrees to execute, verify, deliver and file any proofs of claim in respect of the Indenture Obligations reasonably requested by the Senior Lender or Existing Lenders in connection with any such Insolvency Proceeding in accordance with the terms of this Agreement. The Indenture Trustee, for and on behalf of the Debentureholders, irrevocably authorizes the Senior Lender or Existing Lenders, if either so chooses, to file such proofs of claim upon the failure of the Noteholder to do so prior to five (5) Business Days before the expiration of the time to file any such proof of claim, *provided, however*, that the Senior Lender and Existing Lenders shall not be permitted to vote such claim and all voting rights with respect thereto shall be retained by the Indenture Trustee, for and on behalf of the Debentureholders. The Indenture Trustee, for and on behalf of the Debentureholders, agrees not to vote for any plan of arrangement or reorganization or proposal that does not provide for

the payment of the Obligations in accordance with this Agreement or otherwise vote its claims or interests in any Insolvency Proceeding (including voting for or, or supporting, confirmation of any plans of arrangement or reorganization or proposals) in a manner that would be inconsistent with the terms of this Agreement, or otherwise prejudicial to the Senior Lender or Existing Lenders. For greater certainty, the Senior Lender or Existing Lenders shall have no affirmative obligation to file any such proof of claim on behalf of the Debentureholders.

- (g) The Indenture Trustee, for and on behalf of the Debentureholders, agrees that, until the Senior Obligations are Paid in Full, it will not (i) seek relief from any stay in any Insolvency Proceeding or support any other person seeking such relief, or (ii) object to, or support any other person objecting to, the Senior Lender's request for relief from any stay in any Insolvency Proceeding.
- (h) If any Lender receives payment or other distribution on account of the Obligations and such payment or other distribution is subsequently invalidated, declared to be fraudulent or preferential or required to be repaid to any Borrower, the trustee, receiver, receiver and manager or any other Person under any applicable law then, to the extent of such payment required to be repaid, the Obligations, as applicable, shall be reinstated as if such payment had not been received by the Lender, as applicable.

ARTICLE 8 MISCELLANEOUS

- 8.1 **Conflict.** In the event of any conflict between any term, covenant, or condition of this Agreement and any term, covenant or condition of the Loan Documents, the provisions of this Agreement shall control and govern.
- 8.2 **Continuing Subordination; Termination of Agreement.** This is a continuing agreement of subordination, and each Lender may continue, at any time and without notice to the other Lender, to extend credit or other financial accommodation and loan monies to, or for the benefit of, any Borrower on the faith hereof. This Agreement shall remain in full force and effect until the Senior Obligations and Note Obligations have been Paid in Full, after which this Agreement shall terminate without further action on the part of the parties hereto.
- 8.3 **Unconditional Obligations.** All rights, agreements and obligations of the Lenders and the priorities of the Security and the Obligations set out in this Agreement will remain in full force and effect irrespective of any matter or thing, including:
 - (a) The validity, lack of validity, perfection, lack of perfection, enforceability or unenforceability of any provision of the Security and the Loan Documents or any agreement forming part of the Obligations.
 - (b) The time of creation, granting, execution, delivery, attachment, registration, filing, perfection or enforcement of any of the Obligations or the Security or any part thereof.
 - (c) The time of any loan or advance made to any Borrower by a Lender.

- (d) The jurisdictions where any of the Security is registered or the failure of a Lender to properly register or perfect any of the Security in any jurisdiction.
- (e) The time of default, demand or acceleration of payment.
- (f) Any priority otherwise granted to the Obligations or the Security under applicable law, including any purchase-money security interest.
- (g) Any other matter whatsoever.

Any action taken or thing done by a Lender in contravention of this Agreement will be null and void and of no effect.

8.4 **No Release.** This Agreement shall remain in full force and effect without regard to, and the obligations of the Lenders hereunder shall not be released or otherwise affected or impaired by:

- (a) Any exercise or non-exercise by a Lender of any right, remedy, power or privilege in any of the Loan Documents.
- (b) Any waiver, consent, extension, indulgence or other action, inaction or omission by a Lender under or in respect of this Agreement or any of the Loan Documents.
- (c) Any default by any Borrower under, or any limitation on the liability of any Borrower on the method or terms of payment under, any of the Loan Documents.
- (d) Any Insolvency Proceeding.
- (e) Any merger or amalgamation of a Lender, any Borrower into or with any other Person.
- (f) Any defence based upon an election of remedies by a Lender which destroys or otherwise impairs the subrogation rights of the Lender.

8.5 **Agreement Not to Apply.** As between the Lenders, nothing contained in this Agreement shall be construed as entitling a Lender to receive any payments in respect of which such Lender's Security has been judicially determined by final judgment to be invalid, unperfected or unenforceable against third parties. Where a third party has a claim to any payments in priority to or *pari passu* with one Lender but not in priority to or *pari passu* with the other Lender, then this Agreement will not apply so as to diminish the rights (as such rights would have been but for the provisions hereof) of such other Lender to such payments. Nothing contained in this Agreement shall be construed as conferring any rights upon any Person other than the Lenders.

8.6 **Amendment and Modification.** This Agreement may only be amended, modified or supplemented by an agreement in writing signed by the Lenders. The agreement in writing shall then be binding on the Borrowers.

8.7 **Waiver.** No waiver by any party of any of the provisions hereof is effective unless explicitly set forth in writing and signed by the party so waiving. No waiver by any party will operate or be construed as a waiver in respect of any failure, breach or default not expressly identified by such written waiver, whether of a similar or different character, and whether

occurring before or after that waiver. No failure to exercise, or delay in exercising, any right, remedy, power or privilege arising from this Agreement will operate or be construed as a waiver thereof; nor will any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

- 8.8 **Cumulative Remedies.** The rights and remedies under this Agreement are cumulative and are in addition to and not in substitution for any other rights and remedies available at law or in equity or otherwise.
- 8.9 **No Subrogation.** The Indenture Trustee, for and on behalf of the Debentureholders, shall not be subrogated to the rights of the Senior Lender or Existing Lenders with respect to receipt of payments on account of the Indenture Obligations or Note Obligations unless and until all of the Senior Obligations and Note Obligations have been Paid in Full. For the purposes of such subrogation, no payments made to the Senior Lender or Existing Lenders to which the Debentureholders would be entitled except for this Agreement, and no payments made pursuant to the provisions of this Agreement to the Senior Lender or Existing Lenders by such Debentureholders shall, as among the Borrowers, their creditors and such Debentureholders, be deemed to be a payment by the Borrowers to or on account of the Indenture Obligations.
- 8.10 **Indenture Obligations Not Affected.** The subordination provisions of this Agreement are and are intended solely for the purposes of defining the relative rights of the Indenture Trustee, for and on behalf of the Debentureholders and the Senior Lender, as among themselves. Subject to this Agreement, as between the Borrowers and the Indenture Trustee, for and on behalf of the Debentureholders, nothing contained herein shall impair the unconditional and absolute obligation of the Borrowers to the Debentureholders to pay the Indenture Obligations as they become due and payable.
- 8.11 **Successors and Assigns.** This Agreement is binding upon and shall enure to the benefit of the parties hereto and their respective permitted successors and permitted assigns. The Senior Lender and Existing Lenders may, from time to time, without notice to the Indenture Trustee, assign or transfer any or all of the Senior Obligations or Note Obligations or any interest therein to any Person and, notwithstanding any such assignment or transfer, or any subsequent assignment or transfer, the Senior Obligations and Note Obligations shall, subject to the terms hereof, be and remain Senior Obligations and Note Obligations for purposes of this Agreement, and every permitted assignee or transferee of any of the Senior Obligations or Note Obligations or of any interest therein shall, to the extent of the interest of such permitted assignee or transferee in the Senior Obligations, be entitled to rely upon and be the third-party beneficiary of the subordination provided under this Agreement and shall be entitled to enforce the terms and provisions hereof to the same extent as if such assignee or transferee were initially a party hereto. The Indenture Trustee, for and on behalf of the Debentureholders, may not assign any or all of the Collateral or this Agreement without the prior written consent of the Senior Lender and Existing Lenders. Any purported assignment in violation of this Section shall be null and void.
- 8.12 **Notices.** All notices, requests, consents, claims, demands, waivers and other communications hereunder (each, a “**Notice**”) shall be in writing and addressed to the parties at the addresses set forth below:

Interim Lender & Existing Lenders:

140 Rue Carleton St #400,
Fredericton, NB E3B 3T4
Attention: Mark Holleran
mark.holleran@vestcor.org

Copy to:

Stewart McKelvey
Suite 1000, 44 Chipman Hill
Saint John, NB E2L 2A9
Attention: C. Paul W. Smith
psmith@stewartmckelvey.com

Indenture Trustee:

In accordance with the Indenture

Borrowers:

666 Burrard Street, Suite 1700
Vancouver, BC V6C 2X8
Attention: Sue Ozdemir
sozdemir@exro.com

Copy to:

Stikeman Elliott LLP
666 Burrard Street, Suite 1700
Vancouver, BC V6C 2X8
Attention: Neville McClure
nmclure@stikeman.com

All Notices shall be delivered by personal delivery, nationally recognized overnight courier (with all fees pre-paid), facsimile or e-mail of a .PDF document (with confirmation of transmission) or certified or registered mail (in each case, return receipt requested, postage pre-paid). Except as otherwise provided in this Agreement, a Notice is effective only (a) upon receipt by the receiving party, and (b) if the party giving the Notice has complied with the requirements of this Section.

- 8.13 **Further Assurances.** Each of the parties hereto shall execute and deliver such additional documents, instruments, conveyances and assurances and take such further actions as may be reasonably required to carry out the provisions hereof and give effect to the transactions contemplated hereby.
- 8.14 **Exchange of Information.** The Borrowers confirm and agree that the Lenders may provide to each other at any time and from time to time any information in their possession or control in respect of the Borrowers and their respective assets, business, operations, financial information or otherwise.

- 8.15 **Severability.** If any term or provision of this Agreement is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability will not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction.
- 8.16 **Specific Performance.** The Senior Lender and Existing Lenders may demand specific performance of this Agreement.
- 8.17 **Governing Law.** This Agreement is governed by and construed in accordance with the laws of the Province of Ontario, and the federal laws of Canada applicable in that Province.
- 8.18 **Submission to Jurisdiction.** Any action or proceeding arising out of or relating to this Agreement or the transactions contemplated hereby will be instituted in the courts of the Province Ontario, and each party irrevocably submits to the exclusive jurisdiction of such courts in any such action or proceeding.
- 8.19 **Counterparts and Electronic Transmission.** This Agreement may be executed in any number of counterparts, each of which is deemed an original, but all of which together are deemed to be one and the same agreement. A signed copy of this Agreement delivered by facsimile, email or other means of electronic transmission (i.e., "PDF" or "tif" is deemed to have the same legal effect as delivery of an original signed copy of this Agreement.
- 8.20 **Entire Agreement.** This Agreement constitutes the sole and entire agreement of the parties to this Agreement with respect to the subject matter contained herein, and supersedes all prior and contemporaneous understandings, agreements, representations and warranties, both written and oral, with respect to such subject matter.

[SIGNATURE PAGE FOLLOWS]

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

Interim Lender:

**NBIMC QUANTITATIVE STRATEGIES FUND –
CLASS N**

Per: Mark Holleran
Name: Mark Holleran
Title: Vice President, Equities/Actions

Existing Lenders:

**NBIMC QUANTITATIVE STRATEGIES FUND –
CLASS N**

Per: Mark Holleran
Name: Mark Holleran
Title: Vice President, Equities/Actions

**NBIMC QUANTITATIVE STRATEGIES (2017)
FUND**

Per: Mark Holleran
Name: Mark Holleran
Title: Vice President, Equities/Actions

**NBIMC QUANTITATIVE STRATEGIC BETA
(2017) FUND**

Per: Mark Holleran
Name: Mark Holleran
Title: Vice President, Equities/Actions

**NBIMC QUANTITATIVE STRATEGIC BETA
FUND – CLASS N**

Per: Mark Holleran
Name: Mark Holleran
Title: Vice President, Equities/Actions

Indenture Trustee:

ODYSSEY TRUST COMPANY

Per: Amy Douglas
Amy Douglas
Managing Director, Corporate Trust

Per: Brett Higgs
Brett Higgs
Managing Director, Corporate Trust

Borrowers:

EXRO TECHNOLOGIES INC.

Per: Sue Ozdemir
Sue Ozdemir
CEO

EXRO TECHNOLOGIES USA INC.

Per: Sue Ozdemir
Sue Ozdemir
CEO

EXRO VEHICLE SERVICES INC.

Per: Sue Ozdemir
Sue Ozdemir
CEO

DPM TECHNOLOGIES INC.

Per: Sue Ozdemir
Sue Ozdemir
CEO

CELLEX ENERGY INC.

Per: Sue Ozdemir
Sue Ozdemir
CEO

CELLEX ENERGY IP INC.

Per: Sue Ozdemir
Sue Ozdemir
CEO

SEA ELECTRIC INC.

Per: Sue Ozdemir
Sue Ozdemir
CEO

SEA ELECTRIC ASIA LTD.

Per: Sue Ozdemir
Sue Ozdemir
CEO

SEA ELECTRIC LLC

Per: Sue Ozdemir
Sue Ozdemir
CEO

SEA ELECTRIC GMBH

Per: Sue Ozdemir
Sue Ozdemir
CEO

SEA ELECTRIC LIMITED

Per: Sue Ozdemir
Sue Ozdemir
CEO

THIS IS EXHIBIT "L" REFERRED TO IN THE
AFFIDAVIT OF MARK HOLLERAN

SWORN BEFORE ME THIS 3rd DAY OF
NOVEMBER, 2025.



A Notary Public in and for the Province of New Brunswick



General Security Agreement

This Agreement made as of the 25th day of May, 2025.

Between: Exro Technologies Inc. (hereinafter called the
"Debtor")

(Name of Debtor)
 1700 666 Burrard Street, Vancouver, BC V6R 1A2

(Address)

And: NBIMC Quantitative Strategies Fund – Class N (hereinafter called the
"Interim Lender")

 140 Rue Carleton St #400,
 Fredericton, NB E3B 3T4

(Address)

As continuing security for the payment and performance of all Indebtedness (as defined below), the Debtor hereby enters into this Agreement with the Interim Lender for valuable consideration and as continuing security for the payment and performance of the Debtor's obligations to pay when due any debts, principal, interest, fees, and other amounts any Loan Party owes Interim Lender or any affiliate of Interim Lender now or later, whether under this Agreement, the Credit Agreement, the Senior Secured Promissory Notes, the Convertible Debentures, Interim Financing Fees and Expenses or any other Security or otherwise, and including interest accruing after an Insolvency Event begins and debts, liabilities, or obligations of any Loan Party assigned to Interim Lender, and to perform any Loan Party's duties under the Security (all of which present and future indebtedness, liabilities, expenses and interest are herein collectively called the **"Indebtedness"**).

For the purposes of this Agreement:

"Business Day" means a day, (other than a Saturday, Sunday or statutory or civic holiday) upon which the Interim Lender is open for business.

"Collateral" means all the present and future property, assets and undertaking of the Debtor mortgaged, charged, pledged, assigned, hypothecated, transferred or otherwise made subject to the Security Interest pursuant to this Agreement.

"Contractual Right" means any agreement, right, franchise, licence, authorization, approval, privilege or permit (a) to which the Debtor is now or hereafter becomes a party, (b) in which the Debtor now or hereafter has any interest or (c) of which the Debtor is or hereafter becomes a beneficiary.

"Credit Agreement" means the Interim Financing Credit Facility agreement dated as of May 15, 2025 between the Debtor, as co-borrower, the other borrowers referenced therein, and the Interim Lender, as it may be amended, extended, restated, amended and restated, replaced, supplemented or otherwise modified from time to time.

"Encumbrances" means any lien, charge, mortgage, security interest, hypothec, other encumbrance or adverse claim to any property, assets or undertaking.

"Intellectual Property" means all patents, trademarks, trade names, business names, trade styles, logos and other business identifiers, copyrights, technology, inventions, industrial designs, know-how, trade secrets and other industrial and intellectual property in which the Debtor now or in the future has any right, title or interest, including without limitation any industrial or intellectual property specifically listed or otherwise described in Error! Reference source not found. hereto.

"Investment Collateral" means all present and future Investment Property (as such term is defined in the PPSA) and Financial Assets (as such term is defined in the STA) of the Debtor, including all present and future options and warrants of the Debtor and all other rights and entitlements arising therefrom or related thereto, and the Debtor's present and future interests in partnerships, limited partnerships, limited liability partnerships and limited liability companies, and including all substitutions for any of the foregoing and dividends and income derived therefrom or payable in connection therewith.

"Permitted Encumbrances" means any and all liens, charges, mortgages, security interests, hypothecs and other encumbrances which affect all or any portion of the Collateral and which have been consented to in writing by the Interim Lender which, as at the date hereof, are the liens, charges, mortgages, security interests, hypothecs and other encumbrances (if any) listed in Schedule "B" hereto.

"Person" means as the context requires any individual, partnership, firm, company, corporation, unlimited liability corporation or other body corporate, government, governmental body, agency or trust.

"PPSA" means the *Personal Property Security Act* (Ontario) as amended from time to time and any legislation substituted therefor and any amendments thereto.

"Receiver" has the meaning provided for in Section 29 below.

"Security Interest" has the meaning provided for in Section 1 below.

"STA" means the *Securities Transfer Act*, 2006 (Ontario) as amended from time to time and any legislation substituted therefor and any amendments thereto.

The terms **"Senior Secured Promissory Notes"**, **"Convertible Debentures"**, **"Interim Financing Fees and Expenses"**, **"Insolvency Event"**, **"Security"**, shall have the meanings ascribed to them in the Credit Agreement.

Unless otherwise defined herein, all other capitalized terms used herein shall have the meanings ascribed to them in the PPSA.

A. Grant of Security Interests

1. As continuing security for the payment and performance of all Indebtedness, the Debtor hereby mortgages, charges, pledges, assigns, hypothecates, transfers and grants a security interest (collectively, the **"Security Interest"**) to the Interim Lender in all of the Debtor's right, title and interest in and to its present and after-acquired personal property, including:
 - (a) all present and future Equipment of the Debtor, including all of its present and future machinery, fixtures, plant, tools, furniture, apparatus, plant furniture, fixtures, books, records, documents, vehicles of any nature, kind or description, and all accessions to any of the foregoing, including all spare parts and accessories installed in or affixed or attached to any of the foregoing, and all drawings, specifications, plans and manuals relating to the foregoing;
 - (b) all present and future Inventory of the Debtor of whatever kind and wherever situate, including all of its present and future raw materials, materials used or consumed in its business, work-in-progress, finished goods, goods used for packing and goods acquired or held for sale or lease or that have been leased or furnished or that are to be furnished under contracts of rental or service,

and all accessions to any of the foregoing, including all spare parts and accessories installed in or affixed or attached to any of the foregoing;

- (c) all present and future Intangibles of the Debtor, including all of its present and future Accounts and other amounts receivable (including health-care receivables), book debts, all Contractual Rights, goodwill, and choses in action of every nature and kind howsoever arising or secured including, without limitation, letters of credit, guarantees and advices of credit which are now due, owing or accruing or growing due to or owned by or which may hereafter become due, owing or accruing or growing due to or owned by the Debtor;
 - (d) all present and future Documents of Title, Chattel Paper, Instruments and Money of the Debtor;
 - (e) all present and future Investment Collateral;
 - (f) all present and future personal property, assets, and undertaking of the Debtor of any nature or kind, including all personal property, assets and undertaking at any time owned, leased or licenced by the Debtor or in which the Debtor at any time has any right or interest or to which the Debtor is or may at any time become entitled (other than the property, assets and undertaking of the Debtor validly pledged or assigned or subjected to a valid mortgage, charge, hypothec or Security Interest by subsection 1(a), (b), (c), (d) or (e) hereof and subject to the exceptions hereinafter contained); and
 - (g) all Proceeds arising from the property, assets and undertaking of the Debtor referred to in this section 1, together with insurance proceeds and any other payment representing indemnity or compensation for loss of expropriation or damage thereto.
2. The Security Interest hereby created shall not extend or attach to: (i) any property held in trust by the Debtor and lawfully belonging to others; or (ii) any property of the Debtor that constitutes consumer goods for the personal use of the Debtor; or (iii) the last day of the term of any lease, (oral or written) or agreement therefor, now held or hereafter acquired by the Debtor, whether falling within the general or particular description of the Collateral, which shall be excluded from the scope of the Security Interest, provided however, that the Debtor shall stand possessed of the reversion of one day remaining in the Debtor in respect of such term upon trust to assign or dispose of the same to any Person acquiring such term upon the enforcement of the Security Interest.
3. Despite any other provision of this Agreement, the Security Interest shall not attach to any Contractual Right to the extent that the granting of the Security Interest therein would constitute a breach of, or permit any Person to terminate such Contractual Right, but the Debtor shall hold its interest in each such Contractual Right in trust for the Interim Lender and shall, after the Security Interest shall have become enforceable, specifically assign each such Contractual Right to the Interim Lender, or as the Interim Lender may otherwise direct. The Debtor agrees that it shall, upon the request of the Interim Lender, whether before or after the Security Interest has become enforceable, use all commercially reasonable efforts to obtain any consent required to permit any such Contractual Right to be subjected to the Security Interest, and the Security Interest shall attach to such Contractual Right following the receipt of such consent.
4. Despite any other provision of this Agreement, the interests granted to the Interim Lender pursuant to this Agreement in the Debtor's existing and after-acquired trademarks shall be limited to the Interim Lender's Security Interests therein.

B. Attachment

5. The Debtor warrants and acknowledges that subject to the provisions of Sections 2 and 3 above the Debtor and the Interim Lender intend the Security Interest in existing Collateral to attach upon the execution of this Agreement; that value has been given by the Interim Lender to the Debtor; that the

Debtor has rights in such existing Collateral; the Debtor and the Interim Lender have not postponed the time for attachment of the Security Interest on existing Collateral and that the Security Interest shall attach to existing Collateral upon the execution of this Agreement and that the Debtor and the Interim Lender intend the Security Interest in hereafter acquired Collateral to attach at the same time as the Debtor acquires rights in such after acquired Collateral.

C. Investment Collateral

6. Whenever any Investment Collateral is a Security that is a Certificated Security, an Uncertificated Security or a Security Entitlement, the Debtor shall, or shall cause the issuer of such Investment Collateral to, or shall cause the Securities Intermediary that holds such Investment Collateral to, take all steps as are necessary to give exclusive control over such Investment Collateral to the Interim Lender in a manner satisfactory to the Interim Lender.
7. All certificates representing Investment Collateral may remain registered in the name of the Debtor, but the Debtor shall, promptly at the request of the Interim Lender, duly endorse such certificates in blank for transfer or execute stock powers of attorney in respect thereof and deliver such certificates or powers of attorney to the Interim Lender; in either case with signatures guaranteed and with all documentation being in form and substance satisfactory to the Interim Lender. Upon the request of the Interim Lender:
 - (a) the Debtor shall promptly cause the Investment Collateral to be registered in the name of the Interim Lender or its nominee, and the Interim Lender is hereby appointed the irrevocable attorney (coupled with an interest) of the Debtor with full power of substitution to cause any or all of the Investment Collateral to be registered in the name of the Interim Lender or its nominee;
 - (b) the Debtor shall promptly cause each Securities Intermediary that holds any Investment Collateral that is a Security Entitlement to record the Interim Lender as the entitlement holder of such Investment Collateral; and
 - (c) the Debtor shall promptly:
 - (i) cause a Security Certificate to be issued for any Investment Collateral that is in the form of an Uncertificated Security or a Security Entitlement;
 - (ii) endorse such Security Certificate in blank;
 - (iii) deliver such Security Certificate to the Interim Lender; and
 - (iv) take all other steps necessary to give exclusive control over such Certificated Security to the Interim Lender, in a manner satisfactory to the Interim Lender.
8. Until further notice is given by the Interim Lender to the Debtor terminating such rights of the Debtor, the Debtor shall be entitled to exercise all voting rights attached to the Investment Collateral and give consents, waivers and ratifications in respect thereof; provided that no vote shall be cast or consent, waiver or ratification given or action taken which would be prejudicial to the interests of the Interim Lender or which would have the effect of reducing the value of the Investment Collateral as security for the Indebtedness, or imposing any restriction on the transferability of any of the Investment Collateral. All such rights of the Debtor to vote and give consents, waivers and ratifications shall cease immediately upon receipt by the Debtor of such notice by the Interim Lender.
9. All dividends, distributions, interest and other income in respect of Investment Collateral and all proceeds received by the Debtor in respect of Investment Collateral may be received by the Debtor in the ordinary course and distributed in the ordinary course to the Debtor's shareholder or shareholders until further notice by the Interim Lender. Upon receipt by the Debtor of such notice, the Debtor shall

not be entitled to retain or distribute to its shareholder or shareholders any such dividends, distributions, interest or other income or proceeds and, if any such amounts are received by the Debtor after the Debtor receives such notice by the Interim Lender, the Debtor shall hold such amounts in trust, as trustee for the Interim Lender, and the Debtor shall forthwith pay such amounts to the Interim Lender, to be applied to reduce the Indebtedness or, at the option of the Interim Lender, to be held as additional security for the Indebtedness.

10. The responsibility of the Interim Lender in respect of any Investment Collateral held by the Interim Lender shall be limited to exercising the same degree of care which it gives valuable property of the Interim Lender at the Interim Lender's office where such Investment Collateral is held. The Interim Lender shall not be bound under any circumstances to realize on any Investment Collateral or allow any Investment Collateral to be sold, or exercise any option or right attaching thereto, or be responsible for any loss occasioned by any sale of Investment Collateral or by the retention or other refusal to sell the same; nor shall the Interim Lender be obliged to collect or see to the payment of interest or dividends thereon but, subject to section 9, all such interest and dividends, if and when received by the Debtor, shall be held by the Debtor in trust for the Interim Lender and shall be forthwith paid to the Interim Lender.

D. Representations and Warranties of Debtor

11. The Debtor hereby represents and warrants to the Interim Lender that:

- (a) the Debtor has the capacity and authority to incur the Indebtedness, to create the Security Interest and to execute and deliver and perform its obligations under this Agreement;
- (b) the execution and delivery of this Agreement and the performance by the Debtor of its obligations hereunder (including, without limitation, the repayment of the Indebtedness) have been duly authorized by all necessary proceedings;
- (c) this Agreement constitutes a legal, valid and binding obligation of the Debtor, enforceable against the Debtor in accordance with its terms subject only to bankruptcy, insolvency, reorganization, moratorium and other similar laws of general application affecting creditors' rights and the discretion exercisable by courts of competent jurisdiction in respect of the availability of equitable remedies;
- (d) the Collateral is genuine and except for the Security Interest and any Permitted Encumbrances, the Collateral is owned by the Debtor free from any mortgage, charge, lien, pledge, security interest or other encumbrance or claim whatsoever;
- (e) the jurisdiction in which the Debtor is located for purposes of the PPSA and under which the Debtor is incorporated, continued, amalgamated or otherwise organized is the Province or Territory, or State identified in **Schedule "A"** of this Agreement;
- (f) the Debtor does not keep tangible Collateral or books and records at any location(s) except the location(s) listed in **Schedule "A"** hereto other than tangible Collateral in transit to or from such locations;
- (g) the Debtor has made all necessary filings, registrations and recordations to protect all of its right, title and interest in the presently held Intellectual Property including all relevant renewals; and all such filings, registrations and recordations have been duly and properly made and are in full force and effect and are not subject to dispute by any governmental authority or agency;
- (h) all Contractual Rights relating to or affecting the presently held Intellectual Property are in good standing;

- (i) the Debtor owns directly or is entitled to use by Contractual Right or otherwise all of the presently held Intellectual Property;
- (j) no litigation is pending or threatened which contains allegations respecting the validity, enforceability, infringement or ownership of any of the Intellectual Property, including any of right, title or interest of the Debtor in the presently held Intellectual Property;
- (k) the Debtor has no Contractual Right which, because of the granting of the Security Interest therein, would be breached or could be terminated, except for any such Contractual Rights if any, identified to the Interim Lender in writing, which schedule contains an accurate description of all such Contractual Rights, the parties thereto, and any provisions thereof which would be so breached or which would result in such a termination right.

E. Covenants and Agreements of Debtor

12. The Debtor hereby covenants and agrees with the Interim Lender that at all times while this Agreement remains in effect, it shall:

- (a) pay or perform the Indebtedness when due;
- (b) not without the prior written consent of the Interim Lender sell or dispose of any of the Collateral in the ordinary course of business or otherwise (provided however that the Inventory of the Debtor may be sold or disposed of in the ordinary course of the Debtor's business and for the purpose of carrying on the same) and if the amounts on or in respect of the Collateral or Proceeds thereof shall be paid to the Debtor, the Debtor shall receive the same in trust for the Interim Lender and forthwith pay over the same to the Interim Lender upon request;
- (c) not without the prior written consent of the Interim Lender create or permit any Encumbrances upon or assign or transfer as security or pledge or hypothecate as security the Collateral except to the Interim Lender;
- (d) at all times have and maintain insurance over the Collateral against risks of fire (including extended coverage), theft, and such risks as the Interim Lender may reasonably require in writing, containing such terms, in such form, for such periods and written by such companies as may be reasonably satisfactory to the Interim Lender. The Debtor shall duly pay all premiums and other sums payable for maintaining such insurance and shall cause the insurance money thereunder to be payable to the Interim Lender as its interest hereunder may appear and shall, if required, furnish the Interim Lender with certificates or other evidence satisfactory to the Interim Lender of compliance with the foregoing insurance provisions. In the event that the Debtor fails to pay all premiums and other sums payable in accordance with the foregoing insurance provision, the Interim Lender may make such payments to be repayable by the Debtor on demand and any such payments made by the Interim Lender shall comprise part of the Indebtedness and be secured hereby;
- (e) keep the Collateral in good condition and repair according to the nature and description thereof, and the Interim Lender may, whenever it deems necessary, either in person or by agent, inspect the Collateral and the reasonable cost of such inspection shall be paid by the Debtor and comprise part of the Indebtedness and be secured hereby and the Interim Lender may make repairs as it deems necessary and the cost thereof shall be paid by the Debtor and comprise part of the Indebtedness and be secured hereby;
- (f) duly pay all taxes, rates, levies, assessments and other impositions and charges of every nature and kind which may now or hereafter be lawfully levied, assessed or imposed on or in respect of the Debtor or the Collateral (or any of it), including those which could result in the creation of a statutory lien or deemed trust or other Encumbrance affecting the Debtor or the Collateral, as and when the same become due and payable;

- (g) permit the Interim Lender, at any time, whether before or after the Security Interest shall have become enforceable, to notify any account debtor of the Debtor of the Security Interest, require such account debtor to make payment to the Interim Lender, and to take control of any Proceeds of Collateral and hold all amounts received from any account debtor and any Proceeds as part of the Collateral and as security for the Indebtedness;
 - (h) make and maintain all filings, registrations and recordations necessary or desirable to protect its right, title and interest in the Collateral, including all filings, registrations and recordations necessary or desirable in respect of patents, trade-marks, copyrights and industrial designs included in the Intellectual Property;
 - (i) defend the Collateral against any actions, claims and demands of any Person (other than the Interim Lender) claiming the Collateral (or any of it) or an interest therein;
 - (j) maintain its corporate existence and file or cause to be filed any returns, documents or other information necessary to preserve such corporate existence;
 - (k) notify the Interim Lender of any loss or damage to the Collateral, any change in any information provided in this Agreement (including the schedules hereto) or any actual or potential claim or Encumbrance affecting the Debtor, the Collateral or the Security Interest;
 - (l) prevent any Collateral from becoming an accession to any personal property not subject to the Security Interest, or becoming affixed to any real property;
 - (m) deliver to the Interim Lender, at the Interim Lender's request, duly endorsed and/or accompanied by such assignments, transfers, powers of attorney or other documents as the Interim Lender may request, all items of the Collateral comprising Chattel Paper, Instruments, Investment Collateral and Documents of Title;
 - (n) pay, on demand by the Interim Lender, all costs and expenses (including all legal fees on a full indemnity basis) incurred by the Interim Lender in the preparation, perfection, administration and enforcement of this Agreement (including expenses incurred in considering, protecting or improving the Interim Lender's position, or attempting to do so, whether before or after default) and all such costs and expenses shall bear interest at the highest rate applicable to the Indebtedness, shall form part of the Indebtedness and shall be secured by the Security Interest;
 - (o) preserve the Debtor's rights, powers, licences, privileges, franchises and goodwill, comply with all applicable laws, regulations and orders (including environmental laws, regulations and orders) affecting the Debtor or the Collateral and conduct its business in a proper and efficient manner so as to protect the Collateral, the Security Interest and the business and undertaking of the Debtor;
 - (p) give the Interim Lender at least 10 Business Days advance notice in writing of any proposed change to the Debtor's name, location, or its governing jurisdiction; and
 - (q) give the Interim Lender at least 10 Business Days advance notice in writing of any proposed change to its chief executive office, the registered office or the location of the office where it keeps its books and records, or movement of any of the Inventory, Securities or Equipment from the locations or jurisdictions, as applicable, specified in any schedule hereto.
13. The Debtor shall not (a) create, incur, allow, or suffer any Encumbrance on any of its property, or assign or convey any right to receive income, including the sale of any Accounts or Contracts, except for Permitted Encumbrances, (b) permit any Collateral not to be subject to the first priority security interest granted herein (subject to Permitted Encumbrances), or (c) enter into any agreement, document, instrument or other arrangement (except with or in favor of Interim Lender) with any Person which directly or indirectly prohibits or has the effect of prohibiting such Loan Party or any of its Subsidiaries

from assigning, mortgaging, pledging, granting a security interest in or upon, or encumbering any of such Loan Party's or such Subsidiary's Intellectual Property in favor of Interim Lender.

14. The Debtor shall at all times and from time to time do, execute, acknowledge and deliver or cause to be done, executed, acknowledged or delivered any such further act, deed, transfer, assignment, assurance, document or instrument as the Interim Lender may reasonably require for the better granting, mortgaging, charging, assigning, hypothecating and transferring unto the Interim Lender the property, assets and undertaking hereby subjected or intended to be subject to the Security Interest or which the Debtor may hereafter become bound to mortgage, charge, assign, hypothec, transfer or subject to the Security Interest in favour of the Interim Lender for the better accomplishing and effectuating of this Agreement and the provisions contained herein and each and every officer of the Interim Lender is irrevocably appointed, coupled with an interest, to execute in the name and on behalf of the Debtor any document or instrument for the said purposes.
15. The Debtor shall permit the Interim Lender at any time, either in person or by agent, to inspect the Debtor's books and records pertaining to the Collateral. The Debtor shall at all times upon request by the Interim Lender furnish the Interim Lender with such information concerning the Collateral and the Debtor's affairs and business as the Interim Lender may reasonably request including, without limitation, lists of Inventory and Equipment and lists of Accounts showing the amounts owing upon each Account and securities therefor and copies of all financial statements, books and accounts, invoices, letters, papers and other documents in any way evidencing or relating to the Accounts.
16. The Debtor acknowledges and agrees that:
 - (a) in the event it amalgamates with any other corporation or corporations, it is the intention of the parties hereto that the term 'Debtor' when used herein shall apply to each of the amalgamating corporations and to the amalgamated corporation, that this Agreement shall continue in full force and effect and shall be binding on the amalgamated corporation, such that the Security Interest granted hereby:
 - (i) shall continue to charge all Collateral of the Debtor and extend and attach to 'Collateral' (as that term is herein defined) owned by each of the other amalgamating corporations and the amalgamated corporation at the time of amalgamation and to any 'Collateral' thereafter owned or acquired by the amalgamated corporation; and
 - (ii) shall continue to secure the 'Indebtedness' (as that term is herein defined) of each of the amalgamating corporations including the Debtor and the amalgamated corporation to the Interim Lender at the time of amalgamation and any 'Indebtedness' of the amalgamated corporation to the Interim Lender thereafter arising.
 - (b) The term "**Indebtedness**" shall include all such Indebtedness of the Debtor, the other amalgamating corporations and the amalgamated corporation.
 - (c) The term "**Collateral**" shall include all such property, assets and undertaking of the Debtor, the other amalgamating corporations and the amalgamated corporation.
 - (d) All defined terms and other provisions of this Agreement shall be deemed to have been amended to reflect such amalgamation, to the extent required by the context.
 - (e) The parties agree to execute and deliver all such further documents and assurances as may be necessary or desirable in connection with the foregoing.

F. Default

17. Without prejudice to any right which the Interim Lender may now or hereafter have to demand payment of any of the Indebtedness at any time, the Indebtedness shall, at the option of the Interim Lender, become payable and the Security Interest shall become enforceable upon the occurrence and during the continuance of an Event of Default (as defined in the Credit Agreement).
18. The Interim Lender may in writing waive any breach by the Debtor of any of the provisions contained herein or any default by the Debtor in the observance or performance of any covenant or condition required by the Interim Lender to be observed or performed by the Debtor; provided that no act or omission by the Interim Lender in the premises shall extend to or be taken in any manner whatsoever to affect any subsequent breach or default or the rights resulting therefrom.

G. Remedies of the Interim Lender

19. Whenever the Security Interest shall have become enforceable as described in Section 17 above, and so long as it shall remain enforceable, the Interim Lender may proceed to realize the Security Interest and the Collateral and to enforce its rights by doing any one or more of the following:
- (a) entering upon the Collateral and any lands and premises where any Collateral is or may be located;
 - (b) taking possession of Collateral by any method permitted by law;
 - (c) occupying any lands and premises owned or occupied by the Debtor and using all or any part of such lands and premises and the Equipment and other Collateral located thereon;
 - (d) leasing, selling, licensing or otherwise disposing of the whole or any part or parts of the Collateral;
 - (e) collecting, selling or otherwise dealing with any Accounts or other amounts receivable of the Debtor, including notifying any person obligated to the Debtor in respect of an Account, Chattel Paper, Investment Collateral or Instrument to make payment to the Interim Lender of all present and future amounts due thereon;
 - (f) taking steps and expending such monies as it considers necessary or desirable in its sole discretion to maintain, preserve and protect the Collateral, including making payments on account of other security interests affecting the Collateral; provided that the Interim Lender shall have no obligation to take any such actions or make any such expenditures; but any such amounts paid by the Interim Lender shall be added to the Indebtedness and shall be secured by the Security Interest;
 - (g) collecting any rents, income, and profits received in connection with the business of the Debtor or the Collateral, without carrying on such business;
 - (h) exercising all voting rights attached to any Collateral constituting Investment Collateral (whether or not registered in the name of the Interim Lender or its nominee) and giving or withholding all consents, waivers and ratifications in respect thereof and otherwise acting with respect thereto as though it were the absolute owner thereof;
 - (i) exercising any and all rights of conversion, exchange, subscription or any other rights, privileges or options pertaining to any Collateral constituting Investment Collateral as if it were the absolute owner thereof including the right to exchange at its sole discretion any and all of such Investment Collateral upon the merger, consolidation, reorganization, recapitalization or other readjustment of any issuer thereof, or upon the exercise by any issuer of any right, privilege or option pertaining to any such Investment Collateral, and in connection therewith, to deposit and deliver any such Investment Collateral with any committee, depository, transfer agent, registrar or other designated

agency upon such terms and conditions as it may determine in its sole discretion, all without liability except to account for property actually received by it;

- (j) complying with any limitation or restriction in connection with any proposed sale or other disposition of Collateral constituting Investment Collateral as may be necessary in order to comply with applicable law or regulation or any policy imposed by any stock exchange, securities commission or other governmental or regulatory authority or official, and the Debtor agrees that such compliance shall not result in such sale being considered or deemed not to have been made in a commercially reasonable manner, and the Interim Lender shall not be liable or accountable to the Debtor for any discount in the sale price of any such Investment Collateral which may be given by reason of the fact that such Investment Collateral are sold in compliance with any such limitation or restriction;
 - (k) carrying on the business of the Debtor or any portion thereof;
 - (l) exercising any and all of the rights and remedies granted pursuant to the PPSA and any other applicable legislation, or otherwise available at law or in equity including by any other action, suit, remedy or proceeding authorized or permitted hereby or by law or by equity;
 - (m) demanding, commencing, continuing or defending any judicial or administrative proceedings for the purpose of protecting, seizing, collecting, realizing or obtaining possession or payment of the Collateral, and giving valid and effectual receipts and discharges therefor and to compromise or give time for the payment or performance of all or any part of the accounts or other amounts receivable of the Debtor or any other obligation of any third party to the Debtor;
 - (n) borrowing money for the maintenance, preservation or protection of the Collateral or for the carrying on of the business of the Debtor, and charge and grant further security interests in the Collateral in priority to the Security Interest or otherwise, as security for the money so borrowed;
 - (o) accepting the Collateral in satisfaction of the Indebtedness;
 - (p) appointing by instrument in writing a Receiver or Receivers of the Collateral or any part thereof;
 - (q) bringing proceedings in any court of competent jurisdiction for the appointment of a Receiver or Receivers or for the sale of the Collateral or any part thereof; and
 - (r) filing such proofs of claim and other documents as may be necessary or advisable in order to have its claim lodged in any bankruptcy, winding-up or other judicial proceedings relating to the Debtor or the Collateral.
20. Any Receiver appointed by the Interim Lender may be any Person or Persons (including one or more officers or employees of the Interim Lender), and the Interim Lender may remove any Receiver so appointed and appoint another or others instead. Any such Receiver may exercise any and all of the rights, remedies and powers of the Interim Lender provided in this Agreement including, without limitation, the power to take possession of the Collateral or any part thereof and to carry on the business of the Debtor, further charge the Collateral in priority to the Security Interests as security for money so borrowed, and sell, lease or otherwise dispose of the whole or any part of the Collateral on such terms and conditions and in such manner as the Receiver shall determine. The Interim Lender shall not be responsible for the actions, errors or omissions of any Receiver it appoints and any such Receiver shall be deemed to act as agent for the Debtor for all purposes, including the occupation of any lands and premises of the Debtor and in carrying on the Debtor's business, unless the Interim Lender expressly specifies in writing that the Receiver shall be agent for the Interim Lender for one or more purposes. Without limiting the generality of the forgoing, for the purposes of realizing upon the Security Interest, any Receiver may sell, lease, or otherwise dispose of Collateral as agent for the Debtor or as agent for the Interim Lender as the Interim Lender may specify in writing in its sole discretion. The Debtor agrees

to ratify and confirm all actions of any Receiver appointed by the Interim Lender acting as agent for the Debtor, and to release and indemnify the Receiver in respect of all such actions.

21. Without limiting the ability of the Interim Lender or any Receiver to dispose of Collateral in any other manner, the Debtor agrees that any sale, lease or other disposition of the Collateral hereunder may be completed by public auction, public tender or private contract, with or without notice, with or without advertising and with or without any other formality (except as required by law), all of which are hereby waived by the Debtor to the fullest extent permitted by applicable law. Any such disposition of Collateral may involve all or part of the Collateral and may be on such terms and conditions as to credit or otherwise and as to upset or reserve bid or price as the Interim Lender or any Receiver appointed by the Interim Lender may, in its sole discretion, deem advantageous and may take place whether or not the Interim Lender or any such Receiver has taken possession of such Collateral. Any purchaser or lessee of Collateral may be a customer of the Interim Lender.
22. The Interim Lender shall not be liable for any delay or failure to enforce any rights, powers or remedies available to it or to institute any proceedings for such purposes.
23. No right, power or remedy of the Interim Lender (whether granted herein or otherwise) shall be exclusive of or dependent on or merge in any other right, power or remedy, but all such rights, powers and remedies may from time to time be exercised independently or in combination.
24. The Debtor agrees, without diminishing the covenant in section 12(n) above, and in furtherance thereof, to pay to the Interim Lender, forthwith on demand by the Interim Lender, all costs and expenses incurred by the Interim Lender in connection with the exercise by the Interim Lender of its rights, powers and remedies hereunder, including:
 - (a) any costs and expenses incurred by the Interim Lender in taking, holding, moving, storing, recovering, possessing, repairing, processing, preparing for disposition or disposing of Collateral;
 - (b) any legal fees and expenses incurred by the Interim Lender in enforcing its rights, powers and remedies, including those incurred in connection with any proceedings taken for the purpose of enforcing its rights, powers and remedies hereunder or otherwise relating to the non-payment or non-performance of any Indebtedness;
 - (c) the cost of borrowing amounts as hereinbefore provided (for the purpose of carrying on the Debtor's business or otherwise), including, the principal amount or any such amount borrowed, all interest thereon and fees relating thereto; and
 - (d) all costs and expenses of or incurred by any Receiver, agent or consultant appointed by the Interim Lender (including any legal fees and expenses incurred by any such Receiver, agent or consultant).

All such sums shall bear interest at the highest rate applicable to the Indebtedness, shall form part of the Indebtedness and shall be secured by the Security Interest.

25. Any and all payments made in respect of the Indebtedness from time to time and moneys realized from any Collateral (including moneys realized on any enforcement of this Agreement) may be applied to such part or parts of the Indebtedness as the Interim Lender may see fit, and the Interim Lender shall at all times and from time to time have the right to change any appropriation as the Interim Lender may see fit and to re-apply the same on any other part or parts of the Indebtedness as the Interim Lender may see fit, notwithstanding any previous application by whomsoever made.
26. The Debtor shall remain liable for all Indebtedness that is outstanding following realization of all or any part of the Collateral.

27. The Interim Lender may pay the whole or any part of any liens, taxes, rates, charges or Encumbrances now or hereafter existing in respect of any Collateral and such payments together with all costs, charges and expenses which may be incurred in connection with making such payments shall form part of the Indebtedness, shall bear interest at the highest rate applicable to the Indebtedness, and shall be secured by the Security Interest. Whenever the Interim Lender pays any such lien, tax, rate, charge or Encumbrance, it shall be entitled to all the equities and securities of the Person or Persons so paid and is hereby authorized to obtain any discharge thereof and hold such discharge without registration for so long as it may deem advisable to do so.
28. If the Debtor fails to perform or comply with any covenant or other obligation of the Debtor under this Agreement, the Interim Lender may, but need not, perform or otherwise cause the performance or compliance of such covenant or other obligation, provided that any performance or compliance undertaken by the Interim Lender will not constitute a waiver, remedy or satisfaction of such failure. The costs and expenses of the Interim Lender incurred in connection with any such performance or compliance shall be payable by the Debtor to the Interim Lender on demand, form part of the Indebtedness, bear interest at the highest rate applicable to the Indebtedness and be secured by the Security Interest.
29. The term “**Receiver**” as used in this Agreement includes a receiver and manager, a receiver, a liquidator, a custodian, monitor, or consultant whether appointed by the Interim Lender by instrument in writing or appointed pursuant to a court order.

H. Rights of the Interim Lender

30. The Debtor grants to the Interim Lender the right to set off against any and all accounts, credits or balances maintained by it with the Interim Lender, the aggregate amount of any of the Indebtedness (or any portion thereof) when the same shall become due and payable whether at maturity, upon acceleration of maturity thereof or otherwise.
31. The Interim Lender, without exonerating in whole or in part the Debtor, may grant time, renewals, extensions, indulgences, releases and discharges to, may take securities from and give the same and any or all existing securities up to, may abstain from taking securities from or from perfecting securities of, may accept compositions from and may otherwise deal with the Debtor and all other Persons and securities as the Interim Lender may see fit.
32. The Interim Lender may, without the consent of the Debtor, assign, transfer and deliver any of the Indebtedness, or the Security Interests, or any security or any documents or instruments held by the Interim Lender in respect thereof to any transferee provided that no such assignment, transfer or delivery shall release the Debtor from any of the Indebtedness; and thereafter the Interim Lender shall be fully discharged from all responsibility with respect to the Indebtedness and security, documents and instruments so assigned, transferred or delivered. Such transferee shall be vested with all powers and rights of the Interim Lender under such security, documents or instruments but the Interim Lender shall retain all rights and powers with respect to any such security, documents or instruments not so assigned, transferred or delivered. The Debtor shall not assign any of its rights or Indebtedness hereunder without the prior written consent of the Interim Lender.

I. Miscellaneous

33. This Agreement is in addition to, not in substitution for and shall not be merged in any other agreement, security, document or instrument now or hereafter held by the Interim Lender or existing at law in equity or by statute. This Agreement is in addition to and not in substitution for any other security now or hereafter held by the Interim Lender and shall be general and continuing security notwithstanding that the Indebtedness shall be at any time or from time to time fully satisfied or paid.

34. Nothing herein shall obligate the Interim Lender to make any advance or loan or further advance or loan or to renew any note or extend any time for payment of any indebtedness of the Debtor to the Interim Lender.
35. This Agreement shall be binding upon the Debtor and its heirs, legatees, trustees, executors, administrators, successors and assigns including any successor by reason of amalgamation of or any other change in the Debtor and shall enure to the benefit of the Interim Lender and its successors and assigns.
36. If one or more of the provisions contained herein shall be invalid, illegal or unenforceable in any respect, such provision or provisions shall be severed from this Agreement only to the extent necessary, and the validity, legality and enforceability of the remaining provisions hereof, including the provision or provisions remaining after such severance, shall not in any way be affected or impaired thereby.
37. The headings in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose.
38. This Agreement, if signed by a party using electronic signatures or other electronic means to signify agreement which is acceptable to the other party, shall be valid and binding notwithstanding the absence of a hand-written original signature. Any notice, demand, statement or other communication permitted or required to be given hereunder shall be in writing (including electronically) and may be effectively given by delivering it to the address(es) hereinafter set forth or by sending the same electronically if the party's electronic/email address is provided below, or by facsimile to such address(es). Any notice, demand or other communication so given prior to 5:00 p.m. (Toronto time) on a Business Day by personal delivery, electronically or by fax shall be deemed to have been given, received and made on such Business Day and if so given after 5:00 p.m. (Toronto time) on a Business Day or a day which is not a Business Day, shall be deemed to have been given, received and made on the next following Business Day. The addresses of the parties for the purposes hereof shall be:
- (a) in the case of the Interim Lender, addressed as follows:

NBIMC Quantitative Strategies Fund – Class N
140 Rue Carleton St #400,
Fredericton, NB E3B 3T4
Attention: Mark Holleran
mark.holleran@vestcor.org

Copy to:

Stewart McKelvey
Suite 1000, 44 Chipman Hill
Saint John, NB E2L 2A9
Attention: C. Paul W. Smith
psmith@stewartmckelvey.com

- (b) in the case of the Debtor, addressed as follows:

666 Burrard Street, Suite 1700
Vancouver, BC V6C 2X8
Attention: Sue Ozdemir
sozdemir@exro.com

Copy to:

Stikeman Elliott LLP

666 Burrard Street, Suite 1700
Vancouver, BC V6C 2X8
Attention: Neville McClure
nmclure@stikeman.com

Either party may from time to time notify the other, in accordance with the provisions hereof, of any change of address which thereafter, until changed by like notice, shall be the address of such party for all purposes of this Agreement.

39. Where any provision or remedy contained or referred to in this Agreement is prohibited, modified or altered by the laws of any Province or Territory of Canada which governs that aspect of this Agreement and the provision or remedies may be waived or excluded by the Debtor in whole or in part, the Debtor hereby waives and excludes such provision to the fullest extent permissible by applicable law.
40. This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario. For the purpose of legal proceedings this Agreement shall be deemed to have been made in the said Province and to be performed there and the courts of that Province shall have jurisdiction over all disputes which may arise under this Agreement and the Debtor hereby irrevocably and unconditionally attorns and submits to the non-exclusive jurisdiction of such courts, provided always that nothing herein contained shall prevent the Interim Lender from proceeding at its election against the Debtor in the Courts of any other Province, country or jurisdiction.
41. References such as "**this Agreement**", "**hereof**", "**herein**", "**hereto**" and like references refer to this Agreement and any schedules, exhibits or appendices attached hereto from time to time, or described as comprising a part of this Agreement (all of which schedules, exhibits and appendices form a part of this Agreement) and not to any particular section, subsection, paragraph or other subdivision of this Agreement.
42. The word "**Debtor**", the personal pronoun "**it**" or "**its**" and any verb relating thereto and used therewith shall be read and construed as required by and in accordance with the context in which such words are used. The term "**successors**" shall include, without limiting its meaning, any corporation resulting from the amalgamation of a corporation with another corporation. Where the context so requires, words used herein (including defined terms) importing the singular shall include the plural and vice versa and words used herein (including defined terms) importing gender shall include all genders (including the neuter).
43. Nothing herein (including the definition and use of the term Permitted Encumbrances) is intended or shall be deemed to subordinate the Security Interest to any Permitted Encumbrance or any other lien, charge, mortgage, security interest, hypothec or encumbrance affecting all or any portion of the Collateral.
44. Unless otherwise expressly provided in this Agreement, if any matter in this Agreement is subject to the determination, consent or approval of the Interim Lender or is to be acceptable to the Interim Lender, such determination, consent, approval or determination of acceptability will be in the sole discretion of the Interim Lender, which means the Interim Lender shall have sole and unfettered discretion, without any obligation to act reasonably. If any provision in this Agreement refers to any action taken or to be taken by the Debtor, or which the Debtor is prohibited from taking, such provision will be interpreted to include any and all means, direct or indirect, of taking, or not taking, such action. When used in the context of a general statement followed by a reference to one or more specific items or matters, the term "**including**" shall mean "**including, without limitation**" and the use of the term "**includes**" shall mean "**includes, without limitation**".
45. In the event that any day, on or before which any action is required to be taken hereunder, is not a Business Day, then such action shall be required to be taken on or before the first Business Day immediately thereafter.
46. Time shall be of the essence of this Agreement.

47. Upon full, final and indefeasible payment and fulfillment by the Debtor, its successors or permitted assigns, of all Indebtedness and provided that the Interim Lender is then under no obligation (conditional or otherwise) to make any further loans, advances or extend any other type of credit to the Debtor or to any other Person, the payment of which is secured, directly or indirectly, by this Agreement, the Interim Lender shall, upon request in writing by the Debtor, delivered to the Interim Lender at the Interim Lender's address as set out in section 38 hereof and at the Debtor's expense, discharge this Agreement.
48. The Interim Lender may in writing, which may be provided electronically, (and not otherwise) waive any default by the Debtor in the observance or performance of any provision of this Agreement; provided that no waiver by the Interim Lender shall extend to or be taken in any manner whatsoever to affect any subsequent default, whether of the same or a different nature, or the rights resulting therefrom.
49. The Debtor agrees that the Interim Lender may from time to time provide information concerning this Agreement (including a copy hereof), the Collateral and the Indebtedness to any Person the Interim Lender in good faith believes is entitled thereto pursuant to applicable law.
50. The Debtor acknowledges having received an executed copy of this Agreement and hereby waives, to the fullest extent permitted by applicable law, receipt of a copy of any financing statement or financing change statement filed at any time in respect of this Agreement or any verification statement in respect of the same.
51. This Agreement and any amendment, supplement, restatement or termination may be executed and delivered in any number of counterparts, each of which when executed and delivered shall be deemed an original and all of which, taken together, shall constitute one and the same agreement. Any party hereto may deliver an executed copy of this Agreement electronically or by facsimile to the other parties hereto.
52. The Debtor by its signature of this Agreement on the one hand and the Interim Lender by making this Agreement available to the Debtor on the other hand acknowledge having expressly required it to be drawn up in the English language. La soussignée par sa signature de ce cautionnement d'une part et la Banque en mettant ledit cautionnement à la disposition des garants d'autre part reconnaissent avoir expressément exigé qu'il soit rédigé en langue anglaise.

This Agreement has been duly executed by the Debtor on the 25th day of May, 2025.

Exro Technologies Inc.

(Full Legal Name of Corporation)

Per:

DocuSigned by:

Sue Özdemir

6AC23447E895AE3

(Authorized Signatory)

Name:

Sue Özdemir

Title:

Director

C/S

SCHEDULE "A"**Location of the Debtor:****Full legal name:** Exro Technologies Inc.**Prior names:** BioDE Ventures Ltd.**Predecessor companies:** 10889001 BC Ltd.**Jurisdiction of incorporation or organization:** British Columbia**Address of chief executive office:** 12–21 Highfield Circle S.E., Calgary, Alberta, T2G 5N6**Address of registered office:** 1700 – 666 Burrard Street, Vancouver, BC V6C 2X8.**Addresses of all places where business is carried on or tangible Personal Property is kept:**

Address
12-21 Highfield Circle S.E., Calgary, Alberta, Canada, T2G 5N6
7450 64 th Street S.E., Calgary, Alberta, Canada, T2C 5B1
7853 E Ray Rd, Mesa, Arizona, USA, 85212
1100 Baker Road, Dexter, Michigan, USA, 48130

Jurisdictions in which all material account debtors are located: Canada - the Parent has \$40,000 CAD of outstanding CEBA loans**Addresses of all owned real property:** N/A.**Addresses of all leased real property:**

Address
12-21 Highfield Circle S.E., Calgary, Alberta, Canada, T2G 5N6
7450 64 th Street S.E., Calgary, Alberta, Canada, T2C 5B1
Suite 1000 355 Burrard Street, Vancouver, British Columbia, Canada, V6C 2G8

Description of all “serial number” goods (i.e. motor vehicles, trailers, aircraft, boats and outboard motors for boats):

ID	Location	Name	Depreciation Start Date	Cost	Depreciation	Replacement Cost	Currency
FAM000004	Mesa	Zero Bike	9/29/2020	20,512	6,178	25,640	CAD
FAM000298	Highfield	Zero Bike	10/23/2020	11,293	2,958	14,116	CAD

Subsidiaries of Parent:

1. DPM Technologies Inc. (British Columbia)
2. Exro Technologies USA, Inc. (Delaware)

Instruments, Documents of Title and Chattel Paper of Debtor: N/A

Pledged Certificated Securities:

Pledged Issuer	Securities Owned	% of issued and outstanding Securities of Pledged Issuer	Security Certificate Numbers	Security Certificate Location
Exro Technologies USA, Inc.	100 Common Shares	100%	Certificate No. C-1	Stikeman Elliott LLP, Suite 1700, 666 Burrard St., Vancouver BC V6C 2X8
DPM Technologies Inc.	36,045,874 Common Shares	100%	Certificate No. C-2	Stikeman Elliott LLP, Suite 1700, 666 Burrard St., Vancouver BC V6C 2X8

Pledged Securities Accounts: n/a**Pledged Uncertificated Securities:** n/a**Pledged Futures Accounts:** n/a

SCHEDULE "B"**Permitted Encumbrances:**

All Permitted Encumbrances, as such term is defined in the Credit Agreement.

SCHEDULE "C"**Intellectual Property:****Registered trade-marks and applications for trademark registrations:****Canadian Trademark Applications:**

Trademark	Application Date	Application Number	Entity
EXRO THE POWER WITHIN	July 30, 2019	1978203	Exro Technologies Inc.
CELL DRIVER	September 1, 2022	2207625	Exro Technologies Inc.
INTELLIGENT ELECTRIFICATION	October 16, 2020	2058249	Exro Technologies Inc.
MINIMUM ENERGY, MAXIMUM RESULTS	October 16, 2020	2058250	Exro Technologies Inc.
INDUSTRIAL ARTIFICIAL INTELLIGENCE	October 16, 2020	2058252	Exro Technologies Inc.
EXRO COIL DRIVER	May 27, 2022	2188551	Exro Technologies Inc.
EXRO ELECTRIC GEARING	May 27, 2022	2188552	Exro Technologies Inc.
EXRO COIL DRIVE SYSTEM	May 21, 2021	2109045	Exro Technologies Inc.
EXRO BATTERY CONTROL SYSTEM	May 21, 2021	2109047	Exro Technologies Inc.
EXRO OPTIMIZING POWER	May 21, 2021	2109048	Exro Technologies Inc.
EXRO	July 30, 2019	1978248	Exro Technologies Inc.
COIL DRIVER	October 16, 2020	2058251	Exro Technologies Inc.
EXRO	May 27, 2022	2188550	Exro Technologies Inc.
EXRO BATTERY CONTROL SYSTEM	May 27, 2022	2188553	Exro Technologies Inc.
DO MORE USE LESS	June 8, 2022	2190551	Exro Technologies Inc.

US Trademark Applications:

Trademark	Application Date	Application Number	Entity
COIL DRIVER	April 15, 2021	79321860	Exro Technologies Inc.

US Trademark Registrations:

Trademark	Registration Date	Registration Number	Entity
MINIMUM ENERGY, MAXIMUM RESULTS	August 9, 2022	6810948	Exro Technologies Inc.
EXRO THE POWER WITHIN	August 25, 2020	6132627	Exro Technologies Inc.
EXRO	August 25, 2020	6132626	Exro Technologies Inc.

Patents and patent applications:Canadian Patent Applications:

Patent	Application Date	Application Number	Entity
METHOD AND APPARATUS TO DRIVE COILS OF A MULTIPHASE ELECTRIC MACHINE	May 12, 2022	CA 3159864	Exro Technologies Inc.
MOTOR CONNECTION TO COIL DRIVER	December 15, 2022	CA2022051828	Exro Technologies Inc.
POWER INVERTER	December 15, 2022	CA2022051830	Exro Technologies Inc.

Canadian Patents:

Patent	Registration Date	Registration Number	Entity
VARIABLE COIL CONFIGURATION SYSTEM, APPARATUS AND METHOD	January 23, 2018	CA 2773102	Exro Technologies Inc.
POLYPHASIC MULTI-COIL GENERATOR	April 1, 2014	CA 2492990	Exro Technologies Inc.

US Patent Applications:

Patent	Application Date	Application Number	Entity
BATTERY CONTROL SYSTEM	April 22, 2022	17727143	Exro Technologies Inc.

METHOD AND APPARATUS TO DRIVE COILS OF A MULTI-PHASE ELECTRIC MACHINE	May 12, 2022	17742727	Exro Technologies Inc.
MOTOR CONNECTION TO COIL DRIVER	Dec 15, 2022	18066375	Exro Technologies Inc.
POWER INVERTER	Dec 15, 2022	18066473	Exro Technologies Inc.

US Patents:

Patent	Application Date	Application Number	Entity
POLYPHASIC MULTI-COIL DEVICE	Jan 18, 2005	11/036052	Exro Technologies Inc.
POWER CONVERSION SYSTEM FOR A MULTI-STAGE GENERATOR	Aug 13, 2014	14/459022	Exro Technologies Inc.
POLY-PHASIC MULTI-COIL GENERATOR/ELECTRIC DEVICE	Jan 13, 2012	8106563	Exro Technologies Inc.
VARIABLE COIL CONFIGURATION SYSTEM, APPARATUS AND METHOD	Nov 7, 2017	9812981	Exro Technologies Inc.
ELECTRIC MACHINES SUCH AS GENERATORS AND MOTORS	Mar 7, 2017	9590468	Exro Technologies Inc.
VARIABLE COIL CONFIGURATION SYSTEM CONTROL, APPARATUS, AND METHOD	Aug 3, 2021	16/615493	Exro Technologies Inc.

Patents of Subsidiary expected to be acquired:

Patent Family/Code	Name	Status	Date	Entity
800141	Management system for commercial electric vehicles	Issued in US	Jan 4, 2022	SEA Automotive PTY LTD
800141	Management system for commercial electric vehicles	Issued in CA	Apr 13, 2021	SEA Automotive PTY LTD
800141	Management system for commercial electric vehicles	Patent filed and pending in 14 other countries	Apr 18, 2017	SEA Automotive PTY LTD
800505	Start-up of electric vehicles	Filed in Australia	May 6, 2022	SEA Automotive PTY LTD
800506	Regeneration control in electric vehicles	Filed in Australia	May 6, 2022	SEA Automotive PTY LTD

Copyright registrations and applications for copyright registrations: N/A.

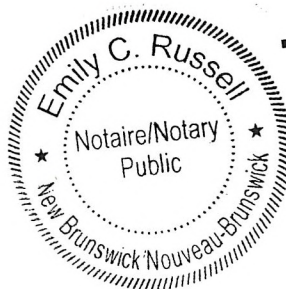
Industrial designs/registered designs and applications for registered designs: N/A.

THIS IS EXHIBIT "M" REFERRED TO IN THE
AFFIDAVIT OF MARK HOLLERAN

SWORN BEFORE ME THIS 3rd DAY OF
NOVEMBER, 2025.



A Notary Public in and for the Province of New Brunswick



General Security Agreement

This Agreement made as of the 25th day of May, 2025.

Between: DPM Technologies Inc (hereinafter called the
 "Debtor")

 (Name of Debtor)
 12–21 Highfield Circle S.E., Calgary, Alberta, T2G 5N6

 (Address)

And: NBIMC Quantitative Strategies Fund – Class N (hereinafter called the
 "Interim Lender")

 140 Rue Carleton St #400,
 Fredericton, NB E3B 3T4

 (Address)

As continuing security for the payment and performance of all Indebtedness (as defined below), the Debtor hereby enters into this Agreement with the Interim Lender for valuable consideration and as continuing security for the payment and performance of the Debtor's obligations to pay when due any debts, principal, interest, fees, and other amounts any Loan Party owes Interim Lender or any affiliate of Interim Lender now or later, whether under this Agreement, the Credit Agreement, the Senior Secured Promissory Notes, the Convertible Debentures, Interim Financing Fees and Expenses or any other Security or otherwise, and including interest accruing after an Insolvency Event begins and debts, liabilities, or obligations of any Loan Party assigned to Interim Lender, and to perform any Loan Party's duties under the Security (all of which present and future indebtedness, liabilities, expenses and interest are herein collectively called the "Indebtedness").

For the purposes of this Agreement:

"Business Day" means a day, (other than a Saturday, Sunday or statutory or civic holiday) upon which the Interim Lender is open for business.

"Collateral" means all the present and future property, assets and undertaking of the Debtor mortgaged, charged, pledged, assigned, hypothecated, transferred or otherwise made subject to the Security Interest pursuant to this Agreement.

"Contractual Right" means any agreement, right, franchise, licence, authorization, approval, privilege or permit (a) to which the Debtor is now or hereafter becomes a party, (b) in which the Debtor now or hereafter has any interest or (c) of which the Debtor is or hereafter becomes a beneficiary.

"Credit Agreement" means the Interim Financing Credit Facility agreement dated as of May 15, 2025 between the Debtor, as co-borrower, the other borrowers referenced therein, and the Interim Lender, as it may be amended, extended, restated, amended and restated, replaced, supplemented or otherwise modified from time to time.

"Encumbrances" means any lien, charge, mortgage, security interest, hypothec, other encumbrance or adverse claim to any property, assets or undertaking.

"Intellectual Property" means all patents, trademarks, trade names, business names, trade styles, logos and other business identifiers, copyrights, technology, inventions, industrial designs, know-how, trade secrets and other industrial and intellectual property in which the Debtor now or in the future has any right, title or interest, including without limitation any industrial or intellectual property specifically listed or otherwise described in Error! Reference source not found. hereto.

"Investment Collateral" means all present and future Investment Property (as such term is defined in the PPSA) and Financial Assets (as such term is defined in the STA) of the Debtor, including all present and future options and warrants of the Debtor and all other rights and entitlements arising therefrom or related thereto, and the Debtor's present and future interests in partnerships, limited partnerships, limited liability partnerships and limited liability companies, and including all substitutions for any of the foregoing and dividends and income derived therefrom or payable in connection therewith.

"Permitted Encumbrances" means any and all liens, charges, mortgages, security interests, hypothecs and other encumbrances which affect all or any portion of the Collateral and which have been consented to in writing by the Interim Lender which, as at the date hereof, are the liens, charges, mortgages, security interests, hypothecs and other encumbrances (if any) listed in Schedule "B" hereto.

"Person" means as the context requires any individual, partnership, firm, company, corporation, unlimited liability corporation or other body corporate, government, governmental body, agency or trust.

"PPSA" means the *Personal Property Security Act* (Ontario) as amended from time to time and any legislation substituted therefor and any amendments thereto.

"Receiver" has the meaning provided for in Section 29 below.

"Security Interest" has the meaning provided for in Section 1 below.

"STA" means the *Securities Transfer Act*, 2006 (Ontario) as amended from time to time and any legislation substituted therefor and any amendments thereto.

The terms **"Senior Secured Promissory Notes"**, **"Convertible Debentures"**, **"Interim Financing Fees and Expenses"**, **"Insolvency Event"**, **"Security"**, shall have the meanings ascribed to them in the Credit Agreement.

Unless otherwise defined herein, all other capitalized terms used herein shall have the meanings ascribed to them in the PPSA.

A. Grant of Security Interests

1. As continuing security for the payment and performance of all Indebtedness, the Debtor hereby mortgages, charges, pledges, assigns, hypothecates, transfers and grants a security interest (collectively, the **"Security Interest"**) to the Interim Lender in all of the Debtor's right, title and interest in and to its present and after-acquired personal property, including:
 - (a) all present and future Equipment of the Debtor, including all of its present and future machinery, fixtures, plant, tools, furniture, apparatus, plant furniture, fixtures, books, records, documents, vehicles of any nature, kind or description, and all accessions to any of the foregoing, including all spare parts and accessories installed in or affixed or attached to any of the foregoing, and all drawings, specifications, plans and manuals relating to the foregoing;
 - (b) all present and future Inventory of the Debtor of whatever kind and wherever situate, including all of its present and future raw materials, materials used or consumed in its business, work-in-progress, finished goods, goods used for packing and goods acquired or held for sale or lease or that have been leased or furnished or that are to be furnished under contracts of rental or service,

and all accessions to any of the foregoing, including all spare parts and accessories installed in or affixed or attached to any of the foregoing;

- (c) all present and future Intangibles of the Debtor, including all of its present and future Accounts and other amounts receivable (including health-care receivables), book debts, all Contractual Rights, goodwill, and choses in action of every nature and kind howsoever arising or secured including, without limitation, letters of credit, guarantees and advices of credit which are now due, owing or accruing or growing due to or owned by or which may hereafter become due, owing or accruing or growing due to or owned by the Debtor;
 - (d) all present and future Documents of Title, Chattel Paper, Instruments and Money of the Debtor;
 - (e) all present and future Investment Collateral;
 - (f) all present and future personal property, assets, and undertaking of the Debtor of any nature or kind, including all personal property, assets and undertaking at any time owned, leased or licenced by the Debtor or in which the Debtor at any time has any right or interest or to which the Debtor is or may at any time become entitled (other than the property, assets and undertaking of the Debtor validly pledged or assigned or subjected to a valid mortgage, charge, hypothec or Security Interest by subsection 1(a), (b), (c), (d) or (e) hereof and subject to the exceptions hereinafter contained); and
 - (g) all Proceeds arising from the property, assets and undertaking of the Debtor referred to in this section 1, together with insurance proceeds and any other payment representing indemnity or compensation for loss of expropriation or damage thereto.
2. The Security Interest hereby created shall not extend or attach to: (i) any property held in trust by the Debtor and lawfully belonging to others; or (ii) any property of the Debtor that constitutes consumer goods for the personal use of the Debtor; or (iii) the last day of the term of any lease, (oral or written) or agreement therefor, now held or hereafter acquired by the Debtor, whether falling within the general or particular description of the Collateral, which shall be excluded from the scope of the Security Interest, provided however, that the Debtor shall stand possessed of the reversion of one day remaining in the Debtor in respect of such term upon trust to assign or dispose of the same to any Person acquiring such term upon the enforcement of the Security Interest.
3. Despite any other provision of this Agreement, the Security Interest shall not attach to any Contractual Right to the extent that the granting of the Security Interest therein would constitute a breach of, or permit any Person to terminate such Contractual Right, but the Debtor shall hold its interest in each such Contractual Right in trust for the Interim Lender and shall, after the Security Interest shall have become enforceable, specifically assign each such Contractual Right to the Interim Lender, or as the Interim Lender may otherwise direct. The Debtor agrees that it shall, upon the request of the Interim Lender, whether before or after the Security Interest has become enforceable, use all commercially reasonable efforts to obtain any consent required to permit any such Contractual Right to be subjected to the Security Interest, and the Security Interest shall attach to such Contractual Right following the receipt of such consent.
4. Despite any other provision of this Agreement, the interests granted to the Interim Lender pursuant to this Agreement in the Debtor's existing and after-acquired trademarks shall be limited to the Interim Lender's Security Interests therein.

B. Attachment

5. The Debtor warrants and acknowledges that subject to the provisions of Sections 2 and 3 above the Debtor and the Interim Lender intend the Security Interest in existing Collateral to attach upon the execution of this Agreement; that value has been given by the Interim Lender to the Debtor; that the

Debtor has rights in such existing Collateral; the Debtor and the Interim Lender have not postponed the time for attachment of the Security Interest on existing Collateral and that the Security Interest shall attach to existing Collateral upon the execution of this Agreement and that the Debtor and the Interim Lender intend the Security Interest in hereafter acquired Collateral to attach at the same time as the Debtor acquires rights in such after acquired Collateral.

C. Investment Collateral

6. Whenever any Investment Collateral is a Security that is a Certificated Security, an Uncertificated Security or a Security Entitlement, the Debtor shall, or shall cause the issuer of such Investment Collateral to, or shall cause the Securities Intermediary that holds such Investment Collateral to, take all steps as are necessary to give exclusive control over such Investment Collateral to the Interim Lender in a manner satisfactory to the Interim Lender.
7. All certificates representing Investment Collateral may remain registered in the name of the Debtor, but the Debtor shall, promptly at the request of the Interim Lender, duly endorse such certificates in blank for transfer or execute stock powers of attorney in respect thereof and deliver such certificates or powers of attorney to the Interim Lender; in either case with signatures guaranteed and with all documentation being in form and substance satisfactory to the Interim Lender. Upon the request of the Interim Lender:
 - (a) the Debtor shall promptly cause the Investment Collateral to be registered in the name of the Interim Lender or its nominee, and the Interim Lender is hereby appointed the irrevocable attorney (coupled with an interest) of the Debtor with full power of substitution to cause any or all of the Investment Collateral to be registered in the name of the Interim Lender or its nominee;
 - (b) the Debtor shall promptly cause each Securities Intermediary that holds any Investment Collateral that is a Security Entitlement to record the Interim Lender as the entitlement holder of such Investment Collateral; and
 - (c) the Debtor shall promptly:
 - (i) cause a Security Certificate to be issued for any Investment Collateral that is in the form of an Uncertificated Security or a Security Entitlement;
 - (ii) endorse such Security Certificate in blank;
 - (iii) deliver such Security Certificate to the Interim Lender; and
 - (iv) take all other steps necessary to give exclusive control over such Certificated Security to the Interim Lender, in a manner satisfactory to the Interim Lender.
8. Until further notice is given by the Interim Lender to the Debtor terminating such rights of the Debtor, the Debtor shall be entitled to exercise all voting rights attached to the Investment Collateral and give consents, waivers and ratifications in respect thereof; provided that no vote shall be cast or consent, waiver or ratification given or action taken which would be prejudicial to the interests of the Interim Lender or which would have the effect of reducing the value of the Investment Collateral as security for the Indebtedness, or imposing any restriction on the transferability of any of the Investment Collateral. All such rights of the Debtor to vote and give consents, waivers and ratifications shall cease immediately upon receipt by the Debtor of such notice by the Interim Lender.
9. All dividends, distributions, interest and other income in respect of Investment Collateral and all proceeds received by the Debtor in respect of Investment Collateral may be received by the Debtor in the ordinary course and distributed in the ordinary course to the Debtor's shareholder or shareholders until further notice by the Interim Lender. Upon receipt by the Debtor of such notice, the Debtor shall

not be entitled to retain or distribute to its shareholder or shareholders any such dividends, distributions, interest or other income or proceeds and, if any such amounts are received by the Debtor after the Debtor receives such notice by the Interim Lender, the Debtor shall hold such amounts in trust, as trustee for the Interim Lender, and the Debtor shall forthwith pay such amounts to the Interim Lender, to be applied to reduce the Indebtedness or, at the option of the Interim Lender, to be held as additional security for the Indebtedness.

10. The responsibility of the Interim Lender in respect of any Investment Collateral held by the Interim Lender shall be limited to exercising the same degree of care which it gives valuable property of the Interim Lender at the Interim Lender's office where such Investment Collateral is held. The Interim Lender shall not be bound under any circumstances to realize on any Investment Collateral or allow any Investment Collateral to be sold, or exercise any option or right attaching thereto, or be responsible for any loss occasioned by any sale of Investment Collateral or by the retention or other refusal to sell the same; nor shall the Interim Lender be obliged to collect or see to the payment of interest or dividends thereon but, subject to section 9, all such interest and dividends, if and when received by the Debtor, shall be held by the Debtor in trust for the Interim Lender and shall be forthwith paid to the Interim Lender.

D. Representations and Warranties of Debtor

11. The Debtor hereby represents and warrants to the Interim Lender that:

- (a) the Debtor has the capacity and authority to incur the Indebtedness, to create the Security Interest and to execute and deliver and perform its obligations under this Agreement;
- (b) the execution and delivery of this Agreement and the performance by the Debtor of its obligations hereunder (including, without limitation, the repayment of the Indebtedness) have been duly authorized by all necessary proceedings;
- (c) this Agreement constitutes a legal, valid and binding obligation of the Debtor, enforceable against the Debtor in accordance with its terms subject only to bankruptcy, insolvency, reorganization, moratorium and other similar laws of general application affecting creditors' rights and the discretion exercisable by courts of competent jurisdiction in respect of the availability of equitable remedies;
- (d) the Collateral is genuine and except for the Security Interest and any Permitted Encumbrances, the Collateral is owned by the Debtor free from any mortgage, charge, lien, pledge, security interest or other encumbrance or claim whatsoever;
- (e) the jurisdiction in which the Debtor is located for purposes of the PPSA and under which the Debtor is incorporated, continued, amalgamated or otherwise organized is the Province or Territory, or State identified in **Schedule "A"** of this Agreement;
- (f) the Debtor does not keep tangible Collateral or books and records at any location(s) except the location(s) listed in **Schedule "A"** hereto other than tangible Collateral in transit to or from such locations;
- (g) the Debtor has made all necessary filings, registrations and recordations to protect all of its right, title and interest in the presently held Intellectual Property including all relevant renewals; and all such filings, registrations and recordations have been duly and properly made and are in full force and effect and are not subject to dispute by any governmental authority or agency;
- (h) all Contractual Rights relating to or affecting the presently held Intellectual Property are in good standing;

- (i) the Debtor owns directly or is entitled to use by Contractual Right or otherwise all of the presently held Intellectual Property;
- (j) no litigation is pending or threatened which contains allegations respecting the validity, enforceability, infringement or ownership of any of the Intellectual Property, including any of right, title or interest of the Debtor in the presently held Intellectual Property;
- (k) the Debtor has no Contractual Right which, because of the granting of the Security Interest therein, would be breached or could be terminated, except for any such Contractual Rights if any, identified to the Interim Lender in writing, which schedule contains an accurate description of all such Contractual Rights, the parties thereto, and any provisions thereof which would be so breached or which would result in such a termination right.

E. Covenants and Agreements of Debtor

12. The Debtor hereby covenants and agrees with the Interim Lender that at all times while this Agreement remains in effect, it shall:

- (a) pay or perform the Indebtedness when due;
- (b) not without the prior written consent of the Interim Lender sell or dispose of any of the Collateral in the ordinary course of business or otherwise (provided however that the Inventory of the Debtor may be sold or disposed of in the ordinary course of the Debtor's business and for the purpose of carrying on the same) and if the amounts on or in respect of the Collateral or Proceeds thereof shall be paid to the Debtor, the Debtor shall receive the same in trust for the Interim Lender and forthwith pay over the same to the Interim Lender upon request;
- (c) not without the prior written consent of the Interim Lender create or permit any Encumbrances upon or assign or transfer as security or pledge or hypothecate as security the Collateral except to the Interim Lender;
- (d) at all times have and maintain insurance over the Collateral against risks of fire (including extended coverage), theft, and such risks as the Interim Lender may reasonably require in writing, containing such terms, in such form, for such periods and written by such companies as may be reasonably satisfactory to the Interim Lender. The Debtor shall duly pay all premiums and other sums payable for maintaining such insurance and shall cause the insurance money thereunder to be payable to the Interim Lender as its interest hereunder may appear and shall, if required, furnish the Interim Lender with certificates or other evidence satisfactory to the Interim Lender of compliance with the foregoing insurance provisions. In the event that the Debtor fails to pay all premiums and other sums payable in accordance with the foregoing insurance provision, the Interim Lender may make such payments to be repayable by the Debtor on demand and any such payments made by the Interim Lender shall comprise part of the Indebtedness and be secured hereby;
- (e) keep the Collateral in good condition and repair according to the nature and description thereof, and the Interim Lender may, whenever it deems necessary, either in person or by agent, inspect the Collateral and the reasonable cost of such inspection shall be paid by the Debtor and comprise part of the Indebtedness and be secured hereby and the Interim Lender may make repairs as it deems necessary and the cost thereof shall be paid by the Debtor and comprise part of the Indebtedness and be secured hereby;
- (f) duly pay all taxes, rates, levies, assessments and other impositions and charges of every nature and kind which may now or hereafter be lawfully levied, assessed or imposed on or in respect of the Debtor or the Collateral (or any of it), including those which could result in the creation of a statutory lien or deemed trust or other Encumbrance affecting the Debtor or the Collateral, as and when the same become due and payable;

- (g) permit the Interim Lender, at any time, whether before or after the Security Interest shall have become enforceable, to notify any account debtor of the Debtor of the Security Interest, require such account debtor to make payment to the Interim Lender, and to take control of any Proceeds of Collateral and hold all amounts received from any account debtor and any Proceeds as part of the Collateral and as security for the Indebtedness;
 - (h) make and maintain all filings, registrations and recordations necessary or desirable to protect its right, title and interest in the Collateral, including all filings, registrations and recordations necessary or desirable in respect of patents, trade-marks, copyrights and industrial designs included in the Intellectual Property;
 - (i) defend the Collateral against any actions, claims and demands of any Person (other than the Interim Lender) claiming the Collateral (or any of it) or an interest therein;
 - (j) maintain its corporate existence and file or cause to be filed any returns, documents or other information necessary to preserve such corporate existence;
 - (k) notify the Interim Lender of any loss or damage to the Collateral, any change in any information provided in this Agreement (including the schedules hereto) or any actual or potential claim or Encumbrance affecting the Debtor, the Collateral or the Security Interest;
 - (l) prevent any Collateral from becoming an accession to any personal property not subject to the Security Interest, or becoming affixed to any real property;
 - (m) deliver to the Interim Lender, at the Interim Lender's request, duly endorsed and/or accompanied by such assignments, transfers, powers of attorney or other documents as the Interim Lender may request, all items of the Collateral comprising Chattel Paper, Instruments, Investment Collateral and Documents of Title;
 - (n) pay, on demand by the Interim Lender, all costs and expenses (including all legal fees on a full indemnity basis) incurred by the Interim Lender in the preparation, perfection, administration and enforcement of this Agreement (including expenses incurred in considering, protecting or improving the Interim Lender's position, or attempting to do so, whether before or after default) and all such costs and expenses shall bear interest at the highest rate applicable to the Indebtedness, shall form part of the Indebtedness and shall be secured by the Security Interest;
 - (o) preserve the Debtor's rights, powers, licences, privileges, franchises and goodwill, comply with all applicable laws, regulations and orders (including environmental laws, regulations and orders) affecting the Debtor or the Collateral and conduct its business in a proper and efficient manner so as to protect the Collateral, the Security Interest and the business and undertaking of the Debtor;
 - (p) give the Interim Lender at least 10 Business Days advance notice in writing of any proposed change to the Debtor's name, location, or its governing jurisdiction; and
 - (q) give the Interim Lender at least 10 Business Days advance notice in writing of any proposed change to its chief executive office, the registered office or the location of the office where it keeps its books and records, or movement of any of the Inventory, Securities or Equipment from the locations or jurisdictions, as applicable, specified in any schedule hereto.
13. The Debtor shall not (a) create, incur, allow, or suffer any Encumbrance on any of its property, or assign or convey any right to receive income, including the sale of any Accounts or Contracts, except for Permitted Encumbrances, (b) permit any Collateral not to be subject to the first priority security interest granted herein (subject to Permitted Encumbrances), or (c) enter into any agreement, document, instrument or other arrangement (except with or in favor of Interim Lender) with any Person which directly or indirectly prohibits or has the effect of prohibiting such Loan Party or any of its Subsidiaries

from assigning, mortgaging, pledging, granting a security interest in or upon, or encumbering any of such Loan Party's or such Subsidiary's Intellectual Property in favor of Interim Lender.

14. The Debtor shall at all times and from time to time do, execute, acknowledge and deliver or cause to be done, executed, acknowledged or delivered any such further act, deed, transfer, assignment, assurance, document or instrument as the Interim Lender may reasonably require for the better granting, mortgaging, charging, assigning, hypothecating and transferring unto the Interim Lender the property, assets and undertaking hereby subjected or intended to be subject to the Security Interest or which the Debtor may hereafter become bound to mortgage, charge, assign, hypothec, transfer or subject to the Security Interest in favour of the Interim Lender for the better accomplishing and effectuating of this Agreement and the provisions contained herein and each and every officer of the Interim Lender is irrevocably appointed, coupled with an interest, to execute in the name and on behalf of the Debtor any document or instrument for the said purposes.
15. The Debtor shall permit the Interim Lender at any time, either in person or by agent, to inspect the Debtor's books and records pertaining to the Collateral. The Debtor shall at all times upon request by the Interim Lender furnish the Interim Lender with such information concerning the Collateral and the Debtor's affairs and business as the Interim Lender may reasonably request including, without limitation, lists of Inventory and Equipment and lists of Accounts showing the amounts owing upon each Account and securities therefor and copies of all financial statements, books and accounts, invoices, letters, papers and other documents in any way evidencing or relating to the Accounts.
16. The Debtor acknowledges and agrees that:
 - (a) in the event it amalgamates with any other corporation or corporations, it is the intention of the parties hereto that the term 'Debtor' when used herein shall apply to each of the amalgamating corporations and to the amalgamated corporation, that this Agreement shall continue in full force and effect and shall be binding on the amalgamated corporation, such that the Security Interest granted hereby:
 - (i) shall continue to charge all Collateral of the Debtor and extend and attach to 'Collateral' (as that term is herein defined) owned by each of the other amalgamating corporations and the amalgamated corporation at the time of amalgamation and to any 'Collateral' thereafter owned or acquired by the amalgamated corporation; and
 - (ii) shall continue to secure the 'Indebtedness' (as that term is herein defined) of each of the amalgamating corporations including the Debtor and the amalgamated corporation to the Interim Lender at the time of amalgamation and any 'Indebtedness' of the amalgamated corporation to the Interim Lender thereafter arising.
 - (b) The term "**Indebtedness**" shall include all such Indebtedness of the Debtor, the other amalgamating corporations and the amalgamated corporation.
 - (c) The term "**Collateral**" shall include all such property, assets and undertaking of the Debtor, the other amalgamating corporations and the amalgamated corporation.
 - (d) All defined terms and other provisions of this Agreement shall be deemed to have been amended to reflect such amalgamation, to the extent required by the context.
 - (e) The parties agree to execute and deliver all such further documents and assurances as may be necessary or desirable in connection with the foregoing.

F. Default

17. Without prejudice to any right which the Interim Lender may now or hereafter have to demand payment of any of the Indebtedness at any time, the Indebtedness shall, at the option of the Interim Lender, become payable and the Security Interest shall become enforceable upon the occurrence and during the continuance of an Event of Default (as defined in the Credit Agreement).
18. The Interim Lender may in writing waive any breach by the Debtor of any of the provisions contained herein or any default by the Debtor in the observance or performance of any covenant or condition required by the Interim Lender to be observed or performed by the Debtor; provided that no act or omission by the Interim Lender in the premises shall extend to or be taken in any manner whatsoever to affect any subsequent breach or default or the rights resulting therefrom.

G. Remedies of the Interim Lender

19. Whenever the Security Interest shall have become enforceable as described in Section 17 above, and so long as it shall remain enforceable, the Interim Lender may proceed to realize the Security Interest and the Collateral and to enforce its rights by doing any one or more of the following:
- (a) entering upon the Collateral and any lands and premises where any Collateral is or may be located;
 - (b) taking possession of Collateral by any method permitted by law;
 - (c) occupying any lands and premises owned or occupied by the Debtor and using all or any part of such lands and premises and the Equipment and other Collateral located thereon;
 - (d) leasing, selling, licensing or otherwise disposing of the whole or any part or parts of the Collateral;
 - (e) collecting, selling or otherwise dealing with any Accounts or other amounts receivable of the Debtor, including notifying any person obligated to the Debtor in respect of an Account, Chattel Paper, Investment Collateral or Instrument to make payment to the Interim Lender of all present and future amounts due thereon;
 - (f) taking steps and expending such monies as it considers necessary or desirable in its sole discretion to maintain, preserve and protect the Collateral, including making payments on account of other security interests affecting the Collateral; provided that the Interim Lender shall have no obligation to take any such actions or make any such expenditures; but any such amounts paid by the Interim Lender shall be added to the Indebtedness and shall be secured by the Security Interest;
 - (g) collecting any rents, income, and profits received in connection with the business of the Debtor or the Collateral, without carrying on such business;
 - (h) exercising all voting rights attached to any Collateral constituting Investment Collateral (whether or not registered in the name of the Interim Lender or its nominee) and giving or withholding all consents, waivers and ratifications in respect thereof and otherwise acting with respect thereto as though it were the absolute owner thereof;
 - (i) exercising any and all rights of conversion, exchange, subscription or any other rights, privileges or options pertaining to any Collateral constituting Investment Collateral as if it were the absolute owner thereof including the right to exchange at its sole discretion any and all of such Investment Collateral upon the merger, consolidation, reorganization, recapitalization or other readjustment of any issuer thereof, or upon the exercise by any issuer of any right, privilege or option pertaining to any such Investment Collateral, and in connection therewith, to deposit and deliver any such Investment Collateral with any committee, depository, transfer agent, registrar or other designated

agency upon such terms and conditions as it may determine in its sole discretion, all without liability except to account for property actually received by it;

- (j) complying with any limitation or restriction in connection with any proposed sale or other disposition of Collateral constituting Investment Collateral as may be necessary in order to comply with applicable law or regulation or any policy imposed by any stock exchange, securities commission or other governmental or regulatory authority or official, and the Debtor agrees that such compliance shall not result in such sale being considered or deemed not to have been made in a commercially reasonable manner, and the Interim Lender shall not be liable or accountable to the Debtor for any discount in the sale price of any such Investment Collateral which may be given by reason of the fact that such Investment Collateral are sold in compliance with any such limitation or restriction;
 - (k) carrying on the business of the Debtor or any portion thereof;
 - (l) exercising any and all of the rights and remedies granted pursuant to the PPSA and any other applicable legislation, or otherwise available at law or in equity including by any other action, suit, remedy or proceeding authorized or permitted hereby or by law or by equity;
 - (m) demanding, commencing, continuing or defending any judicial or administrative proceedings for the purpose of protecting, seizing, collecting, realizing or obtaining possession or payment of the Collateral, and giving valid and effectual receipts and discharges therefor and to compromise or give time for the payment or performance of all or any part of the accounts or other amounts receivable of the Debtor or any other obligation of any third party to the Debtor;
 - (n) borrowing money for the maintenance, preservation or protection of the Collateral or for the carrying on of the business of the Debtor, and charge and grant further security interests in the Collateral in priority to the Security Interest or otherwise, as security for the money so borrowed;
 - (o) accepting the Collateral in satisfaction of the Indebtedness;
 - (p) appointing by instrument in writing a Receiver or Receivers of the Collateral or any part thereof;
 - (q) bringing proceedings in any court of competent jurisdiction for the appointment of a Receiver or Receivers or for the sale of the Collateral or any part thereof; and
 - (r) filing such proofs of claim and other documents as may be necessary or advisable in order to have its claim lodged in any bankruptcy, winding-up or other judicial proceedings relating to the Debtor or the Collateral.
20. Any Receiver appointed by the Interim Lender may be any Person or Persons (including one or more officers or employees of the Interim Lender), and the Interim Lender may remove any Receiver so appointed and appoint another or others instead. Any such Receiver may exercise any and all of the rights, remedies and powers of the Interim Lender provided in this Agreement including, without limitation, the power to take possession of the Collateral or any part thereof and to carry on the business of the Debtor, further charge the Collateral in priority to the Security Interests as security for money so borrowed, and sell, lease or otherwise dispose of the whole or any part of the Collateral on such terms and conditions and in such manner as the Receiver shall determine. The Interim Lender shall not be responsible for the actions, errors or omissions of any Receiver it appoints and any such Receiver shall be deemed to act as agent for the Debtor for all purposes, including the occupation of any lands and premises of the Debtor and in carrying on the Debtor's business, unless the Interim Lender expressly specifies in writing that the Receiver shall be agent for the Interim Lender for one or more purposes. Without limiting the generality of the foregoing, for the purposes of realizing upon the Security Interest, any Receiver may sell, lease, or otherwise dispose of Collateral as agent for the Debtor or as agent for the Interim Lender as the Interim Lender may specify in writing in its sole discretion. The Debtor agrees

to ratify and confirm all actions of any Receiver appointed by the Interim Lender acting as agent for the Debtor, and to release and indemnify the Receiver in respect of all such actions.

21. Without limiting the ability of the Interim Lender or any Receiver to dispose of Collateral in any other manner, the Debtor agrees that any sale, lease or other disposition of the Collateral hereunder may be completed by public auction, public tender or private contract, with or without notice, with or without advertising and with or without any other formality (except as required by law), all of which are hereby waived by the Debtor to the fullest extent permitted by applicable law. Any such disposition of Collateral may involve all or part of the Collateral and may be on such terms and conditions as to credit or otherwise and as to upset or reserve bid or price as the Interim Lender or any Receiver appointed by the Interim Lender may, in its sole discretion, deem advantageous and may take place whether or not the Interim Lender or any such Receiver has taken possession of such Collateral. Any purchaser or lessee of Collateral may be a customer of the Interim Lender.
22. The Interim Lender shall not be liable for any delay or failure to enforce any rights, powers or remedies available to it or to institute any proceedings for such purposes.
23. No right, power or remedy of the Interim Lender (whether granted herein or otherwise) shall be exclusive of or dependent on or merge in any other right, power or remedy, but all such rights, powers and remedies may from time to time be exercised independently or in combination.
24. The Debtor agrees, without diminishing the covenant in section 12(n) above, and in furtherance thereof, to pay to the Interim Lender, forthwith on demand by the Interim Lender, all costs and expenses incurred by the Interim Lender in connection with the exercise by the Interim Lender of its rights, powers and remedies hereunder, including:
 - (a) any costs and expenses incurred by the Interim Lender in taking, holding, moving, storing, recovering, possessing, repairing, processing, preparing for disposition or disposing of Collateral;
 - (b) any legal fees and expenses incurred by the Interim Lender in enforcing its rights, powers and remedies, including those incurred in connection with any proceedings taken for the purpose of enforcing its rights, powers and remedies hereunder or otherwise relating to the non-payment or non-performance of any Indebtedness;
 - (c) the cost of borrowing amounts as hereinbefore provided (for the purpose of carrying on the Debtor's business or otherwise), including, the principal amount or any such amount borrowed, all interest thereon and fees relating thereto; and
 - (d) all costs and expenses of or incurred by any Receiver, agent or consultant appointed by the Interim Lender (including any legal fees and expenses incurred by any such Receiver, agent or consultant).

All such sums shall bear interest at the highest rate applicable to the Indebtedness, shall form part of the Indebtedness and shall be secured by the Security Interest.

25. Any and all payments made in respect of the Indebtedness from time to time and moneys realized from any Collateral (including moneys realized on any enforcement of this Agreement) may be applied to such part or parts of the Indebtedness as the Interim Lender may see fit, and the Interim Lender shall at all times and from time to time have the right to change any appropriation as the Interim Lender may see fit and to re-apply the same on any other part or parts of the Indebtedness as the Interim Lender may see fit, notwithstanding any previous application by whomsoever made.
26. The Debtor shall remain liable for all Indebtedness that is outstanding following realization of all or any part of the Collateral.

27. The Interim Lender may pay the whole or any part of any liens, taxes, rates, charges or Encumbrances now or hereafter existing in respect of any Collateral and such payments together with all costs, charges and expenses which may be incurred in connection with making such payments shall form part of the Indebtedness, shall bear interest at the highest rate applicable to the Indebtedness, and shall be secured by the Security Interest. Whenever the Interim Lender pays any such lien, tax, rate, charge or Encumbrance, it shall be entitled to all the equities and securities of the Person or Persons so paid and is hereby authorized to obtain any discharge thereof and hold such discharge without registration for so long as it may deem advisable to do so.
28. If the Debtor fails to perform or comply with any covenant or other obligation of the Debtor under this Agreement, the Interim Lender may, but need not, perform or otherwise cause the performance or compliance of such covenant or other obligation, provided that any performance or compliance undertaken by the Interim Lender will not constitute a waiver, remedy or satisfaction of such failure. The costs and expenses of the Interim Lender incurred in connection with any such performance or compliance shall be payable by the Debtor to the Interim Lender on demand, form part of the Indebtedness, bear interest at the highest rate applicable to the Indebtedness and be secured by the Security Interest.
29. The term “**Receiver**” as used in this Agreement includes a receiver and manager, a receiver, a liquidator, a custodian, monitor, or consultant whether appointed by the Interim Lender by instrument in writing or appointed pursuant to a court order.

H. Rights of the Interim Lender

30. The Debtor grants to the Interim Lender the right to set off against any and all accounts, credits or balances maintained by it with the Interim Lender, the aggregate amount of any of the Indebtedness (or any portion thereof) when the same shall become due and payable whether at maturity, upon acceleration of maturity thereof or otherwise.
31. The Interim Lender, without exonerating in whole or in part the Debtor, may grant time, renewals, extensions, indulgences, releases and discharges to, may take securities from and give the same and any or all existing securities up to, may abstain from taking securities from or from perfecting securities of, may accept compositions from and may otherwise deal with the Debtor and all other Persons and securities as the Interim Lender may see fit.
32. The Interim Lender may, without the consent of the Debtor, assign, transfer and deliver any of the Indebtedness, or the Security Interests, or any security or any documents or instruments held by the Interim Lender in respect thereof to any transferee provided that no such assignment, transfer or delivery shall release the Debtor from any of the Indebtedness; and thereafter the Interim Lender shall be fully discharged from all responsibility with respect to the Indebtedness and security, documents and instruments so assigned, transferred or delivered. Such transferee shall be vested with all powers and rights of the Interim Lender under such security, documents or instruments but the Interim Lender shall retain all rights and powers with respect to any such security, documents or instruments not so assigned, transferred or delivered. The Debtor shall not assign any of its rights or Indebtedness hereunder without the prior written consent of the Interim Lender.

I. Miscellaneous

33. This Agreement is in addition to, not in substitution for and shall not be merged in any other agreement, security, document or instrument now or hereafter held by the Interim Lender or existing at law in equity or by statute. This Agreement is in addition to and not in substitution for any other security now or hereafter held by the Interim Lender and shall be general and continuing security notwithstanding that the Indebtedness shall be at any time or from time to time fully satisfied or paid.

34. Nothing herein shall obligate the Interim Lender to make any advance or loan or further advance or loan or to renew any note or extend any time for payment of any indebtedness of the Debtor to the Interim Lender.
35. This Agreement shall be binding upon the Debtor and its heirs, legatees, trustees, executors, administrators, successors and assigns including any successor by reason of amalgamation of or any other change in the Debtor and shall enure to the benefit of the Interim Lender and its successors and assigns.
36. If one or more of the provisions contained herein shall be invalid, illegal or unenforceable in any respect, such provision or provisions shall be severed from this Agreement only to the extent necessary, and the validity, legality and enforceability of the remaining provisions hereof, including the provision or provisions remaining after such severance, shall not in any way be affected or impaired thereby.
37. The headings in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose.
38. This Agreement, if signed by a party using electronic signatures or other electronic means to signify agreement which is acceptable to the other party, shall be valid and binding notwithstanding the absence of a hand-written original signature. Any notice, demand, statement or other communication permitted or required to be given hereunder shall be in writing (including electronically) and may be effectively given by delivering it to the address(es) hereinafter set forth or by sending the same electronically if the party's electronic/email address is provided below, or by facsimile to such address(es). Any notice, demand or other communication so given prior to 5:00 p.m. (Toronto time) on a Business Day by personal delivery, electronically or by fax shall be deemed to have been given, received and made on such Business Day and if so given after 5:00 p.m. (Toronto time) on a Business Day or a day which is not a Business Day, shall be deemed to have been given, received and made on the next following Business Day. The addresses of the parties for the purposes hereof shall be:
- (a) in the case of the Interim Lender, addressed as follows:

NBIMC Quantitative Strategies Fund – Class N
140 Rue Carleton St #400,
Fredericton, NB E3B 3T4
Attention: Mark Holleran
mark.holleran@vestcor.org

Copy to:

Stewart McKelvey
Suite 1000, 44 Chipman Hill
Saint John, NB E2L 2A9
Attention: C. Paul W. Smith
psmith@stewartmckelvey.com

- (b) in the case of the Debtor, addressed as follows:

666 Burrard Street, Suite 1700
Vancouver, BC V6C 2X8
Attention: Sue Ozdemir
sozdemir@exro.com

Copy to:

Stikeman Elliott LLP

666 Burrard Street, Suite 1700
Vancouver, BC V6C 2X8
Attention: Neville McClure
nmclure@stikeman.com

Either party may from time to time notify the other, in accordance with the provisions hereof, of any change of address which thereafter, until changed by like notice, shall be the address of such party for all purposes of this Agreement.

39. Where any provision or remedy contained or referred to in this Agreement is prohibited, modified or altered by the laws of any Province or Territory of Canada which governs that aspect of this Agreement and the provision or remedies may be waived or excluded by the Debtor in whole or in part, the Debtor hereby waives and excludes such provision to the fullest extent permissible by applicable law.
40. This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario. For the purpose of legal proceedings this Agreement shall be deemed to have been made in the said Province and to be performed there and the courts of that Province shall have jurisdiction over all disputes which may arise under this Agreement and the Debtor hereby irrevocably and unconditionally attorns and submits to the non-exclusive jurisdiction of such courts, provided always that nothing herein contained shall prevent the Interim Lender from proceeding at its election against the Debtor in the Courts of any other Province, country or jurisdiction.
41. References such as "**this Agreement**", "**hereof**", "**herein**", "**hereto**" and like references refer to this Agreement and any schedules, exhibits or appendices attached hereto from time to time, or described as comprising a part of this Agreement (all of which schedules, exhibits and appendices form a part of this Agreement) and not to any particular section, subsection, paragraph or other subdivision of this Agreement.
42. The word "**Debtor**", the personal pronoun "**it**" or "**its**" and any verb relating thereto and used therewith shall be read and construed as required by and in accordance with the context in which such words are used. The term "**successors**" shall include, without limiting its meaning, any corporation resulting from the amalgamation of a corporation with another corporation. Where the context so requires, words used herein (including defined terms) importing the singular shall include the plural and vice versa and words used herein (including defined terms) importing gender shall include all genders (including the neuter).
43. Nothing herein (including the definition and use of the term Permitted Encumbrances) is intended or shall be deemed to subordinate the Security Interest to any Permitted Encumbrance or any other lien, charge, mortgage, security interest, hypothec or encumbrance affecting all or any portion of the Collateral.
44. Unless otherwise expressly provided in this Agreement, if any matter in this Agreement is subject to the determination, consent or approval of the Interim Lender or is to be acceptable to the Interim Lender, such determination, consent, approval or determination of acceptability will be in the sole discretion of the Interim Lender, which means the Interim Lender shall have sole and unfettered discretion, without any obligation to act reasonably. If any provision in this Agreement refers to any action taken or to be taken by the Debtor, or which the Debtor is prohibited from taking, such provision will be interpreted to include any and all means, direct or indirect, of taking, or not taking, such action. When used in the context of a general statement followed by a reference to one or more specific items or matters, the term "**including**" shall mean "**including, without limitation**" and the use of the term "**includes**" shall mean "**includes, without limitation**".
45. In the event that any day, on or before which any action is required to be taken hereunder, is not a Business Day, then such action shall be required to be taken on or before the first Business Day immediately thereafter.
46. Time shall be of the essence of this Agreement.

47. Upon full, final and indefeasible payment and fulfillment by the Debtor, its successors or permitted assigns, of all Indebtedness and provided that the Interim Lender is then under no obligation (conditional or otherwise) to make any further loans, advances or extend any other type of credit to the Debtor or to any other Person, the payment of which is secured, directly or indirectly, by this Agreement, the Interim Lender shall, upon request in writing by the Debtor, delivered to the Interim Lender at the Interim Lender's address as set out in section 38 hereof and at the Debtor's expense, discharge this Agreement.
48. The Interim Lender may in writing, which may be provided electronically, (and not otherwise) waive any default by the Debtor in the observance or performance of any provision of this Agreement; provided that no waiver by the Interim Lender shall extend to or be taken in any manner whatsoever to affect any subsequent default, whether of the same or a different nature, or the rights resulting therefrom.
49. The Debtor agrees that the Interim Lender may from time to time provide information concerning this Agreement (including a copy hereof), the Collateral and the Indebtedness to any Person the Interim Lender in good faith believes is entitled thereto pursuant to applicable law.
50. The Debtor acknowledges having received an executed copy of this Agreement and hereby waives, to the fullest extent permitted by applicable law, receipt of a copy of any financing statement or financing change statement filed at any time in respect of this Agreement or any verification statement in respect of the same.
51. This Agreement and any amendment, supplement, restatement or termination may be executed and delivered in any number of counterparts, each of which when executed and delivered shall be deemed an original and all of which, taken together, shall constitute one and the same agreement. Any party hereto may deliver an executed copy of this Agreement electronically or by facsimile to the other parties hereto.
52. The Debtor by its signature of this Agreement on the one hand and the Interim Lender by making this Agreement available to the Debtor on the other hand acknowledge having expressly required it to be drawn up in the English language. La soussignée par sa signature de ce cautionnement d'une part et la Banque en mettant ledit cautionnement à la disposition des garants d'autre part reconnaissent avoir expressément exigé qu'il soit rédigé en langue anglaise.

This Agreement has been duly executed by the Debtor on the 25th day of May, 2025.

DPM Technologies Inc.

(Full Legal Name of Corporation)

Per: DocuSigned by:
Sue Özdemir_____
9AC23347E8954E3
(Authorized Signatory)

Name: Sue Özdemir_____

Title: Director_____

_____ **C/S**

SCHEDULE "A"

Full legal name: DPM Technologies Inc.

Prior names: Exro Technologies Inc.

Predecessor companies: 1089001 B.C. Ltd. and Exro Technologies Inc.

Jurisdiction of incorporation or organization: British Columbia

Address of chief executive office: 12–21 Highfield Circle S.E., Calgary, Alberta, T2G 5N6

Address of registered office: 1700 – 666 Burrard Street, Vancouver, BC V6C 2X8.

Addresses of all places where business is carried on or tangible Personal Property is kept: N/A.

Jurisdictions in which all material account debtors are located: N/A.

Addresses of all owned real property: N/A.

Addresses of all leased real property: N/A.

Description of all “serial number” goods (i.e. motor vehicles, trailers, aircraft, boats and outboard motors for boats):

Subsidiaries of DPM: N/A.

Instruments, Documents of Title and Chattel Paper of Debtor: N/A

Pledged Certificated Securities: N/A.

Pledged Securities Accounts: n/a

Pledged Uncertificated Securities: n/a

Pledged Futures Accounts: n/a

SCHEDULE "B"

Permitted Encumbrances:

All Permitted Encumbrances, as such term is defined in the Credit Agreement.

SCHEDULE "C"**Intellectual Property:****Registered trade-marks and applications for trademark registrations:** N/A.**Patents and patent applications:****Canadian Patent Applications:**

Patent	Application Date	Application Number	Entity
SYSTEMS AND METHODS FOR INTELLIGENT CONTROL OF ROTATING ELECTRIC MACHINES	September 4, 2019	CA 3111825	DPM Technologies Inc.
SYSTEMS AND METHODS FOR INTELLIGENT ENERGY STORAGE AND PROVISIONING USING AN ENERGY STORAGE CONTROL SYSTEM	September 4, 2019	CA 3111823	DPM Technologies Inc.
FAULT TOLERANT ROTATING ELECTRIC MACHINE	April 23, 2020	CA 3137550	DPM Technologies Inc.

Canadian Patents:

Patent	Registration Date	Registration Number	Entity
POLYPHASIC MULTI-COIL DEVICE	March 26, 2013	CA 2487668	DPM Technologies Inc.
VARIABLE COIL CONFIGURATION SYSTEM CONTROL, APPARATUS AND METHOD	September 6, 2022	CA 3061619	DPM Technologies Inc.

US Patent Applications:

Patent	Application Date	Application Number	Entity
FAULT TOLERANT ROTATING ELECTRIC MACHINE	April 23, 2020	PCT/CA2020/050534	DPM Technologies Inc.
SYSTEMS AND METHODS FOR INTELLIGENT ENERGY STORAGE	September 4, 2019	PCT/CA2019/051238	DPM Technologies Inc.
SYSTEMS AND METHODS FOR INTELLIGENT CONTROL OF ROTATING ELECTRIC MACHINES	September 4, 2019	PCT/CA2019/051239	DPM Technologies Inc.

Copyright registrations and applications for copyright registrations: N/A.

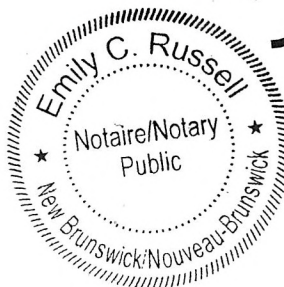
Industrial designs/registered designs and applications for registered designs: N/A.

THIS IS EXHIBIT "N" REFERRED TO IN THE
AFFIDAVIT OF MARK HOLLERAN

SWORN BEFORE ME THIS 3rd DAY OF
NOVEMBER, 2025.



A Notary Public in and for the Province of New Brunswick



General Security Agreement

This Agreement made as of the 25th day of May, 2025.

Between: Cellex Energy Inc. (hereinafter called the
"Debtor")

(Name of Debtor)
 1700 – 666 Burrard Street, Vancouver, BC V6R 1A2

(Address)

And: NBIMC Quantitative Strategies Fund – Class N (hereinafter called the
"Interim Lender")

 140 Rue Carleton St #400,
 Fredericton, NB E3B 3T4

(Address)

As continuing security for the payment and performance of all Indebtedness (as defined below), the Debtor hereby enters into this Agreement with the Interim Lender for valuable consideration and as continuing security for the payment and performance of the Debtor's obligations to pay when due any debts, principal, interest, fees, and other amounts any Loan Party owes Interim Lender or any affiliate of Interim Lender now or later, whether under this Agreement, the Credit Agreement, the Senior Secured Promissory Notes, the Convertible Debentures, Interim Financing Fees and Expenses or any other Security or otherwise, and including interest accruing after an Insolvency Event begins and debts, liabilities, or obligations of any Loan Party assigned to Interim Lender, and to perform any Loan Party's duties under the Security (all of which present and future indebtedness, liabilities, expenses and interest are herein collectively called the **"Indebtedness"**).

For the purposes of this Agreement:

"Business Day" means a day, (other than a Saturday, Sunday or statutory or civic holiday) upon which the Interim Lender is open for business.

"Collateral" means all the present and future property, assets and undertaking of the Debtor mortgaged, charged, pledged, assigned, hypothecated, transferred or otherwise made subject to the Security Interest pursuant to this Agreement.

"Contractual Right" means any agreement, right, franchise, licence, authorization, approval, privilege or permit (a) to which the Debtor is now or hereafter becomes a party, (b) in which the Debtor now or hereafter has any interest or (c) of which the Debtor is or hereafter becomes a beneficiary.

"Credit Agreement" means the Interim Financing Credit Facility agreement dated as of May 15, 2025 between the Debtor, as co-borrower, the other borrowers referenced therein, and the Interim Lender, as it may be amended, extended, restated, amended and restated, replaced, supplemented or otherwise modified from time to time.

"Encumbrances" means any lien, charge, mortgage, security interest, hypothec, other encumbrance or adverse claim to any property, assets or undertaking.

"Intellectual Property" means all patents, trademarks, trade names, business names, trade styles, logos and other business identifiers, copyrights, technology, inventions, industrial designs, know-how, trade secrets and other industrial and intellectual property in which the Debtor now or in the future has any right, title or interest, including without limitation any industrial or intellectual property specifically listed or otherwise described in Error! Reference source not found. hereto.

"Investment Collateral" means all present and future Investment Property (as such term is defined in the PPSA) and Financial Assets (as such term is defined in the STA) of the Debtor, including all present and future options and warrants of the Debtor and all other rights and entitlements arising therefrom or related thereto, and the Debtor's present and future interests in partnerships, limited partnerships, limited liability partnerships and limited liability companies, and including all substitutions for any of the foregoing and dividends and income derived therefrom or payable in connection therewith.

"Permitted Encumbrances" means any and all liens, charges, mortgages, security interests, hypothecs and other encumbrances which affect all or any portion of the Collateral and which have been consented to in writing by the Interim Lender which, as at the date hereof, are the liens, charges, mortgages, security interests, hypothecs and other encumbrances (if any) listed in Schedule "B" hereto.

"Person" means as the context requires any individual, partnership, firm, company, corporation, unlimited liability corporation or other body corporate, government, governmental body, agency or trust.

"PPSA" means the *Personal Property Security Act* (Ontario) as amended from time to time and any legislation substituted therefor and any amendments thereto.

"Receiver" has the meaning provided for in Section 29 below.

"Security Interest" has the meaning provided for in Section 1 below.

"STA" means the *Securities Transfer Act*, 2006 (Ontario) as amended from time to time and any legislation substituted therefor and any amendments thereto.

The terms **"Senior Secured Promissory Notes"**, **"Convertible Debentures"**, **"Interim Financing Fees and Expenses"**, **"Insolvency Event"**, **"Security"**, shall have the meanings ascribed to them in the Credit Agreement.

Unless otherwise defined herein, all other capitalized terms used herein shall have the meanings ascribed to them in the PPSA.

A. Grant of Security Interests

1. As continuing security for the payment and performance of all Indebtedness, the Debtor hereby mortgages, charges, pledges, assigns, hypothecates, transfers and grants a security interest (collectively, the **"Security Interest"**) to the Interim Lender in all of the Debtor's right, title and interest in and to its present and after-acquired personal property, including:
 - (a) all present and future Equipment of the Debtor, including all of its present and future machinery, fixtures, plant, tools, furniture, apparatus, plant furniture, fixtures, books, records, documents, vehicles of any nature, kind or description, and all accessions to any of the foregoing, including all spare parts and accessories installed in or affixed or attached to any of the foregoing, and all drawings, specifications, plans and manuals relating to the foregoing;
 - (b) all present and future Inventory of the Debtor of whatever kind and wherever situate, including all of its present and future raw materials, materials used or consumed in its business, work-in-progress, finished goods, goods used for packing and goods acquired or held for sale or lease or that have been leased or furnished or that are to be furnished under contracts of rental or service,

and all accessions to any of the foregoing, including all spare parts and accessories installed in or affixed or attached to any of the foregoing;

- (c) all present and future Intangibles of the Debtor, including all of its present and future Accounts and other amounts receivable (including health-care receivables), book debts, all Contractual Rights, goodwill, and choses in action of every nature and kind howsoever arising or secured including, without limitation, letters of credit, guarantees and advices of credit which are now due, owing or accruing or growing due to or owned by or which may hereafter become due, owing or accruing or growing due to or owned by the Debtor;
 - (d) all present and future Documents of Title, Chattel Paper, Instruments and Money of the Debtor;
 - (e) all present and future Investment Collateral;
 - (f) all present and future personal property, assets, and undertaking of the Debtor of any nature or kind, including all personal property, assets and undertaking at any time owned, leased or licenced by the Debtor or in which the Debtor at any time has any right or interest or to which the Debtor is or may at any time become entitled (other than the property, assets and undertaking of the Debtor validly pledged or assigned or subjected to a valid mortgage, charge, hypothec or Security Interest by subsection 1(a), (b), (c), (d) or (e) hereof and subject to the exceptions hereinafter contained); and
 - (g) all Proceeds arising from the property, assets and undertaking of the Debtor referred to in this section 1, together with insurance proceeds and any other payment representing indemnity or compensation for loss of expropriation or damage thereto.
2. The Security Interest hereby created shall not extend or attach to: (i) any property held in trust by the Debtor and lawfully belonging to others; or (ii) any property of the Debtor that constitutes consumer goods for the personal use of the Debtor; or (iii) the last day of the term of any lease, (oral or written) or agreement therefor, now held or hereafter acquired by the Debtor, whether falling within the general or particular description of the Collateral, which shall be excluded from the scope of the Security Interest, provided however, that the Debtor shall stand possessed of the reversion of one day remaining in the Debtor in respect of such term upon trust to assign or dispose of the same to any Person acquiring such term upon the enforcement of the Security Interest.
3. Despite any other provision of this Agreement, the Security Interest shall not attach to any Contractual Right to the extent that the granting of the Security Interest therein would constitute a breach of, or permit any Person to terminate such Contractual Right, but the Debtor shall hold its interest in each such Contractual Right in trust for the Interim Lender and shall, after the Security Interest shall have become enforceable, specifically assign each such Contractual Right to the Interim Lender, or as the Interim Lender may otherwise direct. The Debtor agrees that it shall, upon the request of the Interim Lender, whether before or after the Security Interest has become enforceable, use all commercially reasonable efforts to obtain any consent required to permit any such Contractual Right to be subjected to the Security Interest, and the Security Interest shall attach to such Contractual Right following the receipt of such consent.
4. Despite any other provision of this Agreement, the interests granted to the Interim Lender pursuant to this Agreement in the Debtor's existing and after-acquired trademarks shall be limited to the Interim Lender's Security Interests therein.

B. Attachment

5. The Debtor warrants and acknowledges that subject to the provisions of Sections 2 and 3 above the Debtor and the Interim Lender intend the Security Interest in existing Collateral to attach upon the execution of this Agreement; that value has been given by the Interim Lender to the Debtor; that the

Debtor has rights in such existing Collateral; the Debtor and the Interim Lender have not postponed the time for attachment of the Security Interest on existing Collateral and that the Security Interest shall attach to existing Collateral upon the execution of this Agreement and that the Debtor and the Interim Lender intend the Security Interest in hereafter acquired Collateral to attach at the same time as the Debtor acquires rights in such after acquired Collateral.

C. Investment Collateral

6. Whenever any Investment Collateral is a Security that is a Certificated Security, an Uncertificated Security or a Security Entitlement, the Debtor shall, or shall cause the issuer of such Investment Collateral to, or shall cause the Securities Intermediary that holds such Investment Collateral to, take all steps as are necessary to give exclusive control over such Investment Collateral to the Interim Lender in a manner satisfactory to the Interim Lender.
7. All certificates representing Investment Collateral may remain registered in the name of the Debtor, but the Debtor shall, promptly at the request of the Interim Lender, duly endorse such certificates in blank for transfer or execute stock powers of attorney in respect thereof and deliver such certificates or powers of attorney to the Interim Lender; in either case with signatures guaranteed and with all documentation being in form and substance satisfactory to the Interim Lender. Upon the request of the Interim Lender:
 - (a) the Debtor shall promptly cause the Investment Collateral to be registered in the name of the Interim Lender or its nominee, and the Interim Lender is hereby appointed the irrevocable attorney (coupled with an interest) of the Debtor with full power of substitution to cause any or all of the Investment Collateral to be registered in the name of the Interim Lender or its nominee;
 - (b) the Debtor shall promptly cause each Securities Intermediary that holds any Investment Collateral that is a Security Entitlement to record the Interim Lender as the entitlement holder of such Investment Collateral; and
 - (c) the Debtor shall promptly:
 - (i) cause a Security Certificate to be issued for any Investment Collateral that is in the form of an Uncertificated Security or a Security Entitlement;
 - (ii) endorse such Security Certificate in blank;
 - (iii) deliver such Security Certificate to the Interim Lender; and
 - (iv) take all other steps necessary to give exclusive control over such Certificated Security to the Interim Lender, in a manner satisfactory to the Interim Lender.
8. Until further notice is given by the Interim Lender to the Debtor terminating such rights of the Debtor, the Debtor shall be entitled to exercise all voting rights attached to the Investment Collateral and give consents, waivers and ratifications in respect thereof; provided that no vote shall be cast or consent, waiver or ratification given or action taken which would be prejudicial to the interests of the Interim Lender or which would have the effect of reducing the value of the Investment Collateral as security for the Indebtedness, or imposing any restriction on the transferability of any of the Investment Collateral. All such rights of the Debtor to vote and give consents, waivers and ratifications shall cease immediately upon receipt by the Debtor of such notice by the Interim Lender.
9. All dividends, distributions, interest and other income in respect of Investment Collateral and all proceeds received by the Debtor in respect of Investment Collateral may be received by the Debtor in the ordinary course and distributed in the ordinary course to the Debtor's shareholder or shareholders until further notice by the Interim Lender. Upon receipt by the Debtor of such notice, the Debtor shall

not be entitled to retain or distribute to its shareholder or shareholders any such dividends, distributions, interest or other income or proceeds and, if any such amounts are received by the Debtor after the Debtor receives such notice by the Interim Lender, the Debtor shall hold such amounts in trust, as trustee for the Interim Lender, and the Debtor shall forthwith pay such amounts to the Interim Lender, to be applied to reduce the Indebtedness or, at the option of the Interim Lender, to be held as additional security for the Indebtedness.

10. The responsibility of the Interim Lender in respect of any Investment Collateral held by the Interim Lender shall be limited to exercising the same degree of care which it gives valuable property of the Interim Lender at the Interim Lender's office where such Investment Collateral is held. The Interim Lender shall not be bound under any circumstances to realize on any Investment Collateral or allow any Investment Collateral to be sold, or exercise any option or right attaching thereto, or be responsible for any loss occasioned by any sale of Investment Collateral or by the retention or other refusal to sell the same; nor shall the Interim Lender be obliged to collect or see to the payment of interest or dividends thereon but, subject to section 9, all such interest and dividends, if and when received by the Debtor, shall be held by the Debtor in trust for the Interim Lender and shall be forthwith paid to the Interim Lender.

D. Representations and Warranties of Debtor

11. The Debtor hereby represents and warrants to the Interim Lender that:

- (a) the Debtor has the capacity and authority to incur the Indebtedness, to create the Security Interest and to execute and deliver and perform its obligations under this Agreement;
- (b) the execution and delivery of this Agreement and the performance by the Debtor of its obligations hereunder (including, without limitation, the repayment of the Indebtedness) have been duly authorized by all necessary proceedings;
- (c) this Agreement constitutes a legal, valid and binding obligation of the Debtor, enforceable against the Debtor in accordance with its terms subject only to bankruptcy, insolvency, reorganization, moratorium and other similar laws of general application affecting creditors' rights and the discretion exercisable by courts of competent jurisdiction in respect of the availability of equitable remedies;
- (d) the Collateral is genuine and except for the Security Interest and any Permitted Encumbrances, the Collateral is owned by the Debtor free from any mortgage, charge, lien, pledge, security interest or other encumbrance or claim whatsoever;
- (e) the jurisdiction in which the Debtor is located for purposes of the PPSA and under which the Debtor is incorporated, continued, amalgamated or otherwise organized is the Province or Territory, or State identified in **Schedule "A"** of this Agreement;
- (f) the Debtor does not keep tangible Collateral or books and records at any location(s) except the location(s) listed in **Schedule "A"** hereto other than tangible Collateral in transit to or from such locations;
- (g) the Debtor has made all necessary filings, registrations and recordations to protect all of its right, title and interest in the presently held Intellectual Property including all relevant renewals; and all such filings, registrations and recordations have been duly and properly made and are in full force and effect and are not subject to dispute by any governmental authority or agency;
- (h) all Contractual Rights relating to or affecting the presently held Intellectual Property are in good standing;

- (i) the Debtor owns directly or is entitled to use by Contractual Right or otherwise all of the presently held Intellectual Property;
- (j) no litigation is pending or threatened which contains allegations respecting the validity, enforceability, infringement or ownership of any of the Intellectual Property, including any of right, title or interest of the Debtor in the presently held Intellectual Property;
- (k) the Debtor has no Contractual Right which, because of the granting of the Security Interest therein, would be breached or could be terminated, except for any such Contractual Rights if any, identified to the Interim Lender in writing, which schedule contains an accurate description of all such Contractual Rights, the parties thereto, and any provisions thereof which would be so breached or which would result in such a termination right.

E. Covenants and Agreements of Debtor

12. The Debtor hereby covenants and agrees with the Interim Lender that at all times while this Agreement remains in effect, it shall:

- (a) pay or perform the Indebtedness when due;
- (b) not without the prior written consent of the Interim Lender sell or dispose of any of the Collateral in the ordinary course of business or otherwise (provided however that the Inventory of the Debtor may be sold or disposed of in the ordinary course of the Debtor's business and for the purpose of carrying on the same) and if the amounts on or in respect of the Collateral or Proceeds thereof shall be paid to the Debtor, the Debtor shall receive the same in trust for the Interim Lender and forthwith pay over the same to the Interim Lender upon request;
- (c) not without the prior written consent of the Interim Lender create or permit any Encumbrances upon or assign or transfer as security or pledge or hypothecate as security the Collateral except to the Interim Lender;
- (d) at all times have and maintain insurance over the Collateral against risks of fire (including extended coverage), theft, and such risks as the Interim Lender may reasonably require in writing, containing such terms, in such form, for such periods and written by such companies as may be reasonably satisfactory to the Interim Lender. The Debtor shall duly pay all premiums and other sums payable for maintaining such insurance and shall cause the insurance money thereunder to be payable to the Interim Lender as its interest hereunder may appear and shall, if required, furnish the Interim Lender with certificates or other evidence satisfactory to the Interim Lender of compliance with the foregoing insurance provisions. In the event that the Debtor fails to pay all premiums and other sums payable in accordance with the foregoing insurance provision, the Interim Lender may make such payments to be repayable by the Debtor on demand and any such payments made by the Interim Lender shall comprise part of the Indebtedness and be secured hereby;
- (e) keep the Collateral in good condition and repair according to the nature and description thereof, and the Interim Lender may, whenever it deems necessary, either in person or by agent, inspect the Collateral and the reasonable cost of such inspection shall be paid by the Debtor and comprise part of the Indebtedness and be secured hereby and the Interim Lender may make repairs as it deems necessary and the cost thereof shall be paid by the Debtor and comprise part of the Indebtedness and be secured hereby;
- (f) duly pay all taxes, rates, levies, assessments and other impositions and charges of every nature and kind which may now or hereafter be lawfully levied, assessed or imposed on or in respect of the Debtor or the Collateral (or any of it), including those which could result in the creation of a statutory lien or deemed trust or other Encumbrance affecting the Debtor or the Collateral, as and when the same become due and payable;

- (g) permit the Interim Lender, at any time, whether before or after the Security Interest shall have become enforceable, to notify any account debtor of the Debtor of the Security Interest, require such account debtor to make payment to the Interim Lender, and to take control of any Proceeds of Collateral and hold all amounts received from any account debtor and any Proceeds as part of the Collateral and as security for the Indebtedness;
 - (h) make and maintain all filings, registrations and recordations necessary or desirable to protect its right, title and interest in the Collateral, including all filings, registrations and recordations necessary or desirable in respect of patents, trade-marks, copyrights and industrial designs included in the Intellectual Property;
 - (i) defend the Collateral against any actions, claims and demands of any Person (other than the Interim Lender) claiming the Collateral (or any of it) or an interest therein;
 - (j) maintain its corporate existence and file or cause to be filed any returns, documents or other information necessary to preserve such corporate existence;
 - (k) notify the Interim Lender of any loss or damage to the Collateral, any change in any information provided in this Agreement (including the schedules hereto) or any actual or potential claim or Encumbrance affecting the Debtor, the Collateral or the Security Interest;
 - (l) prevent any Collateral from becoming an accession to any personal property not subject to the Security Interest, or becoming affixed to any real property;
 - (m) deliver to the Interim Lender, at the Interim Lender's request, duly endorsed and/or accompanied by such assignments, transfers, powers of attorney or other documents as the Interim Lender may request, all items of the Collateral comprising Chattel Paper, Instruments, Investment Collateral and Documents of Title;
 - (n) pay, on demand by the Interim Lender, all costs and expenses (including all legal fees on a full indemnity basis) incurred by the Interim Lender in the preparation, perfection, administration and enforcement of this Agreement (including expenses incurred in considering, protecting or improving the Interim Lender's position, or attempting to do so, whether before or after default) and all such costs and expenses shall bear interest at the highest rate applicable to the Indebtedness, shall form part of the Indebtedness and shall be secured by the Security Interest;
 - (o) preserve the Debtor's rights, powers, licences, privileges, franchises and goodwill, comply with all applicable laws, regulations and orders (including environmental laws, regulations and orders) affecting the Debtor or the Collateral and conduct its business in a proper and efficient manner so as to protect the Collateral, the Security Interest and the business and undertaking of the Debtor;
 - (p) give the Interim Lender at least 10 Business Days advance notice in writing of any proposed change to the Debtor's name, location, or its governing jurisdiction; and
 - (q) give the Interim Lender at least 10 Business Days advance notice in writing of any proposed change to its chief executive office, the registered office or the location of the office where it keeps its books and records, or movement of any of the Inventory, Securities or Equipment from the locations or jurisdictions, as applicable, specified in any schedule hereto.
13. The Debtor shall not (a) create, incur, allow, or suffer any Encumbrance on any of its property, or assign or convey any right to receive income, including the sale of any Accounts or Contracts, except for Permitted Encumbrances, (b) permit any Collateral not to be subject to the first priority security interest granted herein (subject to Permitted Encumbrances), or (c) enter into any agreement, document, instrument or other arrangement (except with or in favor of Interim Lender) with any Person which directly or indirectly prohibits or has the effect of prohibiting such Loan Party or any of its Subsidiaries

from assigning, mortgaging, pledging, granting a security interest in or upon, or encumbering any of such Loan Party's or such Subsidiary's Intellectual Property in favor of Interim Lender.

14. The Debtor shall at all times and from time to time do, execute, acknowledge and deliver or cause to be done, executed, acknowledged or delivered any such further act, deed, transfer, assignment, assurance, document or instrument as the Interim Lender may reasonably require for the better granting, mortgaging, charging, assigning, hypothecating and transferring unto the Interim Lender the property, assets and undertaking hereby subjected or intended to be subject to the Security Interest or which the Debtor may hereafter become bound to mortgage, charge, assign, hypothec, transfer or subject to the Security Interest in favour of the Interim Lender for the better accomplishing and effectuating of this Agreement and the provisions contained herein and each and every officer of the Interim Lender is irrevocably appointed, coupled with an interest, to execute in the name and on behalf of the Debtor any document or instrument for the said purposes.
15. The Debtor shall permit the Interim Lender at any time, either in person or by agent, to inspect the Debtor's books and records pertaining to the Collateral. The Debtor shall at all times upon request by the Interim Lender furnish the Interim Lender with such information concerning the Collateral and the Debtor's affairs and business as the Interim Lender may reasonably request including, without limitation, lists of Inventory and Equipment and lists of Accounts showing the amounts owing upon each Account and securities therefor and copies of all financial statements, books and accounts, invoices, letters, papers and other documents in any way evidencing or relating to the Accounts.
16. The Debtor acknowledges and agrees that:
 - (a) in the event it amalgamates with any other corporation or corporations, it is the intention of the parties hereto that the term 'Debtor' when used herein shall apply to each of the amalgamating corporations and to the amalgamated corporation, that this Agreement shall continue in full force and effect and shall be binding on the amalgamated corporation, such that the Security Interest granted hereby:
 - (i) shall continue to charge all Collateral of the Debtor and extend and attach to 'Collateral' (as that term is herein defined) owned by each of the other amalgamating corporations and the amalgamated corporation at the time of amalgamation and to any 'Collateral' thereafter owned or acquired by the amalgamated corporation; and
 - (ii) shall continue to secure the 'Indebtedness' (as that term is herein defined) of each of the amalgamating corporations including the Debtor and the amalgamated corporation to the Interim Lender at the time of amalgamation and any 'Indebtedness' of the amalgamated corporation to the Interim Lender thereafter arising.
 - (b) The term "**Indebtedness**" shall include all such Indebtedness of the Debtor, the other amalgamating corporations and the amalgamated corporation.
 - (c) The term "**Collateral**" shall include all such property, assets and undertaking of the Debtor, the other amalgamating corporations and the amalgamated corporation.
 - (d) All defined terms and other provisions of this Agreement shall be deemed to have been amended to reflect such amalgamation, to the extent required by the context.
 - (e) The parties agree to execute and deliver all such further documents and assurances as may be necessary or desirable in connection with the foregoing.

F. Default

17. Without prejudice to any right which the Interim Lender may now or hereafter have to demand payment of any of the Indebtedness at any time, the Indebtedness shall, at the option of the Interim Lender, become payable and the Security Interest shall become enforceable upon the occurrence and during the continuance of an Event of Default (as defined in the Credit Agreement).
18. The Interim Lender may in writing waive any breach by the Debtor of any of the provisions contained herein or any default by the Debtor in the observance or performance of any covenant or condition required by the Interim Lender to be observed or performed by the Debtor; provided that no act or omission by the Interim Lender in the premises shall extend to or be taken in any manner whatsoever to affect any subsequent breach or default or the rights resulting therefrom.

G. Remedies of the Interim Lender

19. Whenever the Security Interest shall have become enforceable as described in Section 17 above, and so long as it shall remain enforceable, the Interim Lender may proceed to realize the Security Interest and the Collateral and to enforce its rights by doing any one or more of the following:
- (a) entering upon the Collateral and any lands and premises where any Collateral is or may be located;
 - (b) taking possession of Collateral by any method permitted by law;
 - (c) occupying any lands and premises owned or occupied by the Debtor and using all or any part of such lands and premises and the Equipment and other Collateral located thereon;
 - (d) leasing, selling, licensing or otherwise disposing of the whole or any part or parts of the Collateral;
 - (e) collecting, selling or otherwise dealing with any Accounts or other amounts receivable of the Debtor, including notifying any person obligated to the Debtor in respect of an Account, Chattel Paper, Investment Collateral or Instrument to make payment to the Interim Lender of all present and future amounts due thereon;
 - (f) taking steps and expending such monies as it considers necessary or desirable in its sole discretion to maintain, preserve and protect the Collateral, including making payments on account of other security interests affecting the Collateral; provided that the Interim Lender shall have no obligation to take any such actions or make any such expenditures; but any such amounts paid by the Interim Lender shall be added to the Indebtedness and shall be secured by the Security Interest;
 - (g) collecting any rents, income, and profits received in connection with the business of the Debtor or the Collateral, without carrying on such business;
 - (h) exercising all voting rights attached to any Collateral constituting Investment Collateral (whether or not registered in the name of the Interim Lender or its nominee) and giving or withholding all consents, waivers and ratifications in respect thereof and otherwise acting with respect thereto as though it were the absolute owner thereof;
 - (i) exercising any and all rights of conversion, exchange, subscription or any other rights, privileges or options pertaining to any Collateral constituting Investment Collateral as if it were the absolute owner thereof including the right to exchange at its sole discretion any and all of such Investment Collateral upon the merger, consolidation, reorganization, recapitalization or other readjustment of any issuer thereof, or upon the exercise by any issuer of any right, privilege or option pertaining to any such Investment Collateral, and in connection therewith, to deposit and deliver any such Investment Collateral with any committee, depository, transfer agent, registrar or other designated

agency upon such terms and conditions as it may determine in its sole discretion, all without liability except to account for property actually received by it;

- (j) complying with any limitation or restriction in connection with any proposed sale or other disposition of Collateral constituting Investment Collateral as may be necessary in order to comply with applicable law or regulation or any policy imposed by any stock exchange, securities commission or other governmental or regulatory authority or official, and the Debtor agrees that such compliance shall not result in such sale being considered or deemed not to have been made in a commercially reasonable manner, and the Interim Lender shall not be liable or accountable to the Debtor for any discount in the sale price of any such Investment Collateral which may be given by reason of the fact that such Investment Collateral are sold in compliance with any such limitation or restriction;
 - (k) carrying on the business of the Debtor or any portion thereof;
 - (l) exercising any and all of the rights and remedies granted pursuant to the PPSA and any other applicable legislation, or otherwise available at law or in equity including by any other action, suit, remedy or proceeding authorized or permitted hereby or by law or by equity;
 - (m) demanding, commencing, continuing or defending any judicial or administrative proceedings for the purpose of protecting, seizing, collecting, realizing or obtaining possession or payment of the Collateral, and giving valid and effectual receipts and discharges therefor and to compromise or give time for the payment or performance of all or any part of the accounts or other amounts receivable of the Debtor or any other obligation of any third party to the Debtor;
 - (n) borrowing money for the maintenance, preservation or protection of the Collateral or for the carrying on of the business of the Debtor, and charge and grant further security interests in the Collateral in priority to the Security Interest or otherwise, as security for the money so borrowed;
 - (o) accepting the Collateral in satisfaction of the Indebtedness;
 - (p) appointing by instrument in writing a Receiver or Receivers of the Collateral or any part thereof;
 - (q) bringing proceedings in any court of competent jurisdiction for the appointment of a Receiver or Receivers or for the sale of the Collateral or any part thereof; and
 - (r) filing such proofs of claim and other documents as may be necessary or advisable in order to have its claim lodged in any bankruptcy, winding-up or other judicial proceedings relating to the Debtor or the Collateral.
20. Any Receiver appointed by the Interim Lender may be any Person or Persons (including one or more officers or employees of the Interim Lender), and the Interim Lender may remove any Receiver so appointed and appoint another or others instead. Any such Receiver may exercise any and all of the rights, remedies and powers of the Interim Lender provided in this Agreement including, without limitation, the power to take possession of the Collateral or any part thereof and to carry on the business of the Debtor, further charge the Collateral in priority to the Security Interests as security for money so borrowed, and sell, lease or otherwise dispose of the whole or any part of the Collateral on such terms and conditions and in such manner as the Receiver shall determine. The Interim Lender shall not be responsible for the actions, errors or omissions of any Receiver it appoints and any such Receiver shall be deemed to act as agent for the Debtor for all purposes, including the occupation of any lands and premises of the Debtor and in carrying on the Debtor's business, unless the Interim Lender expressly specifies in writing that the Receiver shall be agent for the Interim Lender for one or more purposes. Without limiting the generality of the forgoing, for the purposes of realizing upon the Security Interest, any Receiver may sell, lease, or otherwise dispose of Collateral as agent for the Debtor or as agent for the Interim Lender as the Interim Lender may specify in writing in its sole discretion. The Debtor agrees

to ratify and confirm all actions of any Receiver appointed by the Interim Lender acting as agent for the Debtor, and to release and indemnify the Receiver in respect of all such actions.

21. Without limiting the ability of the Interim Lender or any Receiver to dispose of Collateral in any other manner, the Debtor agrees that any sale, lease or other disposition of the Collateral hereunder may be completed by public auction, public tender or private contract, with or without notice, with or without advertising and with or without any other formality (except as required by law), all of which are hereby waived by the Debtor to the fullest extent permitted by applicable law. Any such disposition of Collateral may involve all or part of the Collateral and may be on such terms and conditions as to credit or otherwise and as to upset or reserve bid or price as the Interim Lender or any Receiver appointed by the Interim Lender may, in its sole discretion, deem advantageous and may take place whether or not the Interim Lender or any such Receiver has taken possession of such Collateral. Any purchaser or lessee of Collateral may be a customer of the Interim Lender.
22. The Interim Lender shall not be liable for any delay or failure to enforce any rights, powers or remedies available to it or to institute any proceedings for such purposes.
23. No right, power or remedy of the Interim Lender (whether granted herein or otherwise) shall be exclusive of or dependent on or merge in any other right, power or remedy, but all such rights, powers and remedies may from time to time be exercised independently or in combination.
24. The Debtor agrees, without diminishing the covenant in section 12(n) above, and in furtherance thereof, to pay to the Interim Lender, forthwith on demand by the Interim Lender, all costs and expenses incurred by the Interim Lender in connection with the exercise by the Interim Lender of its rights, powers and remedies hereunder, including:
 - (a) any costs and expenses incurred by the Interim Lender in taking, holding, moving, storing, recovering, possessing, repairing, processing, preparing for disposition or disposing of Collateral;
 - (b) any legal fees and expenses incurred by the Interim Lender in enforcing its rights, powers and remedies, including those incurred in connection with any proceedings taken for the purpose of enforcing its rights, powers and remedies hereunder or otherwise relating to the non-payment or non-performance of any Indebtedness;
 - (c) the cost of borrowing amounts as hereinbefore provided (for the purpose of carrying on the Debtor's business or otherwise), including, the principal amount or any such amount borrowed, all interest thereon and fees relating thereto; and
 - (d) all costs and expenses of or incurred by any Receiver, agent or consultant appointed by the Interim Lender (including any legal fees and expenses incurred by any such Receiver, agent or consultant).

All such sums shall bear interest at the highest rate applicable to the Indebtedness, shall form part of the Indebtedness and shall be secured by the Security Interest.

25. Any and all payments made in respect of the Indebtedness from time to time and moneys realized from any Collateral (including moneys realized on any enforcement of this Agreement) may be applied to such part or parts of the Indebtedness as the Interim Lender may see fit, and the Interim Lender shall at all times and from time to time have the right to change any appropriation as the Interim Lender may see fit and to re-apply the same on any other part or parts of the Indebtedness as the Interim Lender may see fit, notwithstanding any previous application by whomsoever made.
26. The Debtor shall remain liable for all Indebtedness that is outstanding following realization of all or any part of the Collateral.

27. The Interim Lender may pay the whole or any part of any liens, taxes, rates, charges or Encumbrances now or hereafter existing in respect of any Collateral and such payments together with all costs, charges and expenses which may be incurred in connection with making such payments shall form part of the Indebtedness, shall bear interest at the highest rate applicable to the Indebtedness, and shall be secured by the Security Interest. Whenever the Interim Lender pays any such lien, tax, rate, charge or Encumbrance, it shall be entitled to all the equities and securities of the Person or Persons so paid and is hereby authorized to obtain any discharge thereof and hold such discharge without registration for so long as it may deem advisable to do so.
28. If the Debtor fails to perform or comply with any covenant or other obligation of the Debtor under this Agreement, the Interim Lender may, but need not, perform or otherwise cause the performance or compliance of such covenant or other obligation, provided that any performance or compliance undertaken by the Interim Lender will not constitute a waiver, remedy or satisfaction of such failure. The costs and expenses of the Interim Lender incurred in connection with any such performance or compliance shall be payable by the Debtor to the Interim Lender on demand, form part of the Indebtedness, bear interest at the highest rate applicable to the Indebtedness and be secured by the Security Interest.
29. The term “**Receiver**” as used in this Agreement includes a receiver and manager, a receiver, a liquidator, a custodian, monitor, or consultant whether appointed by the Interim Lender by instrument in writing or appointed pursuant to a court order.

H. Rights of the Interim Lender

30. The Debtor grants to the Interim Lender the right to set off against any and all accounts, credits or balances maintained by it with the Interim Lender, the aggregate amount of any of the Indebtedness (or any portion thereof) when the same shall become due and payable whether at maturity, upon acceleration of maturity thereof or otherwise.
31. The Interim Lender, without exonerating in whole or in part the Debtor, may grant time, renewals, extensions, indulgences, releases and discharges to, may take securities from and give the same and any or all existing securities up to, may abstain from taking securities from or from perfecting securities of, may accept compositions from and may otherwise deal with the Debtor and all other Persons and securities as the Interim Lender may see fit.
32. The Interim Lender may, without the consent of the Debtor, assign, transfer and deliver any of the Indebtedness, or the Security Interests, or any security or any documents or instruments held by the Interim Lender in respect thereof to any transferee provided that no such assignment, transfer or delivery shall release the Debtor from any of the Indebtedness; and thereafter the Interim Lender shall be fully discharged from all responsibility with respect to the Indebtedness and security, documents and instruments so assigned, transferred or delivered. Such transferee shall be vested with all powers and rights of the Interim Lender under such security, documents or instruments but the Interim Lender shall retain all rights and powers with respect to any such security, documents or instruments not so assigned, transferred or delivered. The Debtor shall not assign any of its rights or Indebtedness hereunder without the prior written consent of the Interim Lender.

I. Miscellaneous

33. This Agreement is in addition to, not in substitution for and shall not be merged in any other agreement, security, document or instrument now or hereafter held by the Interim Lender or existing at law in equity or by statute. This Agreement is in addition to and not in substitution for any other security now or hereafter held by the Interim Lender and shall be general and continuing security notwithstanding that the Indebtedness shall be at any time or from time to time fully satisfied or paid.

34. Nothing herein shall obligate the Interim Lender to make any advance or loan or further advance or loan or to renew any note or extend any time for payment of any indebtedness of the Debtor to the Interim Lender.
35. This Agreement shall be binding upon the Debtor and its heirs, legatees, trustees, executors, administrators, successors and assigns including any successor by reason of amalgamation of or any other change in the Debtor and shall enure to the benefit of the Interim Lender and its successors and assigns.
36. If one or more of the provisions contained herein shall be invalid, illegal or unenforceable in any respect, such provision or provisions shall be severed from this Agreement only to the extent necessary, and the validity, legality and enforceability of the remaining provisions hereof, including the provision or provisions remaining after such severance, shall not in any way be affected or impaired thereby.
37. The headings in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose.
38. This Agreement, if signed by a party using electronic signatures or other electronic means to signify agreement which is acceptable to the other party, shall be valid and binding notwithstanding the absence of a hand-written original signature. Any notice, demand, statement or other communication permitted or required to be given hereunder shall be in writing (including electronically) and may be effectively given by delivering it to the address(es) hereinafter set forth or by sending the same electronically if the party's electronic/email address is provided below, or by facsimile to such address(es). Any notice, demand or other communication so given prior to 5:00 p.m. (Toronto time) on a Business Day by personal delivery, electronically or by fax shall be deemed to have been given, received and made on such Business Day and if so given after 5:00 p.m. (Toronto time) on a Business Day or a day which is not a Business Day, shall be deemed to have been given, received and made on the next following Business Day. The addresses of the parties for the purposes hereof shall be:
- (a) in the case of the Interim Lender, addressed as follows:

NBIMC Quantitative Strategies Fund – Class N
140 Rue Carleton St #400,
Fredericton, NB E3B 3T4
Attention: Mark Holleran
mark.holleran@vestcor.org

Copy to:

Stewart McKelvey
Suite 1000, 44 Chipman Hill
Saint John, NB E2L 2A9
Attention: C. Paul W. Smith
psmith@stewartmckelvey.com

- (b) in the case of the Debtor, addressed as follows:

666 Burrard Street, Suite 1700
Vancouver, BC V6C 2X8
Attention: Sue Ozdemir
sozdemir@exro.com

Copy to:

Stikeman Elliott LLP

666 Burrard Street, Suite 1700
Vancouver, BC V6C 2X8
Attention: Neville McClure
nmclure@stikeman.com

Either party may from time to time notify the other, in accordance with the provisions hereof, of any change of address which thereafter, until changed by like notice, shall be the address of such party for all purposes of this Agreement.

39. Where any provision or remedy contained or referred to in this Agreement is prohibited, modified or altered by the laws of any Province or Territory of Canada which governs that aspect of this Agreement and the provision or remedies may be waived or excluded by the Debtor in whole or in part, the Debtor hereby waives and excludes such provision to the fullest extent permissible by applicable law.
40. This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario. For the purpose of legal proceedings this Agreement shall be deemed to have been made in the said Province and to be performed there and the courts of that Province shall have jurisdiction over all disputes which may arise under this Agreement and the Debtor hereby irrevocably and unconditionally attorns and submits to the non-exclusive jurisdiction of such courts, provided always that nothing herein contained shall prevent the Interim Lender from proceeding at its election against the Debtor in the Courts of any other Province, country or jurisdiction.
41. References such as "**this Agreement**", "**hereof**", "**herein**", "**hereto**" and like references refer to this Agreement and any schedules, exhibits or appendices attached hereto from time to time, or described as comprising a part of this Agreement (all of which schedules, exhibits and appendices form a part of this Agreement) and not to any particular section, subsection, paragraph or other subdivision of this Agreement.
42. The word "**Debtor**", the personal pronoun "**it**" or "**its**" and any verb relating thereto and used therewith shall be read and construed as required by and in accordance with the context in which such words are used. The term "**successors**" shall include, without limiting its meaning, any corporation resulting from the amalgamation of a corporation with another corporation. Where the context so requires, words used herein (including defined terms) importing the singular shall include the plural and vice versa and words used herein (including defined terms) importing gender shall include all genders (including the neuter).
43. Nothing herein (including the definition and use of the term Permitted Encumbrances) is intended or shall be deemed to subordinate the Security Interest to any Permitted Encumbrance or any other lien, charge, mortgage, security interest, hypothec or encumbrance affecting all or any portion of the Collateral.
44. Unless otherwise expressly provided in this Agreement, if any matter in this Agreement is subject to the determination, consent or approval of the Interim Lender or is to be acceptable to the Interim Lender, such determination, consent, approval or determination of acceptability will be in the sole discretion of the Interim Lender, which means the Interim Lender shall have sole and unfettered discretion, without any obligation to act reasonably. If any provision in this Agreement refers to any action taken or to be taken by the Debtor, or which the Debtor is prohibited from taking, such provision will be interpreted to include any and all means, direct or indirect, of taking, or not taking, such action. When used in the context of a general statement followed by a reference to one or more specific items or matters, the term "**including**" shall mean "**including, without limitation**" and the use of the term "**includes**" shall mean "**includes, without limitation**":
45. In the event that any day, on or before which any action is required to be taken hereunder, is not a Business Day, then such action shall be required to be taken on or before the first Business Day immediately thereafter.
46. Time shall be of the essence of this Agreement.

47. Upon full, final and indefeasible payment and fulfillment by the Debtor, its successors or permitted assigns, of all Indebtedness and provided that the Interim Lender is then under no obligation (conditional or otherwise) to make any further loans, advances or extend any other type of credit to the Debtor or to any other Person, the payment of which is secured, directly or indirectly, by this Agreement, the Interim Lender shall, upon request in writing by the Debtor, delivered to the Interim Lender at the Interim Lender's address as set out in section 38 hereof and at the Debtor's expense, discharge this Agreement.
48. The Interim Lender may in writing, which may be provided electronically, (and not otherwise) waive any default by the Debtor in the observance or performance of any provision of this Agreement; provided that no waiver by the Interim Lender shall extend to or be taken in any manner whatsoever to affect any subsequent default, whether of the same or a different nature, or the rights resulting therefrom.
49. The Debtor agrees that the Interim Lender may from time to time provide information concerning this Agreement (including a copy hereof), the Collateral and the Indebtedness to any Person the Interim Lender in good faith believes is entitled thereto pursuant to applicable law.
50. The Debtor acknowledges having received an executed copy of this Agreement and hereby waives, to the fullest extent permitted by applicable law, receipt of a copy of any financing statement or financing change statement filed at any time in respect of this Agreement or any verification statement in respect of the same.
51. This Agreement and any amendment, supplement, restatement or termination may be executed and delivered in any number of counterparts, each of which when executed and delivered shall be deemed an original and all of which, taken together, shall constitute one and the same agreement. Any party hereto may deliver an executed copy of this Agreement electronically or by facsimile to the other parties hereto.
52. The Debtor by its signature of this Agreement on the one hand and the Interim Lender by making this Agreement available to the Debtor on the other hand acknowledge having expressly required it to be drawn up in the English language. La soussignée par sa signature de ce cautionnement d'une part et la Banque en mettant ledit cautionnement à la disposition des garants d'autre part reconnaissent avoir expressément exigé qu'il soit rédigé en langue anglaise.

This Agreement has been duly executed by the Debtor on the 25th day of May, 2025.

Cellex Energy Inc.

(Full Legal Name of Corporation)

Per: DocuSigned by:
Sue Özdemir

6AC23347E8954E4
(Authorized Signatory)

Name: Sue Özdemir

Title: Director

_____ C/S

SCHEDULE "A"**Location of the Debtor:****Full legal name:** Cellex Energy Inc.**Prior names:****Predecessor companies:****Jurisdiction of incorporation or organization:****Address of chief executive office:****Address of registered office:****Addresses of all places where business is carried on or tangible Personal Property is kept:**

Address

Jurisdictions in which all material account debtors are located:**Addresses of all owned real property:****Addresses of all leased real property:**

Address

Description of all "serial number" goods (i.e. motor vehicles, trailers, aircraft, boats and outboard motors for boats):

ID	Location	Name	Depreciation Start Date	Cost	Depreciation	Replacement Cost	Currency

Subsidiaries of Cellex Energy Inc.:**Instruments, Documents of Title and Chattel Paper of Debtor:** N/A**Pledged Certificated Securities:**

Pledged Issuer	Securities Owned	% of issued and outstanding Securities of Pledged Issuer	Security Certificate Numbers	Security Certificate Location

Pledged Securities Accounts:

Pledged Uncertificated Securities:

Pledged Futures Accounts:

SCHEDULE "B"

Permitted Encumbrances:

All Permitted Encumbrances, as such term is defined in the Credit Agreement.

SCHEDULE "C"

Intellectual Property:

Registered trade-marks and applications for trademark registrations:

Patents and patent applications:

Copyright registrations and applications for copyright registrations:

Industrial designs/registered designs and applications for registered designs:

THIS IS EXHIBIT "O" REFERRED TO IN THE
AFFIDAVIT OF MARK HOLLERAN

SWORN BEFORE ME THIS 3rd DAY OF
NOVEMBER, 2025.


A Notary Public in and for the Province of New Brunswick

THIS INTELLECTUAL PROPERTY SECURITY AGREEMENT is entered into as of August 29, 2025 (the "**IP Security Agreement**").

BETWEEN:

CELLEX ENERGY INC., a corporation located in the American State of Delaware ("**Cellex US**")

- and -

CELLEX ENERGY IP INC., a corporation located in the Canadian Province of British Columbia ("**Cellex CA**")

- and -

DPM TECHNOLOGIES INC., a corporation located in the Canadian Province of British Columbia ("**DPM**")

- and -

EXRO TECHNOLOGIES INC., a corporation located in the Canadian Province of British Columbia ("**Exro CA**")

- and -

EXRO TECHNOLOGIES USA INC., a corporation located in the American State of Delaware ("**Exro US**")

- and -

EXRO VEHICLE SERVICES INC., a corporation located in the American State of Delaware ("**Exro Vehicle US**")

- and -

SEA ELECTRIC ASIA LTD., a corporation located in Thailand ("**SEA Asia**")

- and -

SEA ELECTRIC GMBH, a corporation located in Austria ("**SEA GmBH**")

- and -

SEA ELECTRIC INC., a corporation located in the American State of Delaware ("**SEA US**")

- and –

SEA ELECTRIC LIMITED, a corporation located in the United Kingdom ("**SEA UK**")

- and -

SEA ELECTRIC LLC, a corporation located in the United States ("**SEA LLC**" and, collectively with Cellex US, Cellex CA, DPM, Exro CA, Exro US, Exro VSI, SEA Asia, SEA GmbH, SEA US, and SEA UK, the "**Grantors**")

- in favour of -

NBIMC QUANTITATIVE STRATEGIES FUND – CLASS N, an entity established under the Canadian Province of New Brunswick (the "**Lender**")

WHEREAS:

- A. The Grantors have entered into an Interim Credit Facility dated as of May 15, 2025 (the "**Credit Agreement**") with the Lender as borrower.
- B. Each of the Grantors has executed a general security agreement dated as of May 25, 2025 (each as amended, restated, amended and restated, replaced, or otherwise modified from time to time, the "**Security Agreements**").
- C. The Security Agreements are in full force and effect as continuing security for the obligations of each of the Grantors under the Credit Agreement.
- D. Under the terms of the Security Agreements, each of the Grantors has granted to the Lender a security interest in, *inter alia*, certain intellectual property of each of the Grantors, and has agreed to execute and deliver to the Lender this IP Security Agreement for recording with such governmental registration bureau, offices, officials, entities, departments, or agencies in the jurisdictions identified in the applicable Schedules attached hereto as being where the IP Collateral (as defined below) is located and/or registered, including, without limitation, the Canadian Intellectual Property Office, the United States Patent and Trademark Office and any bureau, office, official, entity, department, or agency that deal with the recordal and/or perfection of security interests relating to intellectual property in those jurisdictions.

NOW THEREFORE in consideration for good and valuable consideration, the sufficiency of which is hereby acknowledged, the parties agree as follows:

- 1. **Grant of Security.** Each of the Grantors hereby pledges and grants to the Lender a security interest in and to all the right, title, and interest of each of the Grantors in, to, and under the following, including without limitation, whether registered or unregistered, and whether registrable or unregistrable (the "**IP Collateral**"):
 - (a) All patents, utility patents, design patents, industrial designs, and any other form of patent, including any registrations or application therefore (whether provisional or non-provisional), including any divisionals, continuations, continuations-in-part, substitutions, reissues, reexaminations, extensions, renewals, or restorations of any of the foregoing, and including all certificates of invention, petty patents, and patent utility models, to the extent relating to the business of the Grantors, including those set forth in Schedule A and Schedule D (the "**Patents**");
 - (b) all trademarks, service marks, brands, certification marks, prohibited marks, logos, slogans, trade dress, tradenames, and other similar indicia of source or origin, together with all goodwill connected with the use of and symbolized by, and all

registrations, applications for registration, divisional applications, extensions, and renewals of any of the foregoing, to the extent relating to the business of the Grantors, including those set forth in Schedule B and Schedule D (the "**Trademarks**");

- (c) all copyrights and works of authorship, whether copyrightable or not, and all mask works, trade dress, registrations, applications for registration, and renewals of any of the foregoing, to the extent relating to the business of the Grantors, including those set forth in Schedule C (the "**Copyrights**");
- (d) all trade secrets, know-how, show how, inventions (whether or not patentable), business and technical information, designs, blue prints, conceptual ideas and drawings for new products or systems, databases, data compilations and collections, tools, methods, processes, techniques, user and customer lists, supplier lists, consumer data, data obtainable from any online marketplace, and other confidential information in respect of the business of the Grantors (the "**Confidential Information**");

together with all rights of any kind whatsoever of the Grantors accruing under any applicable law of any jurisdiction, by international treaties and conventions, and otherwise throughout the world, including, without limitation, any and all royalties, fees, income, payments, and other proceeds now or hereafter due or payable with respect to any of the foregoing, and all rights of action to, claims for, and defenses accrued, accruing, and to accrue in respect of the foregoing, including, without limitation, the right, but not the obligation, to sue or otherwise recover for past, present, and future infringement, dilution, misappropriation, violation, misuse, breach, or default, to receive all damages, restitution, payments, costs, fees, and injunctive and other legal and equitable relief associated therewith, and to fully and entirely stand in the place of the Grantors in all matters related to all of the foregoing.

2. **Recordation and Perfection.** Each of the Grantors hereby authorizes the Commissioners and Registrars of Trademarks, Patents (including Industrial Designs), and Copyrights for the Canadian Intellectual Property Office, the United States Patent and Trademark Office, and any other government officials of corresponding entities or agencies in any applicable jurisdiction, including but not limited to WIPO, IPA, EUIPO, UKIPO, and CNIPA, as well as any other governmental registration bureaus, offices, agencies, entities, departments, or officials that deal with the recordal and/or perfection of security interests relating to intellectual property, as the case may be, to record and register this IP Security Agreement and to do all things and take all steps and actions as necessary to perfect the Lender's security interest in said jurisdiction, upon request of the Lender, its assigns, or any successor thereto.
3. **Loan Documents.** This IP Security Agreement has been entered into pursuant to and in conjunction with the Security Agreements, which are hereby incorporated by reference. The provisions of the Security Agreements shall supersede and control any conflicting or inconsistent provision herein. The rights and remedies of the Lender with respect to the IP Collateral are as provided by the Credit Agreement, the Security Agreements, and any related documents and nothing in this IP Security Agreement shall be deemed to limit such rights and remedies.

4. **Representations and Warranties.** Each Grantor hereby represents and warrants that the IP Collateral constitutes all subsisting trademarks, trademark applications, copyrights, copyright applications, patents, patent applications, industrial designs, industrial design applications, and any other intellectual property owned or registered to such Grantor as of the date of this Agreement.
5. **Power of Attorney.** The Grantors hereby constitute and appoint the Lender as the true and lawful agent and attorney-in-fact of the Grantors, with full power of substitution and re-substitution, in whole or in part, in the name and stead of the Grantors but on behalf and for the benefit of the Lender and its successors and assigns, from time to time solely to institute and prosecute, in the name of the Grantors or otherwise, any and all proceedings at law, in equity, or otherwise, that the Lender or its successors and assigns may deem proper to obtain, apply for, register, and otherwise secure the Lender's rights, title, and/or interest in and to this IP Security Agreement and IP Collateral herein.
6. **Further Assurances.** The Grantors agree to cooperate with the Lender in taking any action which the Lender requests to perfect or enforce the Lender's rights in the IP Collateral and the Grantees agree to execute any and all documents necessary or appropriate to obtain and enforce the IP Collateral and to execute all lawful papers, make all rightful oaths, and to take all other actions required or necessary to aid the Lender, its successors and assigns in obtaining and enforcing its rights in and to the IP Collateral in any jurisdiction where the Lender may accrue rights by virtue of registration, use, or other common law rights in relation to the IP Collateral, throughout the world.
7. **Notices.** All notices or other communications provided for herein shall be given or delivered in accordance with the Credit Agreement which shall apply hereto *mutatis mutandis*.
8. **Execution in Counterparts.** This IP Security Agreement may be executed in counterparts, each of which when executed and delivered shall be deemed an original and together shall constitute one and the same instrument. A signed copy of this IP Security Agreement delivered by facsimile, e-mail, or other means of electronic transmission is deemed to have the same legal effect as delivery of an original signed copy of this IP Security Agreement. The parties agree that electronic signatures, whether digital or encrypted, of the parties included in this IP Security Agreement are intended to authenticate this writing and to have the same force and effect as manual signatures.
9. **Amendment.** This IP Security Agreement may not be amended or altered except by a written instrument executed by the parties.
10. **Successors and Assigns.** This IP Security Agreement will be binding on and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns. This IP Security Agreement and any rights or obligations hereunder may be assigned by the Lender without the prior written notice or consent of the Grantors.
11. **Severability.** If any term or provision of this IP Security Agreement is held by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this IP Security Agreement that can be given effect without the invalid provision shall continue in full force and effect and shall in no way be impaired or invalidated.

12. **Governing Law.** This IP Security Agreement and any claim, controversy, dispute, or cause of action (whether in contract, tort, or otherwise) based upon, arising out of, or relating to this IP Security Agreement and the transactions contemplated hereby shall be governed by and construed in accordance with the laws of the Province of New Brunswick and the federal laws of Canada applicable therein, without giving effect to any choice or conflict of law provision or rule.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have duly executed and delivered this IP Security Agreement as of the date first above written.

EXRO TECHNOLOGIES INC.

Per: Sue Ozdemir
Sue Ozdemir
CEO

EXRO TECHNOLOGIES USA INC.

Per: Sue Ozdemir
Sue Ozdemir
CEO

EXRO VEHICLE SERVICES INC.

Per: Sue Ozdemir
Sue Ozdemir
CEO

DPM TECHNOLOGIES INC.

Per: Sue Ozdemir
Sue Ozdemir
CEO

CELLEX ENERGY INC.

Per: Sue Ozdemir
Sue Ozdemir
CEO

CELLEX ENERGY IP INC.

Per: Sue Ozdemir
Sue Ozdemir
CEO

SEA ELECTRIC INC.

Per: Sue Ozdemir
Sue Ozdemir
CEO

SEA ELECTRIC ASIA LTD.

Per: Sue Ozdemir
Sue Ozdemir
CEO

SEA ELECTRIC LLC

Per: Sue Ozdemir
Sue Ozdemir
CEO

SEA ELECTRIC GMBH

Per: Sue Ozdemir
Sue Ozdemir
CEO

SEA ELECTRIC LIMITED

Per: Sue Ozdemir
Sue Ozdemir
CEO

LENDER:

**NBIMC QUANTITATIVE STRATEGIES FUND –
CLASS N**

Per: Mark Holleran
Name: Mark Holleran
Title: Vice President, Equities/Actions

SCHEDULE A
PATENTS AND INDUSTRIAL DESIGNS

Jur.	Patent	Status	App. No.	App. Date	Pub./Grant No.	Pub./Grant Date	Owner
AU	Poly-Phasic Multi-Coil Generator	Published	2007257187	June 8, 2007	2007257187	January 29, 2009	Exro Technologies Inc.
AU	Poly-Phasic Multi-Coil Generator	Published	2013202327	March 20, 2013	-	-	Exro Technologies Inc.
AU	Poly-Phasic Multi-Coil Generator	Published	2013222022	September 12, 2013	-	-	Exro Technologies Inc.
AU	Electric Power Packs for Commercial Vehicles**	Published	2016900910	March 11, 2016	-	-	SEA Automotive Pty Ltd.
AU	Management system for commercial electric vehicles	Published	2017395784	April 18, 2017	2017395784	August 2, 2018	Exro Technologies Inc.
AU	Management System for Commercial Electric Vehicles**	Published	2017900220	January 25, 2017	-	-	SEA Automotive Pty Ltd.
AU	Power Pack**	Published	2019904667	December 10, 2019	-	-	SEA Automotive Pty Ltd.
AU	Management System for Commercial Electric Vehicles**	Published	2020200310	January 16, 2020	-	-	SEA Automotive Pty Ltd.
AU	Management system for commercial electric vehicles	Published	2021236438	September 20, 2021	2021236438	October 14, 2021	Exro Technologies Inc.
AU	Start-up of electric vehicles**	Published	2022901209	May 6, 2022	-	-	SEA Automotive Pty Ltd.
AU	Regeneration control in electric vehicles**	Published	2022901212	May 6, 2022	-	-	SEA Automotive Pty Ltd.
AU	Management system for commercial electric vehicles	Published	2023200984	February 20, 2023	2023200984	March 16, 2023	Exro Technologies Inc.

Jur.	Patent	Status	App. No.	App. Date	Pub./Grant No.	Pub./Grant Date	Owner
BR	Aparelho de Gerador de Multi-Bobinas Polifasico	Published	PI0713121	June 8, 2007	-	-	Exro Technologies Inc.
BR	Sistema de Configuração de Bobina Variável, Aparelho e Método	Published	112012004808	September 2, 2010	-	-	Exro Technologies Inc.
BR	Sistema de Gerenciamento Para um Veículo Elétrico Comercial, Método de Operação de um Veículo Elétrico a Veículo Elétrico**	Granted	112019015091	April 18, 2017	AU2017050346	July 18, 2023	SEA Automotive Pty Ltd.
CA	Polyphasic Multi-Coil Device	Granted	2487668	November 1, 2004	2487668	March 26, 2013	DPM Technologies Inc.
CA	Polyphasic Multi-Coil Generator	Granted	2492990	January 18, 2005	2492990	April 1, 2014	DPM Technologies Inc.
CA	Poly-Phasic Multi-Coil Generator**	Deemed Abandoned	2654462	June 8, 2007			Exro Technologies Inc.
CA	Power Conversion System for a Multi-Stage Generator**	Deemed Abandoned	2773040				DPM Technologies Inc.
CA	Variable Coil Configuration System, Apparatus and Method	Granted	2773102	September 2, 2010	2773102	January 23, 2018	Exro Technologies Inc.
CA	Management System for Commercial Electric Vehicles**	Granted	3048250	April 18, 2017	3048250	April 13, 2021	SEA Automotive Pty Ltd.
CA	Variable Coil Configuration System Control, Apparatus and Method	Granted	3061619	February 27, 2018	3061619	September 6, 2022	DPM Technologies Inc.
CA	Systems and Methods for Intelligent Energy Storage and	Examination	3111823	September 4, 2019	-	-	DPM Technologies Inc.

Jur.	Patent	Status	App. No.	App. Date	Pub./Grant No.	Pub./Grant Date	Owner
	Provisioning Using and Energy Storage Control System						
CA	Systems and Methods for Intelligent Control of Rotating Electric Machines	Deemed Abandoned	3111825	September 4, 2019	-	-	DPM Technologies Inc.
CA	Fault Tolerant Rotating Electric Machine	Granted	3137550	April 23, 2020	3137550	May 21, 2024	DPM Technologies Inc.
CA	Method and Apparatus to Drive Coils of a Multiphase Electric Machine	Examination	3159864	May 12, 2022	-	-	Exro Technologies Inc.
CA	Battery Control Systems and Methods	Application Compliant	3217299	April 22, 2022	-	-	Exro Technologies Inc.
CA	Dynamically Reconfigurable Power Converter Utilizing Windings of Electrical Machine	Application Compliant	3223051	July 8, 2022	-	-	Exro Technologies Inc.
CA	AC Control Systems, Apparatus and Methods, for Example for Use with Electric Machines	Application Compliant	3275380	November 24, 2023	3275380	June 6, 2024	Exro Technologies Inc.
CN	Poly-Phasic Multi-Coil Generator	Published	200780029454.X	June 8, 2007	101501963	August 5, 2009	Exro Technologies Inc.
CN	Power Conversion System for Multi-Stage Generator	Published	200980134484.6	September 3, 2009	102160277	August 17, 2011	Exro Technologies Inc.
CN	Variable Coil Configuration System, Device and Method	Granted	201080039251.0	September 2, 2010	102484448	June 17, 2015	Exro Technologies Inc.
CN	Power Equipment	Published	201210113995.3	June 8, 2007	-	-	Exro Technologies Inc.
CN	Management System for	Granted	201780005635.2	April 18,	108602448	August 2, 2022	SEA Automotive

Jur.	Patent	Status	App. No.	App. Date	Pub./Grant No.	Pub./Grant Date	Owner
	Commercial Electric Vehicles**			2017			Pty Ltd.
CN	Variable Coil Configuration System Control, Apparatus and Method	Granted	201880033753.9	February 27, 2018	110663162	September 9, 2022	DPM Technologies Inc.
CN	Management System for Commercial Electric Vehicles**	Published	202210824850.8	April 18, 2017	-	-	SEA Automotive Pty Ltd.
CN	Method and Device for Driving Coils of Polyphase Motor	Published	202280034236.X	May 12, 2022	-	-	Exro Technologies Inc.
CN	Battery Control System and Method	Published	202280045562.0	April 22, 2022	-	-	Exro Technologies Inc.
CN	Dynamically Reconfigurable Power Converter Using Motor Windings	Published	202280048105.7	July 8, 2022	-	-	Exro Technologies Inc.
CN	Article for Power Inverter and Power Inverter	Published	202280077282.8	December 15, 2022	-	-	Exro Technologies Inc.
CN	N-Phase Electric Machine with Configurable Windings	Published	202280077944.1	December 15, 2022	-	-	Exro Technologies Inc.
DK	Variabelt Spolekonfigurationssystem, Apparat OG Fremgangsmade	Granted	10814529	September 2, 2010	2474092	July 27, 2020	DPM Technologies Inc.
DK	Styringssystem Til Kommercielle, Elektriske Koretojer**	Granted	17894498	April 18, 2017	3573856	August 21, 2023	SEA Automotive Pty Ltd.
EA	Poly-Phasic Multi-Coil Generator	Published	200802419	June 8, 2007	200802419	June 30, 2009	Exro Technologies Inc.
EP	Power Conversion System for a Multi-Stage Generator	Published	09810966	September 3, 2009	-	-	Exro Technologies Inc.

Jur.	Patent	Status	App. No.	App. Date	Pub./Grant No.	Pub./Grant Date	Owner
EP	Variable Coil Configuration System, Apparatus and Method	Published	10814529	September 2, 2010	-	-	DPM Tech Inc.
EP	Variable Electrical Generator	Published	11716325	March 23, 2011	-	-	DPM Tech Inc.
EP	Management System for Commercial Electric Vehicles**	Published	17894498	April 18, 2017	-	-	SEA Automotive Pty Ltd.
EP	Variable Coil Configuration System Control, Apparatus and Method	Published	18806122	February 27, 2018	-	-	DPM Tech Inc.
EP	Battery Control Systems and Methods	Published	22798443	April 22, 2022	-	-	Exro Tech Inc.
EP	Method and Apparatus to Drive Coils of a Multiphase Electric Machine	Published	22806169	May 12, 2022	-	-	Exro Tech Inc.
EP	Dynamically Reconfigurable Power Converter Utilizing Windings of Electrical Machine	Published	22836427	July 8, 2022	-	-	Exro Tech Inc.
EP	N-Phase Electric Machine with Configurable Windings	Published	22905586	December 15, 2022	-	-	Exro Tech Inc.
EP	Article for Power Inverter and Power Inverter	Published	22905588	December 15, 2022	-	-	Exro Technologies Inc.
ES	Sistema de Gestión Para Vehículos Eléctricos Comerciales**	Published	17894498	October 26, 2023	-	-	SEA Automotive Pty Ltd.
EU	Poly-Phasic Multi-Coil Generator	Published	07719956	June 8, 2007	2033299	March 11, 2009	Exro Tech Inc.
EU	Power Conversion System for a Multi-Stage Generator	Published	09810966	September 3, 2009	2329581	June 8, 2011	Exro Technologies Inc.

Jur.	Patent	Status	App. No.	App. Date	Pub./Grant No.	Pub./Grant Date	Owner
ID	Sistem Managemen Untuk Kendaraan Listrik Komersial**	Published	P00201804155	August 24, 2018	-	-	SEA Automotive Pty Ltd.
IL	Management System for Commercial Electric Vehicles**	Granted	268132	September 26, 2019	268132	October 1, 2023	SEA Automotive Pty Ltd.
IL	Management System for Commercial Electric Vehicles**	Granted	302907	May 14, 2023	302907	July 1, 2024	SEA Automotive Pty Ltd.
IN	Variable Coil Configuration System, Apparatus and Method	Granted	2566/DELNP/2012	March 23, 2012	361149	March 15, 2021	Exro Technologies Inc.
IN	Power Conversion System for a Multi-Stage Generator	Published	2114/CHENP/2011	March 28, 2011	-	-	Exro Technologies Inc.
IN	Poly-Phasic Multi-Coil Generator	Published	22/DELNP/2009	January 1, 2009	22/DELNP/2009	May 29, 2009	Exro Technologies Inc.
IN	Variable Coil Configuration System Control, Apparatus and Method	Published	201917037506	September 17, 2019	-	-	DPM Technologies Inc.
IN	Management System for Commercial Electric Vehicles**	Published	201947034075	August 23, 2019	-	-	SEA Automotive Pty Ltd.
JP	Variable Coil Configuration System Control, Apparatus and Method	Published	2019563528	February 27, 2018	-	-	DPM Technologies, Inc.
JP	Management System for Commercial electric Vehicle**	Published	2021182290	November 9, 2021	-	-	SEA Automotive Pty Ltd.
JP	Method and Apparatus for Driving Coils of a Polyphase Electric Machine	Published	2023568293	May 12, 2022	-	-	Exro Technologies Inc.
KR	Poly-Phasic Multi-Coil Generator	Published	1020097000348	January 8, 2009	1020090033866	April 6, 2009	Exro Technologies Inc.

Jur.	Patent	Status	App. No.	App. Date	Pub./Grant No.	Pub./Grant Date	Owner
KR	Dynamically Reconfigurable Power Converter Using Windings of Electric Machines	Published	1020247004685	July 8, 2022	-	-	Exro Technologies Inc.
MX	Management System for Commercial Electric Vehicles**	Published	2019008708	July 22, 2019	-	-	SEA Automotive Pty Ltd.
MX	Variable Coil Configuration System Control, Apparatus and Method	Granted	2019012806	October 25, 2019	402435	June 14, 2023	DPM Technologies Inc.
NZ	Poly-Phasic Multi-Coil Generator	Published	573924	December 23, 2008	-	-	Exro Technologies Inc.
NZ	Management System for Commercial Electric Vehicles**	Published	756041	August 13, 2019	-	-	SEA Automotive Pty Ltd.
NZ	Management System for Commercial Electric Vehicles**	Published	767681	April 18, 2017	-	-	SEA Automotive Pty Ltd.
US	Polyphasic Multi-Coil Generator	Published	11036052	January 18, 2005	20060033393	February 16, 2006	Exro Technologies Inc.
US	Polyphasic Multi-Coil Generator	Published	11477493	June 30, 2006	20080185927	August 7, 2008	Exro Technologies Inc.
US	Polyphasic Multi-Coil Electric Device	Published	12545027	August 20, 2009	20100019593	January 28, 2010	Exro Technologies Inc.
US	Polyphasic Multi-Coil Electric Device	Published	12582655	October 20, 2009	20100090553	April 15, 2010	Exro Technologies Inc.
US	Power Conversion System for a Multi-Stage Generator	Published	13062191	September 3, 2009	20110241630	October 6, 2011	Exro Technologies Inc.
US	Polyphasic Multi-Coil Electric Device	Published	13336727	December 23, 2011	20120153757	June 21, 2012	Exro Technologies Inc.

Jur.	Patent	Status	App. No.	App. Date	Pub./Grant No.	Pub./Grant Date	Owner
US	Variable Coil Configuration System, Apparatus and Method	Published	13393749	September 2, 2010	-	-	Ritchey Jonathan Gale Burton Mitchell Gordon Biffard Ryan
US	Polyphasic Multi-Coil Electric Device	Granted	13489326	December 6, 2012	08614529	December 24, 2013	Exro Technologies, Inc.
US	Polyphasic Multi-Coil Generator	Published	13899420	May 21, 2013	20130249502	September 26, 2013	Exro Technologies Inc.
US	Electrical Machines such as Generators and Motors	Granted	14048947	October 8, 2013	09590468	March 7, 2017	Exro Technologies Inc.
US	Polyphasic Multi-Coil Electric Device	Granted	14097103	December 4, 2013	09685827	June 20, 2017	Exro Technologies Inc.
US	Polyphasic Multi-Coil Generator	Granted	14185525	February 20, 2014	09584056	February 28, 2017	Exro Technologies Inc.
US	Variable Coil Configuration System, Apparatus and Method	Granted	14295069	June 3, 2014	09812981	November 7, 2017	Exro Technologies Inc.
US	Power Conversion System for a Multi-Stage Generator	Granted	14459022	August 13, 2014	09379552	June 28, 2016	Exro Technologies Inc.
US	Management System for Commercial Electric Vehicles**	Granted	16480770	April 18, 2017	11217838	January 4, 2022	SEA Automotive Pty Ltd.
US	Variable Coil Configuration System Control, Apparatus and Method	Granted	16615493	February 27, 2018	11081996	August 3, 2021	DPM Technologies Inc.
US	Systems and Methods for Intelligent Energy Storage and Provisioning Using an Energy Storage Control System	Granted	17274036	September 4, 2019	12176836	December 24, 2024	DPM Technologies Inc.

Jur.	Patent	Status	App. No.	App. Date	Pub./Grant No.	Pub./Grant Date	Owner
US	Systems and Methods for Intelligent Control of Rotating Electric Machines	Published	17274038	September 4, 2019	20210249981	August 12, 2021	DPM Technologies Inc.
US	Fault Tolerant Rotating Electric Machine	Granted	17605354	April 23, 2020	11722026	August 8, 2023	DPM Technologies Inc.
US	Systems and Methods for Individual Control of a Plurality of Controllable Units of Battery Cells	Granted	17727143	April 22, 2022	11897362	November 10, 2022	Exro Technologies Inc.
US	Method and Apparatus to Drive Coils of a Multiphase Electric Machine	Granted	17742727	May 12, 2022	11967913	April 23, 2024	Exro Technologies Inc.
US	Systems and Methods for Individual Control of a Plurality of Battery Cells	Granted	17842217	June 16, 2022	11708005	July 25, 2023	Exro Technologies Inc.
US	Dynamically Reconfigurable Power Converter Utilizing Windings of Electric Machine	Granted	17860798	July 8, 2022	12088176	September 10, 2024	Exro Technologies Inc.
US	N-Phase Electric Machine with Configurable Windings	Published	18066375	December 15, 2022	20230198445	June 22, 2023	Exro Technologies Inc.
US	Article for Power Inverter and Power Inverter	Granted	18066473	December 15, 2022	11785715	October 10, 2023	Exro Technologies Inc.
US	Full-Bridge Aactive-Short-Circuit or Diode-Blocking Active-Short-Circuit Apparatus, Methods and Articles	Published	18229130	August 1, 2023	20250047194	February 6, 2025	Exro Technologies Inc.
US	Article for Power Inverter and Power Inverter	Published	18242297	September 5, 2023	20230413435	December 21, 2023	Exro Technologies Inc.

Jur.	Patent	Status	App. No.	App. Date	Pub./Grant No.	Pub./Grant Date	Owner
US	Battery Control Systems and Methods	Published	18390855	December 20, 2023	20240123861	April 18, 2024	Exro Technologies Inc.
US	Efficient Adaptable Electric Vehicle Powertrain Architecture and Methods of Operation	Published	18677376	May 29, 2024	20240399887	December 5, 2024	Exro Technologies Inc.
US	Battery System for Operating Point Control of Power Systems	Published	18945147	November 12, 2024	20250167573	May 22, 2025	Exro Technologies Inc.
WO	Battery Control System with In-Module Voltage Control	Published	PCT/CA2024/051510	November 15, 2024	-	-	Exro Technologies Inc.
WO	Dynamically Reconfigurable Power Converter Utilizing Windings of Electrical Machine	Published	PCT/CA2022/000039	July 8, 2022	-	-	Exro Technologies Inc.
WO	Method and Apparatus to Drive Coils of a Multiphase Electric Machine	Published	PCT/CA2022/050753	May 12, 2022	-	-	Exro Technologies Inc.
WO	Battery Control Systems and Methods	Published	PCT/CA2022/050620	April 22, 2022	-	-	Exro Technologies Inc.
WO	Modular Battery Formation System and Battery Conditioning Apparatus	Published	PCT/IB2020/056080	June 26, 2020	-	-	Exro Technologies Inc.
WO	Electrical Machines such as Generators and Motors	Published	PCT/US2013/063890	October 8, 2013	-	-	Exro Technologies Inc.
WO	Variable Coil Configuration System, Apparatus and Method	Published	PCT/US2010/047750	September 2, 2010	WO/2011/028959	March 10, 2011	Exro Technologies Inc.
WO	Power Conversion System for a Multi-Stage Generator	Published	PCT/CA2009/001233	September 3, 2009	WO/2010/025560	March 11, 2010	Exro Technologies Inc.

Jur.	Patent	Status	App. No.	App. Date	Pub./Grant No.	Pub./Grant Date	Owner
WO	Poly-Phasic Multi-Coil Generator	Published	PCT/CA2007/001040	June 8, 2007	WO/2007/140624	December 13, 2007	Exro Technologies Inc.
WO	Start-Up of Electric Vehicles**	Published	PCT/AU2023/050376	May 5, 2023	-	-	SEA Automotive Pty Ltd.
WO	Regeneration Control in Electric Vehicles**	Published	PCT/AU2023/050343	April 27, 2023	-	-	SEA Automotive Pty Ltd.
WO	Management System for Commercial Electric Vehicles**	Published	PCT/AU2017/050346	April 18, 2017	-	-	SEA Automotive Pty Ltd.

*****The entity listed as Owner does not appear to have been updated in the relevant public Patent registers pursuant to the Share and Asset Sale Agreement dated June 25, 2025 between Exro Technologies USA Inc. (as Share Purchaser), Exro Technologies Inc. (as IP Purchaser), and Sea Electric Holdings Pty Ltd., Sea Electric Pty Ltd., and Sea Automotive Pty Ltd. (collectively, as Vendors). The correct legal owner is Exro Technologies Inc.***

**SCHEDULE B
TRADEMARKS**

Jur.	Trademark	Status	App. No.	App. Date	Reg. No.	Reg. Date	Owner
AU	SEA ELECTRIC (Design)	Registered	-	-	1859058	July 14, 2017	Exro Technologies Inc.
AU	SEA (design)	Registered	-	-	1859059	July 14, 2017	Exro Technologies Inc.
AU	SEA-DRIVE	Registered	-	-	1859060	July 14, 2017	Exro Technologies Inc.
AU	SEA ELECTRIC (Design)	Registered	-	-	1931443	June 4, 2018	Exro Technologies Inc.
AU	SEA (Design)	Registered	-	-	1931448	June 4, 2018	Exro Technologies Inc.
AU	SEA-DRIVE	Registered	-	-	1931449	June 4, 2018	Exro Technologies Inc.
AU	SEA ELECTRIC (Design)	Registered	-	-	2159989	March 12, 2021	Exro Technologies Inc.
BR	EXRO	Registered	-	-	501693525	January 23, 2024	Exro Technologies Inc.
BR	EXRO BATTERY CONTROL SYSTEM	Registered	-	-	501716169	September 3, 2024	Exro Technologies Inc.
BR	EXRO COIL DRIVER	Registered	-	-	501716170	September 3, 2024	Exro Technologies Inc.
BR	SEA ELECTRIC***	Registered	-	-	501585737	August 23, 2022	SEA Automotive Pty Ltd.
CA	EXRO THE POWER WITHING	Pending	1978203	July 30, 2019	N/A	N/A	Exro Technologies Inc.
CA	EXRO	Pending	1978248	July 30, 2019	N/A	N/A	Exro Technologies

Jur.	Trademark	Status	App. No.	App. Date	Reg. No.	Reg. Date	Owner
							Inc.
CA	INTELLIGENT ELECTRIFICATION	Pending	2058249	October 16, 2020	N/A	N/A	Exro Technologies Inc.
CA	MINIMUM ENERGY, MAXIMUM RESULTS	Pending	2058250	October 16, 2020	N/A	N/A	Exro Technologies Inc.
CA	COIL DRIVER	Pending	2058251	October 16, 2020	N/A	N/A	Exro Technologies Inc.
CA	INDUSTRIAL ARTIFICIAL INTELLIGENCE	Pending	2058252	October 16, 2020	N/A	N/A	Exro Technologies Inc.
CA	SEA ELECTRIC (Design)***	Registered	2098222	March 18, 2021	TMA1183923	June 7, 2023	SEA Automotive Pty Ltd.
CA	EXRO COIL DRIVE SYSTEM	Pending	2109045	May 21, 2021	N/A	N/A	Exro Technologies Inc.
CA	EXRO (Design)	Pending	2109046	May 21, 2021	N/A	N/A	Exro Technologies Inc.
CA	EXRO BATTERY CONTROL SYSTEM	Pending	2109047	May 21, 2021	N/A	N/A	Exro Technologies Inc.
CA	EXRO OPTIMIZING POWER	Pending	2109048	May 21, 2021	N/A	N/A	Exro Technologies Inc.
CA	EXRO	Pending	2188550	May 27, 2022	N/A	N/A	Exro Technologies Inc.
CA	EXRO COIL DRIVER	Pending	2188551	May 27, 2022	N/A	N/A	Exro Technologies Inc.
CA	EXRO ELECTRIC GEARING	Pending	2188552	May 27, 2022	N/A	N/A	Exro Technologies Inc.
CA	EXRO BATTERY CONTROL SYSTEM	Pending	2188553	May 27, 2022	N/A	N/A	Exro Technologies Inc.

Jur.	Trademark	Status	App. No.	App. Date	Reg. No.	Reg. Date	Owner
CA	DO MORE USE LESS	Pending	2190551	June 8, 2022	N/A	N/A	Exro Technologies Inc.
CA	CELL DRIVER	Pending	2207625	September 1, 2022	N/A	N/A	Exro Technologies Inc.
CA	EXRO CELL DRIVER	Pending	2232499	January 8, 2023	N/A	N/A	Exro Technologies Inc.
ID	EXRO	Registered	-	-	IDM001087971	June 6, 2023	Exro Technologies Inc.
ID	EXRO BATTERY CONTROL SYSTEM	Registered	-	-	IDM001129010	October 12, 2023	Exro Technologies Inc.
ID	EXRO COIL DRIVER	Registered	-	-	IDM001129009	October 12, 2023	Exro Technologies Inc.
ID	SEA ELECTRIC***	Registered	-	-	IDM000954225	March 15, 2022	SEA Automotive Pty Ltd.
ID	SEA***	Registered	-	-	IDM000936561	December 25, 2021	SEA Automotive Pty Ltd.
ID	SEA-Drive***	Registered	-	-	IDM000649602	July 29, 2019	SEA Automotive Pty Ltd.
ID	SEA ELECTRIC***	Registered	-	-	IDM000936562	December 25, 2021	SEA Automotive Pty Ltd.
IL	SEA ELECTRIC***	Registered	-	-	338258	March 2, 2022	SEA Automotive Pty Ltd.
IL	SEA***	Registered	-	-	309838	September 3, 2019	SEA Automotive Pty Ltd.
IL	SEA-Drive***	Registered	-	-	308852	November 5, 2019	SEA Automotive Pty Ltd.
IL	SEA ELECTRIC***	Registered	-	-	309834	September 3,	SEA Automotive Pty

Jur.	Trademark	Status	App. No.	App. Date	Reg. No.	Reg. Date	Owner
						2019	Ltd.
MY	SEA ELECTRIC***	Registered	-	-	TM2021010076	April 27, 2022	SEA Automotive Pty Ltd.
NZ	SEA***	Registered	-	-	1104582	March 1, 2019	SEA Automotive Pty Ltd.
NZ	SEA ELECTRIC***	Registered	-	-	1175782	November 2, 2021	SEA Automotive Pty Ltd.
NZ	SEA-Drive***	Registered	-	-	1101882	March 22, 2019	SEA Automotive Pty Ltd.
NZ	SEA ELECTRIC***	Registered	-	-	1104579	March 1, 2019	SEA Automotive Pty Ltd.
SI	SEA ELECTRIC***	Registered	-	-	40202108443U	October 19, 2021	SEA Automotive Pty Ltd.
TH	SEA ELECTRIC***	Pending	210116318	March 18, 2021	N/A	N/A	SEA Automotive Pty Ltd.
TH	EXRO (Design)	Pending	220145083	September 9, 2022	N/A	N/A	Exro Technologies Inc.
TH	EXRO BATTERY CONTROL SYSTEM	Pending	230112252	January 16, 2023	N/A	N/A	Exro Technologies Inc.
TH	EXRO CONTROL DRIVER	Pending	230112255	January 16, 2023	N/A	N/A	Exro Technologies Inc.
US	SEA-DRIVE***	Registered	79240144	June 13, 2018	5847591	September 3, 2019	SEA Automotive Pty Ltd.
US	SEA ELECTRIC***	Registered	79242778	June 13, 2018	5847664	September 3, 2019	SEA Automotive Pty Ltd.
US	SEA***	Registered	79242786	June 13, 2018	5847666	September 3, 2019	SEA Automotive Pty Ltd.

Jur.	Trademark	Status	App. No.	App. Date	Reg. No.	Reg. Date	Owner
US	EXRO	Registered	79271109	August 14, 2019	6132626	August 25, 2020	Exro Technologies Inc.
US	EXRO THE POWER WITHIN	Registered	79271115	August 25, 2019	6132627	August 25, 2020	Exro Technologies Inc.
US	SEA ELECTRIC***	Registered	79308523	March 18, 2021	6756327	June 14, 2022	SEA Automotive Pty Ltd.
US	MINIMUM ENERGY, MAXIMUM RESULTS	Registered	79322195	April 14, 2021	6810948	August 9, 2022	Exro Technologies Inc.
US	CELL DRIVER	Registered	79363103	January 16, 2023	7764214	April 22, 2025	Exro Technologies Inc.
US	EXRO BATTERY CONTROL SYSTEM	Registered	79364082	January 16, 2023	7464487	August 6, 2024	Exro Technologies Inc.
US	EXRO COIL DRIVER	Registered	79364083	January 16, 2023	7464488	August 6, 2024	Exro Technologies Inc.
US	CELLEX EBRIDG+	Pending	99038928	February 12, 2025	N/A	N/A	Cellex Energy Inc.
WO	EXRO	Registered	-	-	1496182	August 14, 2019	Exro Technologies Inc.
WO	EXRO THE POWER WITHIN	Registered	-	-	1496194	August 14, 2019	Exro Technologies Inc.
WO	INTELLIGENT ELECTRIFICATION	Registered	-	-	1616805	April 15, 2021	Exro Technologies Inc.
WO	COIL DRIVER	Registered	-	-	1616806	April 15, 2021	Exro Technologies Inc.
WO	MINIMUM ENERGY, MAXIMUM RESULTS	Registered	-	-	1617612	April 14, 2021	Exro Technologies Inc.
WO	INDUSTRIAL ARTIFICIAL	Registered	-	-	1619490	April 14, 2021	Exro Technologies

Jur.	Trademark	Status	App. No.	App. Date	Reg. No.	Reg. Date	Owner
	INTELLIGENCE						Inc.
WO	EXRO	Registered	-	-	1693525	September 9, 2022	Exro Technologies Inc.
WO	CELL DRIVER	Registered	-	-	1714027	January 16, 2023	Exro Technologies Inc.
WO	EXRO BATTERY CONTROL SYSTEM	Registered	-	-	1716169	January 16, 2023	Exro Technologies Inc.
WO	EXRO COIL DRIVER	Registered	-	-	1716170	January 16, 2023	Exro Technologies Inc.
WO	SEA ELECTRIC***	Registered	-	-	1585737	March 18, 2021	SEA Automotive Pty Ltd.
WO	SEA ELECTRIC***	Registered	-	-	1427754	June 13, 2018	SEA Automotive Pty Ltd.
WO	SEA-Drive***	Registered	-	-	1421440	June 13, 2018	SEA Automotive Pty Ltd.
WO	SEA***	Registered	-	-	1427771	June 13, 2018	SEA Automotive Pty Ltd.

*****The entity listed as Owner does not appear to have been updated in the relevant public Trademark registers pursuant to the Share and Asset Sale Agreement dated June 25, 2025 between Exro Technologies USA Inc. (as Share Purchaser), Exro Technologies Inc. (as IP Purchaser), and Sea Electric Holdings Pty Ltd., Sea Electric Pty Ltd., and Sea Automotive Pty Ltd. (collectively, as Vendors). The correct legal owner is Exro Technologies Inc.**

**SCHEDULE C
COPYRIGHTS**

Nil.

**SCHEDULE D
ADDITIONAL PATENTS AND COPYRIGHTS**

[attached]



Patents and Trademarks

Patent Family/Code	Name	Content	Status	Date	Entity
401	Poly-phasic multi coil generator/electric device	Optimized variable speed rotating machine design that minimizes the impact of the magnetic drag produced on the generator.	Issued in CA	March 26, 2014	DPM
401-2	Poly-phasic multi-coil electric device	Continuation of poly-phasic patent application	Issued in CA	April 1, 2014	Exro
402	Variable coil configuration system, apparatus, and method	Variable coil configuration (VCC) with detailed circuit design for coil switching that reduces switch count and cost.	Issued in US, CA, and 10 other countries	Jan 23, 2018	Exro
403-1	Poly-phasic multi-coil electric device	Adaptable generator with more than a single "sweet spot", increasing the efficiency of power generation in environments with varying source energy or load requirement.	Issued in US	Jan 31, 2012	Exro
403-2	Poly-phasic multi-coil generator	Continuation of poly-phasic patent application	Issued in US	Feb 28, 2017	Exro
404	Power conversion system for a multi-stage generator	Power conversion system that combines and converts the electrical power waveforms generated by the multi-stage generator into a usable	Issued in US & issued in India	Aug 13, 2014	Exro



Patents and Trademarks

		form consumable by an electrical load.			
406	Electrical machines such as generators and motors	Approaches to manufacture an electric machine with relatively low weight, yet which may have sufficient strength and rigidity to maintain the air gap.	Issued in US	March 7, 2017	Exro
408	Variable coil configuration system control, apparatus, and method	Mechanical switching module designed to reduce cost and improve efficiency.	Issued in US	Aug 3, 2021	Exro
408	Variable coil configuration system control, apparatus, and method	Mechanical switching module designed to reduce cost and improve efficiency.	Issued in CA	Sep 6, 2022	DPM
411-01	Systems and methods for intelligent energy storage	Control subsystem (comprised of processor, memory, switches) for the energy storage cells, to optimize the storage of the electrical power received from the generator.	Issued in US	Dec 24, 2024	DPM
411-01	Systems and methods for intelligent energy storage	Control subsystem (comprised of processor, memory, switches) for the energy storage cells, to optimize the storage of the electrical power received from the generator.	Application filed in CA	Sep 4, 2019	DPM
411-02	Systems and methods for intelligent control of rotating electric machines	System design to provide benefits of multiple rotating electric machines with just one machine, having the	Application filed in US, CA	Sep 4, 2019	DPM



Patents and Trademarks

		ability to reconfigure its coils in real time and under load.			
413	Fault tolerant rotating electric machine	Fault tolerant system that isolates specific coils, while allowing other elements to continue to operate.	Issued in US & CA	Aug 8, 2023 & May 21, 2024	DPM
415	Battery control system	Main contents of the battery control system (BCS) including its architecture, operation principle, and controller.	Application filed in US	April 22, 2022	Exro
416	Method and apparatus to drive coils of a multi-phase electric machine	Describes the coil driver modulation scheme including its operation principle and effect.	Application filed in US & CA	May 12, 2022	Exro
418	Motor connection to coil driver	An electric machine having 2N electrically isolated coil packs for every N phases.	Application filed in US & CA	Dec 15, 2022	Exro
419	Power Inverter	Power module construction	Application Filed in US & CA	Dec 15, 2022	Exro



Patents and Trademarks

Patent applications not covered in Schedule A

SEA Automotive Patent Applications

Patent Family/Code	Name	Status	Date	Entity
800141	Management system for commercial electric vehicles	Issued in US	Jan 4, 2022	SEA Automotive PTY LTD
800141	Management system for commercial electric vehicles	Issued in CA	Apr 13, 2021	SEA Automotive PTY LTD
800141	Management system for commercial electric vehicles	Patent filed and pending in 14 other countries	Apr 18, 2017	SEA Automotive PTY LTD
800505	Start-up of electric vehicles	Filed in Australia	May 6, 2022	SEA Automotive PTY LTD
800506	Regeneration control in electric vehicles	Filed in Australia	May 6, 2022	SEA Automotive PTY LTD



Patents and Trademarks

Exro Patent Applications

Patent Family/Code	Name	Status	Date	Entity
420	Dynamic reconfigurable power converter utilizing windings of electric machine	Filed in US, CA, China, EU, Korea	Jul 18, 2022	Exro
422	Battery system for operating point control of power systems	Filed in US	Nov 12, 2024	Exro
423	AC control systems, apparatus and methods, for example for use with electric machines	Filed in PCT	Nov 24, 2023	Exro
424	Battery control system with in-module voltage control	Filed in PCT	Nov 15, 2024	Exro
425	Efficient adaptable electric vehicle powertrain architecture and methods of operation	Filed in US	Dec 5, 2024	Exro
426	Full-bridge active short-circuit or diode-blocking active short-circuit apparatus, methods and articles	Filed in US	Aug 1, 2023	Exro



Patents and Trademarks

426	Full-bridge active short-circuit or diode-blocking active short-circuit apparatus, methods and articles	Filed in PCT	Jul 31, 2024	Exro
427	Dynamically reconfigurable multi-mode power converter utilizing windings of electric machine	Filed in US	June 24, 2024	Exro
428	Systems, methods, and computer program products for dynamically connecting two motor coils	Filed in US	Aug 15, 2024	Exro
429	Apparatus, methods, and computer program products for shutting off motor coil currents	Filed in US	Aug 15, 2024	Exro



Patents and Trademarks

Trademarks

Trademark	Status	Date	Entity
EXRO	Registered in US/filed in CA	Aug 25, 2020/July 30, 2019 & May 27, 2022	Exro
EXRO THE POWER WITHIN	Registered in US/filed in CA	Aug 25, 2020/July 30, 2019	Exro
MINIMUM ENERGY, MAXIMUM RESULTS	Registered in US/filed in CA	Aug 9, 2022/ Oct 16, 2020	Exro
COIL DRIVER	Filed in US & CA	Apr 15, 2021 & Oct 16, 2020	Exro
EXRO COIL DRIVER	Filed in CA	May 27, 2022	Exro
EXRO COIL DRIVE SYSTEM	Filed in CA	May 21, 2021	Exro
CELL DRIVER	Filed in CA	September 1, 2022	Exro
EXRO BATTERY CONTROL SYSTEM	Filed in CA	May 21, 2021 & May 27, 2022	Exro
EXRO OPTIMIZING POWER	Filed in CA	May 21, 2021	Exro
INTELLIGENT ELECTRIFICATION	Filed in CA	October 16, 2020	Exro
EXRO ELECTRIC GEARING	Filed in CA	May 27, 2022	Exro

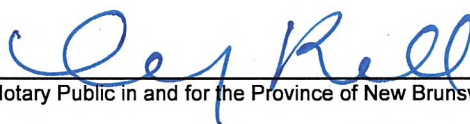


Patents and Trademarks

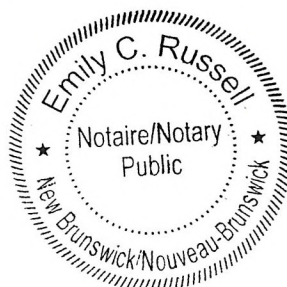
INDUSTRIAL ARTIFICIAL INTELLIGENCE	Filed in CA	October 16, 2020	Exro
DO MORE USE LESS	Filed in CA	June 8, 2022	Exro

THIS IS EXHIBIT "P" REFERRED TO IN THE
AFFIDAVIT OF MARK HOLLERAN

SWORN BEFORE ME THIS 3rd DAY OF
NOVEMBER, 2025.



A Notary Public in and for the Province of New Brunswick



Search ID #: Z19155830

Transmitting Party

ELDOR-WAL REGISTRATIONS (1987) LTD.

1200, 10123 99 st NW
EDMONTON, AB T5J 3H1

Party Code: 50073881

Phone #: 780 429 5969

Reference #:

Search ID #: Z19155830

Date of Search: 2025-Sep-05

Time of Search: 15:37:22

Business Debtor Search For:

EXRO TECHNOLOGIES INC.

Exact Result(s) Only Found

NOTE:

A complete Search may result in a Report of Exact and Inexact Matches.
Be sure to read the reports carefully.



Search ID #: Z19155830

Business Debtor Search For:

EXRO TECHNOLOGIES INC.

Search ID #: Z19155830

Date of Search: 2025-Sep-05

Time of Search: 15:37:22

Registration Number: 22121420290

Registration Type: SECURITY AGREEMENT

Registration Date: 2022-Dec-14

Registration Status: Current

Expiry Date: 2029-Dec-14 23:59:59

Exact Match on:

Debtor

No: 1

Debtor(s)

Block

Status

1 EXRO TECHNOLOGIES INC.
1000 - 355 BURNARD ST
VANCOUVER, BC V6C 2G8

Current

Secured Party / Parties

Block

Status

1 ODYSSEY TRUST COMPANY
350, 409 GRANVILLE STREET
VANCOUVER, BC V6C 1T2
Email: corptrust@odysseytrust.com

Current

Collateral: General

Block

Description

Status

1 All present and after-acquired personal property of the debtor.

Current

Search ID #: Z19155830

Business Debtor Search For:

EXRO TECHNOLOGIES INC.

Search ID #: Z19155830

Date of Search: 2025-Sep-05

Time of Search: 15:37:22

Registration Number: 23040520276

Registration Date: 2023-Apr-05

Registration Type: SECURITY AGREEMENT

Registration Status: Current

Expiry Date: 2028-Apr-05 23:59:59

Exact Match on: Debtor No: 1

Debtor(s)**Block****Status**

1 EXRO TECHNOLOGIES INC.
12 - 21 HIGHFIELD CIRCLE SE
CALGARY, AB T2G 5N6

Current

Secured Party / Parties**Block****Status**

1 ESSEX LEASE FINANCIAL CORPORATION
10768 74TH STREET SE
CALGARY, AB T2C 5N6
Phone #: 403 693 4060 Fax #: 403 236 9076
Email: info@elfc.ca

Current

Collateral: Serial Number Goods

<u>Block</u>	<u>Serial Number</u>	<u>Year</u>	<u>Make and Model</u>	<u>Category</u>	<u>Status</u>
1	87733	2023	NH Research 9300-400-TP B	TR - Trailer	Current
2	87731	2023	NH Research 9300-400-TP B	TR - Trailer	Current
3	87728	2023	NH Research 9300-400-TP B	TR - Trailer	Current
4	87721	2023	NH Research 9300-400-TP B	TR - Trailer	Current

Collateral: General

<u>Block</u>	<u>Description</u>	<u>Status</u>
1	New 2023 NH Research 9300-400-TP Battery Test System, Four Channels (Parallel up to 400kW) S/N: 87733, 87731, 87728, 87721	Current

Search ID #: Z19155830

2	Proceeds: goods, investment property, documents of title, chattel paper, instruments, money and intangibles (all as defined in the Personal Property Security Act (Alberta) and insurance proceeds	Current

Search ID #: Z19155830

Business Debtor Search For:

EXRO TECHNOLOGIES INC.

Search ID #: Z19155830

Date of Search: 2025-Sep-05

Time of Search: 15:37:22

Registration Number: 24021324023

Registration Type: SECURITY AGREEMENT

Registration Date: 2024-Feb-13

Registration Status: Current

Expiry Date: 2029-Feb-13 23:59:59

Exact Match on:

Debtor

No: 1

Debtor(s)

Block

Status

1 EXRO TECHNOLOGIES INC.
12 - 21 HIGHFIELD CIRCLE SE
CALGARY, AB T2G 5N6

Current

Secured Party / Parties

Block

Status

1 NIDEC MOTOR CORPORATION
8050 WEST FLORISSANT AVE.
SAINT LOUIS, MO 63136
Email: absecparties@avssystems.ca

Current

Search ID #: Z19155830

Collateral: General

<u>Block</u>	<u>Description</u>	<u>Status</u>
1	TO SECURE PAYMENT AND PERFORMANCE OF ALL PURCHASE MONEY OBLIGATIONS, DEBTOR HEREBY GRANTS TO SECURED PARTY A CONTINUING PURCHASE MONEY SECURITY INTEREST IN ALL INVENTORY, EQUIPMENT, AND GOODS INCLUDING ALL EMBEDDED AND NON-EMBEDDED SOFTWARE MANUFACTURED BY OR DISTRIBUTED BY SECURED PARTY, WHENEVER SOLD, CONSIGNED OR DELIVERED, DIRECTLY OR INDIRECTLY, TO OR FOR THE BENEFIT OF DEBTOR BY SECURED PARTY, WHEREVER LOCATED, NOW OWNED AND HEREAFTER ACQUIRED INCLUDING BUT NOT LIMITED TO ALL PRODUCT MANUFACTURED AND SOLD BY NIDEC MOTOR CORPORATION AND ITS EXISTING AND FUTURE SUBSIDIARIES AND AFFILIATES, INCLUDING, BUT NOT LIMITED TO, MOTORS, COMPRESSORS, COMPONENTS, MOTOR CONTROLS AND MOTOR APPLICATIONS, AND ALL ACCESSIONS AND PRODUCTS; AND ACCESSORIES, SUPPLIES AND PARTS INCLUDING REPOSSESSIONS AND RETURNS; AND ALL PROCEEDS FROM THE SALE THEREOF; ALL DOCUMENTS INCLUDING BOOKS AND RECORDS; AND ALL EXISTING OR SUBSEQUENTLY ARISING, ACCOUNTS AND ACCOUNTS RECEIVABLE, AND SUPPORTING OBLIGATIONS WHICH MAY FROM TIME TO TIME HEREAFTER COME INTO EXISTENCE DURING THE TERM OF THIS SECURITY AGREEMENT. SECURED PARTY'S PURCHASE MONEY SECURITY INTEREST IS EXPLICITLY LIMITED TO OUTSTANDING PURCHASE MONEY OBLIGATIONS BETWEEN SECURED PARTY AND DEBTOR.	Current

Search ID #: Z19155830

Business Debtor Search For:

EXRO TECHNOLOGIES INC.

Search ID #: Z19155830

Date of Search: 2025-Sep-05

Time of Search: 15:37:22

Registration Number: 25040824189

Registration Date: 2025-Apr-08

Registration Type: SECURITY AGREEMENT

Registration Status: Current

Expiry Date: 2030-Apr-08 23:59:59

Exact Match on: Debtor No: 1

Debtor(s)

Block

Status

Current

1 EXRO TECHNOLOGIES INC.
1000-355 BURRARD STREET
VANCOUVER, BC V6C 2G8

Secured Party / Parties

Block

Status

Current

1 NBIMC QUANTITATIVE STRATEGIES (2017) FUND
400-140 CARLETON STREET
FREDERICTON, NB E3B 3T4
Email: mark.holleran@vestcor.org

Block

Status

Current

2 NBIMC QUANTITATIVE EQUITY STRATEGIC BETA (2017) FUND
400-140 CARLETON STREET
FREDERICTON, NB E3B 3T4
Email: mark.holleran@vestcor.org

Block

Status

Current

3 NBIMC QUANTITATIVE STRATEGIES FUND - CLASS N
400-140 CARLETON STREET
FREDERICTON, NB E3B 3T4
Email: mark.holleran@vestcor.org

Block

Status

Current

4 NBIMC QUANTITATIVE EQUITY STRATEGIC BETA FUND - CLASS N
400-140 CARLETON STREET
FREDERICTON, NB E3B 3T4
Email: mark.holleran@vestcor.org

Search ID #: Z19155830

Collateral: General

<u>Block</u>	<u>Description</u>	<u>Status</u>
1	All of the debtor's present and after-acquired personal property.	Current

Particulars

<u>Block</u>	<u>Additional Information</u>	<u>Status</u>
1	The complete address of Secured Party Block 1, 2, 3 and 4 is as follows: c/o Vestcor Inc. 400-140 Carleton Street Fredericton, NB E3B 3T4	Current

Search ID #: Z19155830

Business Debtor Search For:

EXRO TECHNOLOGIES INC.

Search ID #: Z19155830

Date of Search: 2025-Sep-05

Time of Search: 15:37:22

Registration Number: 25060225226

Registration Type: SECURITY AGREEMENT

Registration Date: 2025-Jun-02

Registration Status: Current

Expiry Date: 2028-Jun-02 23:59:59

Exact Match on:

Debtor

No: 1

Amendments to Registration

25060505315

Amendment

2025-Jun-05

Debtor(s)

Block

Status

Current

1 EXRO TECHNOLOGIES INC.
12-21 HIGHFIELD CIRCLE S.E.
CALGARY, AB T2G 5N6

Secured Party / Parties

Block

Status

Deleted by
25060505315

1 NBIMC QUANTITATIVE STRATEGIES FUND CLASS N
400-140 CARLETON STREET
FREDERICTON, NB E3B 3T4
Email: absecparties@eservicecorp.ca

Block

Status

Current by
25060505315

2 NBIMC QUANTITATIVE STRATEGIES FUND - CLASS N
400-140 CARLETON STREET
FREDERICTON, NB E3B 3T4
Email: absecparties@eservicecorp.ca

Collateral: General

Block

Description

Status

1 ALL OF THE DEBTOR'S PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY. Current

Search ID #: Z19155830

Business Debtor Search For:

EXRO TECHNOLOGIES INC.

Search ID #: Z19155830

Date of Search: 2025-Sep-05

Time of Search: 15:37:22

Registration Number: 25081236287

Registration Date: 2025-Aug-12

Registration Type: SECURITY AGREEMENT

Registration Status: Current

Expiry Date: 2026-Aug-12 23:59:59

Exact Match on: Debtor No: 1

Debtor(s)

Block

Status

1 EXRO TECHNOLOGIES INC.
7450 - 64 STREET SE
CALGARY, AB T2C 5B1

Current

Secured Party / Parties

Block

Status

1 WESTERN MATERIALS HANDLING & EQUIPMENT LTD.
4427D - 72ND AVENUE S.E.
CALGARY, AB T2C 2G5
Phone #: 403 236 0305
Email: RENTALINVOICING@WESTMAT.COM

Current

Collateral: Serial Number Goods

<u>Block</u>	<u>Serial Number</u>	<u>Year</u>	<u>Make and Model</u>	<u>Category</u>	<u>Status</u>
1	71830	2015	TOYOTA - 8FGU30	MV - Motor Vehicle	Current

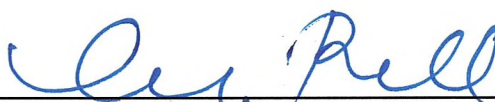
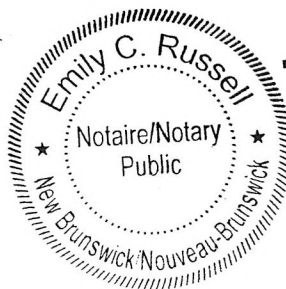
Collateral: General

<u>Block</u>	<u>Description</u>	<u>Status</u>
1	FORKLIFT - 12469RP	Current

Result Complete

THIS IS EXHIBIT "Q" REFERRED TO IN THE
AFFIDAVIT OF MARK HOLLERAN

SWORN BEFORE ME THIS 3rd DAY OF
NOVEMBER, 2025.


A Notary Public in and for the Province of New Brunswick

Search ID #: Z19155837

Transmitting Party

ELDOR-WAL REGISTRATIONS (1987) LTD.

1200, 10123 99 st NW
EDMONTON, AB T5J 3H1

Party Code: 50073881

Phone #: 780 429 5969

Reference #:

Search ID #: Z19155837

Date of Search: 2025-Sep-05

Time of Search: 15:37:59

Business Debtor Search For:

DPM TECHNOLOGIES INC.

Exact Result(s) Only Found

NOTE:

A complete Search may result in a Report of Exact and Inexact Matches.
Be sure to read the reports carefully.



Search ID #: Z19155837

Business Debtor Search For:

DPM TECHNOLOGIES INC.

Search ID #: Z19155837

Date of Search: 2025-Sep-05

Time of Search: 15:37:59

Registration Number: 22122120188

Registration Type: SECURITY AGREEMENT

Registration Date: 2022-Dec-21

Registration Status: Current

Expiry Date: 2029-Dec-21 23:59:59

Exact Match on:

Debtor

No: 1

Debtor(s)

Block

Status

1 DPM TECHNOLOGIES INC.
1000-355 BURRARD ST
VANCOUVER, BC V6C 2G8

Current

Secured Party / Parties

Block

Status

1 ODYSSEY TRUST COMPANY
350, 409 GRANVILLE ST
VANCOUVER, BC V6C 1T2
Email: corptrust@odysseytrust.com

Current

Collateral: General

Block

Description

Status

1 All present and after-acquired personal property of the debtor.

Current

Search ID #: Z19155837

Business Debtor Search For:

DPM TECHNOLOGIES INC.

Search ID #: Z19155837

Date of Search: 2025-Sep-05

Time of Search: 15:37:59

Registration Number: 25060225508

Registration Date: 2025-Jun-02

Registration Type: SECURITY AGREEMENT

Registration Status: Current

Expiry Date: 2028-Jun-02 23:59:59

Exact Match on: Debtor No: 1

Amendments to Registration

25060505377

Amendment

2025-Jun-05

Debtor(s)

Block

Status

Current

1 DPM TECHNOLOGIES INC.
12-21 HIGHFIELD CIRCLE S.E.
CALGARY, AB T2G 5N6

Secured Party / Parties

Block

Status

Deleted by
25060505377

1 NBIMC QUANTITATIVE STRATEGIES FUND CLASS N
400-140 CARLETON STREET
FREDERICTON, NB E3B 3T4
Email: absecparties@eservicecorp.ca

Block

Status

Current by
25060505377

2 NBIMC QUANTITATIVE STRATEGIES FUND - CLASS N
400-140 CARLETON STREET
FREDERICTON, NB E3B 3T4
Email: absecparties@eservicecorp.ca

Collateral: General

Block

Description

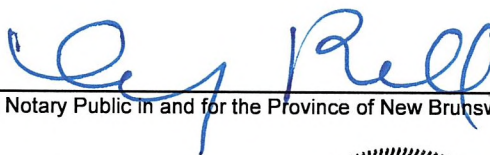
Status

1 ALL OF THE DEBTOR'S PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY. Current

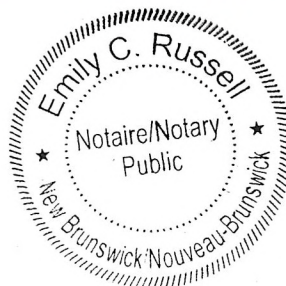
Result Complete

THIS IS EXHIBIT "R" REFERRED TO IN THE
AFFIDAVIT OF MARK HOLLERAN

SWORN BEFORE ME THIS 3rd DAY OF
NOVEMBER, 2025.



A Notary Public in and for the Province of New Brunswick



Search ID #: Z19155849

Transmitting Party

ELDOR-WAL REGISTRATIONS (1987) LTD.

1200, 10123 99 st NW
EDMONTON, AB T5J 3H1

Party Code: 50073881
Phone #: 780 429 5969
Reference #:

Search ID #: Z19155849

Date of Search: 2025-Sep-05

Time of Search: 15:38:56

Business Debtor Search For:

CELLEX ENERGY INC.

Exact Result(s) Only Found

NOTE:

A complete Search may result in a Report of Exact and Inexact Matches.
Be sure to read the reports carefully.



Search ID #: Z19155849

Business Debtor Search For:

CELLEX ENERGY INC.

Search ID #: Z19155849

Date of Search: 2025-Sep-05

Time of Search: 15:38:56

Registration Number: 25060225092

Registration Type: SECURITY AGREEMENT

Registration Date: 2025-Jun-02

Registration Status: Current

Expiry Date: 2028-Jun-02 23:59:59

Exact Match on:

Debtor

No: 1

Amendments to Registration

25060505075

Amendment

2025-Jun-05

Debtor(s)

Block

Status

Current

1 CELLEX ENERGY INC.
12-21 HIGHFIELD CIRCLE S.E.
CALGARY, AB T2G 5N6

Secured Party / Parties

Block

Status

Deleted by
25060505075

1 NBIMC QUANTITATIVE STRATEGIES FUND CLASS N
400-140 CARLETON STREET
FREDERICTON, NB E3B 3T4
Email: absecparties@eservicecorp.ca

Block

Status

Current by
25060505075

2 NBIMC QUANTITATIVE STRATEGIES FUND - CLASS N
400-140 CARLETON STREET
FREDERICTON, NB E3B 3T4
Email: absecparties@eservicecorp.ca

Collateral: General

Block

Description

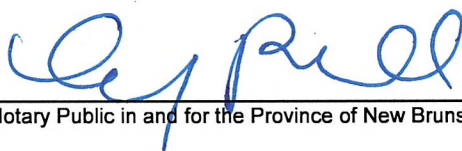
Status

1 ALL OF THE DEBTOR'S PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY. Current

Result Complete

THIS IS EXHIBIT "S" REFERRED TO IN THE
AFFIDAVIT OF MARK HOLLERAN

SWORN BEFORE ME THIS 3rd DAY OF
NOVEMBER, 2025.



A Notary Public in and for the Province of New Brunswick





Brunswick House
1000 - 44 côte Chipman Hill, P.O. Box/CP. 20105 Brunswick Square
Saint John NB E2L 5B2 Canada tel/tél: 506.632.1970 fax/télec: 506.652.1989
stewartmckelvey.com

File Reference: SM001993.294

Alanna D. Waberski
Direct Dial: 506.632.2792
Direct Fax: 506.652.1989
awaberski@stewartmckelvey.com

September 30, 2025

VIA COURIER & EMAIL

Exro Technologies Inc., Exro Technologies USA Inc., Exro Vehicle Services Inc., DPM Technologies Inc., Cellex Energy Inc., Cellex Energy IP Inc., SEA Electric Inc., SEA Electric ASIA Ltd., SEA Electric, LLC, SEA Electric GMBH and SEA Electric Limited
1000 – 355 Burrard Street
Vancouver, BC V6C 2G8
Attention: Sue Ozdemir sozdemir@exro.com

- and –

Stikeman Elliott LLP
666 Burrard Street, Suite 1700
Vancouver, BC V6C 2X8
Attention Neville McClure nmcclure@stikeman.com

Dear Sir/Madam:

**Re: NBIMC Quantitative Strategies Fund – Class N (the “Lender”)
Outstanding Indebtedness of Exro Technologies Inc., Exro Technologies USA Inc.,
Exro Vehicle Services Inc., DPM Technologies Inc., Cellex Energy Inc., Cellex
Energy IP Inc., SEA Electric Inc., SEA Electric ASIA Ltd., SEA Electric LLC, SEA
Electric GmbH and SEA Electric Limited (the “Borrowers”)**

You are hereby notified that each of the Borrowers are in default of their joint and several performance obligations to the Lender pursuant to an Interim Financing Credit Facility Agreement dated May 15, 2025.

Particulars of the Borrowers’ outstanding indebtedness to the Lender pursuant to the Interim Financing Credit Facility Agreement include the following amounts, with accrued interest to September 29, 2025, calculated in accordance with the terms of the Interim Financing Credit Facility:

TEMPEXROCF	USD \$2,100,493.15
TEMPEXROCF2	USD \$2,085,917.81
TEMPEXROCF3	USD \$2,083,616.44
TEMPEXROCF4	USD \$2,075,178.08

TEMPEXROCF5	USD \$2,052,164.38
TEMPEXROCF6	USD \$2,034,520.55
Legal and Enforcement Costs to Sept 22, 2025 (Cdn converted to USD at .72)	USD \$199,126.04

which total an outstanding balance of \$12,631,016.45 USD, plus pending adjustments, unbilled charges and interest thereon from September 29, 2025 (the "Indebtedness").

As security for the Indebtedness, the Lender holds the security set out in Schedule "A" attached hereto (collectively, the "Security").

Pursuant to the Interim Financing Credit Facility Agreement and the Security, all amounts due from the Borrowers to the Lender have become due and payable and the Lender hereby demands payment from you in the amount of \$12,631,016.45 USD, plus interest thereon from September 29, 2025, together with applicable adjustments and charges (including enforcement costs).

Payment of the aforementioned amounts of approximately \$12,631,016.45 USD must be made to the Lender not later than ten (10) days following the date of this correspondence at the following address:

Stewart McKelvey
1000 – 44 Chipman Hill
Saint John, NB E2L 2A9
Attention: Alanna D. Waberski
Tel: 506.632.1970
Fax: 506.632.1989

Failure to pay the amount hereby demanded will result in the Lender taking such proceedings, including enforcement of the Security, as the Lender deems necessary or appropriate to recover payment of the Indebtedness. The Lender reserves the right to commence proceedings under the Security immediately without further notice should, in the opinion of the Lender, any circumstance arise which is detrimental to its interest.

Yours truly,

STEWART MCKELVEY



Alanna D. Waberski
Partner

cc: Chris Rankin, Chief Restructuring Officer - chris@rankinpartners.com

SCHEDULE "A"

Security in respect of the obligations pursuant to the Interim Financing Credit Facility Agreement:

- (a) General Security Agreement dated May 25, 2025, entered into by Cellex Energy Inc. in favour of NBIMC Quantitative Strategies Fund – Class N;
- (b) General Security Agreement dated May 25, 2025, entered into by DPM Technologies Inc. in favour of NBIMC Quantitative Strategies Fund – Class N;
- (c) General Security Agreement dated May 25, 2025, entered into by Exro Technologies Inc. in favour of NBIMC Quantitative Strategies Fund – Class N;
- (d) General Security Agreement dated May 25, 2025, entered into by Exro Technologies USA Inc. in favour of NBIMC Quantitative Strategies Fund – Class N;
- (e) General Security Agreement dated May 25, 2025, entered into by Exro Vehicle Systems Inc. in favour of NBIMC Quantitative Strategies Fund – Class N;
- (f) General Security Agreement dated May 25, 2025, entered into by SEA Electric Limited in favour of NBIMC Quantitative Strategies Fund – Class N;
- (g) General Security Agreement dated September 9, 2025, entered into by SEA Electric, LLC in favour of NBIMC Quantitative Strategies Fund – Class N; and
- (h) Intellectual Property Security Agreement dated August 29, 2025, entered into by Cellex Energy Inc., Cellex Energy IP Inc., DPM Technologies Inc., Exro Technologies Inc., Exro Technologies USA Inc., Exro Vehicle Services Inc. and SEA Electric Asia Ltd., SEA Electric GMBH, SEA Electric Inc., SEA Electric Limited and SEA Electirc LLC in favour of NBIMC Quantitative Strategies Fund – Class N.

FORM 86
NOTICE OF INTENTION TO ENFORCE SECURITY
(Rule 124)

TO EACH OF:

Exro Technologies Inc., Exro Technologies USA Inc., Exro Vehicle Services Inc., DPM Technologies Inc., Cellex Energy Inc., Cellex Energy IP Inc., SEA Electric Inc., SEA Electric ASIA Ltd., SEA Electric, LLC, SEA Electric GMBH and SEA Electric Limited (collectively, the "Debtors")

1000 – 355 Burrard Street
 Vancouver, BC V6C 2G8
 Attention: Sue Ozdemir sozdemir@exro.com

- and -

Stikeman Elliott LLP
 666 Burrard Street, Suite 1700
 Vancouver, BC V6C 2X8
 Attention Neville McClure nmcclure@stikeman.com

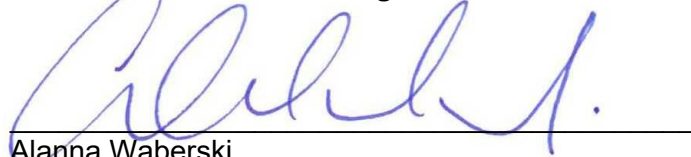
TAKE NOTICE THAT:

1. **NBIMC Quantitative Strategies Fund – Class N**, a secured creditor, intends to enforce its security on the insolvent person's property described below:
 - (a) All of the Debtors' present and after acquired personal property.
2. The security that is to be enforced is in the form of:
 - (a) General Security Agreement dated May 25, 2025, entered into by Cellex Energy Inc. in favour of NBIMC Quantitative Strategies Fund – Class N; and
 - (b) General Security Agreement dated May 25, 2025, entered into by DPM Technologies Inc. in favour of NBIMC Quantitative Strategies Fund – Class N; and
 - (c) General Security Agreement dated May 25, 2025, entered into by Exro Technologies Inc. in favour of NBIMC Quantitative Strategies Fund – Class N; and
 - (d) General Security Agreement dated May 25, 2025, entered into by Exro Technologies USA Inc. in favour of NBIMC Quantitative Strategies Fund – Class N; and
 - (e) General Security Agreement dated May 25, 2025, entered into by Exro Vehicle Systems Inc. in favour of NBIMC Quantitative Strategies Fund – Class N; and
 - (f) General Security Agreement dated May 25, 2025, entered into by SEA Electric Limited in favour of NBIMC Quantitative Strategies Fund – Class N; and

- (g) General Security Agreement dated September 9, 2025, entered into by SEA Electric, LLC in favour of NBIMC Quantitative Strategies Fund – Class N; and
 - (h) Intellectual Property Security Agreement dated August 29, 2025, entered into by Cellex Energy Inc., Cellex Energy IP Inc., DPM Technologies Inc., Exro Technologies Inc., Exro Technologies USA Inc., Exro Vehicle Services Inc. and SEA Electric Asia Ltd., SEA Electric GMBH, SEA Electric Inc., SEA Electric Limited and SEA Electirc LLC in favour of NBIMC Quantitative Strategies Fund – Class N.
3. The total amount of indebtedness secured by the security is \$12,631,016.45 USD as of September 29, 2025, together with the costs of realization and interest to date of payment.
4. The secured creditor will not have the right to enforce its security until after the expiry of the 10-day period following the sending of this notice, unless the insolvent person consents to an earlier enforcement.

DATED at Saint John, New Brunswick this 30th day of September, 2025.

NBIMC Quantitative Strategies Fund – Class N



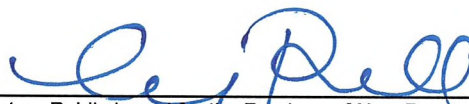
Alanna Waberski

Stewart McKelvey

Agent for NBIMC Quantitative Strategies Fund – Class N

THIS IS EXHIBIT "T" REFERRED TO IN THE
AFFIDAVIT OF MARK HOLLERAN

SWORN BEFORE ME THIS 3rd DAY OF
NOVEMBER, 2025.



A Notary Public in and for the Province of New Brunswick



CONSENT TO RECEIVERSHIP**TO: NBIMC Quantitative Strategies Fund – Class N (the “Lender”)**Date: November 2, 2025.**WHEREAS:**

- (A) the Lender, issued a demand notice to, among others, each of Exro Technologies Inc., DPM Technologies Inc. and Cellex Energy Inc. (the “**Cdn Entities**”) on September 30, 2025 in respect of certain events of default under the Interim Financing Credit Facility Agreement dated May 15, 2025 and the security granted thereunder;
- (B) the Lender also issued a notice of intention to enforce such security dated September 30, 2025; and
- (C) the board of directors of each of the Cdn Entities has resolved to execute this consent.

NOW THEREFORE:

- 1. Each of the undersigned hereby consents to the enforcement of security by the Lender, by the appointment of a receiver or receiver and manager (the “**Receiver**”) over all or any part of the present and after-acquired real and personal property, assets, and undertakings of the undersigned, wherever situated, pursuant to an order substantially similar to the form attached hereto as “Schedule A”.
- 2. Each of the undersigned hereby confirms that it has sought the advice and recommendation of its legal counsel and other professional advisors to the extent it deems appropriate in connection with the execution of this Consent and this Consent is given voluntarily and without duress.

SIGNED AND DELIVERED with effect as of the date first above written.**Exro Technologies Inc.**

Signed by:



Name: Christopher Rankin

Title: Chief Restructuring Officer

DPM Technologies Inc.

Signed by:



Name: Christopher Rankin

Title: Authorized Signatory

Cellex Energy Inc.

Signed by:



Name: Christopher Rankin

Title: Chief Restructuring Officer

SCHEDULE A
FORM OF RECEIVERSHIP ORDER

See attached.

COURT FILE NUMBER 2501-

COURT COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

APPLICANT NBIMC QUANTITATIVE STRATEGIES
FUND – CLASS N

RESPONDENTS EXRO TECHNOLOGIES INC., DPM
TECHNOLOGIES INC., AND CELLEX
ENERGY INC.

DOCUMENT **CONSENT RECEIVERSHIP ORDER**

Clerk's Stamp

ADDRESS FOR
SERVICE AND
CONTACT
INFORMATION OF
PARTY FILING THIS
DOCUMENT

Burnet, Duckworth & Palmer LLP

2400, 525 – 8th Avenue SW

Calgary, AB T2P 1G1

Lawyers: David LeGeyt

Ryan Algar

Jessica MacKinnon

Phone Number: (403) 260-0210 / 0126 / 0112

Email Address: dlegeyt@bdplaw.com

ralgar@bdplaw.com

jmackinnon@bdplaw.com

File No. 79864-1

Stewart McKelvey

44 Chipman Hill, Suite 1000

Saint John, New Brunswick E2L 5B2

Lawyers: Maurice Chiasson, K.C. / Alanna Waberski

Tel: (902) 420-3300 / (506) 632-2792

Email: mchaisson@stewartmckelvey.com /

awaberski@stewartmckelvey.com

File No.: 1993-00294

DATE ON WHICH ORDER WAS PRONOUNCED: **NOVEMBER 14, 2025**

LOCATION OF HEARING: **EDMONTON**

NAME OF JUSTICE WHO GRANTED THIS ORDER: **J.S. LITTLE**

UPON the application of NBIMC Quantitative Strategies Fund – Class N (the "**Lender**") in respect of Exro Technologies Inc, DPM Technologies Inc. and Cellex Energy Inc., (collectively, the "**Debtors**" and each individually, a "**Debtor**"); AND UPON having read the Application, the Affidavit of [●]; and the Affidavit of Service of Angelamor Donor [to be] filed; AND UPON reading the consent of FTI Consulting Canada Inc. to act as receiver and manager (the "**Receiver**") of the Debtors, filed; AND UPON noting the consent endorsed hereon of [the Debtors]; AND UPON hearing counsel for the Lender, counsel for the proposed Receiver and any other counsel or other interested parties present; IT IS HEREBY ORDERED AND DECLARED THAT:

Service

1. The time for service of the notice of application for this order (the "**Order**") is hereby abridged and deemed good and sufficient [if applicable] and this application is properly returnable today.

Appointment

2. Pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, RSC 1985, c. B-3 (the "**BIA**"), and sections 13(2) of the *Judicature Act*, RSA 2000, c.J-2, 99(a) of the *Business Corporations Act*, RSA 2000, c.B-9, and 65(7) of the *Personal Property Security Act*, RSA 2000, c.P-7, FTI Consulting Canada Inc. is hereby appointed Receiver, without security, of all of the Debtors' current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (the "**Property**").

Receiver's Powers

3. The Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:
 - (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property, which shall include the Receiver's ability:
 - i. to abandon, dispose of, or otherwise release any interest in any of the Debtors' real or personal property, or any right in any immovable; and

- ii. upon further order of the Court, to abandon, dispose of, or otherwise release any license or authorization issued by the Alberta Energy Regulator, or any other similar government authority;
- (b) to receive, preserve and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) to manage, operate and carry on the business of the Debtors, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtors;
- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (e) to purchase or lease machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtors or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtors and to exercise all remedies of the Debtors in collecting such monies, including, without limitation, to enforce any security held by the Debtors;
- (g) to settle, extend or compromise any indebtedness owing to or by the Debtors;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtors, for any purpose pursuant to this Order;
- (i) to undertake environmental or workers' health and safety assessments of the Property and operations of the Debtors;
- (j) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the

Debtors, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding, and provided further that nothing in this Order shall authorize the Receiver to defend or settle the action in which this Order is made unless otherwise directed by this Court;

- (k) to market any or all the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (l) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business:
 - i. without the approval of this Court in respect of any transaction not exceeding **[\$500,000]**, provided that the aggregate consideration for all such transactions does not exceed **[\$1,000,000]**; and
 - ii. with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

and in each such case notice under subsection 60(8) of the *Personal Property Security Act*, RSA 2000, c. P-7 or any other similar legislation in any other province or territory shall not be required.

- (m) to apply for any vesting order or other orders (including, without limitation, confidentiality or sealing orders) necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (n) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;

- (o) to register a copy of this Order and any other orders in respect of the Property against title to any of the Property, and when submitted by the Receiver for registration this Order shall be immediately registered by the Registrar of Land Titles of Alberta, or any other similar government authority, notwithstanding Section 191 of the *Land Titles Act*, RSA 2000, c. L-4, or the provisions of any other similar legislation in any other province or territory, and notwithstanding that the appeal period in respect of this Order has not elapsed and the Registrar of Land Titles shall accept all Affidavits of Corporate Signing Authority submitted by the Receiver in its capacity as Receiver of the Debtors and not in its personal capacity;
- (p) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtors;
- (q) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtors, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtors;
- (r) to exercise any shareholder, partnership, joint venture or other rights which the Debtors may have; and
- (s) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations;

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons, including the Debtors, and without interference from any other Person (as defined below).

Duty to Provide Access and Co-operations to the Receiver

- 4. (i) The Debtors, (ii) all of their current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on their instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "**Persons**" and each being a "**Person**") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver

all such Property (excluding Property subject to liens the validity of which is dependent on maintaining possession) to the Receiver upon the Receiver's request.

5. All Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtors, and any computer programs, computer tapes, computer disks or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph or in paragraph **[6]** of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or documents prepared in contemplation of litigation or due to statutory provisions prohibiting such disclosure.
6. If any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names, and account numbers that may be required to gain access to the information.

No Proceedings Against the Receiver

7. No proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

No Proceedings Against the Debtors or the Property

8. No Proceeding against or in respect of the Debtors or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtors or the Property are hereby stayed and suspended pending further Order of this Court, provided, however, that nothing in this Order shall: (i) prevent any Person from commencing a proceeding regarding a claim that might otherwise become barred by statute or an existing agreement if such proceeding is not commenced before the expiration of the stay provided by this paragraph; and (ii) affect a Regulatory Body's investigation in respect of the Debtors or an action, suit or proceeding that is taken in respect of the Debtors by or before the Regulatory Body, other than the enforcement of a payment order by the Regulatory Body or the Court. "**Regulatory Body**" means a person or body that has powers, duties or functions relating to the enforcement or administration of an Act of Parliament or of the legislature of a Province.

No Exercise of Rights of Remedies

9. All rights and remedies of any Person, whether judicial or extra-judicial, statutory or non-statutory (including, without limitation, set-off rights) against or in respect of the Debtors or the Receiver or affecting the Property are hereby stayed and suspended and shall not be commenced, proceeded with or continued except with leave of this Court, provided, however, that nothing in this Order shall:
- (a) empower the Debtors to carry on any business that the Debtors are not lawfully entitled to carry on;
 - (b) prevent the filing of any registration to preserve or perfect a security interest;
 - (c) prevent the registration of a claim for lien; or
 - (d) exempt the Debtors from compliance with statutory or regulatory provisions relating to health, safety or the environment.

10. Nothing in this Order shall prevent any party from taking an action against the Debtors where such an action must be taken in order to comply with statutory time limitations in order to preserve their rights at law, provided that no further steps shall be taken by such party except in accordance with the other provisions of this Order, and notice in writing of such action be given to the Receiver at the first available opportunity.

No Interference with the Receiver

11. No Person shall accelerate, suspend, discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtors, except with the written consent of the Receiver, or leave of this Court.

Continuation of Services

12. All persons having:
- (a) statutory or regulatory mandates for the supply of goods and/or services; or
 - (b) oral or written agreements or arrangements with the Debtors, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation, services, utility or other services to the Debtors,

are hereby restrained until further order of this Court from discontinuing, altering, interfering with, suspending or terminating the supply of such goods or services as may be required by the Debtors or exercising any other remedy provided under such agreements or arrangements. The Debtors shall be entitled to the continued use of its current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the usual prices or charges for all such goods or services received after the date of this Order are paid by the Debtors in accordance with the payment practices of the Debtors, or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

Receiver to Hold Funds

13. All funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the

collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "**Post Receivership Accounts**") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further order of this Court.

Employees

14. Subject to employees' rights to terminate their employment, all employees of the Debtors shall remain the employees of the Debtors until such time as the Receiver, on the Debtors' behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*, SC 2005, c.47 ("**WEPPA**").
15. Pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, SC 2000, c. 5, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "**Sale**"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtors, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

Limitations on Environmental Liabilities

16. (a) Notwithstanding anything in any federal or provincial law, the Receiver is not personally liable in that position for any environmental condition that arose or environmental damage that occurred:

- i. before the Receiver's appointment; or
 - ii. after the Receiver's appointment unless it is established that the condition arose or the damage occurred as a result of the Receiver's gross negligence or wilful misconduct.
- (b) Nothing in sub-paragraph (a) exempts a Receiver from any duty to report or make disclosure imposed by a law referred to in that sub-paragraph.
- (c) Notwithstanding anything in any federal or provincial law, but subject to sub-paragraph (a) hereof, where an order is made which has the effect of requiring the Receiver to remedy any environmental condition or environmental damage affecting the Property, the Receiver is not personally liable for failure to comply with the order, and is not personally liable for any costs that are or would be incurred by any person in carrying out the terms of the order,
 - i. if, within such time as is specified in the order, within 10 days after the order is made if no time is so specified, within 10 days after the appointment of the Receiver, if the order is in effect when the Receiver is appointed, or during the period of the stay referred to in clause ii below, the Receiver:
 - A. complies with the order, or
 - B. on notice to the person who issued the order, abandons, disposes of or otherwise releases any interest in any real property affected by the condition or damage;
 - ii. during the period of a stay of the order granted, on application made within the time specified in the order referred to in clause (i) above, within 10 days after the order is made or within 10 days after the appointment of the Receiver, if the order is in effect when the Receiver is appointed, by:
 - A. the court or body having jurisdiction under the law pursuant to which the order was made to enable the Receiver to contest the order; or
 - B. the court having jurisdiction in bankruptcy for the purposes of assessing the economic viability of complying with the order; or

- iii. if the Receiver had, before the order was made, abandoned or renounced or been divested of any interest in any real property affected by the condition or damage.

Limitation on the Receiver's Liability

17. Except for gross negligence or wilful misconduct, as a result of its appointment or carrying out the provisions of this Order the Receiver shall incur no liability or obligation that exceeds an amount for which it may obtain full indemnity from the Property. Nothing in this Order shall derogate from any limitation on liability or other protection afforded to the Receiver under any applicable law, including, without limitation, Section 14.06, 81.4(5) or 81.6(3) of the BIA.

Receiver's Accounts

18. The Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case, incurred at their standard rates and charges. The Receiver and counsel to the Receiver shall be entitled to the benefits of and are hereby granted a charge (the "**Receiver's Charge**") on the Property, which charge shall not exceed an aggregate amount of **[\$500,000]** as security for their professional fees and disbursements incurred at the normal rates and charges of the Receiver and such counsel, both before and after the making of this Order in respect of these proceedings, and the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, deemed trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person but subject to section 14.06(7), 81.4(4) and 81.6(2) of the BIA.
19. The Receiver and its legal counsel shall pass their accounts from time to time.
20. Prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including the legal fees and disbursements, incurred at the normal rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

Funding of the Receivership

21. The Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed **[\$500,000]** (or

such greater amount as this Court may by further order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, deemed trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges set out in sections 14.06(7), 81.4(4) and 81.6(2) of the BIA.

22. Neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.
23. The Receiver is at liberty and authorized to issue certificates substantially in the form annexed as **Schedule "A"** hereto (the "**Receiver's Certificates**") for any amount borrowed by it pursuant to this Order.
24. The monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.
25. The Receiver shall be authorized to repay any amounts borrowed by way of Receiver's Certificates out of the Property or any proceeds, including any proceeds from the sale of any assets without further approval of this Court.

Allocation

26. Any interested party may apply to this Court on notice to any other party likely to be affected, for an order allocating the Receiver's Charge and Receiver's Borrowings Charge amongst the various assets comprising the Property

General

27. The Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

28. Notwithstanding Rule 6.11 of the *Alberta Rules of Court*, unless otherwise ordered by this Court, the Receiver will report to the Court from time to time, which reporting is not required to be in affidavit form and shall be considered by this Court as evidence. The Receiver's reports shall be filed by the Court Clerk notwithstanding that they do not include an original signature.
29. Nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtors.
30. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any foreign jurisdiction to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Receiver in any foreign proceeding, or to assist the Receiver and its agents in carrying out the terms of this Order.
31. The Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.
32. The Plaintiff shall have its costs of this application, up to and including entry and service of this Order, provided for by the terms of the Plaintiff's security or, if not so provided by the Plaintiff's security, then on a substantial indemnity basis, including legal costs on a solicitor-client full indemnity basis, to be paid by the Receiver from the Debtors' estate with such priority and at such time as this Court may determine.
33. Any interested party may apply to this Court to vary or amend this Order on not less than 7 days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

Filing

34. The Receiver shall establish and maintain a website in respect of these proceedings at [https://cfcanada.fticonsulting.com/\[\]](https://cfcanada.fticonsulting.com/[]) (the "**Receiver's Website**") and shall post there as soon as practicable:
- (a) all materials prescribed by statute or regulation to be made publicly available; and
 - (b) all applications, reports, affidavits, orders and other materials filed in these proceedings by or on behalf of the Receiver, or served upon it, except such materials as are confidential and the subject of a sealing order or pending application for a sealing order.
35. Service of this Order shall be deemed good and sufficient by:
- (a) serving the same on:
 - i. the persons listed on the service list created in these proceedings or otherwise served with notice of these proceedings;
 - ii. any other person served with notice of the application for this Order;
 - iii. any other parties attending or represented at the application for this Order; and
 - (b) posting a copy of this Order on the Receiver's Website
- and service on any other person is hereby dispensed with.
36. Service of this Order may be effected by facsimile, electronic mail, personal delivery or courier. Service is deemed to be effected the next business day following transmission or delivery of this Order.

Justice of the Court of King's Bench of Alberta

CONSENTED TO THIS _____ DAY OF
_____, 2025.

[LAW FIRM]

Per: _____

Name:
Counsel to the Debtors, Exro
Technologies Inc, DPM Technologies
Inc. and Cellex Energy Inc.

SCHEDULE "A"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that FTI Consulting Canada Inc., the and receiver and manager (the "**Receiver**") of all of the assets, undertakings and properties of Exro Technologies Inc, DPM Technologies Inc. and Cellex Energy Inc. appointed by Order of the Court of King's Bench of Alberta and Court of King's Bench of Alberta in Bankruptcy and Insolvency (collectively, the "**Court**") dated the [14th] day of [November], 2025 (the "**Order**") made in action number 2501-[•], has received as such Receiver from the holder of this certificate (the "**Lender**") the principal sum of [Enter Amount], being part of the total principal sum of [Enter Amount] that the Receiver is authorized to borrow under and pursuant to the Order.
2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded Select an Option after the date hereof at a notional rate per annum equal to the rate of [Enter Rate] per cent above the prime commercial lending rate of [Name of Institution] from time to time.
3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property (as defined in the Order), in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.
4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at [Enter Address].
5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.
6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.
7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the day of ,20

FTI Consulting Canada Inc., solely in its capacity
as Receiver of the Property (as defined in the
Order), and not in its personal capacity

Per: _____

Name:

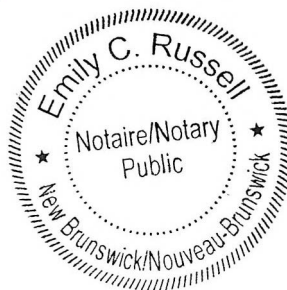
Title:

THIS IS EXHIBIT "U" REFERRED TO IN THE
AFFIDAVIT OF MARK HOLLERAN

SWORN BEFORE ME THIS 3rd DAY OF
NOVEMBER, 2025.



A Notary Public in and for the Province of New Brunswick



COURT FILE NUMBER	2501-	Clerk's Stamp:
COURT	COURT OF KING'S BENCH OF ALBERTA	
JUDICIAL CENTRE	CALGARY	
APPLICANT	NBIMC QUANTITATIVE STRATEGIES FUND – CLASS N	
RESPONDENTS	EXRO TECHNOLOGIES INC., DPM TECHNOLOGIES INC., AND CELLEX ENERGY INC.	

DOCUMENT

CONSENT TO ACT**Burnet, Duckworth & Palmer LLP**2400, 525 – 8th Avenue SW

Calgary, AB T2P 1G1

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Ryan Algar

Jessica MacKinnon

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ralgar@bdplaw.com

jmackinnon@bdplaw.com

ADDRESS FOR SERVICE
AND CONTACT
INFORMATION OF PARTY
FILING THIS DOCUMENT

File No. 79864-1

Stewart McKelvey

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Saint John, New Brunswick E2L 5B2

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Tel: (902) 420-3300 / (506) 632-2792

Email: mchaisson@stewartmckelvey.com /

awaberski@stewartmckelvey.com

File No.: 1993-00294

CONSENT TO ACT

FTI Consulting Canada Inc. hereby consents to act as receiver and manager over the assets, undertaking and properties of EXRO TECHNOLOGIES INC., DPM TECHNOLOGIES INC., AND CELLEX ENERGY INC. if so appointed by this Honourable Court.

DATED at Calgary, Alberta this 31st day of October, 2025.

FTI CONSULTING CANADA INC.

Per:


Deryck Helkaa
 Senior Managing Director