Court File No. CV-23-00707394-00CL

Tacora Resources Inc.

EIGHTH REPORT OF FTI CONSULTING CANADA INC., IN ITS CAPACITY AS COURT-APPOINTED MONITOR

April 21, 2024

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Court File No. CV-23-00707394-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF TACORA RESOURCES INC.

(Applicant)

EIGHTH REPORT TO THE COURT SUBMITTED BY FTI CONSULTING CANADA INC., IN ITS CAPACITY AS MONITOR

INTRODUCTION

1. Pursuant to an Order (the "**Initial Order**") of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated October 10, 2023, Tacora Resources Inc. ("**Tacora**" or the "**Applicant**") was granted protection under the *Companies' Creditors Arrangement Act*, R.S.C., c. C-36, as amended (the "**CCAA**" and in reference to the proceeding, the "**CCAA Proceeding**") and FTI Consulting Canada Inc. was appointed monitor of the Applicant (in such capacity the "**Monitor**").

2. The Initial Order, among other things (i) granted a stay of proceedings until October 20, 2023 (the "**Stay Period**"); (ii) approved a DIP Facility Term Sheet (the "**DIP Agreement**") dated October 9, 2023, between the Applicant as borrower and Cargill Inc. as lender (the "**DIP Lender**"), pursuant to which the DIP Lender agreed to advance up to a maximum principal amount of $75 million to the Applicant (the "**DIP Facility**"), subject to the terms and conditions of the DIP Agreement, with an initial loan amount of up to $15.5 million (the "**Initial Advance**") being available prior to the comeback hearing; and (iii) granted a priority charge in favour of the DIP Lender to secure the obligations under the DIP Agreement in the principal amount of the Initial Advance and the Post-Filing Credit Extensions (as defined in the DIP Agreement) up to the maximum principal amount of $20 million;

3. On October 27, 2023, the amount available under the DIP Facility was increased from the Initial Advance amount of $15.5 million to $20 million pursuant to an Order of Justice Kimmel.

4. As described in the Monitor's prior reports to Court,[1] pursuant to an Order granted on October 30, 2023, the Court approved a sale, investment and services solicitation process (the "**Solicitation Process**") and on February 2, 2024, the Applicant served and filed a motion (the "**Sale Approval Motion**") seeking, *inter alia*, approval of the Subscription Agreement (as defined in the Fourth Report) entered into between Tacora and the Investors[2] as the Successful Bid (as defined in the Solicitation Process). Cargill subsequently filed a motion (the "**Preliminary Threshold Motion**") seeking an order, *inter alia*, prohibiting Tacora from obtaining the relief set out in the Sale Approval Motion as it relates to the Cargill Offtake Agreement absent a valid disclaimer of the Cargill Offtake Agreement.

5. Following case conferences on February 6 and 9, 2024, Justice Kimmel issued an endorsement scheduling the Sale Approval Motion and Preliminary Threshold Motion to be heard on April 10, 11 and 12, 2024.

6. On March 1, 2024, Cargill filed a cross-motion for, among other things, a meeting order and a claims procedure order for the identification and quantification of certain claims against Tacora.

7. On March 11, 2024, the Applicant filed motion materials seeking, *inter alia*, an extension of the Stay Period to May 19, 2024 and approval of a replacement DIP financing agreement entered into between the Applicant and the Investors or certain of their affiliates (the "**DIP Replacement Motion**").

8. On March 14, 2024, Cargill filed motion materials seeking, among other things, an adjournment of the DIP Replacement Motion and approval of an interim increase to the DIP Facility pending the return of the DIP Replacement Motion. In the alternative, Cargill sought approval of an amended and restated DIP Agreement.

9. On March 18, 2024, the Court granted Cargill's adjournment request and the Applicant and the DIP Lender agreed to enter into an Amended and Restated DIP Agreement (the "**First Amended DIP**

[1] The Monitor has filed the Pre-Filing Report of the Monitor dated October 9, 2023, the First Report of the Monitor dated October 20, 2023, the Second Report of the Monitor dated January 18, 2024, the Third Report of the Monitor dated March 13, 2024 (the "**Third Report**"), the Fourth Report dated March 14, 2024 (the "**Fourth Report**"), the Supplement to the Fourth Report dated March 26, 2024 (the "**First Supplemental Report**"), the Second Supplement to the Fourth Report dated April 10, 2024, (the "**Second Supplemental Report**"), the Fifth Report dated April 7, 2024 (the "**Fifth Report**"), the Sixth Report dated April 9, 2024 (the "**Sixth Report**") and the Seventh Report dated April 14, 2024 (the "**Seventh Report**").

[2] The Investors comprise of a consortium consisting of (i) Brigade Capital Management, L.P., Millstreet Capital Management LLC, MSD Partners, L.P., O'Brien-Staley Partners and Snowcat Capital Management (collectively, the "**Ad Hoc Group**"); (ii) Resource Capital Fund VII L.P. and (iii) Javelin Global Commodities (SG) Pte Ltd. (collectively, the "**Investors**").

Agreement") as further described below to provide funding to the Applicant on an interim basis pending the return of the DIP Replacement Motion. By Order of Justice Kimmel dated March 18, 2024, *inter alia*, (i) the Stay Period was extended until April 26, 2024;[3] and (ii) the ARIO was amended to permit the Applicant to borrow on the terms in the First Amended DIP Agreement. A copy of each of the Order and endorsement of Justice Kimmel dated March 18, 2024 are attached hereto as **Appendices "A"** and **"B"**.

10. On April 10, 2024, the Monitor filed the Second Supplemental Report, which confirmed to the Court and informed the service list that on April 9, 2024, the Monitor was advised by counsel to the Investors that the Investors were not willing to proceed with the Successful Bid and, as a result, the Applicant was unable to proceed with the Sale Approval Motion which had been scheduled for April 10, 2024.

11. Following case conferences before Justice Kimmel on April 10 and 11, 2024, the Court was advised that the Applicant had withdrawn the Sale Approval Motion and the DIP Replacement Motion and the Preliminary Threshold Motion were adjourned. Counsel for the Applicant further advised Justice Kimmel that they were in discussions with stakeholders and intended to return to Court to seek approval of a further amendment to the DIP Agreement, a proposed claims procedure order and an extension of the Stay Period. The Applicant has now brought a motion returnable April 23, 2024 for that relief.

12. All references to monetary amounts in this Eighth Report to Court of the Monitor (the "**Eighth Report**") are in United States dollars unless otherwise noted. Any capitalized terms not defined herein have the meanings given to them in the affidavit of Joe Broking sworn April 21, 2024 (the "**Seventh Broking Affidavit**") or the Fourth Report.

13. Further information regarding the CCAA Proceeding, including all materials publicly filed in connection with these proceedings, is available on the Monitor's website at http://cfcanada.fticonsulting.com/tacora (the "**Monitor's Website**").

PURPOSE

14. The purpose of this Eighth Report is to provide information to the Court with respect to:

[3] The Stay Period was previously extended including by Orders granted on October 13, 2023, October 27, 2023 and January 24, 2024.

(a) the Applicant's actual cash receipts and disbursements for the 4-week period ending April 7, 2024;

(b) the Applicant's updated cash flow forecast for the period ending June 23, 2024 (the "**April 2024 Forecast**"), attached as **Appendix "C"**;

(c) the relief sought by the Applicant for:

(i) an order (the "**Stay Extension and DIP Order**"):

(A) extending the Stay Period to June 24, 2024;

(B) approving a second amended and restated DIP Agreement with the DIP Lender (the "**Second Amended DIP Agreement**");

(ii) an order approving a claims procedure order (the "**Claims Procedure Order**"); and

(d) the Monitor's activities since the date of the Third Report; and

(e) the Monitor's views in respect of the relief sought by the Applicant.

TERMS OF REFERENCE AND DISCLAIMER

15. In preparing this Eighth Report, the Monitor has relied upon audited and unaudited financial information of Tacora's books and records, and discussions and correspondence with, among others, management of and advisors to Tacora as well as other stakeholders and their advisors ("**Information**").

16. Except as otherwise described in this Eighth Report:

(a) the Monitor has not audited, reviewed, or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Generally Accepted Auditing Standards pursuant to the Chartered Professional Accountants of Canada Handbook; and

(b) the Monitor has not examined or reviewed the financial forecasts or projections referred to in this Eighth Report in a manner that would comply with the procedures described in the Chartered Professional Accountants of Canada Handbook.

17. Future-oriented financial information reported in or relied on in preparing this Eighth Report is based on assumptions regarding future events. Actual results may vary from these forecasts, and such variations may be material.

18. The Monitor has prepared this Eighth Report to provide information to the Court in connection with the relief requested by the Applicant. This Eighth Report should not be relied on for any other purpose.

UPDATE ON THE CCAA PROCEEDING

19. As noted above, the Applicant did not proceed with the Sale Approval Motion on April 10, 2024. Accordingly, on April 12, 2024, Tacora and the Investors executed and the Monitor acknowledged and consented to a Mutual Agreement of Termination whereby the parties agreed to terminate the Subscription Agreement. In accordance with the Mutual Agreement of Termination, the Monitor returned the Deposit (as defined in the Fourth Report), plus accrued interest, to counsel to the Investors on April 15, 2024.

20. Since April 10, 2024, the Applicant, together with its advisors and the Monitor, have engaged in discussions with Cargill, the Ad Hoc Group and other stakeholders to determine the best path forward for Tacora and to ensure stability and a timely exit from this CCAA Proceeding while maximizing value for stakeholders. These discussions are ongoing.

SECOND AMENDED DIP AGREEMENT[4]

21. On March 18, 2024, the Applicant and the DIP Lender entered into the First Amended DIP Agreement on an interim basis pending the return of the DIP Replacement Motion. The First Amended DIP Agreement was on substantially the same terms as the DIP Agreement with the following amendments:

    (a) borrowings permitted thereunder were increased from $75 million to $100 million with Post-Filing Credit Extensions (as defined in the DIP Agreement) not to exceed the principal amount of $50 million, unless permitted by further Order of the Court;

    (b) Subsequent Advances under the First Amended DIP Agreement were permitted in amounts of not less than $10 million and not more $15 million at any one time, which varied from the limits of $1 million and $59.5 million respectively, under the DIP Agreement. Under

[4] Terms not otherwise defined in this section have the meanings ascribed to them in the Second Amended DIP Agreement.

the First Amended DIP Agreement no Subsequent Advances were permitted while Tacora's cash on hand was above $15 million;

(c) Cargill agreed to cause CITPL (i) to increase the limit in the Onshore Agreement to 500,000DMT from 400,000DMT through April 30, 2024; and (ii) pay for all iron ore delivered by Tacora to CITPL pursuant to the Onshore Agreement or the Cargill Offtake Agreement without any set-off in respect of any damages claim that CITPL may assert;

(d) Tacora was provided the right to defer payment of accrued interest owing to the DIP Lender and instead capitalize such interest by adding such amount to the principal amount owing under the First Amended DIP Agreement; and

(e) compliance with the Wetcon PSA and provisions addressing the Solicitation Process were removed from the First Amended DIP Agreement.

22. As described in the Seventh Broking Affidavit, while Tacora works with its stakeholders to develop a path forward, Tacora requires additional DIP financing. The Monitor has reviewed the Seventh Broking Affidavit, including the description of events leading up to the need for, and the selection of, the Second Amended DIP Agreement.

23. The Second Amended DIP Agreement is on substantially the same terms as the First Amended DIP Agreement with the following additional amendments:

(a) the maximum principal amount available under the Second Amended DIP Agreement (the "**DIP Facility Limit**") is $125 million, increased from $100 million currently available pursuant to the First Amended DIP Agreement. Tacora and the DIP Lender, with the consent of the Monitor, may further agree to adjust the DIP Facility Limit and the Post-Filing Margin Advances Limit (as described below), provided the aggregate does not exceed $150 million at any time;

(b) the increase of the limit in the Onshore Agreement from 400,000DMT to 500,000DMT is further extended from April 30, 2024 until June 24 2024;

(c) the Post-Filing Margin Advances Limit shall not exceed $25 million (as such amount may be adjusted from time to time in accordance with the Second Amended DIP Agreement), provided that any Margin Advances required to be paid by Tacora under the Cargill Offtake Agreement in excess of the Post-Filing Margin Advances Limit will, without further notice

or action by Cargill or any other Person, form part of the DIP Obligations and will be secured by the DIP Charge without any further notice or action by Cargill;

(d) the Second Amended DIP Agreement provides that Post-Filing Margin Advances in an amount up to the Post-Filing Margin Advance Limits to be secured by the DIP Charge which shall be amended pursuant to the DIP Amendment Order to include the full DIP Facility Limit together with any Post-Filing Credit Extensions and Excess Margin Amounts;

(e) Tacora may enter into hedging arrangements with Cargill (or CITPL), on mutually agreeable terms, each acting reasonably, in respect of (i) cargoes sailing on or before April 25, 2024; and (ii) future cargoes sailing after April 25, 2024, to be delivered in accordance with the Cargill Offtake Agreement, which hedging arrangements shall, reflect the then current market price for the applicable scheduled delivery dates of such cargoes(the "**Post-Filing Hedging Arrangements**"). Such Post-Filing Hedging Arrangements shall be (a) severable from and will not amend the Cargill Offtake Agreement and other Existing Arrangements; and (b) secured by and have the benefit of the DIP Charge with the same priority as the DIP Obligations. Under the Second Amended DIP Agreement the parties agree that these Post-Filing Hedging Arrangements will not affect whether the Cargill Offtake Agreement or other Existing Arrangements are "eligible financial contracts" under the CCAA, will not be used or produced by either party in any dispute regarding the Cargill Offtake Agreement (including any dispute regarding whether the Cargill Offtake Agreement is an "eligible financial contract") and all rights and defenses in connection with such dispute are fully reserved;

(f) under the First Amended DIP Agreement Tacora was required to reimburse the DIP Lender for all reasonable and documented out-of-pocket legal and financial advisory fees and expenses incurred before or after the Filing Date in connection with the DIP Facility and the DIP Lender's participation in the CCAA Proceedings provided that the legal fees and expenses of the DIP Lender incurred prior to the Filing Date in connection with the preparation of the DIP Facility would be capped at $125,000 plus applicable taxes, which amount has been paid by Tacora. The Second Amended DIP Agreement provides that Tacora is also required (without duplication of amounts already covered above) to reimburse (i) Cargill's out-of-pocket legal and financial advisory fees and expenses in connection with the CCAA Proceedings from the date of the Second Amended DIP Agreement, in an amount not to exceed the amount payable to the Ad Hoc Group for its

reasonable and documented professional and advisory fees and expenses incurred in the period after the granting of the DIP Amendment Order, up to a maximum of $250,000 per month, payable in respect of expenses incurred in the period commencing on the date of the issuance of the DIP Amendment Order and ending a maximum of one month thereafter (as such period maybe extended by mutual agreement among Cargill, Tacora and the Monitor in each such party's respective sole discretion); and (ii) Cargill's out-of-pocket legal and financial advisory fees and expenses (in an amount of C$2,032,000 plus applicable taxes, as mutually agreed by Cargill and the Borrower, with approval of the Monitor) in respect of Tacora's motion seeking approval of sale transaction with the Investors which amounts shall, at Tacora's option, be paid in cash or added to and form part of the DIP Obligations. These amounts will form part of the DIP Obligations and secured by the DIP Lender Charge; and

(g) in addition to the initial exit fee of $2.25 million under the First Amended DIP Agreement, an additional "Subsequent Exit Fee" in cash, in an amount of $800,000 is payable by the Applicant.[5] The Subsequent Exit Fee will remain fixed and will not be adjusted notwithstanding any funding of Excess Margin Amounts under the DIP Facility agreed to by Tacora, the DIP Lender and the Monitor. The Subsequent Exit Fee will only be earned and payable on May 8, 2024 and will not be earned if Tacora repays all DIP Obligations and all Post-Filing Credit Extensions on or prior to May 8, 2024. The Monitor understands that Cargill has agreed to defer the Subsequent Exit Fee until May 8, 2024 to allow time for the Ad Hoc Group and Cargill to explore a joint financing arrangement.

24. The above noted terms are set out in the Second Amended DIP Agreement for which the Applicant is seeking this Court's approval and a redline showing the differences between the First Amended DIP Agreement and the Second Amended DIP Agreement is attached as Exhibit "C" to the Seventh Broking Affidavit.

25. The Monitor has reviewed and compared the exit fees in the Second Amended DIP Agreement to similar fees of other senior-secured debtor-in-possession facilities in comparable restructuring proceedings in Canada. The Monitor is of the view that the exit fees are reasonable based on the circumstances of these CCAA Proceedings

[5] Payment to be made upon the earlier of (a) completion of a successful Restructuring Transaction, and (b) the indefeasible repayment in full of the DIP Facility and all other DIP Obligations and/or cancellation of all remaining commitments in respect thereof.

26. The Monitor notes that (i) reimbursement of fees and expenses of a DIP Lender incurred during a CCAA proceeding is customary and a reasonable cost of the DIP financing. Therefore, the Monitor is of the view that the reimbursement of the Cargill out-of-pocket expenses as described above incurred during the CCAA Proceeding is reasonable; and (ii) reimbursement of certain fees of the Ad Hoc Group is intended to facilitate their participation in the next stage of this CCAA proceeding with the hope of moving forward in a productive manner.

27. On April 15, 2024, a subset of the Investors submitted an alternative DIP Facility Term Sheet (the "**Investor DIP Proposal**") to the Applicant. The Monitor attended meetings of the Board at which the terms of the Investor DIP Proposal and the proposed Second Amended DIP Agreement (collectively, the "**DIP Proposals**") were carefully considered. A discussion of the economic terms of the two available DIP financing options and other relevant considerations is provided in the Seventh Broking Affidavit at paragraphs 17 and 18. The Monitor intends to file a confidential appendix with a comparison between the DIP Proposals prepared by the Applicant, in advance of the court hearing.

28. The Monitor observed that the Board was aware of and considered, among other things, the factors noted in the Seventh Broking Affidavit. Given each of the DIP Proposals provided sufficient funding for Tacora during the next stage of the CCAA Proceeding, in selecting a DIP Proposal further consideration was given to whether any creditor would be materially prejudiced and whether the loan would enhance the prospects of a viable restructuring and provide stability to Tacora during the next stage of this CCAA proceeding.

29. The Monitor understands that it is the Board's view that proceeding with the Second Amended DIP Agreement is more likely to facilitate the advancement of the next stage of Tacora's restructuring and a more timely emergence from the CCAA Proceeding.

30. The Monitor makes the following observations regarding the Second Amended DIP Agreement:

    (a) iron ore price volatility and a limited ability to hedge during the CCAA Proceeding have each had a significant negative impact on the Applicant's liquidity position. Tacora is in critical need of additional financing to continue operating while its Board of Directors continue to explore its strategic alternatives to determine next steps and seeks to emerge from these CCAA Proceedings in a timely manner;

    (b) The DIP Proposals received by the Applicant reflect negotiations with each of the two lender groups whereby the Applicant was able to improve the terms originally presented.

Both DIP Proposals provide the Applicant with the necessary liquidity through the requested extended Stay Period; and

(c) The Board has carefully considered the two DIP Proposals having regard to the Applicant's circumstances and the legal requirements imposed under the CCAA and has exercised its business judgement in selecting the Second Amended DIP Agreement. The Monitor understands that it is the view of the Board that the Second Amended DIP Agreement provides the most stability and certainty for the Applicant while it evaluates options to advance the CCAA proceedings and emerge on a timely basis.. The Monitor concurs with this view.

31. The Monitor notes that the Applicant continues to be vulnerable to fluctuations in the global price of iron ore, and that further negative movements in such prices may materially impact Tacora's cashflow. The Monitor also notes that the Applicant will consider taking steps to protect itself from commodity price fluctuations if market conditions are favourable.

32. Based on the foregoing, the Monitor respectfully recommends that the Court grant the Applicant's request for approval of the Second Amended DIP Agreement.

CLAIMS PROCEDURE ORDER[6]

33. Tacora is seeking approval of the Claims Procedure Order to undertake a comprehensive procedure to solicit, identify, quantify and if appropriate, resolve the Claims against the Applicant and their Directors and Officers in a flexible, fair, comprehensive, and expeditious manner (the "**Claims Procedure**").

34. The Monitor understands that Tacora is seeking approval of the Claims Procedure Order at this stage to allow it to ascertain the potential scope and nature of Claims that may exist and to assist in formulating a restructuring strategy and ultimately to exit the CCAA Proceedings.

35. The following is a summary of certain terms of the proposed Claims Procedure Order. The Monitor encourages potential claimants to review the proposed Claims Procedure Order in its entirety.

36. The Claims that the Applicant is soliciting in the Claims Procedure can be summarized as follows:

(a) **Pre-Filing Claims:** Any right or claim, secured or unsecured, of any Person that may be asserted or made against the Applicant that (i) is based in whole or in part on facts existing

[6] Capitalized terms used in this section but not defined have the meanings ascribed to them in the proposed Claims Procedure Order.

prior to the Filing Date, (ii) relates to a time period prior to the Filing Date, or (iii) is a right or claim of any kind that would be a claim provable in bankruptcy within the meaning of the BIA had the Applicant become bankrupt on the Filing Date, including for greater certainty any claim against the Applicant for indemnification by any Directors or Officers in respect of a D&O Claim.

(b) **Restructuring Claims:** Any right or claim of any Person against the Applicant in connection with any indebtedness, liability or obligation of any kind whatsoever owed by the Applicant to such Person arising out of the restructuring, disclaimer, repudiation, resiliation, abandonment or termination of any contract, lease, other agreement or obligation whether written or oral by the Applicant, on or after the Filing Date; and

(c) **D&O Claims**: Any Claim against any Director or Officer of the Applicant, that in any way relates to or arises out of or in connection with a Pre-Filing Claim or the assets, obligations, business or affairs of the Applicant.

37. The Claims Procedure excludes (i) the Claim related to the MFC Royalty dispute between the Applicant and 1128349 B.C. Ltd.; (ii) any Claims that may be asserted by a beneficiary of the CCAA Charges in respect of obligations secured by such CCAA Charges; and (iii) any Claim by any federal or provincial regulators (but excluding, for the avoidance of doubt, any Claim by a regulator asserting a monetary claim and any Claim by a taxation authority).

38. The Claims Procedure Order provides that:

(a) any Person asserting a Pre-Filing Claim and/or D&O Claim must submit the claim by the Claims Bar Date being 5:00 p.m. (E.S.T.) on May 31, 2024; and

(b) any person asserting a Restructuring Claim must submit a claim by the Restructuring Claims Bar Date being the later of (i) the Claims Bar Date and (ii) 5:00 p.m. on the date that is fourteen (14) days after the Monitor sends a Claims Package with respect to a Restructuring Claim.

39. The Claims Procedure contains a negative notice process for all potential known claimants, whose Claim is known to the Applicant based on the books and records of the Applicant as at the date of this Claims Procedure Order (each a "**Known Claimant**") whereas other Unknown Claimants (other than Known Claimants) will be required to file a Proof of Claim as prescribed by the proposed Claims Procedure Order.

40. The negative notice process was designed to streamline the Claims Procedure for the Claimants and the Applicant. While the Monitor anticipates that the majority of Claimants will be Known Claimants who will receive notice under the negative notice process, there may be certain Claimants who hold Claims more readily quantifiable directly by the Claimant. The Claims Procedure provides the Applicant and the Monitor with the appropriate flexibility to issue a Claims Package, as appropriate given the size and complexity of the Applicant's business in pursuit of a fair and efficient notice process with respect to each Claimant.

41. Under the Claims Procedure Order, the Applicant will provide to the Monitor a list of all Known Claimants showing for each Known Claimant their name, address, email address (where available) and amount owed pursuant to the Applicant's books and records.

42. Pursuant to the proposed Claims Procedure Order, the Monitor will deliver within ten (10) Business days following issuance of the Claims Procedure Order a Claims Package to each Known Claimant.

43. The Claims Procedure Order requires that notices must be provided by email, and if not possible that a Claimant must first contact the Monitor's hotline to advise of an alternate delivery method. Notices provided by email are timely and are more reliable than traditional mail or courier services. By requiring telephonic notification if an alternate delivery method is required, the Monitor can ensure proper staffing is in place to receive hard copy deliveries, if necessary.

44. Under the Claims Procedure Order, where the Monitor is satisfied that a Claim has been adequately proven, it may waive strict compliance with the requirements of this Claims Procedure Order as to completion and execution of such forms or may request further documentation from a Claimant which the Applicant or the Monitor may reasonably require.

45. The Claims Package will contain, in the case of a Known Claimant, a Statement of Known Claim and Notice of Dispute and in the case of an Unknown Claimant, a Proof of Claim and Proof of Claim Instruction Letter and any other materials the Monitor may consider appropriate.

46. The proposed Claims Procedure Order also provides that the Monitor will take certain additional notice steps including, *inter alia*:

    (a) causing the Notice to Claimants to be published in the *Globe and Mail* (National Edition) for at least one (1) Business Day;

(b) causing the Notice to Claimants, the Claims Package, and the Claims Procedure Order to be posted to the Monitor's Website as soon as reasonably practicable and cause it to remain posted thereon until the Monitor's discharge as Monitor of the Applicant;

(c) delivering a Claims Package to any Person who makes a request for such materials prior to the applicable claims bar date;

(d) if the Applicant and the Monitor become aware of any further Claims the Monitor will (i) send a Claims Package, as applicable, to such Person; (ii) direct such Person to the documents posted on the Monitor's Website; or (iii) respond to the request for information or documents, as the Monitor considers appropriate in the circumstances; and

(e) with respect to Restructuring Claims arising from the restructuring, disclaimer, resiliation, abandonment or termination of any lease, contract, or other agreement or obligation, on or after the date of the Claims Procedure Order, the Monitor will send to the counterparty a Claims Package no later than five (5) Business Days following the time the Monitor actually becomes aware of such restructuring, disclaimer, resiliation, abandonment or termination and such potential Restructuring Claim.

Adjudication of Known Claims Against the Applicant

47. Any Known Claimant who wishes to dispute the amount of the Claim set out in their respective Statement of Known Claim must deliver to the Monitor before the applicable Bar Date a Notice of Dispute.

48. The Monitor, in consultation with the Applicant, will review and record all Notices of Dispute that are received on or before the applicable Bar Date. If the Monitor, in consultation with the Applicant, determines that it is necessary to finally determine the amount and/or Status of any or all Known Claims against the Applicant, the Monitor, in consultation with the Applicant, will review and finally determine the amount and/or Status of all such Claims for which a Notice of Dispute has been received on or before the applicable Bar Date.

49. If the Monitor, with the assistance of the Applicant, is unable to resolve a dispute regarding a Voting Claim with a Known Claimant, the Monitor will notify the Applicant and the Known Claimant. Thereafter, the disputed Voting Claim will be referred to the Court or to a Claims Officer (as described below) provided that to the extent a Claim is referred to the Court or to a Claims Officer, it will be on the basis that the Claim against the Applicant shall be resolved or adjudicated for voting purposes (and that it shall remain open to the Monitor, in consultation with the Applicant,

to determine whether such Claim shall be concurrently resolved or adjudicated for distribution purpose subject to future hearing by the Court or a Claims Officer).

50. If the Monitor with the assistance of the Applicant is unable to resolve a dispute with a Known Claimant regarding a Distribution Claim the Monitor shall notify the Applicant and the Known Claimant and shall refer such Claim to the Court or the Claims Officer for resolution.

51. Where a Known Claimant does not deliver to the Monitor a completed Notice of Dispute of Claim so it is received by the Monitor by the Claims Bar Date, then for voting and distribution purposes, (i) the Known Claimant will be deemed to have accepted the amount and Status of their Known Claim as set out in the Statement of Known Claim and the Known Claim will be deemed a Proven Claim; (ii) such Known Claim set out in the Statement of Known Claim will be treated as both a Voting Claim and a Distribution Claim as set out in the Statement of Known Claim; and (iii) such Known Claimant will be forever barred, estopped and enjoined from challenging or disputing the amount or Status of such Claim.

Adjudication of Unknown Claims Against the Applicant

52. Any Unknown Claimant that wishes to assert a Claim that is not captured by a Statement of Known Claim, must deliver a completed Proof of Claim to the Monitor on or before the applicable Bar Date.

48. Any Unknown Claimant who has not received a Statement of Known Claim and does not file a Proof of Claim in accordance with this Claims Procedure Order with the Monitor by the applicable Bar Date will not be entitled to receive further notice or participate in the Claims Procedure or the CCAA Proceeding in respect of such Claim. Such Claimant will also be forever barred, estopped and enjoined from asserting or enforcing such Claim against the Applicant and/or the Directors and Officers (in the case of a D&O Claim), as applicable, and the Applicant and/or the Directors and Officers (in the case of a D&O Claim), shall not have any liability whatsoever in respect of such Claim and such Claim shall be extinguished without any further act or notification by the Applicant or the Monitor.

53. Any Unknown Claimant that does not file a completed Proof of Claim by the applicable Bar Date with respect to any Claims against the Applicant will not be entitled to attend or vote at any meeting of creditors held pursuant to a further Order of this Court and shall not be entitled to receive any distributions in respect of such Claims and any and all such Claims of such Unknown Claimant

shall be forever extinguished and barred without further act or notification and irrespective of whether or not such Unknown Claimant receives a Claims Package.

54. The Monitor in consultation with the Applicant (and in the case of a D&O Claim, in consultation with the applicable Director, Officer and/or Directors' Counsel) will review all Proofs of Claim filed and may request additional information, request a revised Proof of Claim, attempt to resolve and settle any issue arising in a Proof of Claim; accept, revise or disallow (each in whole or in part) the amount and/or Status of any Claim set out for voting and/or distribution purposes.

55. If a Claim is accepted by the Monitor, in consultation with the Applicant, such Claim shall constitute such Claimant's Proven Claim. The Monitor will notify each Unknown Claimant who has delivered a Proof of Claim by the Bar Date whether its Claim has been revised or disallowed for voting (and/or distribution purposes if the Monitor in consultation with the Applicant elects to do so). Any Unknown Claimant who intends to dispute a Notice of Revision or Disallowance shall deliver a Notice of Dispute of Revision of Disallowance to the Monitor in writing by 5:00 p.m. (Eastern Time) on the day that is not later than fourteen (14) days after such Claimant is deemed to have received the Notice of Revision or Disallowance or such longer period as may be agreed to by the Monitor in writing.

56. If an Unknown Claimant who received a Notice of Revision or Disallowance does not return a Notice of Dispute of Revision or Disallowance, the value and Status of the Claim shall be deemed to be set out in the Notice of Revision or Disallowance for voting and distribution purposes, and the Claimant shall be barred from disputing or appealing same.

57. As soon as practicable after a Notice of Dispute of Revision or Disallowance is received by the Monitor in accordance with this Claims Procedure Order, the Monitor, in consultation with the Applicant, may attempt to resolve and settle the Claim with the Unknown Claimant.

Claims Officer

58. Pursuant to the Claims Procedure Order, the Applicant may, in consultation with the Monitor, apply to the Court for an Order appointing a claims officer to resolve disputed Claims on such terms and in accordance with such process as may be ordered by the Court.

Monitor's Comments and Recommendation

59. The Applicant developed the Claims Procedure in consultation with its advisors and the Monitor. The Monitor is of the view that the Claims Procedure is efficient, fair and reasonable in the

circumstances, will assist the Applicant with the development of its restructuring strategy, and help to facilitate an orderly exit from the CCAA Proceedings. The proposed claims bar dates are reasonable. The direct notification and publication of notice to potential Claimants will make the Claims Procedure widely distributed and publicized.

60. Accordingly, the Monitor supports approval of the Claims Procedure and recommends its approval by the Court.

CORRESPONDENCE WITH CATERPILLAR

61. Tacora leases certain equipment collectively, the "**Caterpillar Equipment**") from Caterpillar Financial Services Limited ("**Caterpillar**") (pursuant to a master lease agreement dated as of August 3, 2022 (the "**Caterpillar Lease**") The Caterpillar Equipment is essential to Tacora's ability to continue to operate during the CCAA Proceeding.

62. Shortly after the Filing Date, Caterpillar advised the Applicant that its view was that Tacora was required to continue making payments to Caterpillar since the Caterpillar lease was a "true lease".

63. On November 10, 2024 the Applicant sent correspondence to counsel to Caterpillar, Dickinson Wright LLP, advising that Tacora and the Monitor had reviewed the Caterpillar Lease and both Tacora and the Monitor were of the view that Tacora is precluded from making any payments to Caterpillar under the Caterpillar Lease, as the it constitutes a "financing lease" and the ARIO precluded Tacora from being able to make any payments on account of certain amounts owed to its creditors, which includes any payments on account of financing leases. A copy of this correspondence is attached as Exhibit "E" to the Seventh Broking Affidavit.

64. By letter dated December 11, 2023, counsel for Caterpillar, among other things, (a) requested that Tacora provide to Caterpillar all DIP budgets prepared in accordance with the DIP Agreement to date, and (b) advised that, if Tacora did not continue to make lease payments for the Caterpillar Equipment pursuant to the applicable agreements (the "**Caterpillar Lease Agreements**"), Caterpillar would bring a motion seeking to lift the stay of proceedings and seize the Caterpillar Equipment. Following discussions with the Applicant, Caterpillar did not pursue its request for payment pending the outcome of the Solicitation Process as it was expected monetary defaults under the Caterpillar Lease Agreements may be cured in connection with a transaction. A copy of this correspondence is attached as Exhibit "F" to the Seventh Broking Affidavit.

65. Following the withdrawal of the Sale Approval Motion, on April 11, 2024, Caterpillar notified Tacora and the Monitor that it required Tacora to make payment for all amounts due under the

Caterpillar Lease Agreements, barring which it intended to oppose the proposed extension of the Stay Period and bring a cross-motion to lift the stay of proceedings to seize the Caterpillar Equipment. A copy of this correspondence is attached as Exhibit "G" to the Seventh Broking Affidavit.

66. The Monitor has been advised by the Applicant that its position as outlined in its November 8, 2024 correspondence regarding the Caterpillar Lease and Tacora being precluded from making payments under the Caterpillar Lease Agreement pursuant to the ARIO has not changed and the Applicant has advised counsel to Caterpillar of same.

RECEIPTS AND DISBURSEMENTS FOR THE 4-WEEK PERIOD ENDED APRIL 7, 2024

67. Tacora's actual net cash flow from operations for the 4-week period from March 11, 2024, to April 7, 2024, was approximately $4.7 million, compared to a forecast negative net cash flow from operations of approximately $12.8 million, as noted in the cash flow forecast attached to the First Amended DIP Agreement and to this Eighth Report as **Appendix "D"**, representing a positive variance of approximately $17.5 million as summarized below:

	Actual	Forecast	Variance
	$000	$000	$000
Total Receipts	**34,030**	**29,145**	**4,885**
Operating Disbursements			
Employees	(4,352)	(4,708)	356
Mine, Mill and Site Costs	(3,274)	(8,869)	5,595
Plant Repairs and Maintenance	(9,086)	(9,745)	659
Logistics	(8,853)	(10,670)	1,817
Capital Expenditures	(1,887)	(5,245)	3,358
Other	(1,908)	(2,721)	813
Total Operating Disbursements	**(29,360)**	**(41,959)**	**12,599**
Net Cash from Operations	**4,670**	**(12,815)**	**17,484**
Restructuring Legal and Professional Costs	(2,014)	(5,106)	3,092
KERP	-	-	-
Net Cash Flow	**2,656**	**(17,920)**	**20,576**
Opening Cash Balance	**19,896**	**19,896**	-
Net Receipts/(Disbursements)	2,656	(17,920)	20,576
DIP Advances/(Repayments)	-	10,000	(10,000)
DIP Fees and Interest	(348)	(288)	(61)
Closing Cash Balance	**22,203**	**11,688**	**10,515**

68. Explanations for the key variances are as follows:

(a) positive variance in Total Receipts of approximately $4.9 million primarily relates to permanent differences related to higher than forecast sales tax refunds, as well as temporary differences related to timing of hedge settlements. The positive variance related to hedge settlements is expected to reverse in future weeks;

(b) positive variance in Employees of approximately $0.4 million is primarily due to timing of payments. It is expected that this variance will reverse in future weeks.

(c) positive variance in Mine, Mill and Site Costs of approximately $5.6 million is primarily due to lower than forecast outflows as Tacora proactively managed its disbursements during the period. It is expected that a portion of this variance may reverse in future weeks;

(d) positive variance in Plant Repairs and Maintenance of approximately $0.7 million is primarily due to lower than forecast outflows as Tacora proactively managed its disbursements during the period. It is expected that a portion of this variance may reverse in future weeks;

(e) positive variance in Logistics of approximately $1.8 million is primarily due to lower than forecast outflows as Tacora proactively managed its disbursements during the period. It is expected that a portion of this variance may reverse in future weeks;

(f) positive variance in Capital Expenditures of approximately $3.4 million is primarily due to lower than forecast outflows as Tacora proactively managed its capital expenditures during the period. It is expected that a portion of this variance may reverse in future weeks; and

(g) positive variance in Other of approximately $0.8 million primarily relates to lower than forecast outflows as Tacora proactively managed its disbursements during the period. It is expected that a portion of this variance may reverse in future weeks.

STAY EXTENSION

69. The Stay Period will expire on April 26, 2024. The continuation of the stay of proceedings is necessary to allow time for Tacora and its Board of Directors to continue to explore its strategic alternatives and to determine next steps. Accordingly, Tacora is seeking a further extension of the Stay Period to June 24, 2024.

70. As is demonstrated in the April 2024 Forecast attached to this Eighth Report as **Appendix "C"**, if the Second Amended DIP Agreement is approved, Tacora is forecast to have sufficient liquidity to

fund its obligations and the costs of the CCAA Proceeding through the end of the extended Stay Period. The April 2024 Forecast is summarized below:

	$000
Total Receipts	**59,366**
Operating Disbursements	
Employees	(15,265)
Mine, Mill and Site Costs	(21,303)
Plant Repairs and Maintenance	(24,873)
Logistics	(23,529)
Capital Expenditures	(15,179)
Other	(6,211)
Total Operating Disbursements	**(106,359)**
Net Cash from Operations	**(46,993)**
Restructuring Legal and Professional Costs	(8,875)
KERP	-
Net Cash Flow	**(55,868)**
Opening Cash Balance	**22,203**
Net Receipts/(Disbursements)	(55,868)
DIP Advances/(Repayments)	50,000
DIP Fees and Interest	-
Closing Cash Balance	**16,336**

71. The Monitor supports extending the Stay Period to June 24, 2024 for the following reasons:

(a) the Monitor is of the view that the proposed extension of the Stay Period is necessary to allow time for Tacora and its Board of Directors to continue to explore its strategic alternatives and to determine next steps to secure another going-concern transaction;

(b) the April 2024 Forecast demonstrates that, subject to its underlying hypothetical and probable assumptions, Tacora is forecast to have sufficient liquidity to continue funding its operations during the CCAA Proceeding to June 24, 2024;

(c) based on the information presently available, the Monitor believes that creditors will not be materially prejudiced by the proposed extension to the Stay Period; and

(d) the Monitor believes that the Applicant has acted, and continues to act, in good faith and with due diligence and that circumstances exist that make an extension of the Stay Period appropriate.

MONITOR'S ACTIVITIES

72. The Monitor last reported on its activities in the Third Report dated March 13, 2024. In accordance with its duties set out in Orders granted by the Court in this CCAA Proceeding, as well as its prescribed rights and obligations under the CCAA, the activities of the Monitor since the Third Report have included the following:

(a) those activities undertaken by the Monitor as described in the Fourth Report, First Supplemental Report, Second Supplemental Report, Fifth Report, the Sixth Report and the Seventh Report;

(b) participating in regular discussions with Tacora, its legal counsel and other advisors, including Greenhill, regarding, among other things, the Sale Approval Motion, Preliminary Threshold Motion, DIP Replacement Motion, and MFC Royalty Dispute and communications with stakeholders and business operations;

(c) filing motions including the Fifth and Seventh Reports with the Court in support of requests by Tacora and certain Stakeholders to seal certain confidential information and attending before the Court for these motions;

(d) assisting Tacora with communications to employees, suppliers, creditors and other stakeholders;

(e) monitoring the cash receipts and disbursements of Tacora;

(f) assisting Tacora with updating and extending its cash flow forecasts;

(g) assisting Tacora in preparing the regular reporting required under the DIP Agreement;

(h) attending meetings of the Board of Directors of Tacora;

(i) engaging in discussions with Cargill and the Investors and their respective counsel and advisors;

(j) responding to stakeholder enquiries regarding the CCAA Proceeding generally;

(k) participating in discussions in respect of and attending before the Court at the various case conferences, including on April 10, 11 and 12, 2024;

(l) maintaining and uploading documents to the Monitor's Website; and

(m) preparing this Eighth Report.

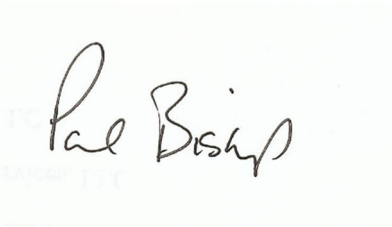
CONCLUSION

73. The Monitor is of the view that the relief requested by the Applicant is necessary, reasonable and justified in the circumstances and supports the requested Claims Procedure Order and Stay Extension and DIP Order.

74. As Tacora enters this next, critical stage of its restructuring, it is imperative that all stakeholders act reasonably and be willing to make the compromises that will be required to ensure a timely, successful emergence from this CCAA Proceeding.

The Monitor respectfully submits to the Court this Eighth Report dated this 21st the day of April, 2024.

FTI Consulting Canada Inc.
in its capacity as Court-appointed Monitor of Tacora Resources Inc. and not in its personal or corporate capacity



By:

Paul Bishop
Senior Managing Director

Jodi Porepa
Senior Managing Director

APPENDIX “A”

ONTARIO SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

COUNSEL/ENDORSEMENT SLIP

COURT FILE NO.: CV-23-00707394-00CL **HEARING DATE: 18th of March, 2024**

NO. ON LIST: 1

TITLE OF PROCEEDING:
IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF TACORA RESOURCES INC.

BEFORE: MADAM JUSTICE KIMMEL

PARTICIPANT INFORMATION

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For Defendant, Respondent, Responding Party:

Name of Person Appearing	Name of Party	Contact Info
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For Other:

Name of Person Appearing	Name of Party	Contact Info
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Jodi Porepa		jodi.porepa@fticonsulting.com

ENDORSEMENT OF JUSTICE KIMMEL (as Read orally in court, with minor amendments before written release):

[1] The company is seeking three things by its motion returnable March 18, 2024:

a. An extension of the Stay to May 19, 2024;

b. Approval of a Replacement DIP Agreement that has been offered by the consortium behind the RVO transaction for which the court's approval is being sought in mid-April, and related relief associated with the repayment of the existing Cargill DIP Facility; and

c. The approval of the A&L Premium Finance Agreement between Tacora and Marsh Canada Limited.

[2] The extension of the Stay and the approval of the A&L Premium Finance Agreement are not opposed and, for reasons indicated in previous endorsements when similar relief was sought, those approvals are granted today. With respect to the Stay extension, it is subject to what I am about to say regarding the DIP financing, as all acknowledge that the company requires additional DIP financing as early as this week and pending the outcome of the motions/cross motion returnable on April 10-12, 2024 (the "April Motions").

[3] Cargill seeks an adjournment of the company's request for the approval of the Replacement DIP Agreement. Various concerns were raised about the fairness of the Replacement DIP Agreement and implications it might have in the context of the upcoming April Motions regarding the contested approval of the RVO transaction.

[4] Cargill complains about the process by which the company has secured the Replacement DIP Agreement and lack of engagement with it. Cargill notes that even as recently as today, as a result of concerns it raised when it responded to this motion last Thursday and requested the adjournment of today's motion, new terms have been offered by the consortium for the Replacement DIP Agreement, including they have now agreed to waive all exit and extension fees that had previously been part of the Replacement DIP Agreement. These new terms are not in evidence but have been summarized in an updated comparison chart and confirmed by counsel. Cargill seeks to explore the process and terms and their full implications by way of cross examination of the company's affiant.

[5] Cargill also complains that further terms that it might have offered under its proposed interim DIP facility, such as its willingness to waive exit fees, its willingness to defer interest and its willingness to defer payment of future professional fees, have not been fully explored and its counsel have not had the chance to seek instructions on any of those points because they were not approached about them.

[6] As noted, the terms of the Replacement DIP Facility have evolved. The terms of the Cargill interim facility have also evolved. These are moving targets to some extent, but all in the direction of improvements to the benefit of the company and its stakeholders. I am concerned that the court does not yet have the full picture regarding the Replacement DIP Facility for which approval is being sought today. The court is concerned about approving a Replacement DIP Facility that, for reasons not yet fully known or fleshed out, could have implications for the April Motions.

[7] The evolving terms may have addressed some of those concerns but I cannot be confident that they have all been addressed in the limited time that I have had to consider all of the material and submissions filed in connection with today's appearance. The updated economic comparisons of the two competing DIP Facilities are not entirely clear and it appears that there could be improved terms that are available from both prospective DIP Lenders that the company's Board of Directors and the Monitor have not had a chance to fully consider.

[8] I do not consider there to be a measurable prejudice to the company in having to defer the court's consideration of the benefits that it considers to be available to it under the Replacement Dip Facility until the hearing of the April Motions.

[9] Cargill has offered an interim facility (or what I call an extension of its existing facility but with improved terms) to ensure that the company has the funding it needs to continue to operate through to the hearing of the April Motions, and even beyond the end of the Stay extension, if necessary. The company should not be locked in beyond the end of the Stay

Period, but as I understand the terms of this Cargill interim proposal, it will remain open for repayment by the company as its original DIP Facility was and is.

[10] I am granting the adjournment of the company's motion for approval of the Replacement DIP Facility. I appreciate that I cannot order the company to enter into an extension of the Cargill DIP Facility (or new interim facility), but that is available to the company. Therefore, the primary concern from the court's perspective for the company in the adjournment of today's motion (that it has run out of money that it needs to continue to operate) can be avoided through that mechanism. I see this as similar to the situation that existed when the litigation schedule was approved on the basis of Cargill continuing to fund under the existing DIP Facility, just on now improved terms from the company's perspective.

[11] The court appreciates that the company needs stability but, for better or worse, the company is engaged in a contested litigation process that the court has expedited and is going to be heard in a few weeks. This is just another variable that will now have to be considered in that mix.

[12] I am concerned about delay and the need for certainty and stability. I am not prepared to have this motion extend beyond the existing litigation schedule that has already been set. Nor is it realistic for it to be argued and adjudicated in advance of the presently scheduled hearing dates. As counsel for the Monitor pointed out, we will be back in a few weeks and the company does not need the uncertainty of yet another appearance between now and then, but also cannot afford to have this hanging over after the April Motions.

[13] Accordingly, I am adjourning the motion for the approval of the Replacement DIP Facility to be heard at the return of the other motions on April 10-12. This motion has been mostly briefed. We will simply have to make time for it to be addressed. Any additional developments from cross examinations and/or new terms being offered by either side can be readily incorporated into short submissions, not to exceed three pages double spaced, to be filed in conjunction with the material for the April Motions.

[14] Costs of the contested issues today shall be addressed as part of the costs of the April Motions.

[15] Counsel for the company was asked to submit revised forms of orders to address the unopposed matters of today and any matters associated with the adjournment of the motion to approve the Replacement DIP Agreement that may need to be addressed. Those revised orders were submitted to the court on March 22, 2024.

[16] The revised form of order for the Stay extension now provides for an extension of the Stay only until April 26, 2024, rather than to May 19, 2024. The court was advised that this timing corresponds with the amount of additional DIP financing the parties were able to

negotiate at this time. Assuming that iron ore prices remain stable, the current cash flow forecasts that the company will need additional funding the week of May 5 2024.

[17] The revised orders may be issued in the forms signed by me today.

KIMMEL J.
March 25, 2024

APPENDIX “B”

Court File No. CV-23-00707394-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE MADAM	)	MONDAY, THE 18TH
JUSTICE KIMMEL	)	DAY OF MARCH, 2024

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF TACORA RESOURCES INC.

(Applicant)

ORDER
(STAY EXTENSION AND INCREASE TO DIP FACILITY)

THIS MOTION, made by Tacora Resources Inc. (the "**Applicant**"), pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") for an Order extending the stay of proceedings and increasing the maximum amounts which may be drawn under the DIP Facility, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Motion Record of the Applicant dated March 11, 2024, the Affidavit of Joe Broking sworn March 11, 2024 (the "**Fourth Broking Affidavit**"), the Third Report of the Monitor dated March 13, 2024, the Motion Record of Cargill, Incorporated and Cargill International Trading Pte Ltd. (together, "**Cargill**"), the Affidavit of Matthew Lehtinen sworn March 14, 2024, and on hearing the submissions of counsel for the Applicant, counsel for the Monitor, counsel for Cargill, and counsel for the Investors (as defined in the Fourth Broking Affidavit), and such other counsel and parties as listed on the Counsel Slip, with no one else appearing although duly served as appears from the affidavit of service of Philip Yang, filed,

SERVICE AND DEFINITIONS

1. **THIS COURT ORDERS** that the time for service of the Motion Record is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.

2. **THIS COURT ORDERS** that capitalized terms used in this Order and not otherwise defined shall have the meanings ascribed to them in the Amended and Restated Initial Order of the Honourable Madam Justice Kimmel dated October 30, 2023 (the "**ARIO**").

EXTENSION OF STAY PERIOD

3. **THIS COURT ORDERS** that the Stay Period is extended to and including April 26, 2024, or such later date as this Court may order.

INCREASE TO DIP FACILITY

4. **THIS COURT ORDERS** that paragraph 36 of the ARIO shall be deleted and replaced with the following:

> "36. **THIS COURT ORDERS** that the Applicant is hereby authorized and empowered to obtain and borrow a super-priority, debtor-in-possession, non-revolving credit facility (the "**DIP Facility**") under a DIP Loan Agreement dated October 9, 2023 (as amended on March 18, 2024, the "**DIP Agreement**") from Cargill Inc. (in such capacity, the "**DIP Lender**") in order to finance the Applicant's working capital requirements and other general corporate purposes and capital expenditures, provided that borrowings under the DIP Agreement shall not exceed the principal amount of US$100,000,000 and Post-Filing Credit Extensions (as defined in the DIP Agreement) shall not exceed the principal amount of US$50,000,000, unless permitted by further Order of this Court."

5. **THIS COURT ORDERS** that paragraph 37 of the ARIO shall be deleted and replaced with the following:

> "37. **THIS COURT ORDERS** that the DIP Facility shall be on the same terms and subject to the conditions set forth in the DIP Agreement."

6. **THIS COURT ORDERS** that the DIP Charge pursuant to the ARIO shall continue to apply in respect of the DIP Facility and the Post Filing Credit Extension as amended pursuant to the DIP Agreement.

GENERAL

7. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Applicant, the Monitor and their respective 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 Applicant and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicant and the Monitor and their respective agents in carrying out the terms of this Order.

8. **THIS COURT ORDERS** that each of the Applicant and the Monitor be at liberty and are 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 Monitor 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.

9. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Time on the date of this Order.

10. **THIS COURT ORDERS** that this Order is effective from today's date and is enforceable without the need for entry and filing.

Digitally signed by Jessica Kimmel
Date: 2024.03.25 10:00:18 -04'00'

Court File No. CV-23-00707394-00CL

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF TACORA RESOURCES INC.

(Applicant)

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDINGS COMMENCED AT TORONTO

ORDER
(STAY EXTENSION AND INCREASE TO DIP FACILITY)

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Counsel to Tacora Resources Inc.

APPENDIX “C”

Tacora Resources Inc.

Consolidated Cash Flow Projections

($USD in thousands)

Forecast Week Ending		14-Apr-24	21-Apr-24	28-Apr-24	05-May-24	12-May-24	19-May-24	26-May-24	02-Jun-24	09-Jun-24	16-Jun-24	23-Jun-24	
Forecast Week	[1]	1	2	3	4	5	6	7	8	9	10	11	**Total**
Total Receipts	[2]	**2,397**	**3,471**	**1,381**	**6,572**	**5,610**	**6,980**	**5,714**	**5,482**	**5,610**	**8,668**	**7,480**	**59,366**
Operating Disbursements	[3]												
Employees		(2,458)	(953)	(2,073)	(486)	(2,155)	(206)	(2,080)	(286)	(2,162)	(318)	(2,087)	**(15,265)**
Mine, Mill and Site Costs		(2,045)	(2,183)	(5,047)	(1,648)	(1,443)	(987)	(2,196)	(2,144)	(1,498)	(589)	(1,525)	**(21,303)**
Plant Repairs and Maintenance		(2,041)	(2,813)	(2,237)	(2,307)	(2,242)	(2,165)	(2,245)	(2,190)	(2,300)	(2,223)	(2,110)	**(24,873)**
Logistics		(1,197)	(2,359)	(1,578)	(5,337)	(1,203)	(1,672)	(1,032)	(5,304)	(1,572)	(1,585)	(690)	**(23,529)**
Capital Expenditures		(523)	(1,350)	(1,603)	(1,750)	(1,800)	(1,600)	(1,803)	(1,200)	(1,350)	(1,100)	(1,100)	**(15,179)**
Other		(721)	(591)	(685)	(1,091)	(418)	(418)	(523)	(556)	(418)	(418)	(374)	**(6,211)**
Total Operating Disbursements		**(8,985)**	**(10,250)**	**(13,223)**	**(12,620)**	**(9,260)**	**(7,047)**	**(9,878)**	**(11,679)**	**(9,299)**	**(6,233)**	**(7,886)**	**(106,359)**
Net Cash from Operations		**(6,589)**	**(6,778)**	**(11,841)**	**(6,047)**	**(3,650)**	**(67)**	**(4,164)**	**(6,197)**	**(3,689)**	**2,435**	**(405)**	**(46,993)**
Restructuring Legal and Professional Costs	[4]	(159)	(2,493)	(658)	(2,171)	(485)	(849)	(599)	(566)	(299)	(299)	(299)	**(8,875)**
KERP	[5]	-	-	-	-	-	-	-	-	-	-	-	**-**
NET CASH FLOWS		**(6,747)**	**(9,271)**	**(12,500)**	**(8,218)**	**(4,135)**	**(916)**	**(4,762)**	**(6,763)**	**(3,988)**	**2,137**	**(704)**	**(55,868)**
Cash													
Beginning Cash Balance		22,203	25,456	16,185	18,685	10,467	21,332	20,416	15,654	18,891	14,903	17,040	**22,203**
Net Receipts/ (Disbursements)		(6,747)	(9,271)	(12,500)	(8,218)	(4,135)	(916)	(4,762)	(6,763)	(3,988)	2,137	(704)	**(55,868)**
DIP Advances/ (Repayments)	[6]	10,000	-	15,000	-	15,000	-	-	10,000	-	-	-	**50,000**
DIP Fees & Interest Payment	[7]	-	-	-	-	-	-	-	-	-	-	-	**-**
Ending Cash Balance		**25,456**	**16,185**	**18,685**	**10,467**	**21,332**	**20,416**	**15,654**	**18,891**	**14,903**	**17,040**	**16,336**	**16,336**

DIP Opening Balance		**75,287**	**85,287**	**85,287**	**100,901**	**100,901**	**115,901**	**115,901**	**115,901**	**126,952**	**126,952**	**126,952**	**75,287**
DIP Advances		10,000	-	15,000	-	15,000	-	-	10,000	-	-	-	**50,000**
PIK Interest		-	-	614	-	-	-	-	1,051	-	-	-	**1,665**
DIP Ending Balance		**85,287**	**85,287**	**100,901**	**100,901**	**115,901**	**115,901**	**115,901**	**126,952**	**126,952**	**126,952**	**126,952**	**126,952**
Opening Post-Filing Credit Extensions		**39,924**	**27,365**	**11,144**	**11,144**	**11,144**	**11,144**	**11,144**	**11,144**	**11,144**	**11,144**	**11,144**	**39,924**
Increase/ (Decreases) in Post-Filing Credit Extensions		(12,559)	(16,221)	-	-	-	-	-	-	-	-	-	**(28,780)**
Ending Post-Filing Credit Extensions	[8]	**27,365**	**11,144**	**11,144**	**11,144**	**11,144**	**11,144**	**11,144**	**11,144**	**11,144**	**11,144**	**11,144**	**11,144**
Total DIP Facility Obligations		**112,652**	**96,431**	**112,045**	**112,045**	**127,045**	**127,045**	**127,045**	**138,096**	**138,096**	**138,096**	**138,096**	**138,096**

Tacora Resources Inc.

Consolidated Cash Flow Projections

Notes to the Consolidated Cash Flow Projections:

[1] The purpose of the Cashflow Projections is to estimate the liquidity requirements of Tacora Resources Inc. ("Tacora", or the "Company") during the forecast period. The forecast above is presented in US Dollars. Any estimates in Canadian dollars have been translated at the average monthly forward fx rate as at April 10, 2024.

[2] Forecast Total Receipts are based on management's current expectations regarding productions and vessel shipments of iron ore concentrate (total tonnage) and a P62 price of USD $105 net of mark to market adjustments. Receipts from operations have been forecast based on current payment terms, historical trends in collections and expected vessel shipment schedules.

[3] Operating disbursements include the following key categories:

Forecast Employee Costs are based on historic payroll amounts and future forecast payments.

Forecast Mine, Mill and Site Costs primarily include site costs based on forecast activity levels and known commitments including, utilities, fuel, and supplies and consumables.

Forecast Plant Repairs and Maintenance costs relate to Scully Mine. Plant repairs and maintenance also includes contract labour at the Scully Mine.

Forecast Logistics costs primarily include rail transportation costs as well as port-related payments.

Forecast Capital Expenditures include costs related to mine, milling, and other logistics / infrastructure improvements.

Forecast Other costs include environmental costs, security and other costs at the Scully Mine and corporate.

[4] Forecast Restructuring Legal and Professional Costs include legal and financial advisors associated with the CCAA proceedings and are based on estimates.

[5] Forecast Key Employee Retention Plan (KERP) consistent with the Initial Affidavit.

[6] Forecast DIP Advances/Repayments are based on funding requirements and maintaining a minimum cash balance throughout the period.

[7] Accrued monthly interest forecast to be paid in kind (PIK).

[8] Forecast Post-Filing Credit Extensions reflect Management best estimates as at April 20, 2024. Post-Filing Credit Extension maximum balance has been revised to $25m.

APPENDIX “D”

Tacora Resources Inc.

Consolidated Cash Flow Projections

($USD in thousands)

Forecast Week Ending		17-Mar-24	24-Mar-24	31-Mar-24	07-Apr-24	14-Apr-24	21-Apr-24	28-Apr-24	05-May-24	12-May-24	19-May-24	
Forecast Week	[1]	1	2	3	4	5	6	7	8	9	10	**Total**
Total Receipts	[2]	**5,405**	**18,649**	**2,051**	**3,039**	**4,956**	**4,645**	**4,148**	**5,046**	**5,244**	**6,264**	**59,447**
Operating Disbursements	[3]											
Employees		(2,056)	(207)	(2,160)	(285)	(2,147)	(664)	(2,073)	(286)	(2,155)	(206)	**(12,239)**
Mine, Mill and Site Costs		(477)	(4,315)	(3,122)	(955)	(1,664)	(1,041)	(7,197)	(993)	(1,863)	(704)	**(22,331)**
Plant Repairs and Maintenance		(2,279)	(3,198)	(2,104)	(2,164)	(2,164)	(2,090)	(2,090)	(2,672)	(2,172)	(2,098)	**(23,031)**
Logistics		(1,580)	(2,026)	(2,042)	(5,022)	(1,166)	(1,000)	(1,000)	(5,537)	(1,515)	(1,489)	**(22,377)**
Capital Expenditures		(100)	(1,742)	(1,903)	(1,500)	(1,000)	(1,000)	(1,203)	(1,100)	(1,100)	(1,100)	**(11,748)**
Other		(1,117)	(418)	(630)	(556)	(418)	(418)	(591)	(965)	(418)	(418)	**(5,948)**
Total Operating Disbursements		**(7,610)**	**(11,906)**	**(11,961)**	**(10,482)**	**(8,559)**	**(6,212)**	**(14,154)**	**(11,554)**	**(9,222)**	**(6,014)**	**(97,674)**
Net Cash from Operations		**(2,205)**	**6,743**	**(9,910)**	**(7,443)**	**(3,603)**	**(1,567)**	**(10,006)**	**(6,507)**	**(3,978)**	**249**	**(38,227)**
Restructuring Legal and Professional Costs	[4]	(1,179)	(1,465)	(1,320)	(1,140)	(523)	(373)	(373)	(640)	(299)	(299)	**(7,612)**
KERP	[5]	-	-	-	-	-	-	-	-	-	-	**-**
NET CASH FLOWS		**(3,384)**	**5,278**	**(11,230)**	**(8,583)**	**(4,126)**	**(1,940)**	**(10,379)**	**(7,148)**	**(4,276)**	**(49)**	**(45,838)**
Cash												
Beginning Cash Balance		19,896	16,511	21,789	20,271	11,688	22,562	20,623	10,244	18,096	13,819	**19,896**
Net Receipts/ (Disbursements)		(3,384)	5,278	(11,230)	(8,583)	(4,126)	(1,940)	(10,379)	(7,148)	(4,276)	(49)	**(45,838)**
DIP Advances/ (Repayments)	[6]	-	-	10,000	-	15,000	-	-	15,000	-	-	**40,000**
DIP Fees & Interest Payment	[7]	-	-	(288)	-	-	-	-	-	-	-	**(288)**
Ending Cash Balance		**16,511**	**21,789**	**20,271**	**11,688**	**22,562**	**20,623**	**10,244**	**18,096**	**13,819**	**13,770**	**13,770**

DIP Opening Balance		**75,000**	**75,000**	**75,000**	**85,288**	**85,288**	**100,288**	**100,288**	**100,999**	**115,999**	**115,999**	**75,000**
DIP Advances		-	-	10,000	-	15,000	-	-	15,000	-	-	**40,000**
PIK Interest		-	-	288	-	-	-	712	-	-	-	**999**
DIP Ending Balance		**75,000**	**75,000**	**85,288**	**85,288**	**100,288**	**100,288**	**100,999**	**115,999**	**115,999**	**115,999**	**115,999**
Opening Post-Filing Credit Extensions		**20,000**	**20,000**	**35,775**	**35,775**	**35,775**	**35,775**	**35,775**	**35,775**	**35,775**	**35,775**	**20,000**
Increase in Post-Filing Credit Extensions	[8]		15,775	-	-	-	-	-	-	-	-	**15,775**
Ending Post-Filing Credit Extensions		**20,000**	**35,775**	**35,775**	**35,775**	**35,775**	**35,775**	**35,775**	**35,775**	**35,775**	**35,775**	**35,775**
Total DIP Facility Obligations		**95,000**	**110,775**	**121,063**	**121,063**	**136,063**	**136,063**	**136,774**	**151,774**	**151,774**	**151,774**	**151,774**

Tacora Resources Inc.

Notes to the Consolidated Cash Flow Projections:

[1] The purpose of the Cashflow Projections is to estimate the liquidity requirements of Tacora Resources Inc. ("Tacora", or the "Company") during the forecast period. The forecast above is presented in US Dollars. Any estimates in Canadian dollars have been translated at an fx rate of 1.34.

[2] Forecast Total Receipts are based on management's current expectations regarding productions and vessel shipments of iron ore concentrate (total tonnage) and price indices net of mark to market adjustments. Receipts from operations have been forecast based on current payment terms, historical trends in collections and expected vessel shipment schedules.

[3] Operating disbursements include the following key categories:

Forecast Employee Costs are based on historic payroll amounts and future forecast payments.

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Forecast Capital Expenditures include costs related to mine, milling, and other logistics / infrastructure improvements.

Forecast Other costs include environmental costs, security and other costs at the Scully Mine and corporate.

[4] Forecast Restructuring Legal and Professional Costs include legal and financial advisors associated with the CCAA proceedings and are based on estimates.

[5] Forecast Key Employee Retention Plan (KERP) consistent with the Initial Affidavit.

[6] Forecast DIP Advances/Repayments are consistent with the DIP term sheet. Forecast DIP Advances/Repayments are based on funding requirements and maintaining a minimum cash balance throughout the period.

[7] DIP Fees and Interest above exclude any transaction fees included in the original DIP Term Sheet. Accrued monthly interest forecast to be paid in cash is based on the outstanding original DIP balance and has been pro-rated for the month of March up to March 17. Accrued interest from March 18 onward is forecast to be paid in kind (PIK).

[8] Post-Filing Credit Extensions based on Management estimates.

Court File No. CV-23-00707394-00CL

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF TACORA RESOURCES INC.

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT
TORONTO

EIGHTH REPORT OF THE MONITOR

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