



Registration of a Charge

Company name: **BACANORA LITHIUM PLC**

Company number: **11189628**



X79HAP23

Received for Electronic Filing: **04/07/2018**

Details of Charge

Date of creation: **03/07/2018**

Charge code: **1118 9628 0001**

Persons entitled: **RK MINE FINANCE BERMUDA 3 LIMITED**

Brief description:

Contains fixed charge(s).

Contains floating charge(s) (floating charge covers all the property or undertaking of the company).

Contains negative pledge.

Authentication of Form

This form was authorised by: **a person with an interest in the registration of the charge.**

Authentication of Instrument

Certification statement: **I CERTIFY THAT SAVE FOR MATERIAL REDACTED PURSUANT TO S.859G OF THE COMPANIES ACT 2006 THE ELECTRONIC COPY INSTRUMENT DELIVERED AS PART OF THIS APPLICATION**

**FOR REGISTRATION IS A CORRECT COPY OF THE ORIGINAL
INSTRUMENT.**

Certified by:

NORTON ROSE FULBRIGHT LLP



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 11189628

Charge code: 1118 9628 0001

The Registrar of Companies for England and Wales hereby certifies that a charge dated 3rd July 2018 and created by BACANORA LITHIUM PLC was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 4th July 2018 .

Given at Companies House, Cardiff on 6th July 2018

The above information was communicated by electronic means and authenticated by the Registrar of Companies under section 1115 of the Companies Act 2006



Companies House



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES

Confidential

EXECUTION VERSION

Dated 3 July 2018

**Bacanora Lithium Plc
as Chargor**

**RK Mine Finance Bermuda 3 Limited
as Issuer Security Trustee**

I certify that, save for material
redacted pursuant to s.859G
of the Companies Act 2006,
this copy instrument is a correct copy
of the original instrument.

Sign & Dated Norton Rose Fulbright LLP
04 July 2018

CHARGE OVER SHARES AND KEY ACCOUNTS

 **NORTON ROSE FULBRIGHT**

Contents

Clause	Page
1 Definitions and interpretation	1
2 Payment of Secured Obligations	7
3 Charge	7
4 Set-off.....	8
5 Restrictions	8
6 Perfection	8
7 Enforcement.....	10
8 Application of proceeds.....	12
9 Shares.....	13
10 Key Accounts	13
11 General Undertakings	14
12 Duration of the Security	15
13 Third party security protections	15
14 Expenses, liability and indemnity	17
15 Payments	18
16 Remedies	19
17 Power of attorney	20
18 Resignation of the Issuer Security Trustee	20
19 Notices	20
20 Law and jurisdiction.....	21
Schedule 1	22
Initial administrative details of the parties.....	22
Schedule 2.....	23
Shares	23
Schedule 3.....	24
Key Accounts.....	24
Schedule 4	25
Notice and acknowledgement of Security	25
Schedule 5.....	27
Permitted Security	27

Deed dated 3 July 2018

PARTIES

1. Bacanora Lithium plc as **Chargor**
2. RK Mine Finance Bermuda 3 Limited as **Issuer Security Trustee**

WHEREAS:

- A. RK Mine Finance Bermuda 3 Limited (the **Initial Noteholder**) has agreed to purchase notes from Bacanora Finco Limited (incorporated in England (registered no. 11404337)) (the **Issuer**) pursuant to and upon the terms and conditions contained in a note issuance deed in the amount USD 150,000,000 and a note issuance deed in the amount USD 56,000,000 each dated on or around the date of this Deed and made between the Issuer, the Initial Noteholder, the Issuer Security Trustee and RK Mine Finance Bermuda 3 Limited as registrar (each a **Note Issuance Deed** and collectively, the **Note Issuance Deeds**);
- B. In connection with the Note Issuance Deeds, the Chargor has agreed to charge the Charged Assets (as hereinafter defined) to and in favour of the Issuer Security Trustee as security for the payment and performance of the Secured Obligations (as defined below) of the Issuer and the Guarantors (as defined in the Note Issuance Deeds) (the **Obligors**) under the Secured Issuer Transaction Documents (as defined below); and
- C. The Issuer Security Trustee is to hold for its own benefit and for the benefit of the Issuer Secured Creditors, any and all security for the payment and performance of the Secured Obligations of the Obligors under the Secured Issuer Transaction Documents (as defined below).

IT IS AGREED as follows:

INTERPRETATION

1 Definitions and interpretation

Definitions

- 1.1 Terms used, but not defined, in this Deed have the meaning given to them in each of the Note Issuance Deeds, as applicable.
- 1.2 In this Deed:

Charged Assets means the Fixed Charge Assets and the Floating Charge Assets

BD-#31240343 v8 **Chargor** means Bacanora Lithium plc (incorporated in England with registered no. 11189628)

Companies means Bacanora Treasury Limited (incorporated in England with registered no.11413519), Sonora Lithium Ltd (incorporated in England with registered no. 11349694) and Bacanora Finco Limited (incorporated in England with registered no. 11404337) and **Company** means each of them

Default Rate means the rate specified in the Conditions

Disposal means any transfer or other disposal of an asset or of an interest in an asset, or the creation of any Right over an asset in favour of another person, but not the creation of Security

Dividends, in relation to any Share, means:

- (a) dividends and distributions of any kind and any other sum received or receivable in respect of that Share;
- (b) shares or other Rights accruing or offered by way of redemption, bonus, option or otherwise in respect of that Share;
- (c) allotments, offers and rights accruing or offered in respect of that Share; and
- (d) any other Rights attaching to, deriving from or exercisable by virtue of the ownership of, that Share

Enforcement Time means any time at which an Event of Default has occurred and is continuing

Event of Default has the meaning given to it in the Note Issuance Deeds

Fixed Charge Assets means those assets which are from time to time the subject of clauses 3.2 and 3.3 (*Fixed Charge*) and 3.5 (*Conversion of floating charge*)

Floating Charge Assets means those assets which are from time to time the subject of clause 3.4 (*Floating Charge*)

Insolvency Event, in relation to a person, means:

- (a) the dissolution, liquidation, provisional liquidation, administration, administrative receivership or receivership of that person or the entering into by that person of a voluntary arrangement or scheme of arrangement with creditors;
- (b) any analogous or similar procedure in any jurisdiction other than England; or
- (c) any other form of procedure relating to insolvency, reorganisation or dissolution in any jurisdiction

BD-#31242343-y9

Insolvency Legislation means:

- (a) the Insolvency Act 1986 and secondary legislation made under it; and
- (b) any other primary or secondary legislation in England from time to time relating to insolvency or reorganisation

Issuer means Bacanora Finco Limited (incorporated in England (registered no. 11404337)

Issuer Security Trustee means RK Mine Finance Bermuda 3 Limited

Issuer Transaction Documents has the meaning given to it in the Note Issuance Deeds

Key Account means:

- (a) an account described in Schedule 3 (Key Accounts);
- (b) any account that replaces an account described in Schedule 3 (Key Accounts);
- (c) any account established after the date of this Deed which is designated as a Key Account by the Chargor and the Issuer Security Trustee at or about the time of its establishment; and
- (d) any other account with a bank or financial institution which cannot be drawn on by the account holder in the ordinary course of its trading without the consent of the Issuer Security Trustee

Obligations, in relation to a person, means all obligations or liabilities of any kind of that person at any time or from time to time, however or wherever incurred, and in any currency, and whether they are:

- (a) to pay money or to perform (or not to perform) any other act;
- (b) express or implied;
- (c) present, future, absolute or contingent;
- (d) direct or indirect;
- (e) joint or several;
- (f) matured or unmatured;

(g) incurred as a principal or surety or in any other manner;

BD-#31292343-18

(h) originally owing to the person claiming performance or acquired by that person from someone else; or

(i) incurred alone or with others

Obligors means the Issuer and the Guarantors

Officer, in relation to a person, means any officer, employee or agent of that person

Party means a party to this Deed

Permitted Security means any Security described in Schedule 5 (*Permitted Security*)

Receiver means one or more receivers or managers appointed, or to be appointed, under this Deed

Right means any right, privilege, power or immunity, or any interest or remedy, of any kind, whether it is personal or proprietary

Secured Issuer Transaction Documents means the Issuer Transaction Documents excluding the Warrants

Secured Obligations means the Obligations from time to time incurred by any Obligor under or in connection with the Secured Issuer Transaction Documents when they become due for payment or discharge

Security has the meaning given to it in the Note Issuance Deeds

Shares means:

- (a) the shares described in Schedule 2 (*Shares*);
- (b) any other shares in the capital of the Companies which are beneficially owned by the Chargor; and
- (c) any shares acquired by the Chargor after the date of this Deed which are designated as Shares by the Chargor and the Issuer Security Trustee at or about the time of their acquisition

Third Parties Act means the Contracts (Rights of Third Parties) Act 1999

Transaction Security means the Security created by this Deed and any other existing or future Security granted by the Chargor to the Issuer Security Trustee to secure the payment and discharge of the Secured Obligations

Transaction Security Document means a document creating or evidencing Transaction Security

VAT means value added tax.

Interpretation

1.3 In this Deed:

- (a) the table of contents, the summary and the headings are inserted for convenience only and do not affect the interpretation of this Deed;
- (b) references to clauses and schedules are to clauses of, and schedules to, this Deed;
- (c) references to any Issuer Transaction Document or Secured Issuer Transaction Document or any other document are to that document as from time to time amended, restated, novated or replaced (however fundamentally);
- (d) references to a person include an individual, firm, company, corporation, unincorporated body of persons and any government entity;
- (e) references to a person include its successors in title, permitted assignees and permitted transferees;
- (f) words importing the plural include the singular and vice versa;
- (g) references to any enactment include that enactment as amended or re-enacted; and, if an enactment is amended, any provision of this Deed which refers to that enactment will be amended in such manner as the Issuer Security Trustee, after consultation with the Chargor, determines to be necessary in order to preserve the intended effect of this Deed; and
- (h) where Transaction Security and Transaction Security Documents are referred to in any provision of this Deed, in the case of any Transaction Security or Transaction Security Document which is governed by a law other than English law, such provision will only apply to the extent that the subject of such provision is not dealt with by, or is not inconsistent with, the express terms of such Transaction Security or Transaction Security Document.

- 1.4 Where this Deed imposes an obligation on the Chargor to do something if required or requested by the Issuer Security Trustee, it will do so as soon as practicable after it becomes aware of the requirement or request.

BD-#31242343-v9

- 1.5 It is intended that this document takes effect as a deed even though the Issuer Security Trustee may only execute it under hand.
- 1.6 This Deed may be executed in any number of counterparts.
- 1.7 Where a definition of a type of asset in clause 1.1 (*Definitions*) contains a number of categories, each category will be construed as separate from each other category.

Parties and third parties

- 1.8 The Rights expressly conferred on each of the Issuer Secured Creditors, each Receiver and each Officer of the Issuer Security Trustee or a Receiver under this Deed are enforceable by each of them under the Third Parties Act.
- 1.9 No other term of this Deed is enforceable under the Third Parties Act by anyone who is not a Party.
- 1.10 The Parties may terminate this Deed or vary any of its terms without the consent of any third party. However, they may not terminate this Deed or vary any of its terms if this would have the effect of terminating or adversely affecting:
 - (a) the Rights of any of the Issuer Secured Creditors under this Deed without its consent; or
 - (b) the Rights of a Receiver or of an Officer of the Issuer Security Trustee or a Receiver under this Deed without its consent, but only to the extent that it has notified the Issuer Security Trustee that it intends to enforce that clause at the time of the termination or variation.
- 1.11 Contractual recognition of bail-in

The provisions of clause 15.6 (*Contractual recognition of bail-in*) of the Note Issuance Deed applies to this Deed as if set out in it but with all necessary changes and as if references to Issuer Transaction Documents referred to this Deed.

SECURITY

2 Payment of Secured Obligations

The Chargor will pay or otherwise discharge all Secured Obligations from time to time owing to the Issuer Secured Creditors when they become due for payment or discharge and all Secured Obligations incurred to any person under or in connection with the Secured Issuer Transaction Documents.

3 Charge

Security for Secured Obligations

3.1 The charges contained in this clause 3:

- (a) are given to the Issuer Security Trustee as trustee for the Issuer Secured Creditors;
- (b) secure the payment and discharge of the Secured Obligations; and
- (c) are given with full title guarantee.

Fixed charge

3.2 The Chargor charges, by way of first fixed charge, all of the Rights which it now has and all of the Rights which it obtains at any time in the future in the Shares, any Rights accruing to, derived from or otherwise connected with, the Shares (including Dividends and proceeds of Disposal) and any warrants, options, and other Rights to subscribe for, or otherwise acquire, Shares.

3.3 The Chargor charges, by way of first fixed charge, all of the Rights which it now has and all of the Rights which it obtains at any time in the future in the Key Accounts, and any Rights accruing to, derived from or otherwise connected with them.

Floating charge

3.4 The Chargor charges, by way of first floating charge, its undertaking and all its present and future assets other than those effectively charged under clause 3.2 and clause 3.3 (*Fixed charge*).

Conversion of floating charge

3.5 The Issuer Security Trustee may convert all or part of the floating charge created by the Chargor under clause 3.4 (*Floating Charge*) into a fixed charge by giving notice to that effect to the Chargor and specifying the identity of the assets concerned. This may be done on one or more

BD-#31242343-v8

occasion, but only (a) during an Enforcement Time or (b) if the Issuer Security Trustee reasonably considers that its Security over the assets concerned is in jeopardy and that it is necessary to do so to protect or preserve its Security.

4 Set-off

Set-off of matured Secured Obligation

- 4.1 An Issuer Secured Creditor may set off any matured Secured Obligation due from the Chargor (to the extent beneficially owned by that Issuer Secured Creditor) against any matured Obligation owed by that Issuer Secured Creditor to the Chargor, regardless of the place of payment, booking branch or currency of either Obligation.
- 4.2 If the Obligations are in different currencies, the Issuer Secured Creditor may convert either Obligation at a market rate of exchange in its usual course of trading for the purpose of the set-off.

Rights additional

- 4.3 These Rights are in addition to the Security conferred on the Issuer Security Trustee under this Deed.

5 Restrictions

Comply with restrictions

- 5.1 The Chargor will ensure that the restrictions contained in this clause 5 are complied with unless the Issuer Security Trustee agrees to the contrary.
- 5.2 No Security will exist over, or in relation to, any Charged Asset other than Permitted Security.

Restrictions on Disposal

- 5.3 There will be no Disposal of any Fixed Charged Asset.
- 5.4 There will be no Disposal of any Floating Charge Asset other than a Disposal for market value in the ordinary course of trading of the Chargor or a Disposal permitted by the terms of the Secured Issuer Transaction Documents.

6 Perfection

General requirements

BD-#31242343-v9

- 6.1 The Chargor will, at its own expense, create all such Security, execute all such documents, give all such notices, effect all such registrations (whether at the Companies Registry or otherwise),

deposit all such documents and do all such other things as the Issuer Security Trustee may require from time to time in order to:

- (a) ensure that it has an effective first-ranking fixed charge over the Fixed Charged Assets, subject only to such Permitted Security as the Issuer Security Trustee has agreed should rank in priority;
- (b) ensure that it has an effective first-ranking floating charge over the Floating Charge Assets, subject only to such Permitted Security as the Issuer Security Trustee has agreed should rank in priority; and
- (c) facilitate the enforcement of the Transaction Security, the realisation of the Charged Assets or the exercise of any Rights held by the Issuer Security Trustee or any Receiver under or in connection with the Transaction Security.

- 6.2 The scope of clause 6.1 is not limited by the specific provisions of the rest of this clause 6 or by any other provision of the Transaction Security Documents.

Shares

- 6.3 The Chargor will:

- (a) on the date of this Deed (or, if it acquires the shares later, as soon as practicable after it does so), deposit with the Issuer Security Trustee all certificates or other documents of title to the Shares and stock transfer forms for them, executed in blank by the Chargor;
- (b) if required to do so by the Issuer Security Trustee (and to the extent that the Chargor is able to do so) amend the articles of association of each Company in the manner reasonably required by the Issuer Security Trustee (and procure that each Company takes, or omits to take, all such other steps as the Issuer Security Trustee may require) in order to enable it to enforce its Security without restriction; and
- (c) if reasonably required to do so by the Issuer Security Trustee, procure that the Issuer Security Trustee or its nominee becomes registered as the legal owner of the Shares.

Notification

- 6.4 If, after the date of this Deed, the Chargor acquires or agrees to acquire any Shares or any other material asset, it will notify the Issuer Security Trustee as soon as reasonably practicable and will provide it with such information about the acquisition as the Issuer Security Trustee may reasonably require.

BD-#31242343-v9

Notice of charge

6.5 If, at any time, the Chargor has a Right in respect of a Key Account, it will, on the date of this Deed (or, if it acquires the Right later, as soon as practicable after it does so):

- (a) deliver a notice of this Deed to the account bank substantially in the form set out in Schedule 4 (*Notice and acknowledgement of security*); and
- (b) use reasonable endeavours to procure that those parties deliver an acknowledgement of the notice to the Issuer Security Trustee substantially in the form set out in that part of that Schedule as soon as reasonably practicable.

Subsequent Security

6.6 If an Issuer Secured Creditor receives notice that any Security has been created over any of the Charged Assets which the Secured Issuer Transaction Documents do not permit to rank in priority to the Transaction Security, that Issuer Secured Creditor will be treated as if it had immediately opened a new account for the Chargor, and all payments received by that Issuer Secured Creditor from the Chargor will be treated as if they had been credited to the new account and will not reduce the amount then due from the Chargor to that Issuer Secured Creditor.

ENFORCEMENT

7 Enforcement

Time for enforcement

7.1 The Issuer Security Trustee may enforce the Transaction Security at any time which is an Enforcement Time or if the Chargor requests it to do so.

Methods of enforcement

7.2 The Issuer Security Trustee may enforce the Transaction Security by:

- (a) becoming the registered holder of the Charged Assets, selling the Charged Assets or otherwise receiving the benefit of the Charged Assets in any way it may decide; or
- (b) appointing a Receiver of all or any part of the Charged Assets.

7.3 To the extent that the Transaction Security arises under a security financial collateral arrangement, the Issuer Security Trustee may also enforce it by giving written notice to the Chargor that it is appropriating those Charged Assets which consist of financial collateral. On receipt of that notice by the Chargor, the Issuer Security Trustee will automatically become the absolute owner of that financial collateral, and the Chargor will have no further interest in it. The value of the financial collateral will, as soon as practicable after it has been established, be

BD-#31242343-y9

applied in discharge of the equivalent amount of the Secured Obligations in accordance with clause 8 (*Application of proceeds*). For this purpose, the Issuer Security Trustee will value the financial collateral as follows:

- (a) in the case of cash, by reference to its face value received by the Issuer Security Trustee;
- (b) in the case of credit claims, by reference to the amount actually recovered by the Issuer Security Trustee; and
- (c) in the case of financial instruments, by reference to such public indices, valuations or other matters as the Issuer Security Trustee may reasonably decide.

7.4 Expressions defined in the Financial Collateral Arrangements (No. 2) Regulations 2003 will have the same meanings in this clause.

7.5 A Receiver must be appointed by an instrument in writing, and otherwise in accordance with the Insolvency Legislation.

7.6 The appointment of a Receiver may be made subject to such limitations as are specified by the Issuer Security Trustee in the appointment.

7.7 If more than one person is appointed as a Receiver, each person will have power to act independently of any other, except to the extent that the Issuer Security Trustee may specify to the contrary in the appointment.

7.8 Subject to the Insolvency Legislation, the Issuer Security Trustee may remove or replace any Receiver.

7.9 If required by the Insolvency Legislation, a Receiver must be a person qualified to act as such under it.

Powers on enforcement

7.10 The Issuer Security Trustee and any Receiver will have the following powers in respect of the Charged Assets:

- (a) the powers given to an administrative receiver by the Insolvency Legislation;
- (b) the powers given to a mortgagee or a receiver by the Law of Property Act 1925, but without the restrictions contained in section 103 of that Act; and
- (c) the power to do, or omit to do, on behalf of the Chargor, anything which the Chargor itself could have done, or omitted to do, if the Charged Assets were not the subject of Security and the Chargor were not in insolvency proceedings.

BD #31242343-0

- 7.11 Except to the extent provided by law, none of the powers described in this clause 7 will be affected by an Insolvency Event in relation to the Chargor.

Status and remuneration of Receiver

- 7.12 A Receiver will be the agent of the Chargor until the Chargor goes into liquidation. He will have no authority to act as agent for the Issuer Security Trustee, even in the liquidation of the Chargor.

- 7.13 The Issuer Security Trustee may from time to time determine the remuneration of any Receiver.

Third parties

- 7.14 A person dealing with the Issuer Security Trustee or with a Receiver is entitled to assume, unless it has actual knowledge to the contrary, that:

- (a) those persons have the power to do those things which they are purporting to do; and
- (b) they are exercising their powers properly.

8 Application of proceeds

All money received by the Issuer Security Trustee or a Receiver under or in connection with the Secured Issuer Transaction Documents (whether during, or before, enforcement of the Transaction Security) will, subject to the rights of any persons having priority, be applied in the following order of priority:

- (a) first, in or towards payment of all amounts payable to the Issuer Security Trustee, any Receiver or their Officers under clause 14 (*Expenses, liability and indemnity*) and all remuneration due to any Receiver under or in connection with the Transaction Security;
- (b) secondly, in or towards payment of the Secured Obligations *pari passu* across all Secured Issuer Transaction Documents (and, if any of the Secured Obligations are not then payable, by payment into a suspense account until they become payable); and
- (c) thirdly, in payment of any surplus to the Chargor or other person entitled to it.

UNDERTAKINGS

9 Shares

- 9.1 During an Enforcement Time (and also once the Transaction Security is being enforced), the Issuer Security Trustee will be entitled to receive all distributions in respect of the Shares and Dividends for application in accordance with clause 8 (*Application of proceeds*). Otherwise, the Chargor will be entitled to receive those distributions.
- 9.2 During an Enforcement Time (and also once the Transaction Security is being enforced), but only upon written notice to the Chargor, the Issuer Security Trustee will be entitled to exercise all voting and other Rights in respect of the Shares and the Dividends. Otherwise, the Chargor will be entitled to exercise those Rights.
- 9.3 To the extent that the holder of those Shares is not the person entitled to receive those distributions and exercise those Rights, the holder will pay the distributions to the person entitled to them and will exercise those Rights in accordance with the reasonable requirements of the person entitled to exercise them.
- 9.4 The Chargor will promptly pay all calls, instalments or other payments which from time to time become due in respect of any of the Shares, and the Issuer Security Trustee will not in any circumstances incur any liability in respect of them.
- 9.5 The Chargor will not permit any Company to:
- (a) cancel, increase, create, issue or put under option (i) any share capital or (ii) any loan capital convertible into shares; or
 - (b) make any alteration to, grant any rights in relation to or otherwise re-organise, purchase or reduce its share capital or reserves in any way.
- 9.6 The Chargor will not convene a meeting of a Company with a view to passing a resolution that such Company be wound up.

10 Key Accounts

- 10.1 The Chargor will not:
- (c) agree to alter the terms of, or close, any Key Account; or
 - (d) waive its rights under a Key Account,

BD-#31242343-v9

without the prior written consent of the Issuer Security Trustee.

- 10.2 Prior to an Enforcement Time, the Chargor will not make any withdrawal from any Key Account without the prior written consent of the Issuer Security Trustee unless permitted under the Issuer Transaction Documents.
- 10.3 During an Enforcement Time (and also once the Transaction Security is being enforced), the Chargor will not make any withdrawal from any Key Account without the prior written consent of the Issuer Security Trustee.

11 General Undertakings

- 11.1 The Chargor will take all steps as are necessary to preserve the value and marketability of the Charged Assets.
- 11.2 The Chargor will notify the Issuer Security Trustee as soon as it becomes aware of any matter which might reasonably be expected to have an adverse effect on the Rights of the Issuer Security Trustee under the Transaction Security. Those matters include a claim by any person to an interest in a Charged Asset.
- 11.3 The Chargor will provide to the Issuer Security Trustee:
- (a) such information about the Charged Assets;
 - (b) such information about the extent to which it has complied with its obligations under this Deed; and
 - (c) copies of such documents which create, evidence or relate to its Charged Assets,
- as the Issuer Security Trustee may from time to time reasonably request.
- 11.4 The Issuer Secured Creditors may exchange between themselves any information relating to the Chargor.
- 11.5 If the Chargor does not comply with its obligations under this Deed, the Issuer Security Trustee may do so on the Chargor's behalf on such basis as the Issuer Security Trustee may reasonably decide. The Chargor will indemnify the Issuer Security Trustee on demand against the amount certified by the Issuer Security Trustee to be the cost, loss or liability suffered by it as a result of doing so.

MISCELLANEOUS

12 Duration of the Security

Continuing security

- 12.1 The Obligations of the Chargor under the Secured Issuer Transaction Documents and the Security created by the Transaction Security Documents will continue until the Secured Obligations have been irrevocably and unconditionally paid or discharged in full, regardless of any intermediate payment or discharge in whole or in part.

Settlements conditional

- 12.2 If any payment by the Chargor, the Issuer or any other security provider or any release given by the Issuer Security Trustee (whether in respect of the Secured Obligations or any Security for them or otherwise) is avoided or reduced as a result of insolvency or any similar event:

- (a) the liability of the Chargor under this Deed will continue as if the payment, release, avoidance or reduction had not occurred; and
- (b) the Issuer Security Trustee will be entitled to recover the value or amount of that Security or payment from the Chargor, as if the payment, release, avoidance or reduction had not occurred.

Section 93 Law of Property Act 1925

- 12.3 Section 93 of the Law of Property Act 1925 will not apply to the Transaction Security.

13 Third party security protections

Waiver of defences

- 13.1 The Obligations of the Chargor under this Deed will not be affected by an act, omission, matter or thing which, but for this clause, would reduce, release or prejudice any of its obligations under this Deed (without limitation and whether or not known to it or to any Issuer Secured Creditor), including:

- (a) any time, waiver or consent granted to, or composition with, the Issuer or any other person;
- (b) the release of the Issuer or any other person;

BD-#31142343-16 the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, the Issuer or any other person or any non-presentation or non-observance of any formality or other

requirement in respect of any instrument or any failure to realise the full value of any security;

- (d) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of the Issuer or any other person;
- (e) any amendment (however fundamental) or replacement of a Finance Document or any other document or security;
- (f) any unenforceability, illegality or invalidity of any obligation of any person under any Finance Document or any other document or security; or
- (g) any insolvency or similar proceedings.

Immediate recourse

- 13.2 The Chargor waives any right it may have of first requiring any Issuer Secured Creditor (or any trustee or agent on its behalf) to proceed against or enforce any other rights or security or claim payment from any person before claiming from the Chargor under this Deed. This waiver applies irrespective of any law or any provision of a Finance Document to the contrary.

Appropriations

- 13.3 Until the Secured Obligations have been irrevocably and unconditionally discharged in full, the Issuer Security Trustee or a Receiver may:
- (a) refrain from applying or enforcing any other money, security or Rights held or received by it (or any trustee or agent on its behalf) in respect of the Secured Obligations, or apply and enforce the same in the manner and order it thinks fit (whether against those amounts or otherwise) and the Chargor will not be entitled to the benefit of the same; and
 - (b) hold in an interest-bearing suspense account any money received from the Chargor or on account of the Chargor's liability under this Deed.

Deferral of Chargors' rights

- 13.4 Unless the Issuer Security Trustee otherwise directs, the Chargor will not exercise any Rights (including rights of set-off) which it may have by reason of performance by it of its Obligations under the Issuer Transaction Documents or by reason of any amount being payable, or liability arising, under this Deed:
- (a) to be indemnified or reimbursed by the Issuer or any other person;
 - (b) to claim any contribution from any other obligor in relation to any Obligations under the Secured Issuer Transaction Documents;

BD-#31242343-v9

- (c) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of any Issuer Secured Creditor under the Secured Issuer Transaction Documents or of any other guarantee or security taken under, or in connection with, the Secured Issuer Transaction Documents by any Issuer Secured Creditor;
 - (d) to bring legal or other proceedings for an order requiring the Issuer or any other person to make any payment, or perform any obligation, in respect of which the Chargor has given a guarantee, undertaking or indemnity under this Deed;
 - (e) to exercise any right of set-off against the Issuer or any other person; and/or
 - (f) to claim or prove as a creditor of the Issuer or any other person in competition with any Issuer Secured Creditor.
- 13.5 If the Chargor receives any benefit, payment or distribution in relation to such Rights it will promptly pay an equal amount to the Issuer Security Trustee for application in accordance with this Deed.
- 13.6 Clauses 13.4 and 13.5 only apply until all the Secured Obligations have been irrevocably and unconditionally discharged in full.
- 13.7 This Deed is in addition to and is not in any way prejudiced by any other guarantee or security now or subsequently held by the Issuer Security Trustee.

Chargor intent/amendments, etc

- 13.8 Without prejudice to the generality of 13.1 (*Waiver of defences*) and to clause 17 (*Power of attorney*), the Chargor confirms that it intends that the Security created under this Deed shall extend from time to time to any (however fundamental) variation, increase, extension or addition of or to any of the Secured Issuer Transaction Documents and/or any amount made available under any of the Secured Issuer Transaction Documents which is made for any purpose whatsoever but including for the purposes of or in connection with any of the following: changes to the financial covenants, acquisitions of any nature, increasing working capital, enabling investor distributions to be made, carrying out restructurings, refinancing any indebtedness, making amounts available to new borrowers, any other variation or extension of the purposes for which any such amount might be made available from time to time and any fees, costs and/or expenses associated with any of the foregoing.

14 Expenses, liability and indemnity

Costs and expenses
BD-#31242343-v8

- 14.1 The Chargor will, on demand, pay all legal and other costs and expenses (including any stamp duty, registration or other similar taxes) incurred by the Issuer Security Trustee or by any

Receiver in connection with the Transaction Security. This includes any costs and expenses relating to the enforcement or preservation of the Transaction Security or the Charged Assets and any amendment, waiver, consent or release required in connection with the Transaction Security.

No liability or costs

- 14.2 Neither the Issuer Security Trustee nor a Receiver nor any of their Officers will be in any way liable or responsible to the Chargor for any loss or liability of any kind arising from any act or omission by it of any kind (whether as mortgagee in possession or otherwise) in relation to the Charged Assets or the Transaction Security, except to the extent caused by its own gross negligence or wilful misconduct.

Indemnity to the Issuer Security Trustee

- 14.3 The Chargor will, on demand, indemnify each of the Issuer Security Trustee, a Receiver and their respective Officers in respect of all costs, expenses, losses or liabilities of any kind which it incurs or suffers in connection with:
- (a) anything done or omitted in the exercise of the powers conferred on it under the Transaction Security, unless it was caused by its gross negligence or wilful misconduct;
 - (b) a claim of any kind (whether relating to the environment or otherwise) made against it which would not have arisen if the Transaction Security had not been granted and which was not caused by its gross negligence or wilful misconduct; or
 - (c) any breach by the Chargor of the Secured Issuer Transaction Documents.

15 Payments

Payments in full

- 15.1 All payments by the Chargor under the Transaction Security Documents will be made in full, without any set-off or other deduction.

Gross-up

- 15.2 If any tax or other sum must be deducted from any amount payable by the Chargor under the Transaction Security Documents, the Chargor will pay such additional amounts as are necessary to ensure that the recipient receives a net amount equal to the full amount it would have received before such deductions.

BD #31242343-v9
VAT

- 15.3 All amounts payable by the Chargor under the Transaction Security Documents are exclusive of VAT. The Chargor will, in addition, pay any applicable VAT on those amounts.

Default interest

- 15.4 If the Chargor fails to make a payment to a person under the Transaction Security Documents, it will pay interest to that person on the amount concerned at the Default Rate from the date it should have made the payment until the date of payment (after, as well as before, judgment).

Currency indemnity

- 15.5 No payment by the Chargor (whether under a court order or otherwise) will discharge the Obligations of the Chargor unless and until the Issuer Secured Creditors have received payment in full in the currency in which the Obligation is denominated. If, on conversion into that currency, the amount of the payment falls short of the amount of the Obligation concerned, the Issuer Secured Creditors will have a separate cause of action against the Chargor for the shortfall.

Certificates and determinations

- 15.6 Any certification or determination by the Issuer Security Trustee of an amount payable by the Chargor under this Deed is, in the absence of manifest error, conclusive evidence of that amount.

16 Remedies

Rights additional

- 16.1 The Rights created by this Deed are in addition to any other Rights of the Issuer Secured Creditors against the Chargor or any other security provider under any other documentation, the general law or otherwise. They will not merge with or limit those other Rights, and are not limited by them.

No waiver

- 16.2 No failure by an Issuer Secured Creditor to exercise any Right under this Deed will operate as a waiver of that Right. Nor will a single or partial exercise of a Right by an Issuer Secured Creditor preclude its further exercise.

Partial invalidity

- 16.3 If, at any time, any provision of this Deed is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the

BD-#31242343-v9

remaining provisions nor the legality, validity or enforceability of that provision in any other respect or under the law of any other jurisdiction will be affected or impaired in any way.

17 Power of attorney

The Chargor, by way of security, irrevocably appoints each of the Issuer Security Trustee and any Receiver severally to be its attorney to do anything:

- (a) which the Chargor is obliged to do under the Transaction Security Documents; or
- (b) which the attorney may require to exercise any of the Rights conferred on it by the Transaction Security Documents or by law.

18 Resignation of the Issuer Security Trustee

- 18.1 The Issuer Security Trustee may be replaced by a successor by giving notice to the other Issuer Secured Creditors and the Chargor.
- 18.2 On the date of its appointment, the successor Issuer Security Trustee will assume all the Rights and Obligations of the retiring Issuer Security Trustee.
- 18.3 The retiring Issuer Security Trustee will, at the Chargor's expense, provide its successor with copies of those of its records related to its role as Issuer Security Trustee as its successor reasonably requires to perform its functions as Issuer Security Trustee.
- 18.4 Upon the appointment of a successor, the retiring Issuer Security Trustee shall be discharged from any further obligation in respect of the Secured Issuer Transaction Documents but shall be entitled to the benefit of clause 14.3 (*Indemnity to the Issuer Security Trustee*) and this clause 18. Any successor and each of the other Parties shall have the same rights and obligations amongst themselves as they would have had if such successor had been an original Party.

19 Notices

- 19.1 Any notice or other communication to a party to this Deed must be in writing. It must be addressed for the attention of such person, and sent to such address, email address or fax number as that party may from time to time notify to the other Parties.
- 19.2 It will be deemed to have been received by the relevant party on receipt at that address, email address or fax number.
- 19.3 The initial administrative details of the parties are contained in Schedule 1 (*Initial administrative details of the parties*) but a party may amend its own details at any time by notice to the other party.

BD-#3122315-v

- 19.4 Any notice to the Chargor may alternatively be sent to its registered office or to any of its places of business or to any of its directors or its company secretary; and it will be deemed to have been received when delivered to any such places or persons.

20 Law and jurisdiction

Governing law

- 20.1 This Deed is governed by English law.

Jurisdiction of the English courts

- 20.2 The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Deed (including a dispute regarding the existence, validity or termination of this Deed) (a **Dispute**).
- 20.3 The parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and, accordingly, that they will not argue to the contrary.
- 20.4 Clause 20.2 is for the benefit of each Issuer Secured Creditor only. As a result, no Issuer Secured Creditor will be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, any Issuer Secured Creditor may take concurrent proceedings in any number of jurisdictions.

This Deed has been executed as a deed, and it has been delivered on the date stated at the beginning of this Deed.

Schedule 1**Initial administrative details of the parties**

Party	Address	Email Address	Attention
Bacanora Lithium Plc	The Clubhouse 8 St. James's Square London SW1Y 4JU England	info@bacanoralithium.com	Janet Boyce
RK Mine Finance Bermuda 3 Limited	C/O MUFG Fund Services (Bermuda) Groupd Limited The Belvedere Building 69 Pitts Bay Road Pembroke HM 08, Bermuda	rk@mfsadmin.com Paul.coughlan@rkim.co.uk	Paul Coughlan

Schedule 2**Shares**

Name of the company	Number of shares	Class	Nominal value per share
Sonora Lithium Ltd	1	Ordinary	£1.00
Bacanora Finco Limited	1	Ordinary	£1.00
Bacanora Treasury Limited	1	Ordinary	£1.00

Schedule 3

Key Accounts

Bank	Sort Code	Account Holder	Account Name	Account Number
HSBC	[REDACTED]	Bacanora Lithium Plc	[REDACTED]	[REDACTED]
HSBC	[REDACTED]	Bacanora Lithium Plc	[REDACTED]	[REDACTED]
HSBC	[REDACTED]	Bacanora Lithium Plc	[REDACTED]	[REDACTED]

Schedule 4**Notice and acknowledgement of Security**

To: [Account Bank]

Date: [●]

Dear Sirs

Notice of Charge

- 1 We give you notice that, under a security document dated [●] entered into by us (and others) in favour of RK Mine Finance Bermuda 3 Limited (the **Issuer Security Trustee**), we have charged to the Issuer Security Trustee by way of first fixed charge all of our rights in the following accounts (the **Accounts**):

Bank	Sort Code	Account Holder	Account Name	Account Number
HSBC	[REDACTED]	Bacanora Lithium Plc	[REDACTED]	[REDACTED]
HSBC	[REDACTED]	Bacanora Lithium Plc	[REDACTED]	[REDACTED]
HSBC	[REDACTED]	Bacanora Lithium Plc	[REDACTED]	[REDACTED]

- 2 We have agreed with the Issuer Security Trustee not to close the Accounts or to amend or waive any of its terms without the consent of the Issuer Security Trustee.
- 3 We instruct you:
- (a) to honour withdrawals from the Account if requested by the Issuer Security Trustee; and
 - (b) to disclose to the Issuer Security Trustee, without further approval from us, such information regarding the Account as the Issuer Security Trustee may from time to time request and to send it copies of all statements and other notices issued by you in connection with the Account.
- 4 These instructions cannot be varied or terminated without the consent of the Issuer Security Trustee.
- 5 Please sign the enclosed acknowledgement and return it to the Issuer Security Trustee at [address] marked for the attention of [●].

.....
 for and on behalf of
 BD-#31242343-v9
 [Chargor]

Acknowledgement of Security

To: RK Mine Finance Bermuda 3 Limited

- 1 We acknowledge receipt of the notice [described above].
- 2 We have not received notice that any other person has an interest in the Accounts.
- 3 We will comply with the instructions in the notice.
- 4 We will not, without the Issuer Security Trustee's consent, exercise any right of combination, consolidation or set-off which we may have in respect of the Account.

Executed and delivered as a)

deed by).....

[Account Bank]) Authorised signatory

acting by:).....

) Authorised signatory

Date: [•]

Schedule 5

Permitted Security

- 1 Transaction Security.
- 2 Liens arising in the ordinary course of trading by operation of law.
- 3 Any Permitted Liens

SIGNATORIES

EXECUTION VERSION

The Chargor

Executed as a deed by
Bacanora Lithium Plc
acting by:



Director

R. A. SEVER

in the presence of:

.....
Name of witness: *KWORI WILLIAMS*

Address:

Gowling WLG (UK) LLP
4 More London Riverside
London SE1 2AU

The Issuer Security Trustee

Executed as a deed by
RK Mine Finance Bermuda 3 Limited
acting by:

.....

Director

in the presence of:

.....
Name of witness:

Address:

SIGNATORIES

EXECUTION VERSION

The Chargor

Executed as a deed by
Bacanora Lithium Plc
acting by:

.....
Director

in the presence of:

.....
Name of witness:


Address:

The Issuer Security Trustee

Executed as a deed by
RK Mine Finance Bermuda 3 Limited
acting by:


Director

in the presence of:


.....
Name of witness:

MART WACHUKA

Address:

