

MR01

Particulars of a charge



Companies House



Go online to file this information
www.gov.uk/companieshouse

A fee is payable with this form
Please see 'How to pay' on the last page.

✓ **What this form is for**
You may use this form to register
a charge created or evidenced by
an instrument.

✗ **What this form is NOT for**
You may not use this form to
register a charge where the
instrument. Use form MR01



A27 *A7HCCSGO* #12
25/10/2018
COMPANIES HOUSE

This form **must be delivered to the Registrar for registration** within
21 days beginning with the day after the date of creation of the charge. If
delivered outside of the 21 days it will be rejected unless it is accompanied by a
court order extending the time for delivery.



You **must** enclose a certified copy of the instrument with this form. This will be
scanned and placed on the public record. **Do not send the original.**

1 Company details

Company number 0 0 8 9 7 6 0 8

Company name in full ANGLO PACIFIC GROUP PLC

("Grantor")

For official use

→ Filling in this form

Please complete in typescript or in
bold black capitals.

All fields are mandatory unless
specified or indicated by *

2 Charge creation date

Charge creation date 1 9 1 0 2 0 1 8

3 Names of persons, security agents or trustees entitled to the charge

Please show the names of each of the persons, security agents or trustees
entitled to the charge.

Name ✓ BARCLAYS BANK PLC, as security trustee for the Secured Parties
("Security Agent")

Name

Name

Name

If there are more than four names, please supply any four of these names then
tick the statement below.

☐ I confirm that there are more than four persons, security agents or
trustees entitled to the charge.

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Particulars of a charge

4

Brief description

Please give a short description of any land, ship, aircraft or intellectual property registered or required to be registered in the UK subject to a charge (which is not a floating charge) or fixed security included in the instrument.

Brief description

-

Please submit only a short description if there are a number of plots of land, aircraft and/or ships, you should simply describe some of them in the text field and add a statement along the lines of, "for more details please refer to the instrument".

Please limit the description to the available space.

5

Other charge or fixed security

Does the instrument include a charge (which is not a floating charge) or fixed security over any tangible or intangible or (in Scotland) corporeal or incorporeal property not described above? Please tick the appropriate box.

☒ **Yes**

☐ **No**

6

Floating charge

Is the instrument expressed to contain a floating charge? Please tick the appropriate box.

☐ **Yes** Continue

☒ **No** Go to **Section 7**

Is the floating charge expressed to cover all the property and undertaking of the company?

☐ **Yes**

7

Negative Pledge

Do any of the terms of the charge prohibit or restrict the company from creating further security that will rank equally with or ahead of the charge? Please tick the appropriate box.

☒ **Yes**

☐ **No**

8

Trustee statement ^①

You may tick the box if the company named in Section 1 is acting as trustee of the property or undertaking which is the subject of the charge.

☐

^① This statement may be filed after the registration of the charge (use form MR06).

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Signature

Please sign the form here.

Signature

Signature

X *Mayer Brown International LLP* X

This form must be signed by a person with an interest in the charge.

MR01

Particulars of a charge



Presenter information

You do not have to give any contact information, but if you do, it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name **Havin Jagtiani**

Company name **Mayer Brown International LLP**

Address **201 Bishopsgate**

Post town **London**

County/Region

Postcode **E C 2 M 3 A F**

Country

DX **DX 556 London and City**

Telephone **020 3130 3000**



Certificate

We will send your certificate to the presenter's address if given above or to the company's Registered Office if you have left the presenter's information blank.



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register.
- ☐ You have included a certified copy of the instrument with this form.
- ☐ You have entered the date on which the charge was created.
- ☐ You have shown the names of persons entitled to the charge.
- ☐ You have ticked any appropriate boxes in Sections 3, 5, 6, 7 & 8.
- ☐ You have given a description in Section 4, if appropriate.
- ☐ You have signed the form.
- ☐ You have enclosed the correct fee.
- ☐ Please do not send the original instrument; it must be a certified copy.



Important information

Please note that all information on this form will appear on the public record.



How to pay

A fee of £23 is payable to Companies House in respect of each mortgage or charge filed on paper.

Make cheques or postal orders payable to 'Companies House.'



Where to send

You may return this form to any Companies House address. However, for expediency, we advise you to return it to the appropriate address below:

For companies registered in England and Wales:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.

For companies registered in Scotland:

The Registrar of Companies, Companies House,
Fourth floor, Edinburgh Quay 2,
139 Fountainbridge, Edinburgh, Scotland, EH3 9FF.
DX ED235 Edinburgh 1
or LP - 4 Edinburgh 2 (Legal Post).

For companies registered in Northern Ireland:

The Registrar of Companies, Companies House,
Second Floor, The Linenhall, 32-38 Linenhall Street,
Belfast, Northern Ireland, BT2 8BG.
DX 481 N.R. Belfast 1.



Further information

For further information, please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 897608

Charge code: 0089 7608 0012

The Registrar of Companies for England and Wales hereby certifies that a charge dated 19th October 2018 and created by ANGLO PACIFIC GROUP PLC was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 25th October 2018.

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Given at Companies House, Cardiff on 1st November 2018



Companies House



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES

ANGLO PACIFIC GROUP PLC

as Obligor

and

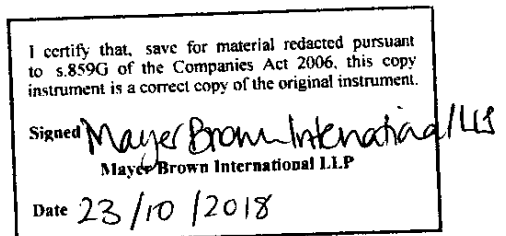
BARCLAYS BANK PLC

as Security Agent

SECURITIES PLEDGE AGREEMENT

October 19, 2018

STIKEMAN ELLIOTT LLP



SECURITIES PLEDGE AGREEMENT

Securities pledge agreement dated as of October 19, 2018 made by **ANGLO PACIFIC GROUP PLC** to and in favour of **BARCLAYS BANK PLC** as Security Agent for the benefit of the Secured Parties.

RECITALS:

- (a) Barclays Bank PLC, as agent, and the other Finance Parties have agreed to make certain credit facilities available to the Obligor and the other Borrowers on the terms and conditions contained in the Facility Agreement and other Debt Documents; and
- (b) It is a condition to the continued extension of credit to the Obligor and the other Borrowers under the Debt Documents that the Obligor execute and deliver this Agreement in favour of the Security Agent as security for the payment and performance of the Obligor's obligations under the Facility Agreement and the other Debt Documents to which it is a party.

In consideration of the foregoing and other good and valuable consideration, the receipt and adequacy of which are acknowledged, the Obligor agrees as follows.

Section 1 Defined Terms.

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

"Agreement" means this securities pledge agreement.

"Collateral" has the meaning specified in Section 3.

"Debt Documents" has the meaning specified in the Intercreditor Agreement.

"Event of Default" has the meaning specified in the Facility Agreement.

"Expenses" has the meaning specified in Section 4(b).

"Facility Agreement" means the facility agreement originally dated February 4, 2015 as amended and restated pursuant to an amendment and restatement agreement dated February 1, 2017 and as further amended and restated pursuant to an amendment and restatement agreement dated September 21, 2018, among, among others, the Obligor, the Security Agent, certain financial institutions listed in Part 2 of Schedule 1 thereto, the entities listed and identified in Part 1 of Schedule 1 thereto as original borrowers and the entities listed and identified in Part 1 of Schedule 1 as original guarantors, as the same may be amended, modified, extended, renewed, replaced, restated, supplemented or refinanced from time to time and includes any agreement extending the maturity of, refinancing or restructuring all or any portion of, the indebtedness under such agreement or any successor agreements, whether or not with the same Agent or Lenders.

"Intercreditor Agreement" means the intercreditor agreement dated February 10, 2017 between, among others, the Obligor, the Security Agent, Barclays Bank PLC, as agent of the other Finance Parties, and the Lenders.

"Issuer" means Panarama Coal Corp. and its successors.

"Liabilities" has the meaning specified in the Intercreditor Agreement.

"Obligor" means Anglo Pacific Group PLC and its successors and permitted assigns.

"Person" means an individual, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium, partnership or other entity (whether or not having separate legal personality).

"Secured Parties" has the meaning specified in the Intercreditor Agreement.

"Secured Obligations" has the meaning specified in Section 4(a).

"Pledged Security" means all shares in the Issuer's capital, and all other interests, participations and rights in, or other equivalents (however designated and whether voting or non-voting) of, the Issuer's capital, including any all rights, warrants, options or other rights exchangeable for or convertible into any of the foregoing.

"Security Agent" means Barclays Bank PLC acting as security trustee for the Secured Parties, and any successor security trustee appointed under the Intercreditor Agreement, and their respective successors and permitted assigns.

"Security Interest" has the meaning specified in Section 4.

Section 2 Interpretation.

- (1) Terms defined in the *Personal Property Security Act* (British Columbia) ("**PPSA**") or the *Securities Transfer Act* (British Columbia) ("**STA**") and used but not otherwise defined in this Agreement have the same meanings. For greater certainty, the terms "**investment property**", "**money**" and "**proceeds**" have the meanings given to them in the PPSA; and the terms "**certificated security**", "**control**", "**delivery**", "**financial asset**", "**security**", and "**uncertificated security**" have the meanings given to them in the STA. Capitalized terms used in this Agreement but not defined have the meanings given to them in the Facility Agreement.
- (2) Any reference in any Debt Document to Security permitted by the Facility Agreement or other Debt Document and any right of the Obligor to create or suffer to exist Security permitted by the Facility Agreement or other Debt Document are not intended to and do not and will not subordinate the Security Interest to any such Security or give priority to any Person over the Secured Parties.
- (3) In this Agreement the words "**including**", "**includes**" and "**include**" mean "**including (or includes or include) without limitation**". The expressions "**Section**"

and other subdivision followed by a number mean and refer to the specified Section or other subdivision of this Agreement.

- (4) Any reference in this Agreement to gender includes all genders. Words importing the singular number only include the plural and vice versa.
- (5) The division of this Agreement into Sections and other subdivisions and the insertion of headings are for convenient reference only and do not affect its interpretation.
- (6) The schedules attached to this Agreement form an integral part of it for all purposes of it.
- (7) Any reference to this Agreement or any Debt Document refers to this Agreement or such Debt Document as the same may have been or may from time to time be amended, modified, extended, renewed, restated, replaced or supplemented and includes all schedules attached to it. Except as otherwise provided in this Agreement, any reference in this Agreement to a statute refers to such statute and all rules and regulations made under it as the same may have been or may from time to time be amended or re-enacted.

Section 3 Grant of Security.

The Obligor grants to the Security Agent, for the benefit of the Secured Parties, a security interest in, and assigns, charges, hypothecates and pledges to the Security Agent, for the benefit of the Secured Parties, the following (collectively, the "Collateral"):

- (a) all Pledged Securities now owned or hereafter acquired by the Obligor, including the Pledged Securities listed in Schedule "A", as such schedule may be amended, supplemented or modified from time to time, all security certificates and other instruments representing such Pledged Securities and all rights and claims of the Obligor in such Pledged Securities;
- (b) all substitutions and replacements of, increases and additions to the property described in Section 3(a), including any consolidation, subdivision, reclassification or stock dividend; and
- (c) all proceeds in any form derived directly or indirectly from any dealing with all or any part of the property described in Section 3(a) and Section 3(b), including the proceeds of such proceeds.

Section 4 Secured Obligations.

The security interest, assignment, charge, hypothecation and pledge granted by this Agreement (collectively, the "Security Interest") secures the payment and performance of:

- (a) all Liabilities and all other present and future liabilities and obligations at any time due, owing or incurred by the Obligor to any Secured Party under the

Debt Documents, both actual and contingent, and whether incurred solely or jointly or as principal or surety or in any other capacity (collectively, and together with the Expenses, the "Secured Obligations"); and

- (b) all expenses, costs and charges incurred by or on behalf of the Secured Parties in connection with this Agreement, the Security Interest or the Collateral, including all legal fees, court costs, receiver's or agent's remuneration and other expenses of taking possession of, repairing, protecting, insuring, preparing for disposition, realizing, collecting, selling, transferring, delivering or obtaining payment for the Collateral, and of taking, defending or participating in any action or proceeding in connection with any of the foregoing matters or otherwise in connection with the Secured Parties' interest in any Collateral, whether or not directly relating to the enforcement of this Agreement or any other Debt Document (collectively, the "Expenses").

Section 5 Attachment.

- (1) The Obligor acknowledges that (i) value has been given, (ii) it has rights in the Collateral or the power to transfer, rights in the Collateral to the Security Agent (other than after-acquired Collateral), (iii) it has not agreed to postpone the time of attachment of the Security Interest, and (iv) it has received a copy of this Agreement.
- (2) If the Obligor acquires any Pledged Securities, the Obligor will notify the Security Agent in writing and provide the Security Agent with a revised Schedule "A" recording the acquisition or establishment of and particulars relating to such Pledged Securities within 15 days after such acquisition.
- (3) The Obligor will cause the Security Agent to have control over all Pledged Securities, and will take all action that the Security Agent deems advisable to cause the Security Agent to have control over such Collateral, including (i) causing the Collateral to be transferred to or registered in the name of the Security Agent or its nominee or otherwise as the Security Agent may direct, (ii) endorsing any certificated securities to the Security Agent or in blank by an effective endorsement, (iii) delivering the Collateral to the Security Agent or someone on its behalf as the Security Agent may direct, and (iv) delivering to the Security Agent any and all consents or other documents or agreements which may be necessary to effect the transfer of any Collateral to the Security Agent or any third party.
- (4) The Obligor irrevocably waives, to the extent permitted by applicable law, any right to receive a copy of any financing statement or financing change statement (and any verification statement relating to the same) registered in respect of this Agreement or any other security agreement granted to the Secured Parties or any of them.

Section 6 Care and Custody of Collateral.

- (1) The Security Agent may, upon the occurrence and during the continuance of an Event of Default, assume control of any dividends, distributions or proceeds arising from the Collateral.
- (2) The Security Agent has no obligation to collect dividends, distributions or interest payable on, or exercise any option or right in connection with, any Collateral. The Security Agent has no obligation to protect or preserve any Collateral from depreciating in value or becoming worthless and is released from all responsibility for any loss of value whether such Collateral is in the possession of, or is subject to the control of, the Security Agent, the Obligor or any other person. In the physical keeping of any Pledged Securities, the Security Agent is only obliged to exercise the same degree of care as it would exercise with respect to its own securities kept at the same place.
- (3) The Security Agent may, upon the occurrence and during the continuance of an Event of Default, sell, transfer, use or otherwise deal with any investment property included in the Collateral over which the Security Agent has control, on such conditions and in such manner as the Security Agent in its sole discretion may determine.

Section 7 Rights of the Obligor.

- (1) Until the occurrence of an Event of Default which is continuing, the Obligor is entitled to vote the Pledged Securities that are part of the Collateral and to receive all dividends and distributions on such Pledged Securities. Upon the occurrence and during the continuance of an Event of Default, all rights of the Obligor to vote (under any proxy given by the Security Agent (or its nominee) or otherwise) or to receive distributions or dividends cease and all such rights become vested solely and absolutely in the Security Agent.
- (2) Any distributions or dividends received by the Obligor contrary to Section 7(1) or any other moneys or property received by the Obligor after the Security Interest is enforceable will be received as trustee for the Security Agent and the Secured Parties and shall be immediately paid over to the Security Agent.

Section 8 Expenses.

The Obligor is liable for and will pay on demand by the Security Agent any and all Expenses.

Section 9 Enforcement.

The Security Interest becomes and is enforceable against the Obligor upon the occurrence and during the continuance of an Event of Default.

Section 10 Remedies.

Whenever the Security Interest is enforceable, the Security Agent may realize upon the Collateral and enforce the rights of the Security Agent and the Secured Parties by:

- (a) realizing upon or otherwise disposing of or contracting to dispose of the Collateral by sale, transfer or delivery;
- (b) exercising and enforcing all rights and remedies of a holder of the Collateral as if the Security Agent were the absolute owner thereof (including, if necessary, causing the Collateral to be registered in the name of the Security Agent or its nominee if not already done);
- (c) collection of any proceeds arising in respect of the Collateral;
- (d) instruction or order to the Issuer pursuant to any control the Security Agent has over the Collateral;
- (e) application of any proceeds arising in respect of the Collateral in accordance with Section 18(12);
- (f) appointment by instrument in writing of a receiver (which term as used in this Agreement includes a receiver and manager) or agent of all or any part of the Collateral and removal or replacement from time to time of any receiver or agent;
- (g) institution of proceedings in any court of competent jurisdiction for the appointment of a receiver of all or any part of the Collateral; and
- (h) any other remedy or proceeding authorized or permitted under the PPSA or otherwise by law or equity.

Section 11 Exercise of Remedies.

The remedies under Section 10 may be exercised from time to time separately or in combination and are in addition to, and not in substitution for, any other rights of the Security Agent and the Secured Parties however arising or created. The Security Agent and the Secured Parties are not bound to exercise any right or remedy, and the exercise of rights and remedies is without prejudice to the rights of the Security Agent and the Secured Parties in respect of the Secured Obligations including the right to claim for any deficiency.

Section 12 Receiver's Powers.

- (1) Any receiver appointed by the Security Agent is vested with the rights and remedies which could have been exercised by the Security Agent in respect of the Obligor or the Collateral and such other powers and discretions as are granted in the instrument of appointment and any supplemental instruments. The identity of the receiver, its replacement and its remuneration are within the sole and unfettered discretion of the Security Agent.

- (2) Any receiver appointed by the Security Agent will act as agent for the Security Agent for the purposes of taking possession of the Collateral, but otherwise and for all other purposes (except as provided below), as agent for the Obligor. The receiver may sell, transfer, deliver or otherwise dispose of Collateral as agent for the Obligor or as agent for the Security Agent as the Security Agent may determine in its discretion. The Obligor agrees to ratify and confirm all actions of the receiver acting as agent for the Obligor, and to release and indemnify the receiver in respect of all such actions.
- (3) The Security Agent, in appointing or refraining from appointing any receiver, does not incur liability to the receiver, the Obligor or otherwise and is not responsible for any misconduct or negligence of such receiver.

Section 13 Appointment of Attorney.

The Obligor hereby irrevocably constitutes and appoints the Security Agent (and any officer of the Security Agent) the true and lawful attorney of the Obligor. As the attorney of the Obligor, the Security Agent has the power to exercise for and in the name of the Obligor with full power of substitution, upon the occurrence and during the continuance of an Event of Default, any of the Obligor's right (including the right of disposal), title and interest in and to the Collateral including the execution, endorsement, delivery and transfer of the Collateral to the Security Agent, its nominees or transferees, and the Security Agent and its nominees or transferees are hereby empowered to exercise all rights and powers and to perform all acts of ownership with respect to the Collateral to the same extent as the Obligor might do. This power of attorney is irrevocable, is coupled with an interest, has been given for valuable consideration (the receipt and adequacy of which is acknowledged) and survives, and does not terminate upon, the bankruptcy, dissolution, winding up or insolvency of the Obligor. This power of attorney extends to and is binding upon the Obligor's successors and permitted assigns.

Section 14 Dealing with the Collateral.

- (1) The Security Agent and the Secured Parties are not obliged to exhaust their recourse against the Obligor or any other Person or against any other security they may hold in respect of the Secured Obligations before realizing upon or otherwise dealing with the Collateral in such manner as the Security Agent may consider desirable.
- (2) The Security Agent and the Secured Parties may grant extensions or other indulgences, take and give up securities, accept compositions, grant releases and discharges and otherwise deal with the Obligor and with other Persons, sureties or securities as they may see fit without prejudice to the Secured Obligations, the liability of the Obligor or the rights of the Security Agent and the Secured Parties in respect of the Collateral.
- (3) Except as otherwise provided by law or this Agreement, the Security Agent and the Secured Parties are not (i) liable or accountable for any failure to collect, realize or obtain payment in respect of the Collateral, (ii) bound to institute proceedings for the purpose of collecting, enforcing, realizing or obtaining payment of the Collateral or

for the purpose of preserving any rights of any Persons in respect of the Collateral, (iii) responsible for any loss occasioned by any sale or other dealing with the Collateral or by the retention of or failure to sell or otherwise deal with the Collateral, or (iv) bound to protect the Collateral from depreciating in value or becoming worthless.

Section 15 Standards of Sale.

Without prejudice to the ability of the Security Agent to dispose of the Collateral in any manner which is commercially reasonable, the Obligor acknowledges that:

- (a) the Collateral may be disposed of in whole or in part;
- (b) the Collateral may be disposed of by public auction, public tender or private contract, with or without advertising and without any other formality;
- (c) any assignee of the Collateral may be the Security Agent, a Secured Party or customer of any such Person;
- (d) any sale conducted by the Security Agent will be at such time and place, on such notice and in accordance with such procedures as the Security Agent, in its sole discretion, may deem advantageous;
- (e) the Collateral may be disposed of in any manner and on any terms necessary to avoid violation of applicable law (including compliance with such procedures as may restrict the number of prospective bidders and purchasers, require that the prospective bidders and purchasers have certain qualifications, and restrict the prospective bidders and purchasers to Persons who will represent and agree that they are purchasing for their own account for investment and not with a view to the distribution or resale of the Collateral) or in order to obtain any required approval of the disposition (or of the resulting purchase) by any governmental or regulatory authority or official;
- (f) a disposition of the Collateral may be on such terms and conditions as to credit or otherwise as the Security Agent, in its sole discretion, may deem advantageous; and
- (g) the Security Agent may establish an upset or reserve bid or price in respect of the Collateral.

Section 16 Dealings by Third Parties.

- (1) No Person dealing with the Security Agent, any of the Secured Parties or an agent or receiver is required to determine (i) whether the Security Interest has become enforceable, (ii) whether the powers which such Person is purporting to exercise have become exercisable, (iii) whether any money remains due to the Security Agent or the Secured Parties by the Obligor, (iv) the necessity or expediency of the

stipulations and conditions subject to which any sale or lease is made, (v) the propriety or regularity of any sale or other dealing by the Security Agent or any Secured Creditor with the Collateral, or (vi) how any money paid to the Security Agent or the Secured Parties has been applied.

- (2) Any *bona fide* purchaser of all or any part of the Collateral from the Security Agent or any receiver or agent will hold the Collateral absolutely, free from any claim or right of whatever kind, including any equity of redemption, of the Obligor, which it specifically waives (to the fullest extent permitted by law) as against any such purchaser together with all rights of redemption, stay or appraisal which the Obligor has or may have under any rule of law or statute now existing or hereafter adopted.

Section 17 Representations, Warranties and Covenants.

The Obligor represents and warrants and covenants and agrees, acknowledging and confirming that the Security Agent and each Secured Creditor is relying on such representations, warranties, covenants and agreements, that:

- (a) The Obligor will not:
 - (i) sell, assign, convey, exchange, release or abandon, or otherwise dispose of, any Collateral except as expressly permitted in the Facility Agreement;
 - (ii) create or suffer to exist, any Security on the Collateral, except for Security permitted by the Facility Agreement and will not grant control over any investment property to any person other than the Security Agent; or
 - (iii) authorize, permit or otherwise consent to the Issuer becoming an unlimited liability company.
- (b) Schedule "A" lists all Pledged Securities owned or held by the Obligor on the date of this Agreement and sets out, for each class of Pledged Securities listed in the schedule, the percentage amount that such Pledged Securities represent of all issued and outstanding Pledged Securities of that class. All Pledged Securities are and, at all times, will be certificated securities.
- (c) The Pledged Securities that are Collateral have been, where applicable, duly and validly issued and acquired and are fully paid and non-assessable.
- (d) Except as described in Schedule "A", no transfer restrictions apply to the Pledged Securities listed in Schedule "A" .
- (e) No Person has or will have any written or oral option, warrant, right, call, commitment, conversion right, right of exchange or other agreement or any right or privilege (whether by law, pre-emptive or contractual) capable of becoming an option, warrant, right, call, commitment, conversion right, right

of exchange or other agreement to acquire any right or interest in any of the Securities that are Collateral.

Section 18 General.

- (1) Any notices, directions or other communications provided for in this Agreement must be in writing and given in accordance with the Facility Agreement.
- (2) The Security Interest will be discharged upon, but only upon, the written request of the Obligor at any time on or after the Senior Discharge Date (as defined in the Intercreditor Agreement). Upon discharge of the Security Interest and at the request and expense of the Obligor, the Security Agent will execute and deliver to the Obligor such releases, discharges, financing statements and other documents or instruments as the Obligor may reasonably require and the Security Agent will redeliver to the Obligor, or as the Obligor may otherwise direct the Security Agent, any Collateral in its possession.
- (3) This Agreement does not operate by way of merger of any of the Secured Obligations and no judgment recovered by the Security Agent or any of the Secured Parties will operate by way of merger of, or in any way affect, the Security Interest, which is in addition to, and not in substitution for, any other security now or hereafter held by the Security Agent and the Secured Parties in respect of the Secured Obligations. The representations, warranties and covenants of the Obligor in this Agreement survive the execution and delivery of this Agreement and any advances under the Debt Documents. Notwithstanding any investigation made by or on behalf of the Security Agent or the Secured Parties the covenants, representations and warranties continue in full force and effect.
- (4) The Obligor will do all acts and things and execute and deliver, or cause to be executed and delivered, all agreements, documents and instruments that the Security Agent may require and take all further steps relating to the Collateral or any other property or assets of the Obligor that the Security Agent may require for (i) protecting the Collateral, (ii) perfecting, preserving and protecting the Security Interest, and (iii) exercising all powers, authorities and discretions conferred upon the Security Agent. After the Security Interest becomes enforceable, the Obligor will do all acts and things and execute and deliver all documents and instruments that the Security Agent may require for facilitating the sale or other disposition of the Collateral in connection with its realization.
- (5) This Agreement is in addition to, without prejudice to and supplemental to all other security now held or which may hereafter be held by the Security Agent or the Secured Parties.
- (6) This Agreement is binding on the Obligor, its successors and assigns, and enures to the benefit of the Security Agent, the Secured Parties and their respective successors and assigns. This Agreement may be assigned by the Security Agent without the consent of, or notice to, the Obligor, to such Person as the Security Agent may determine and, in such event, such Person will be entitled to all of the rights and

remedies of the Security Agent as set forth in this Agreement or otherwise. In any action brought by an assignee to enforce any such right or remedy, the Obligor will not assert against the assignee any claim or defence which the Obligor now has or may have against the Security Agent or any of the Secured Parties. The Obligor may not assign, transfer or delegate any of its rights or obligations under this Agreement without the prior written consent of the Security Agent which may be unreasonably withheld.

- (7) The Obligor acknowledges and agrees that in the event it amalgamates with any other corporation or corporations, it is the intention of the parties that the Security Interest (i) extends to: (A) all of the Pledged Securities that any of the amalgamating corporations then own, (B) all of the Pledged Securities that the amalgamated corporation thereafter acquires, (C) all of the Pledged Securities in which any of the amalgamating corporations then has any interest, and (D) all of the Pledged Securities in which the amalgamated corporation thereafter acquires any interest; and (ii) secures the payment and performance of all Liabilities at any time or from time to time due or accruing due and owing by or otherwise payable by each of the amalgamating corporations and the amalgamated corporation to the Secured Parties whether incurred prior to, at the time of or subsequent to the amalgamation. The Security Interest attaches to the additional collateral at the time of amalgamation and to any collateral thereafter owned or acquired by the amalgamated corporation when such becomes owned or is acquired. Upon any such amalgamation, the defined term "Obligor" means, collectively, each of the amalgamating corporations and the amalgamated corporation, the defined term "Collateral" means all of the property described in (i) above, and the defined term "Secured Obligations" means the obligations described in (ii) above.
- (8) If any court of competent jurisdiction from which no appeal exists or is taken, determines any provision of this Agreement to be illegal, invalid or unenforceable, that provision will be severed from this Agreement and the remaining provisions will remain in full force and effect.
- (9) This Agreement may only be amended, supplemented or otherwise modified by written agreement executed by the Security Agent and the Obligor.
- (10) No consent or waiver by the Security Agent or the Secured Parties in respect of this Agreement is binding unless made in writing and signed by an authorized officer of the Security Agent. Any consent or waiver given under this Agreement is effective only in the specific instance and for the specific purpose for which given. No waiver of any of the provisions of this Agreement constitutes a waiver of any other provision.
- (11) A failure or delay on the part of the Security Agent or the Secured Parties in exercising a right under this Agreement does not operate as a waiver of, or impair, any right of the Security Agent or the Secured Parties however arising. A single or partial exercise of a right on the part of the Security Agent or the Secured Parties does not preclude any other or further exercise of that right or the exercise of any other right by the Security Agent or the Secured Parties.

- (12) All monies collected by the Security Agent upon the enforcement of the Security Agent's or the Secured Parties' rights and remedies hereunder including any sale or other disposition of the Collateral, will be applied as provided in the Intercreditor Agreement.
- (13) This Agreement will be governed by, interpreted and enforced in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein.
- (14) The Obligor irrevocably attorns and submits to the exclusive jurisdiction of any court of competent jurisdiction of the Province of British Columbia sitting in Vancouver, British Columbia in any action or proceeding arising out of or relating to this Agreement. The Obligor irrevocably waives objection to the venue of any action or proceeding in such court or that such court provides an inconvenient forum. Nothing in this Section limits the right of the Security Agent to bring proceedings against the Obligor in the courts of any other jurisdiction.
- (15) The Obligor hereby irrevocably designates, appoints and empowers the Issuer located at 7222 Thunder Bay Street, Powell River, B.C. V8A 1E9 Canada (to be addressed to the attention of Ms. Bonnie Whelan), in the case of any action or proceeding brought in Canada as its designee, appointee and agent to receive, accept and acknowledge for and on its behalf, service of any and all legal process, summons, notices and documents that may be served in any action or proceeding arising out of or in connection with this Agreement. Nothing in this Section affects the right of the Security Agent to serve process in any manner permitted by law.

IN WITNESS WHEREOF the Obligor has executed this Agreement.

SIGNED

In the presence of:

Name: JASON GRAY

Address:

ANGLO PACIFIC GROUP PLC

By:

Name:

Title:

SCHEDULE "A"
PLEDGED SECURITIES

Issuer	Class of Securities	Number of Securities	% of issued Securities *	Certificated/ Uncertificated	Certificate Number
Panorama Coal Corp.	Common Shares	6,000,010	9.1%	Certificated	5
	Common Shares	3,000,000	4.5%	Certificated	6
	Common Shares	27,765,000	42.0%	Certificated	7
	Common Shares	6,500,000	9.8%	Certificated	8
	Common Shares	22,815,000	34.5%	Certificated	9

*Percentages have been rounded: disclosed Pledged Securities represent 100% of issued common shares of Issuer.

TRANSFER RESTRICTIONS

Pledged Securities may not be transferred without the previous consent of the directors of the Issuer expressed by a resolution of the board.