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

Tacora Resources Inc.

FIRST REPORT OF THE MONITOR

October 20, 2023

FTI CONSULTING

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.

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

INTRODUCTION

1. On October 10, 2023, Tacora Resources Inc. (the "**Applicant**") sought and obtained an Order under the *Companies' Creditors Arrangement Act,* R.S.C. 1985, c. C-36, as amended (the "**CCAA**") for an initial order (the "**Initial Order**") granting, *inter alia*, a stay of proceedings in favour of the Applicant to October 20, 2023 (the "**Stay Period**"), and appointing FTI Consulting Canada Inc. as monitor (in such capacity, the "**Monitor**"). The proceeding commenced by the Applicant under the CCAA will be referred to herein as the "**CCAA Proceeding**".

2. On October 13, 2023, the Stay Period was extended to October 27, 2023, pursuant to the Order of the Honourable Madam Justice Kimmel.

3. The purpose of this, the First Report of the Monitor (the "**Report**"), is to inform the Court on the following:

   (a) Activities of the Monitor since the granting of the Initial Order;

   (b) The Applicant's motion for the granting of an Amended and Restated Initial Order (the "**ARIO**") providing, *inter alia*, for the following:

(i) Authorization to borrow up to the full $75 million available under the DIP Financing Agreement;

(ii) An increase in the Director's Charge to $5.2 million;

(iii) Approval of the engagement letter dated as of January 23, 2023, pursuant to which Greenhill & Co. Canada Ltd. ("**Greenhill**") was appointed as financial advisor and investment banker to the Applicant (the "**Greenhill Engagement Letter**") and the granting of a charge to a maximum amount of US$5,600,000 to secure certain fees that may become payable under the Greenhill Engagement Letter (the "**Transaction Fee Charge**"); and

(iv) Approval of a key employee retention plan (the "**KERP**") and the granting of a charge to secure payments under the KERP (the "**KERP Charge**"); and

(v) An extension of the Stay Period to February 9, 2024;

(c) The Applicant's motion for the granting of an Order (the "**Solicitation Order**") approving a sale and investment solicitation process (the "**Solicitation Process**") to solicit interest in a potential Transaction Opportunity and/or Offtake Opportunity (each as defined in the Solicitation Process); and

(d) The Ad Hoc Group's cross-motion, served October 13, 2023 (the "**AHG Cross-Motion**"), seeking:

(i) An Amended and Restated Initial Order (the "**AHG ARIO**"), among other things, approving debtor-in-possession financing to be provided by the Ad Hoc Group pursuant to a credit agreement in substantially the form appended to the affidavit of Thomas Gray, sworn October 16, 2023 (the "**AHG DIP Proposal**"); or, in the alternative

(ii) If the AHG ARIO is not granted, that various declarations or directions as described later in this Report be included in any Amended and Restated Initial Order granted in the CCAA Proceeding.

TERMS OF REFERENCE

4. In preparing this Report, the Monitor has relied upon unaudited financial information of the Applicant, the Applicant's books and records, certain financial information prepared by the Applicant and discussions with various parties (the "**Information**").

5. Except as otherwise described in this 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 Assurance Standards pursuant to the Chartered Professional Accountants of Canada Handbook; and

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

6. The Monitor has prepared this Report in connection with the Applicant's motion for the ARIO and the Solicitation Order as well as the AHG Cross-Motion, all currently scheduled to be heard October 24, 2023, and should not be relied on for any other purpose.

7. Future oriented financial information reported or relied on in preparing this Report is based on the assumptions of the management of the Applicant regarding future events; actual results may vary from forecast and such variations may be material.

8. Unless otherwise stated, all monetary amounts contained herein are expressed in United States Dollars. Capitalized terms not otherwise defined herein have the meanings given to them in the Proposed Monitor's Pre-Filing Report (the "**Pre-Filing Report**"), a copy of which is attached hereto as **Appendix A,** or in the Initial Order.

EXECUTIVE SUMMARY

APPLICANT'S REQUEST FOR THE GRANTING OF THE ARIO

9. The Monitor is of the view that:

(a) The DIP Facility is necessary, the terms of the DIP Financing Agreement are reasonable and within market parameters, it is the best interim financing facility currently available, and no creditor will be materially prejudiced by the approval of the DIP Financing Agreement or the granting of the DIP Charge;

(b) The proposed increase in the quantum of the proposed Directors' Charge is reasonable and justified in relation to the quantum of the estimated potential liability;

(c) The continued engagement of Greenhill to assist the Applicant in the implementation of the Solicitation Process will be beneficial to the Applicant and its stakeholders generally and assist with the efficient completion of the CCAA Proceeding;

(d) The fees provided for in the Greenhill Engagement Letter are within market parameters;

(e) In the circumstances of this case, the Transaction Fee Charge to secure the potential Transaction Fees is appropriate;

(f) The KERP is appropriate, reasonable and justified in the circumstances and that the terms, conditions and amounts of potential payments are in line with employee retention plans approved in other CCAA proceedings; and

(g) Circumstances exist that make the proposed extension of the Stay Period appropriate, that creditors of the Applicant would not be materially prejudiced by the proposed extension of the Stay Period and the Applicant has acted, and is acting, in good faith and with due diligence.

10. Accordingly, the Monitor respectfully recommends that the Applicant's request for the ARIO be granted by this Honourable Court.

APPLICANT'S REQUEST FOR APPROVAL OF THE SOLICITATION PROCESS

11. The Monitor is of the view that the Solicitation Process:

(a) Is consistent with the principles of section 36 of the CCAA and leading decisions dealing with the sale of assets in court-supervised proceedings;

(b) Provides for a broad, open, fair and transparent process with an appropriate level of independent oversight, that should encourage and facilitate bidding by interested parties and is reasonable in the circumstances; and

(c) No aspect of the Solicitation Process should discourage parties from submitting offers.

12. Accordingly, the Monitor respectfully recommends that the Applicant's request for approval of the Solicitation Process be granted.

AHG CROSS-MOTION

13. The Monitor respectfully recommends that the AHG Cross-Motion for the granting of the AHG ARIO be dismissed.

14. The Monitor is of the view that the AHG Declarations are not necessary, appropriate or justified and respectfully recommends that the ARIO be granted in the form proposed by the Applicant.

ACTIVITIES OF THE MONITOR SINCE THE GRANTING OF THE INITIAL ORDER

15. Since the granting of the Initial Order, the Monitor has been assisting the Applicant in its communications with employees, key suppliers, creditors and other stakeholders. Employees and key suppliers have generally exhibited a high degree of support and commitment to the ongoing operations, which have continued without any material interruption since the commencement of the CCAA Proceedings.

16. The Monitor has established a case website at http://cfcanada.fticonsulting.com/Tacora/ (the "**Monitor's Website**") where relevant information will be posted, together with all Court materials. In addition, the Monitor has set up phone (416-649-8138 and 1-833-420-9074) and email "hotlines" (tacora@fticonsulting.com) on which parties can contact the Monitor directly.

17. In accordance with paragraph 42 of the Initial Order:

    (a) On October 10, 2023, made the Initial Order publicly available on the Monitor's Website;

    (b) On October 13, 2023, sent a notice to every known creditor who has a claim against the Applicant of more than $1,000;

    (c) On October 13, 2023, posted a list of creditors based on the Applicant's books and records on the Monitor's Website; and

    (d) On October 16, 2023, published in the Globe and Mail (National Edition), a notice containing the information prescribed under the CCAA.

THE AMENDED AND RESTATED INITIAL ORDER

THE DIP FINANCING AGREEMENT

18. Details of the DIP Financing Agreement, together with the Proposed Monitor's (as the Monitor then was) comments and recommendation with respect thereto, were set out in paragraphs 23 to 67 of the Pre-Filing Report.

19. Subsequent to the granting of the Initial Order, a drafting error was discovered in paragraph 23(d) of the DIP Financing Agreement. The Applicant and the DIP Lender, in consultation with the Monitor, have agreed to a correction in order to properly reflect the intent of the provision.

20. The comments and recommendations with respect to the DIP Financing Agreement set out in the Pre-Filing Report are reiterated and endorsed by the Monitor. Based on the foregoing, the Monitor respectfully recommends that the Court grant the Applicant's request for approval of the DIP Financing Agreement and the granting of the DIP Charge.

THE DIRECTORS' CHARGE

21. The Proposed Monitor provided comments and recommendations with respect to the proposed Directors' Charge at paragraphs 68 to 75 of the Pre-Filing Report.

22. As stated in the Pre-Filing Report, the quantum of the proposed Directors' Charge is based on estimated amounts for which directors could potentially have statutory personal liability that could be outstanding during the CCAA Proceeding:

    (a) Wages, salaries and applicable withholdings;

    (b) Outstanding Newfoundland Health and Post-Secondary Education Tax liabilities pursuant to an agreed payment plan by which payments come due after the filing date;

    (c) Sales taxes; and

    (d) Accrued vacation pay.

23. Also as stated in the Pre-Filing Report, the amount for wages and salaries increases in the calculation of the amount for the Directors' Charge proposed under the ARIO primarily as a result of including a full payroll period, rather than only ten days as was included in the calculation of the amount for the Directors' Charge under the Initial Order.

24. The Monitor is of the view that the proposed increase in the quantum of the Directors' Charge is reasonable and justified in relation to the quantum of the estimated potential liability. The Monitor respectfully recommends that the Applicant's request for the increase in the quantum of the Directors' Charge be granted by this honourable Court.

THE GREENHILL ENGAGEMENT LETTER

25. The Applicant seeks approval of the Greenhill Engagement Letter and the granting of the Transaction Fee Charge to secure the certain fees that may become payable under the Greenhill Engagement Letter. A copy of the Greenhill Engagement Letter is attached hereto as **Appendix B.** Capitalized terms used in this section of this Report not otherwise defined have the meanings ascribed to them in the Greenhill Engagement Letter.

26. Greenhill is a well-known financial advisor and investment banker and has experience in providing such services in the context of a CCAA proceeding. The engagement with the Applicant is under the supervision of Chetan Bhandari, co-head of Greenhill's Financial Advisory & Restructuring Group and Michael Nessim, head of Greenhill's Metals & Mining Group. Greenhill has been working with the Applicant for almost nine months, including leading pre-filing efforts to obtain additional financing for the Applicant, negotiate a consensual restructuring with existing stakeholders or find a buyer for the business and efforts to obtain DIP financing proposals. Accordingly, Greenhill is intimately familiar with the Applicant's business and stakeholders.

27. If the Greenhill Engagement Letter is approved, it is intended that Greenhill will be responsible for the implementation of the Solicitation Process, under the supervision of the Monitor. The Solicitation Process is a critical part of the CCAA Proceeding and the Applicant's efforts to achieve a successful outcome to the CCAA Proceeding in a timely and efficient manner. In the Monitor's view, the Applicant will be unable to complete the Solicitation Process effectively without professional assistance.

28. The following fees are payable under the Greenhill Engagement Letter (collectively, excluding the Monthly Advisory Fee, the "**Transaction Fees**"):

(a) **Monthly Advisory Fee**. Commencing as of May 1, 2023, a non-refundable financial advisory fee of $125,000 per month (the "**Monthly Advisory Fee**"), which shall be due and paid promptly by the Applicant on a monthly basis in advance on the first date of each month;

(b) **Restructuring Transaction Fee**. If, at any time during the Fee Period, the Applicant consummates a Restructuring Transaction, Greenhill shall be entitled to receive a fee equal to (A) 1.00% of the aggregate value of the 8.250% Notes, and (B) 0.50% of the face value of the Cargill Advanced Payment Facility Agreement, subject to a minimum payment of $2,000,000 (the "**Restructuring Transaction Fee**") payable upon the earlier of (a) the consummation of a Restructuring Transaction (out-of-court) and (b) the date on which notice is filed with the relevant court that a Plan (in-court) has become "effective". Notwithstanding the date upon which a Restructuring Transaction Fee becomes payable, such Restructuring Transaction Fee will be earned upon the earlier of (x) the consummation of a Restructuring Transaction and (y) the confirmation, sanction or approval of a Plan;

(c) **Financing Fee**. If at any time during the Fee Period, the Applicant raises new capital, Greenhill shall be entitled to receive a new capital or financing fee (a "**Financing Fee**") equal to (and as applicable): (i) 1.00% of the face amount of any senior secured debt raised, including, without limitation, any debtor in possession financing raised; and (ii) 2.00% of the face amount of any junior secured debt raised; and (iii) 3.00% of the face amount of any unsecured or subordinated debt raised; and (iv) 4.00% of any hybrid capital raised; and (v) 5.00% of any equity capital or capital convertible into equity raised, including, without limitation, equity underlying any warrants, purchase rights or similar contingent equity securities;

For the avoidance of doubt, the term "raised" includes the amount committed or otherwise made available to the Applicant, whether or not such amount (or any portion thereof) is drawn down at closing or is ever drawn down and whether or not such amount (or any portion thereof) is used to refinance existing obligations of the Applicant. Provided further, Greenhill will not receive a Financing Fee for any capital provided by existing shareholders (as listed in Schedule C of the Greenhill Engagement Letter). Provided further, that Greenhill shall be entitled to a Financing Fee due to new capital being raised from any entity which owns the 8.250% Notes;

(d) **M&A Fee**. If at any time during the Fee Period, either (a) a M&A Transaction is consummated or (b) a definitive agreement to effect an M&A Transaction is entered into and the M&A Transaction contemplated by such definitive agreement is eventually consummated at any time thereafter (including following the expiration of the Fee Period), in either case, Greenhill shall be entitled to receive an M&A fee (a "**M&A Fee**") equal to the greater of (a) $2,500,000 and (b) an amount determined in accordance with Schedule B to the Greenhill Engagement Letter which provides for the following:

(i) Transaction Value $200 million or lower: M&A Fee shall be $2.5 million;

(ii) Transaction Value $500 million or higher: M&A Fee shall be 0.75% of Transaction Value i.e. $3.75 million or higher; and

(iii) Transaction Value greater than $200 million but less than $500 million: M&A Fee shall be calculated by linear interpolation between $2.5 million and $3.75 million (1.25% to 0.75%).

(e) **Opinion Fee**. An opinion fee to be mutually agreed upon by the Applicant and Greenhill (the "**Opinion Fee**"), payable at the time Greenhill delivers any Opinion. No portion of the Opinion Fee shall be contingent upon the consummation of the Transaction or any conclusion set forth in the Opinion. The Opinion Fee, to the extent previously paid, shall be credited once against and otherwise discharged in full by payment of the M&A Fee payable to Greenhill hereunder; and

(f) **Crediting**. In the event that Greenhill earns both a Restructuring Transaction Fee and an M&A Fee concurrently, 50% of the lowest such fee earned (to the extent actually paid) shall be credited once against the other such fee.

29. In addition, the Greenhill Engagement Letter provides for the reimbursement of out-of-pocket expenses to a limit of $50,000.

30. The Greenhill Engagement Letter provides that in the event of the commencement of a proceeding under the CCAA, the Applicant shall apply promptly to Court, for approval of:

(a) The Greenhill Engagement Letter and the retention of Greenhill thereunder *nunc pro tunc*;

(b) The payment of the fees and expenses of Greenhill in the form and at the times contemplated therein; and

(c) A charge securing the payment of the fees in priority over the pre-filing claims of any secured and unsecured creditor of the Applicant.

31. The face value of the Cargill Advanced Payment Facility is $30 million. For illustrative purposes, if the aggregate value of the 8.250% Notes for the purposes of the Restructuring Transaction Fee was $225 million (being the principal amount of the 8.250% Notes), the Restructuring Transaction Fee would be $2.4 million.

32. As reported in the Pre-Filing Report, the Applicant obtained DIP financing proposals from both Cargill and the Ad Hoc Group. The Financing Fee payable under the Greenhill Engagement Letter calculated on the financing raised through those proposals is calculated as $1,139,000 plus applicable taxes.[1]

33. For illustrative purposes, the M&A Fee at various transaction values is shown below:

Transaction Value	M&A Fee
$M	$M
100	2.50
200	2.50
300	2.92
400	3.34
500	3.75
600	4.50

34. Under certain circumstances, for example the implementation of a CCAA plan of arrangement that provides for the sponsor to acquire all or substantially all of the equity in the Applicant, a Restructuring Transaction Fee and an M&A Fee could both be payable. It is also possible that a Financing Fee could be payable in connection with such a transaction.

35. The amount of the proposed Transaction Fee Charge has been calculated based on an assumed illustrative transaction value of $350 million with an aggregate value of $225 million of Notes restructured, together with a $45 million junior secured financing raised, as follows:

	$M
Restructuring Fee	2.4
M&A Fee	3.5
Financing Fee	0.9
Less: Credit	(1.2)
Total	**5.6**

[1] Although the Greenhill Engagement Letter contains a carveout from any Financing Fee for financing provided by Cargill (as a shareholder), the Financing Fee was calculated based on the committed capital raised under the September 11 DIP Agreement (as defined in the AHG Cross-Motion).

36. While certain data related to CCAA proceedings is tracked by *Insolvency Insider*, data is not available in respect of investment banking fees as they are often maintained as confidential. The Monitor has, however, reviewed data in respect of investment banking fees approved in proceedings under Chapter 11 of the *United States Bankruptcy Code*. Based on a comparison of the Greenhill fees[2] to the minimum, maximum and mean of the reviewed data set, the Greenhill fees are within market parameters:

	Greenhill	Minimum	Maximum	Mean
Monthly Fees	$125,000	$30,000	$200,000	$107,308
Restructuring Fees	1.00%	1.00%	2.00%	1.67%
M&A Fees	0.75% - 1.25%	1.00%	10.00%	2.70%
Senior Secured Debt	1.00%	0.75%	2.00%	1.30%
Junior Secured Debt	2.00%	2.00%	3.50%	2.83%
Unsecured Debt Fees	3.00%	1.00%	5.00%	2.82%
Hybrid Debt Fees	4.00%	N/A	N/A	N/A
Equity/Convertible Fees	5.00%	3.00%	6.00%	4.69%

37. The Monitor is of the view that the continued engagement of Greenhill to assist the Applicant in the implementation of the Solicitation Process will be beneficial to the Applicant and its stakeholders generally and to the efficient completion of the CCAA Proceeding.

38. In the circumstances of this case, the Transaction Fee Charge to secure the potential Transaction Fees is appropriate because it is possible that a transaction could potentially involve a credit bid which might otherwise not provide for sufficient cash consideration to pay the Transaction Fees on closing.

39. Accordingly, the Monitor respectfully recommends that the Applicant's request for the approval of the Greenhill Engagement Letter and the creation of the Transaction Fee Charge be granted.

[2] The Greenhill M&A Fee would be higher than 1.25% if the Transaction Value is less than $200 million because of the minimum fee of $2.5 million. For example, if the Transaction Value is $100 million, the Greenhill M&A Fee of $2.5 million would be 2.5%.

THE KERP

40. Details of the proposed KERP are attached as Confidential Exhibit C to the affidavit of Mr. Joe Broking, sworn October 15, 2023, and filed in support of the motion for the granting of the ARIO (the "**Broking ARIO Affidavit**").

41. The KERP includes 34 individuals. The aggregate amount of potential bonus payments under the KERP is $3,035,000, with individual entitlements ranging from 16% to 53% of maximum potential annual compensation. The Applicant communicated the specific KERP offer to the participants on October 11 and 12, 2023.

42. Each individual's KERP bonus is payable on the earlier of:

    (a) The completion of a transaction, defined as being a refinancing, investment, merger, sale of shares or the sale of all, or substantially all, of the assets of the Applicant;

    (b) The termination of employment without cause; or

    (c) October 10, 2024.

43. Any KERP payment made to a participant in the KERP (each a "**Key Employee**") will be paid in lieu of a performance bonus and will reduce such Key Employee's eligible change of control payment, if any, dollar-for-dollar.

The Monitor's Comments and Recommendation on the KERP

44. In a decision[3] issued November 18, 2021, in *Re. Just Energy*, the Honourable Mr. Justice Koehnen articulated that the factors to consider in determining whether to approve a KERP include:

    (a) Whether the beneficiaries of the KERP are likely to consider other employment opportunities if the KERP is not approved;

[3] *Just Energy Group Inc. et al*., 2021 ONSC 7630

(b) Whether the beneficiaries of the KERP are crucial to the successful restructuring of the debtor company;

(c) Whether a replacement could be found in a timely manner should the beneficiary elect to terminate his or her employment with the debtor company; and

(d) The business judgment of the board of directors of the debtor; and

(e) The approval of the Monitor;

Other Employment Opportunities

45. The CCAA Proceeding was commenced following a significant period of financial difficulty for the Applicant and uncertainty for the employees. The Applicant has informed the Monitor that it is of the view that there is a significant risk that the Key Employees are likely to consider other employment opportunities if the KERP is not approved.

Importance to a Successful Restructuring

46. Each of the Key Employees has a role that is important to the Applicant's efforts to achieve a successful sale or restructuring, and their departure could be very disruptive. Responsibilities of the Key Employees include the following:

(a) Mine operations, health and safety;

(b) Treasury and finance functions, supplier management, human resources and reporting; and

(c) Overall management of the business and assisting with the Solicitation Process.

47. The Ad Hoc Group has objected to the KERP in connection with the AHG Cross-Motion. Although the Ad Hoc Group have not stated its specific objections, previous discussions with the advisors to the Ad Hoc Group suggest that their primary issue is with respect to bonuses proposed for Key Employees with roles in senior management, treasury and finance functions, supplier management, human resources and reporting.

48. The Key Employees in those roles are critical to the ongoing operation of the business and the restructuring process and the CCAA Proceeding imposes significant additional responsibilities on those individuals.

Availability of Replacement

49. Given the nature of the expertise of the Key Employees and the work that they do, it is believed that finding suitable replacements in a timely manner, especially during the CCAA Proceeding, would be very difficult.

Business Judgment of the Board

50. As described in the Broking Initial Affidavit, exercising their good faith business judgement, the board of directors of the Applicant (the "**Board**") considered and unanimously approved the KERP on September 5, 2023. Mr. Broking also noted in the Broking Initial Affidavit that as a potential participant in the KERP, he disclosed his interest in approval of the KERP to the Board and did not participate in the vote approving the KERP.

The Approval of the Monitor

51. The KERP was developed by the Applicant with input from the Monitor. In developing the KERP, the Applicant and the Monitor considered publicly available information on key employee retention plans approved in previous CCAA proceedings. A copy of that information is attached hereto as **Appendix C**.

52. The Applicant will deposit funds for the payment of the obligations under the KERP with the Monitor. The KERP Charge will secure the obligations under the KERP against those funds so that Key Employees can be satisfied that the Applicant will be able to make payments under the KERP if and when due.

53. The Monitor is of the view that the KERP is appropriate, reasonable and justified in the circumstances and that the terms, conditions and amounts of potential payments are in line with employee retention plans approved in other CCAA proceedings.

54. Accordingly, the Monitor respectfully recommends that the Applicant's request for approval of the KERP and the creation of the KERP Charge be granted.

EXTENSION OF THE STAY PERIOD

55. The Stay Period currently expires on October 27, 2023. Additional time is required for the Applicant to undertake the Solicitation Process, to seek Court approval of the Successful Bid (as defined in the Solicitation Process) and complete the transaction. An extension of the Stay Period is necessary to provide the stability required during that time. Accordingly, the Applicant now seeks an extension of the Stay Period to February 9, 2024.

56. The October 7 Forecast attached to the Pre-Filing Report demonstrates that the Applicant should have sufficient liquidity to fund the CCAA Proceeding during the requested extension of the Stay Period.

57. Based on the information currently available, the Monitor believes that circumstances exist that make the proposed extension of the Stay Period appropriate and that creditors of the Applicant would not be materially prejudiced by the proposed extension of the Stay Period.

58. The Monitor also believes that the Applicant has acted, and is acting, in good faith and with due diligence.

59. The Monitor therefore respectfully recommends that this Honourable Court grant the Applicant's request for an extension of the Stay Period to February 9, 2024.

THE SOLICITATION ORDER

60. The Applicant seeks the granting of the Solicitation Order approving the Solicitation Process. A copy of the Solicitation Process is attached hereto as **Appendix D**. Capitalized terms used in this section of this Report and not otherwise defined are as defined in the Solicitation Process.

THE SOLICITATION PROCESS

61. The Solicitation Process is a "two-phase" process of the type commonly utilized in proceedings under the CCAA and will be undertaken by the Applicant with the assistance of Greenhill, under the supervision of the Monitor. It provides for a fair and transparent process to obtain proposals for the sale of the Property or the Business or an investment in, restructuring, recapitalization, refinancing or other form of reorganization of the Applicant or its Business as a going concern, or a combination thereof (the '**Transaction Opportunity**").

62. In addition, the Solicitation Process will also provide the ability for interested parties to investigate and conduct due diligence regarding an opportunity to arrange an offtake, service or other agreement in respect of the Business (the "**Offtake Opportunity**" and together with the Transaction Opportunity, the "**Opportunity**")).

63. Greenhill, in consultation with the Monitor and the Applicant, will prepare a list of Potential Bidders, including:

(a) Parties that have approached the Applicant, Greenhill or the Monitor indicating an interest in the Opportunity;

(b) Parties suggested by the Applicant's secured creditors or their advisors;

(c) Strategic and financial parties, including offtakers and streamers, who it is believed could be interested in the Opportunity;

(d) Cargill and the Ad Hoc Group; and

(e) Parties that have previously showed an interest in the Opportunity.

64. Potential Bidders will be sent a Teaser Letter notifying them of the Opportunity and the Solicitation Process. In addition, notice of the Solicitation Process will be posted on the Monitor's Website and may be published in trade or insolvency-related publications.

65. In order to become a Phase 1 Bidder and be granted access to due diligence information, a Potential Bidder must execute an NDA.

66. Non-binding letters of intent must be submitted by the Phase 1 Bid Deadline, being noon Eastern time on December 1, 2023, or such other date or time as may be agreed by Applicant, in consultation with Greenhill, and with the consent of the Monitor. Phase 2 Bidders will be provided access to additional due diligence materials and invited to participate in on-site tours and inspections at the Scully Mine.

67. Binding Phase 2 Bids must be submitted by the Phase 2 Bid Deadline, being noon Eastern time on January 19, 2024, or such later date or time as may be agreed by Applicant, in consultation with Greenhill, and with the consent of the Monitor, and each Phase 2 Bid will be assessed by the Applicant, in consultation with Greenhill and the Monitor, to determine whether it constitutes a Phase 2 Qualified Bid.

68. Following evaluation of the Phase 2 Qualified Bids, the Applicant may, in consultation with Greenhill and the Monitor, undertake one or more of the following steps:

(a) Select one of the Phase 2 Qualified Bids as the Successful Bid and take such steps as may be necessary to finalize definitive transaction documents for the Successful Bid with Successful Bidder;

(b) Continue negotiations with any Phase 2 Bidder that has submitted a Phase 2 Qualified Bid with a view to finalizing acceptable terms with one or more of such Phase 2 Bidders; or

(c) Schedule an auction with all Phase 2 Bidders that submitted Phase 2 Qualified Bids to determine the Successful Bid in accordance with auction procedures to be determined by Greenhill and the Monitor (in consultation with Cargill and the Ad Hoc Group, provided that they and their members are not Bidders that submitted Phase 2 Qualified Bids). Auction procedures (if applicable) will be provided to Bidders at least four days prior to an auction.

69. The Applicant shall seek Court approval of the Successful Bid(s) following such determination. The Applicant, in consultation with the Greenhill and Monitor may, but is not required to, select a Back- Up Bid.

70. The timeline for the Solicitation Process, which may be extended with the consent of the Monitor, is summarized as follows:

Event	Timing
Phase 1	
1. Notice Monitor to publish a notice of the Solicitation Process on the Monitor's Website Greenhill / Applicant to publish notice of the Solicitation Process in industry trade publications, as determined appropriate Greenhill to distribute Teaser Letter and NDA (if requested) to potentially interested parties	No later than five (5) days following issuance of the Solicitation Order.
2. Phase 1 - Access to VDR Phase 1 Bidders provided access to the VDR, subject to execution of appropriate NDAs	The period to December 1, 2023
3. Phase 1 Bid Deadline Deadline for Phase 1 Bidders to submit non-binding LOIs in accordance with the requirements of section 23	By no later than December 1, 2023, at 12:00 p.m. (Eastern Time)

4. Notification of Phase 1 Qualified Bid Deadline to notify a Phase 1 Bidder whether it has been designated as a Phase 2 Bidder invited to participate in the second phase.	By no later than December 6, 2023, at 12:00 p.m. (Eastern Time)
Phase 2	
5. Phase 2 Bid Deadline Phase 2 Bid Deadline (for delivery of definitive offers by Phase 2 Qualified Bidders in accordance with the requirements of section 34)	By no later than January 19, 2024, at 12:00 p.m. (Eastern Time)
6. Definitive Documentation Deadline for completion of definitive documentation in respect of a Successful Bid and filing of the Approval Motion	By no later than February 2, 2024
7. Approval Motion Hearing of Approval Motion in respect of Successful Bid (subject to Court availability)	Week of February 5, 2024
8. Outside Date – Closing Outside date by which the Successful Bid must close	February 23, 2024 (subject to customary conditions related to necessary and required regulatory approvals acceptable to Applicant, in consultation with the Greenhill and the Monitor, in their sole discretion)

71. The Solicitation Process includes a communications protocol designed to protect the integrity of the Solicitation Process while providing Bidders the opportunity to undertake discussions that might be necessary for them to submit a Phase 1 Qualified Bid or a Phase 2 Qualified Bid.

THE MONITOR'S COMMENTS AND RECOMMENDATION

72. The Monitor has considered the Solicitation Process in light of the principles of section 36 of the CCAA and leading decisions dealing with the sale of assets in court-supervised proceedings. The Monitor is of the view that the Solicitation Process is consistent with those principles and provides for a broad, open, fair and transparent process with an appropriate level of independent oversight, that should encourage and facilitate bidding by interested parties and is reasonable in the circumstances. Furthermore, the Monitor does not believe that any aspect of the Solicitation Process should discourage parties from submitting offers.

73. Accordingly, the Monitor respectfully recommends that the Applicant's request for approval of the Solicitation Process be granted.

THE AHG CROSS-MOTION

74. The AHG Cross-Motion seeks the granting of the AHG ARIO rather than the ARIO as proposed by the Applicant. If the Court declines to grant the AHG ARIO, the AHG Cross-Motion seeks, in the alternative, to have various declarations or directions be included in the ARIO.

THE AHG ARIO

75. The AHG ARIO differs from the ARIO in that it provides for the Approval of the AHG DIP Proposal in place of the DIP Financing Agreement. In addition, there are material differences or changes at paragraphs 17, 27, 47, 48 and 49 of the AHG ARIO.

76. As noted earlier in this Report, the Monitor remains of the view that the DIP Financing Agreement is a superior DIP and recommends that it be approved. The Monitor does not recommend the approval of the AHG DIP Proposal.

77. In the AHG ARIO, paragraph 17 of the ARIO proposed by the Applicant is changed to delete the text struck through below and add the underlined text as follows:

> "17. THIS COURT ORDERS that, no Person shall be entitled to set off any amounts that: (a) are or may become due to the Applicant in respect of obligations arising prior to the date hereof with any amounts that are or may become due from the Applicant in respect of obligations arising on or after the date of this Order; or (b) are or may become due from the Applicant in respect of obligations arising prior to the date hereof with any amounts that are or may become due to the Applicant in respect of obligations arising on or after the date of this Order, each without the consent of the Applicant and the Monitor, or leave of this Court, ~~provided that nothing in this Order shall prejudice any arguments any person may want to make in seeking leave of the Court or following the granting of such leave~~. For greater certainty, Cargill shall not set-off any amount due under the Advance Payment Facility Agreement (as defined in the Broking Affidavit) against any amounts that are or may become due to the Applicant on or after the date of this Order."

78. The purpose of paragraph 17 of the ARIO, which was granted as paragraph 13 of the Initial Order, is to prevent parties from exercising pre-filing to post-filing set-off. Pre-filing amounts are due to Cargill under the Advanced Payment Facility Agreement and various amounts in respect of pre-filing deliveries of iron ore remain owing to the Applicant by Cargill. Because the proposed language of paragraph 17 of the AHG ARIO omits the phrase "in respect of obligations arising" after the word "Applicant" in the final sentence, it could have the effect of prohibiting Cargill from exercising any pre-filing to pre-filing set-off rights it might have.

79. Paragraph 27 of the AHG ARIO states:

> "27. THIS COURT ORDERS that the engagement of GLC Advisors & Co., and GLC Securities, LLC (together, "GLC") as an investment banker to the DIP Lenders pursuant to the engagement letter dated as of April 25, 2023 and as amended as of September 7, 2023 (the "GLC Engagement Letter") and payment by the Applicant of the Monthly Advisory Fees, Transaction Fee, Discretionary Fee and Expenses (each as defined in the GLC Engagement Letter) are hereby approved and shall be secured by the DIP Charge (as defined below) with the priority provided for herein."

80. Payment of the fees and expenses of the advisors to the Ad Hoc Group is not permitted pursuant to the DIP Financing Agreement. The Monitor notes that, as at the date of this Report, the GLC Engagement Letter has not been filed with the Court and, accordingly, the AHG is seeking approval of terms and fees which have not been disclosed to the Court.

81. Paragraphs 47 and 48 of the AHG ARIO state:

> "47. THIS COURT ORDERS that Cargill shall continue to make the deemed Margin Advances (as defined in the Advance Payments Facility Agreement) under section 2.2 of the Advance Payments Facility Agreement to fund any Margin Amounts (as defined in the Advance Payments Facility Agreement) required to be funded from and after October 24, 2023.
>
> 48. THIS COURT ORDERS that Cargill shall be entitled to the benefit of and is hereby granted a charge (the "Cargill Margin Charge") in the amount of all such Margin Advances advanced by Cargill on or after October 24, 2023 that are at any time outstanding."

82. Paragraph 49 of the AHG ARIO provides that the Cargill Margin Charge would rank third, behind the Administration Charge and the Directors' Charge, and *pari passu* with a portion of the Transaction Fee Charge and the DIP Charge.

83. The Advance Payments Facility Agreement matured on October 10, 2023. Under the DIP Financing Agreement, Cargill has agreed to cause CITPL to continue to make the deemed Margin Advances under section 2.2 of the Advance Payments Facility Agreement available to fund any Margin Amounts required to be funded from and after the Filing Date provided that such amounts are secured by the DIP Lender Charge, to a maximum amount of $20 million. Prior to the commencement of the CCAA Proceeding, Cargill informed the Applicant that it was not prepared to cause CITPL to continue to make the deemed Margin Advances unless it was the DIP lender and the Margin Advances were secured by a priority charge.

84. The effect of paragraph 47 the AHG ARIO would be to compel Cargill to continue to advance credit through new credit advances during the CCAA Proceeding.

85. In addition to the foregoing material changes, the Monitor notes that paragraph 44 of the AHG ARIO purports to approve the KERP "as described in the DIP Agreement" and authorizes the Applicant to "make payments contemplated thereunder in accordance with the terms and conditions of the KERP.".

86. The AHG DIP Proposal provides no description or detailed terms and conditions of the proposed KERP; it simply defines "KERP" to mean:

> "a key employee retention program in an amount not to exceed $5,000,000 in the aggregate, which program shall be acceptable to the Required DIP Lenders in all material respects, including milestones and allocation, which the DIP Lenders covenant to make good faith efforts to resolve with the Borrower in a timely manner."

87. Despite the September 11 DIP Agreement[4] including provision for a KERP, and notwithstanding multiple requests from the Applicant's advisors and from the Monitor, as at the date of this Report, the Ad Hoc Group have not yet provided any details of what would constitute a KERP acceptable to the Ad Hoc Group. Furthermore, neither the AHG Cross-Motion nor any of the materials filed in support thereof provide any details of which employees would be included in the KERP, what their bonus entitlements would be or the terms and conditions for payment. Accordingly, the AHG is seeking approval of a KERP, the terms of which have not been disclosed to the Applicant or the Court.

88. Considering all of the forgoing, the Monitor respectfully recommends that the AHG Cross-Motion for the granting of the AHG ARIO be dismissed.

REQUESTED DECLARATIONS OR DIRECTIONS

89. Set forth below is a description of the declarations or directions that, if the AHG ARIO is not granted, the Ad Hoc Group is asking to be included in the ARIO (collectively, the "**AHG Declarations**"), together with the Monitor's observations and recommendations with respect thereto.

90. The Ad Hoc Group seeks direction that any DIP financing proposal approved by the Court not prevent or in any way hinder the disclaimer of the Offtake Agreement, including, but not limited to, by making such a disclaimer an "event of default".

91. Paragraphs 21(r) (Affirmative Covenants) and 23(d) (Events of Default) of the DIP Financing Agreement state:

> "21(r) Comply with the terms, and keep in full force and effect, each of (i) the Offtake Agreement, (ii) the Onshore Agreement and (iii) the Wetcon PSA (other than any notice delivered under Section 4.4 thereof unless delivered following an Event of Default and with leave of the Court in accordance with Section 24 hereof);

[4] As defined in the AHG Cross-Motion.

> 23(d) The termination, suspension or disclaimer of the Existing Arrangements, or the taking of any steps to terminate, suspend or disclaim (if permitted under the CCAA) any of the Existing Arrangements (which, for greater certainty, shall not include (i) the commencement and prosecution of the SISP, including the solicitation of an Alternative Offtake or Service Agreement, or (ii) taking any step or related action pursuant to a binding agreement entered into in respect of a Restructuring Transaction at or after the Bid Deadline, including executing such agreement, seeking court approval of such binding agreement or taking any steps in connection with consummating the Restructuring Transaction pursuant to such binding agreement in each case at or after the Bid Deadline), without prejudice to any rights that CITPL may have pursuant to section 32 (including subsection 32(9)(c)) of the CCAA or otherwise;".

92. Accordingly, the DIP Financing Agreement does not prevent the disclaimer of the Offtake Agreement, though such a disclaimer would be a breach of an affirmative covenant and an Event of Default unless such disclaimer related to a binding agreement arising from the Solicitation Process after the Bid Deadline. While, in practice, it is likely that any disclaimer of the Offtake Agreement, if a disclaimer is considered appropriate, would in any event only occur in connection with a binding agreement, it would still be possible for the Applicant to seek to disclaim the Offtake Agreement prior to the Bid Deadline provided it had an alternate DIP facility available to replace the DIP Financing Agreement.

93. The Ad Hoc Group seeks the approval of the appointment of a chief restructuring officer (a "**CRO**"), as an officer of the court, on terms acceptable to the Ad Hoc Group and the Applicant, or as may otherwise be ordered by the Court.

94. The Ad Hoc Group have not disclosed or described what the acceptable scope or terms of any appointment of a CRO would be, nor is the Monitor is aware of any evidence having been advanced by the Ad Hoc Group to justify the appointment of a CRO. Accordingly, the Monitor is unable to comment specifically on the proposed scope or terms of such an appointment or the Ad Hoc Group's rationale. However, the Monitor is of the view that the imposition of a CRO as an Officer of the Court is unnecessary, would be of no benefit to the restructuring process in this case and would result in unwarranted additional costs. The restructuring path, being the implementation of the Solicitation Process, has already been determined and does not appear to be in dispute. The Solicitation Process, if approved by the Court, will be undertaken by Greenhill under the supervision of the Monitor, an independent Officer of the Court.

95. The Ad Hoc Group seeks a declaration providing that the terms of any key employee retention plan must be acceptable to the Ad Hoc Group, or as may otherwise be ordered by the Court.

96. As noted earlier in this Report, despite the September 11 DIP Agreement including provision for a KERP, the Ad Hoc Group have not yet provided any details of what would constitute a KERP acceptable to the Ad Hoc Group or even what the specific objections are to the Applicant's proposed KERP. Further delay in approval of the KERP increases the risk of loss of key employees which would be detrimental to all stakeholders.

97. The Ad Hoc Group seeks a declaration providing that any Ancillary Post-Filing Credit Extensions require the consent of the Ad Hoc Group or further Order of this Court.

98. The Ancillary Post-Filing Credit Extensions under the DIP Financing Agreement are the cost of any Additional Services. Additional Services are services (including consulting or advisory services or technical support) whether provided through third parties or by employees of Cargill that may be agreed by the Applicant and Cargill from time to time, with the consent of the Monitor. The cost of any such Additional Services is also subject to the consent of the Monitor. Accordingly, a declaration that any Ancillary Post-Filing Credit Extensions be subject to the approval of the Ad Hoc Group or further Order of the Court is unnecessary and unjustified.

99. The Ad Hoc Group seeks a declaration providing that the Transaction Fee Charge rank above the Senior Priority Notes only to the maximum amount of the GLC Fees (each as defined in the AHG Cross-Motion), with such other amounts ranking pari passu with the Senior Priority Notes.

100. The effect of the proposed declaration regarding the ranking of the Transaction Fee Charge would mean that any amount of the Greenhill Transaction Fees, if they are approved by the Court, in excess of the amounts that would be earned by GLC under the GLC Engagement Letter, would only be paid in full if the ultimate Restructuring Transaction is at a value high enough to repay the DIP Obligations and the Senior Priority Notes. As noted earlier in this Report, the fees payable under the GLC Engagement Letter have not been disclosed to this Court.

101. In light of the foregoing, the Monitor is of the view that the AHG Declarations are not necessary, appropriate or justified and respectfully recommends that the ARIO be granted in the form proposed by the Applicant.

The Proposed Monitor respectfully submits to the Court this, its First Report.

Dated this 20th day of October, 2023.

FTI Consulting Canada Inc.
In its capacity as Proposed Monitor of
Tacora Resources Inc.

Nigel D. Meakin
Senior Managing Director

Jodi Porepa
Senior Managing Director

Appendix A

The Pre-Filing Report

Court File No. _____

Tacora Resources Inc.

PRE-FILING REPORT OF THE PROPOSED MONITOR

October 9, 2023

Court File No. _____

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.

PRE-FILING REPORT TO THE COURT SUBMITTED BY FTI CONSULTING CANADA INC., IN ITS CAPACITY AS PROPOSED MONITOR

INTRODUCTION

1. FTI Consulting Canada Inc. ("**FTI**" or the "**Proposed Monitor**") has been informed that Tacora Resources Inc. (the "**Applicant**") intends to make an application under the *Companies' Creditors Arrangement Act,* R.S.C. 1985, c. C-36, as amended (the "**CCAA**") for an initial order (the "**Proposed Initial Order**") granting, *inter alia*, a stay of proceedings in favour of the Applicant for an initial ten days, (the "**Stay Period**") and appointing FTI as monitor (in such capacity, the "**Monitor**"). The proceeding to be commenced by the Applicant under the CCAA will be referred to herein as the "**CCAA Proceeding**".

2. This pre-filing report of the Proposed Monitor (the "**Report**") has been prepared to provide information to this Court for its consideration in respect of the relief sought by the Applicant in the Proposed Initial Order.

3. The Proposed Monitor understands that the Applicant will be seeking a further order (the "**Proposed Amended and Restated Initial Order**") at a subsequent hearing, to be scheduled with the supervising judge prior to the expiry of the Stay Period, granting certain broader relief. If appointed, the Monitor intends to file a further report in advance of that hearing to provide information on the relief sought in the Proposed Amended and Restated Initial Order.

4. The purpose of this Report is to inform the Court on the following:

   (a) The qualifications of FTI to act as Monitor and an overview of the involvement of FTI and its affiliates with the Applicant to date;

   (b) The state of the business and affairs of the Applicant and the causes of its financial difficulty and insolvency;

   (c) The proposed conduct of the CCAA Proceeding;

   (d) The Applicant's weekly cash flow forecast for the period October 9, 2023, to February 25, 2024 (the "**October 7 Forecast**");

   (e) The Applicant's request, and the Proposed Monitor's recommendation thereon, for:

      (i) Approval of the DIP Facility Term Sheet (the "**DIP Financing Agreement**") dated October 9, 2023, between the Applicant, as Borrower and Cargill, Incorporated ("**Cargill**" or the "**DIP Lender**"), pursuant to which the DIP Lender has agreed to advance up to a maximum principal amount of $75 million (the "**DIP Facility**") to the Applicant, subject to the terms and conditions of the DIP Financing Agreement, with an initial loan amount of up to $15.5 million being available prior to the comeback hearing; and

(ii) A priority charge in favour of the DIP Lender on all the assets, property and undertakings of the Applicant in order to secure the obligations under the DIP Financing Agreement as described below (the "**DIP Charge**");

(f) The Applicant's request for approval of a charge in the amount of $4.6 million (the "**Directors' Charge**") securing the indemnification by the Applicant of its directors and officers against obligations and liabilities that they may incur as directors or officers of the Applicant after the commencement of the CCAA Proceeding, except to the extent that, with respect to any individual, the obligation or liability was incurred as a result of the individual's gross negligence or wilful misconduct, and the Proposed Monitor's recommendation thereon; and

(g) The Applicant's request for approval of a charge in the amount of $1 million (the "**Administration Charge**") securing the fees and expenses of the Monitor and legal counsel to the Monitor (the "**Monitor's Counsel**"), legal counsel of the Applicant (the "**Applicant's Counsel**"), and the payment by the Applicant of the Monthly Advisory Fee (as defined in the Engagement Letter (the "**Greenhill Engagement Letter**") dated as of January 23, 2023 between the Applicant and Greenhill & Co. Canada Ltd. ("**Greenhill**")) and the Proposed Monitor's recommendation thereon.

TERMS OF REFERENCE

5. In preparing this Report, the Proposed Monitor has relied upon unaudited financial information of the Applicant, the Applicant's books and records, certain financial information prepared by the Applicant and discussions with various parties (the "**Information**").

6. Except as otherwise described in this Report:

(a) The Proposed 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 Assurance Standards pursuant to the Chartered Professional Accountants of Canada Handbook; and

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

7. The Proposed Monitor has prepared this Report in connection with the application for the Proposed Initial Order filed, or to be filed, by the Applicant (the "**Initial Application**") and should not be relied on for any other purpose.

8. Future oriented financial information reported or relied on in preparing this Report is based on the assumptions of the management of the Applicant ("**Management**") regarding future events; actual results may vary from forecast and such variations may be material.

9. Unless otherwise stated, all monetary amounts contained herein are expressed in United States Dollars. Capitalized terms not otherwise defined herein have the meanings given to them in the affidavit of Mr. Joe Broking, President and Chief Executive Officer of the Applicant (the "**Broking Initial Affidavit**") or in the affidavit of Mr. Chetan Bhandari of Greenhill (the "**Bhandari Initial Affidavit**"), both sworn October 9, 2023, in support of the Initial Application.

EXECUTIVE SUMMARY

10. The Proposed Monitor is of the view that:

(a) Granting the relief requested in the Proposed Initial Order will provide the Applicant with the best opportunity to preserve and maximize value for its stakeholders;

(b) The DIP Facility is necessary, the terms of the DIP Financing Agreement are reasonable and within market parameters, it is the best interim financing facility currently available, and no creditor will be materially prejudiced by the approval of the DIP Financing Agreement or the granting of the DIP Charge;

(c) The quantum of the proposed Directors' Charge is reasonable in relation to the quantum of the estimated potential liability;

(d) The quantum of the proposed Administration Charge is reasonable in the circumstances; and

(e) The relief requested by the Applicant, including the approval of the DIP Financing Agreement, the granting of the DIP Charge, the Directors' Charge and the Administration Charge, is necessary, reasonable and justified.

11. Accordingly, the Proposed Monitor respectfully recommends that the Applicant's request for the Proposed Initial Order be granted by this Honourable Court.

FTI AND ITS AFFILIATES

QUALIFICATIONS TO ACT

12. FTI is a trustee within the meaning of section 2 of the *Bankruptcy and Insolvency Act,* R.S.C. 1985, c. B-3, as amended, (the "**BIA**") and is not subject to any of the restrictions on who may be appointed as monitor set out in section 11.7(2) of the CCAA. FTI has provided its consent to act as Monitor.

13. As set out in greater detail below, FTI has been acting as financial advisor to the Applicant and is familiar with its business and operations, certain of their personnel, the key issues and the key stakeholders in this CCAA Proceeding. The senior FTI representative with carriage of this matter is an experienced Chartered Insolvency and Restructuring Professional and a Licensed Insolvency Trustee, who has acted in restructurings and CCAA matters in Ontario and other provinces of Canada and as an authorized "foreign representative" in foreign jurisdictions.

14. FTI also has extensive experience in the mining industry, including specifically with the Scully Mine, which was acquired by the Applicant in the CCAA proceedings of Wabush Mines, commenced in 2015, a case in which FTI is the court-appointed Monitor. A number of suppliers of the Applicant are also creditors in the Wabush Mines CCAA proceedings. The Wabush Mines CCAA proceedings are not yet complete as certain litigation has delayed the final distribution under the plan of arrangement. However, the only remaining matters in the Wabush Mines CCAA proceedings are the implementation of the final distribution and other administrative matters. Accordingly, FTI does not believe that there would be any conflict of interest between its appointment as monitor of Wabush Mines and an appointment as Monitor of the Applicant.

INVOLVEMENT TO DATE OF FTI

15. FTI was originally engaged as financial advisor to the Applicant pursuant to an engagement letter between FTI and the Applicant, executed December 5, 2022 (the "**FTI Engagement Letter**"), and has been active from time to time since then in providing assistance and advice to the Applicant. FTI's role as financial advisor was to provide financial, strategic and restructuring advice and, if necessary, to assist the Applicant in preparing for a filing under the CCAA.

16. FTI has provided no accounting or auditing advice to the Applicant. Fees payable to FTI pursuant to the FTI Engagement Letter are based on hours worked multiplied by normal hourly rates. FTI is not entitled to any success-based or other contingency-based fee.

THE APPLICANT'S BUSINESS & AFFAIRS AND CAUSES OF INSOLVENCY

17. The business and affairs of the Applicant and the causes of its insolvency are described in the Broking Initial Affidavit. The Proposed Monitor has reviewed the Broking Initial Affidavit and discussed the business and affairs of the Applicant and the causes of its insolvency with Management and is of the view that the Broking Initial Affidavit provides a fair summary thereof.

THE PROPOSED CONDUCT OF THE CCAA PROCEEDINGS

18. As described in the Broking Initial Affidavit, at the comeback hearing the Applicant intends to seek:

    (a) An extension of the Stay Period to February 9, 2024;

    (b) Authorization to borrow up to the full $75 million available under the DIP Financing Agreement;

    (c) An increase in the Director's Charge to $5.2 million;

    (d) Approval of the Greenhill Engagement Letter and charges in the cumulative amount of $5.6 million to secure the Transaction Fee (as defined in the Broking Initial Affidavit);

    (e) Approval of a sale, investment and services solicitation process (the "**Solicitation Process**") to solicit interest in a potential Restructuring Transaction[1] that may be available to the Applicant; and

    (f) Approval of a key employee retention plan (the "**KERP**") and the granting of a charge to secure payments under the KERP (the "**KERP Charge**").

[1] As defined in the Solicitation Process.

19. The Monitor will provide a report with its recommendations on the proposed additional relief prior to the comeback hearing.

THE OCTOBER 7 FORECAST

20. The October 7 Forecast, together with Management's report on the cash-flow statement as required by section 10(2)(b) of the CCAA, is attached hereto as **Appendix A**. The October 7 Forecast shows a net cash outflow of approximately $71.8 million for the period October 9, 2023, to February 25, 2024, excluding advances, interest and fees under the DIP Financing Agreement, and is summarized below:

	$000
Total Receipts	**135,981**
Operating Disbursements	
Employees	(23,930)
Mine, Mill and Site Costs	(39,605)
Plant Repairs and Maintenance	(44,122)
Logistics	(42,065)
Capital Expenditures	(37,288)
Other	(10,263)
Total Operating Disbursements	**(197,273)**
Net Cash from Operations	**(61,292)**
Restructuring Legal and Professional Costs	(7,457)
KERP	(3,035)
Net Cash Flow	**(71,784)**
Opening Cash Balance	**12,272**
Net Receipts/(Disbursements)	(71,784)
DIP Advances/(Repayments)	72,400
DIP Fees and Interest	(1,730)
Closing Cash Balance	**11,158**

21. Section 23(1)(b) of the CCAA states that the Monitor shall:

> "review the company's cash-flow statement as to its reasonableness and file a report with the court on the monitor's findings;"

22. Pursuant to section 23(1)(b) of the CCAA and in accordance with the Canadian Association of Insolvency and Restructuring Professionals Standard of Practice 09-1, the Proposed Monitor hereby reports as follows:

(a) The October 7 Forecast has been prepared by Management of the Applicant for the purpose described in Note 1, using the probable assumptions and the hypothetical assumptions set out in Notes 1 to 7 thereof;

(b) The Proposed Monitor's review consisted of inquiries, analytical procedures and discussion related to information supplied by certain of Management, employees of the Applicant and Greenhill. Since hypothetical assumptions need not be supported, the Proposed Monitor's procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the October 7 Forecast. The Proposed Monitor has also reviewed the support provided by Management for the probable assumptions, and the preparation and presentation of the October 7 Forecast;

(c) Based on its review, nothing has come to the attention of the Proposed Monitor that causes it to believe that, in all material respects:

(i) The hypothetical assumptions are not consistent with the purpose of the October 7 Forecast;

(ii) As at the date of this Report, the probable assumptions developed by Management are not suitably supported and consistent with the plans of the Applicant or do not provide a reasonable basis for the October 7 Forecast, given the hypothetical assumptions; or

(iii) The October 7 Forecast does not reflect the probable and hypothetical assumptions;

(d) Since the October 7 Forecast is based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and the variations may be material. Accordingly, the Proposed Monitor expresses no assurance as to whether the October 7 Forecast will be achieved. The Proposed Monitor expresses no opinion or other form of assurance with respect to the accuracy of any financial information presented in this Report, or relied upon by the Proposed Monitor in preparing this Report; and

(e) The October 7 Forecast has been prepared solely for the purpose described in Note 1 on the face of the October 7 Forecast and readers are cautioned that it may not be appropriate for other purposes.

THE DIP FINANCING AGREEMENT AND PROPOSED DIP CHARGE

THE DIP FINANCING SELECTION PROCESS

23. Unless otherwise defined or specified, capitalized terms used in this section of this Report are as defined in the DIP Financing Agreement, a copy of which is attached as **Exhibit K** to the Broking Initial Affidavit.

24. As described in the Broking Initial Affidavit and the Bhandari Initial Affidavit, the Applicant engaged in a competitive interim financing solicitation process and received, actively exchanged and negotiated terms with certain third parties and its secured creditors, including the DIP Lender and the Ad Hoc Group of Senior Noteholders, (the "**Ad Hoc Group**").

25. In the days leading up to the CCAA filing, the Applicants received DIP proposals from both the Ad Hoc Group and the DIP Lender. In order to ensure that the Applicants made a fully informed decision in choosing between the two proposals, the Applicant requested that both parties provide final, definitive, executed DIP term sheets by 5:00 pm on October 7, 2023 (the "**DIP Deadline**"). Leading up to the DIP Deadline, the Applicants provided feedback to each of the parties on their existing proposal and related documents, including the DIP Budget.

26. At the DIP Deadline, the DIP Lender submitted an executed DIP term sheet with a maximum facility of $60 million. The cover email noted that the revised forecasts provided to the DIP Lender indicated that the DIP requirement had increased to $72.4 million and that head office approval would be sought for the necessary increase in the amount of the DIP Facility.

27. Also at the DIP Deadline, the Ad Hoc Group informed the Applicant that they would not be able to provide a binding executed offer by the DIP Deadline, but noted that the Ad Hoc Group was still committed to providing a DIP facility as previously agreed and stood behind their DIP term sheet previously submitted on September 12, 2023.

28. The Applicant continued discussions with both the DIP Lender and the Ad Hoc Group. Ultimately, the Ad Hoc Group submitted a revised DIP term sheet and the DIP Lender confirmed the increase in the size of their proposed facility and agreed to some proposed drafting changes.

29. The Applicant carefully considered the two submissions and ultimately selected the DIP Financing Agreement from the DIP Lender as it was determined, in the business judgement of the Board of Directors of the Applicant, to be the superior proposal based on a variety of factors including:

    (a) The size of the DIP facilities and the resultant relative potential prejudice to stakeholders;

    (b) The cash costs associated with each DIP proposal;

(c) The terms, conditions, covenants and events of defaults in each DIP proposal;

(d) The relative degree of potential operational disruption resulting from each DIP proposal; and

(e) The continued availability of margin and hedging arrangements under the DIP Financing Agreement.

THE DIP FINANCING AGREEMENT

30. Subject to the terms and conditions of the DIP Financing Agreement, the DIP Lender has agreed to lend to the Applicant up to $75 million for the following purposes (in each case in accordance with the DIP Budget):

(a) To pay the reasonable and documented professional and advisory fees and expenses (including legal fees and expenses) of the Applicant and the Monitor;

(b) To pay the reasonable and documented DIP Lender Expenses;

(c) To pay the interest, fees and other amounts owing to the DIP Lender under the DIP Financing Agreement; and

(d) To fund, in accordance with the DIP Budget, the Applicant's funding requirements during the CCAA Proceedings, including, without limitation, in respect of the pursuit of a Restructuring Transaction and the working capital and other general corporate funding requirements of the Applicant during such period.

31. The Applicant is required to use the proceeds from the DIP Advances solely in accordance with the DIP Budget subject to the Permitted Variance, being a variance of not more than 15% in the aggregate disbursements (excluding the DIP Lender Expenses) on a cumulative basis since the beginning of the period covered by the applicable DIP Budget.

32. The DIP Facility will be made available by way of:

(a) **An Initial Advance**: In the principal amount of $15.5 million to be advanced not later than one (1) Business Day following the satisfaction of the conditions precedent to the Initial Advance as set out in Section 7 of the DIP Financing Agreement (which conditions precedent include, without limitation: (i) the Proposed Initial Order having been issued in substantially the form attached as a schedule to the DIP Financing Agreement; and (ii) delivery by the Applicant of an Advance Confirmation Certificate (in the form attached as a schedule to the DIP Financing Agreement) to the DIP Lender and Monitor). All accrued DIP Lender Expenses incurred prior to the Filing Date (which are capped at CDN125,000) in connection with the DIP Facility and the preparation for and initiation of the CCAA Proceedings shall be paid in full by way of a deduction from the Initial Advance.

(b) **Subsequent Advances**: Subsequent Advances to be made every other week (or as otherwise agreed to by the Applicant and DIP Lender) with each Subsequent Advance amount being in an amount no less than $1 million and the principal amount of the aggregate Subsequent Advances being no more than $59.5 million. The timing for each Subsequent Advance shall be determined based on the funding needs of the Applicant as set forth in the DIP Budget. Each Subsequent Advance is required to be advanced by the DIP Lender within two (2) Business Days of delivery by the Applicant of an Advance Confirmation Certificate, provided the conditions precedent to the Subsequent Advances as set out in Section 8 of the DIP Financing Agreement are satisfied as of the date of delivery of the Advance Confirmation Certificate to the DIP Lender and Monitor (which conditions precedent include, without limitation, the Proposed Amended and Restated Initial Order having been issued in substantially the form attached as a schedule to the DIP Financing Agreement).

33. Under the DIP Financing Agreement, the DIP Lender has also agreed to maintain certain existing business arrangements between the Applicant and Cargill and its affiliate, Cargill International Trading PTE Ltd. ("**CITPL**"). Unless an Event of Default then exists under the DIP Financing Agreement, Cargill will:

(a) Cause CITPL to continue to make the deemed Margin Advances under the Advance Payments Facility Agreement to fund any Margin Amounts (the "**Post-Filing Margin Advances**") which amounts are to be secured by the DIP Charge;

(b) Cause CITPL to continue to provide the Applicant with (i) services in a manner consistent with past practice, to assist with the Applicant's business and operation (the "**Existing Services**") and (ii) other services (including consulting or advisory services or technical support) whether provided through third parties or by employees of Cargill that may be agreed to by the Applicant and Cargill (or CITPL), with the consent of the Monitor (the "**Additional Services**"). The cost of the Existing Services shall continue to be provided at no cost, consistent with past practice, and the cost of the Additional Services shall be mutually agreed by Cargill (or CITPL) and the Applicant, with the consent of the Monitor. The Applicant shall reimburse CITPL for the cost of the Services on the Maturity Date and all such amounts to be reimbursed shall be secured by and have the benefit of the DIP Charge with the same priority as the DIP Obligations; and

(c) Cause CITPL to:

(i) extend the term of the Onshore Agreement to the Maturity Date, provided that following an Event of Default, CITPL may discontinue performance of the Onshore Agreement with leave of the Court in accordance with the terms of the DIP Financing Agreement;

(ii) continue to perform its obligations under the Offtake Agreement, provided that following an Event of Default, CITPL may discontinue performance of the Offtake Agreement with leave of the Court in accordance with the terms of the DIP Financing Agreement; and

(iii) continue to honour and perform in respect of any existing side letters entered into between the Applicant and Cargill in respect of hedges for the sale and purchase of iron ore under the Offtake Agreement notwithstanding the commencement of the CCAA Proceedings provided that following an Event of Default, CITPL may discontinue such performance with leave of the Court in accordance with the terms of the DIP Financing Agreement.

34. The DIP Financing Agreement requires that the DIP Facility be secured by the DIP Charge with priority to (i) all other Liens other than Permitted Priority Liens, and (ii) Liens of any person who receive notice of the application for the Proposed Initial Order. The Permitted Priority Liens include, *inter alia*, the Administration Charge, Directors' Charge, KERP Charge and the Transaction Fee Charge.

35. Interest is payable on the (a) principal amount of DIP Advances and (b) overdue interest, fees (including the Exit Fee, as defined below) and DIP Lender Expenses outstanding from time to time at a rate equal to 10.0% *per annum*.

36. Under the DIP Financing Agreement, upon the earlier of (a) completion of a successful Restructuring Transaction and (b) the repayment in full of the DIP Facility and all other DIP Obligations and/or cancellation of all remaining commitments in respect thereof, the Applicant agrees to pay an exit fee, in cash (the "**Exit Fee**"), in an amount equal to 3.00% of the aggregate committed amount of the DIP Facility, being equal to $2,250,000. The Exit Fee will only be payable if the DIP Facility is approved pursuant to the Proposed Amended and Restated Initial Order.

37. In addition to other typical positive and negative covenants required to be performed by the Applicant, the Applicant is also required to:

(a) Obtain the Amended Initial Order by October 20, 2023;

(b) Comply with the terms of and keep in full force and effect each of the Offtake Agreement, the Onshore Agreement and the Wetcon PSA;

(c) Comply with the DIP Budget subject to the Permitted Variance; and

(d) Not make any changes to composition of the board of directors of the Applicant other than pursuant to a Court Order;

38. The DIP Obligations are repayable by the Applicant in full on the Maturity Date, being the earliest to occur of:

(a) An occurrence of an Event of Default which is continuing and has not been cured;

(b) The completion of a Restructuring Transaction;

(c) Conversion of the CCAA Proceeding into a proceeding under the BIA;

(d) The date on which the DIP Obligations are voluntarily prepaid in full and the DIP Facility is terminated; and

(e) The Outside Date, being October 10, 2024.

39. The DIP Financing Agreement also contains a number of Events of Default including, among others:

(a) The termination, suspension or disclaimer of the Existing Arrangements, or the taking of any steps to terminate, suspend or disclaim (if permitted under the CCAA) any of the Existing Arrangements (which, for greater certainty, shall not include (i) the commencement and prosecution of the SISP, including the solicitation of an Alternative Offtake or Service Agreement, or (ii) taking any step or related action pursuant to a binding agreement entered into in respect of a Restructuring Transaction at or after the Bid Deadline, including executing such agreement, seeking court approval of such binding agreement or taking any steps in connection with consummating the Restructuring Transaction pursuant to such binding agreement) in each case at or after the Bid Deadline, without prejudice to any rights that CITPL may have pursuant to section 32 (including subsection 32(9)(c)) of the CCAA or otherwise; and

(b) Failure of the Applicant to deliver a Variance Report as required or there shall exist a cumulative negative variance in excess of the Permitted Variance for an applicable testing period.

40. Under the DIP Financing Agreement, the Applicant and the DIP Lender also agree that the Applicant (in consultation with the Monitor) is required to pursue the Solicitation Process in accordance with certain agreed milestones. As well, the Applicant and the DIP Lender agree that nothing in the DIP Financing Agreement restricts the Applicant from terminating, suspending or disclaiming the Existing Arrangement (if permitted under the CCAA) provided that, the parties acknowledge such termination, suspension or disclaimer will cause an Event of Default and the DIP Lender may exercise rights and remedies set out in this Agreement if the DIP Obligations are not repaid in full in accordance with the DIP Financing Agreement.

41. The DIP Financing Agreement contains other terms, conditions, affirmative covenants, negative covenants, representations and warranties, events of default and remedies which are, in the Proposed Monitor's view, customary for this type of financing, including the granting of the DIP Charge.

THE PROPOSED MONITOR'S COMMENTS AND RECOMMENDATION

42. Section 11.2(4) of the CCAA, sets out certain factors that should be considered, among other things, in deciding whether to make an order granting an interim financing charge. These factors, and the Proposed Monitor's comments thereon, are addressed in turn below.

The period during which the company is expected to be subject to proceedings under the CCAA

43. As discussed earlier in this Report, the Applicant will seek approval of the Solicitation Process at the comeback hearing to be held prior to the expiry of the Stay Period. If the Solicitation Process is approved in the form proposed, the deadline for binding bids will be January 19, 2024, and the closing of a transaction or transactions is to occur by no later than February 23, 2024.

44. Based on the October 7 Forecast and subject to its underlying assumptions, and the timing provided for in the Solicitation Process, it is believed that the DIP Financing Agreement provides sufficient liquidity to fund the Applicant's operations and the costs of the CCAA Proceeding until February 25, 2024.

How the company's business and affairs are to be managed during the proceedings

45. The Proposed Monitor understands that provided that the Directors' Charge is granted, the Applicant's board of directors will remain in place to manage the business and affairs of the Applicant during the CCAA Proceeding. Subject to Court approval, the Applicant will also implement the KERP, which has been agreed with the DIP Lender, to assist in retaining key employees of the Applicant throughout the CCAA Proceeding.

46. As noted earlier in this Report, the DIP Financing Agreement also provides that the Applicant shall not make any changes to composition of the board of directors of the Applicant other than pursuant to a Court Order.

Whether the company's management has the confidence of its major creditors

47. The largest creditors of the Applicant are the Ad Hoc Group and Cargill.

48. Cargill has demonstrated its support for the management of the Applicant in its approval of the KERP.

49. The Ad Hoc Group's DIP proposal provided for a KERP, the milestones and allocation of which were to be determined at a later date. Consequently, it is unknown whether a KERP under the Ad Hoc Group's DIP proposal would include the various members of the Applicant's senior management team. However, the Monitor has not been informed by any member of the Ad Hoc Group that they wish to replace existing management at this time and their DIP proposal did not provide for management to be replaced.

Whether the loan would enhance the prospects of a viable compromise or arrangement being made in respect of the company

50. While section 11.2(4) of the CCAA refers to a "compromise or arrangement", given the variety of ways in which successful going-concern outcomes are now structured in proceedings under the CCAA, including asset sales, and "reverse vesting order" transactions, the Monitor is respectfully of the view that it is appropriate for the Court to take a broader view of this factor and expand it to consider these other approaches.

51. Without a DIP facility, the Applicant would, in the very near future, exhaust its available liquidity resources and be unable to pay its obligations as they become due, continue operations, maintain its assets, undertake the Solicitation Process or complete any transaction. The Proposed Monitor is of the view that approval of the DIP Financing Agreement will enhance the prospects of the business and operations of the Applicant being preserved and a successful going-concern outcome being achieved.

The nature and value of the company's property

52. The Applicant's assets are described in the Broking Initial Affidavit and consist primarily of the Scully Mine operation. The market value of the Applicant's property will be finally determined through the Solicitation Process.

53. Nothing has come to the attention of the Proposed Monitor in respect of the nature of the Applicant's property that, in the Proposed Monitor's view, requires particular consideration in connection with the DIP Charge.

Whether any creditor would be materially prejudiced as a result of the proposed charge

54. The proposed DIP Facility would provide the Applicant the opportunity to undertake the Solicitation Process and to complete a transaction.

55. The proposed DIP Charge will secure the advances under the DIP Facility to a maximum of $75 million, the fees and interest, the Post-Filing Credit Extensions limited to $20 million and the DIP Lender Expenses. The advances under the DIP Facility would be limited to the Initial Advance of $15.5 million prior to the comeback hearing.

56. The amount of the Initial Advance is based on the October 7 Forecast with a view to ensuring that the Applicant would have sufficient funds to operate until receipt of the next available advance under the DIP Financing Agreement, assuming approval is granted at the comeback hearing.

57. The DIP Financing Agreement is conditional on the DIP Charge being granted. The only alternative funding option that would be available to the Applicant would also require a DIP charge. Under the Ad Hoc Group DIP proposal, the DIP facility would have been substantially larger; the increased amount being necessary as the Advanced Payments Facility and the Onshore Agreement would have expired and been unavailable under the Ad Hoc Group DIP Proposal.

58. Any prejudice to the secured creditors that may result from the granting of a DIP charge is therefore reduced under the DIP Financing Agreement as compared to the alternative Ad Hoc Group DIP Proposal.

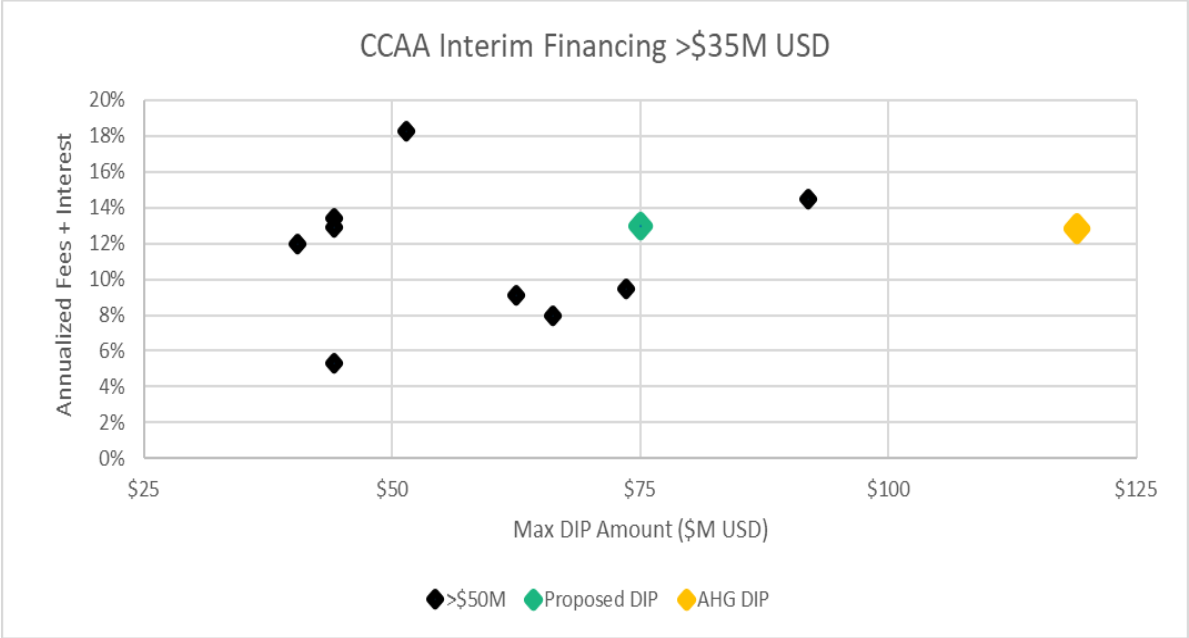
59. By letter dated October 6, 2024, the Ad Hoc Group communicated, amongst other things, certain concerns regarding the Applicant accepting DIP financing from the DIP Lender. Those stated concerns included potential prejudice to the Ad Hoc Group from such financing. The Proposed Monitor has taken note of the concerns expressed.

60. The Proposed Monitor is of the view that, in the circumstances of this case, no creditor would be materially prejudiced as a result of the proposed charge and that any potential detriment caused to the Applicant's creditors by the DIP Charge should be outweighed by the benefits that it creates.

Other potential considerations – Terms and Pricing

61. The Proposed Monitor has reviewed data on the terms of interim financings approved in proceedings under the CCAA based on information publicly available. A summary of such data in respect of interim financings approved from January 1, 2019, to August 31, 2023, is attached hereto as **Appendix B**.

62. Based on the information available, the Proposed Monitor has compared the cost of the DIP Facility to that of other approved interim financings. As illustrated in the charts below, the cost of the DIP Facility appears to be within the range of costs, in terms of annualized interest and fees, for interim financings of similar size approved in other CCAA proceedings:



63. Based on the foregoing, the Proposed Monitor is of the view that the terms of the DIP Financing Agreement are within market parameters in respect of interest and fees.

Other potential considerations – Alternatives Available

64. As noted earlier in this Report, two alternative DIP arrangements were available to the Applicant – the DIP Financing Agreement and the Ad Hoc Group DIP proposal.

65. A comparison of the costs, expenses and key terms and conditions of the two available alternative DIP options is attached as Confidential Exhibit "A" to the Bhandari Initial Affidavit. In summary, as compared to the Ad Hoc Group DIP proposal, the DIP Financing Agreement:

(a) Requires a significantly smaller DIP Charge, thereby reducing any potential prejudice to creditors;

(b) Has significantly lower costs, including lower aggregate interest, lower DIP fees and lower DIP Expenses;

(c) Has significantly more favourable Permitted Variance parameters and similar tests;

(d) Provides for significantly less potential operational disruption through the continuation of the various existing Cargill arrangements, including the margin and hedging arrangements which would likely not be available under the Ad Hoc Group DIP; and

(e) Provides certainty in respect of the KERP.

66. For the reasons discussed above, the Proposed Monitor is of the view that in the current circumstances there is no better alternative to the DIP Financing Agreement at this time.

The Proposed Monitor's Recommendation

67. Based on the foregoing, the Proposed Monitor respectfully recommends that the Court grant the Applicant's request for approval of the DIP Financing Agreement and the granting of the DIP Charge.

THE PROPOSED DIRECTORS' CHARGE

68. The Applicant is seeking the granting of the Directors' Charge in the amount of $4.6 million with priority over all claims against the property of the Applicant other than:

(a) The Administration Charge; and

(b) Any person who is a "secured creditor" as defined in the CCAA that has not been served with notice of the Initial Application (provided that pursuant to the Proposed Initial Order, the Applicant is permitted to seek an Order at the "comeback hearing" or any other subsequent motion in the CCAA Proceeding granting priority to the Directors' Charge and the other court-ordered charges ahead of secured creditors (if any) who did not receive notice of the Initial Application).

69. As described in the Broking Initial Affidavit, the Applicant intends to seek an increase in the Directors' Charge to $5.2 million at the comeback hearing.

70. The beneficiaries of the Directors' Charge, if granted, would be the directors and officers the Applicant. It is the Proposed Monitor's view that the continued support and service of the directors and officers during the CCAA Proceeding would be beneficial to the Applicant's efforts to preserve value and maximize recoveries for stakeholders. The Proposed Monitor has been informed that the directors and officers will not continue to serve unless the Directors' Charge is granted.

71. The quantum of the proposed Directors' Charge is based on estimated amounts for which directors could potentially have statutory personal liability that could be outstanding during the CCAA Proceeding:

    (a) wages, salaries and applicable withholdings;

    (b) outstanding Newfoundland Health and Post-Secondary Education Tax liabilities pursuant to an agreed payment plan by which payments come due after the filing date;

    (c) sales taxes; and

    (d) accrued vacation pay.

72. The quantum of the proposed Directors' Charge has been calculated in two parts:

    (a) For the initial Stay Period under the Proposed Initial Order, if granted; and

    (b) Following the Proposed Amended and Restated Initial Order, if granted at the comeback hearing.

73. The amount for wages and salaries increases in the Proposed Amended and Restated Initial Order calculation primarily as a result of including a full payroll period, rather than only ten days under the Proposed Initial Order calculation.

74. The Proposed Monitor notes that the directors and officers will only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any existing insurance policy, or to the extent that such coverage is insufficient to pay amounts for which the directors and officers are entitled to be indemnified pursuant to the provisions of the Proposed Initial Order.

75. Accordingly, the Proposed Monitor respectfully recommends that the Applicant's request for the Directors' Charge be granted by this honourable Court.

THE ADMINISTRATION CHARGE

76. The Applicant is seeking the granting of an Administration Charge in the amount of $1 million in the Proposed Initial Order, with priority over all claims against the property of the Applicant other than any person who is a "secured creditor" as defined in the CCAA that has not been served with notice of the Initial Application. It is proposed that the Administration Charge remain the same at $1 million in the Proposed Amended and Restated Initial Order.

77. The beneficiaries of the Administration Charge, if granted, would be the Monitor, the Monitor's Counsel, Greenhill, to the extent of their Monthly Advisory Fee and the Applicant's Counsel. The Proposed Monitor believes that it is appropriate that the proposed beneficiaries of the Administration Charge be afforded the benefit of a charge as they will be undertaking a necessary and integral role in the CCAA Proceeding.

78. As noted above, the approval of the Greenhill Engagement Letter (and the Transaction Fee) will only be before the Court at the comeback hearing. However, the inclusion of the Monthly Advisory Fee, which is an amount of $125,000 is proposed to be included in the Administration Charge in the Proposed Initial Order. The Monitor has confirmed with Greenhill that they have received the Monthly Advisory Fee for October. Accordingly, there is no outstanding amount owing to Greenhill that would be secured by the proposed Administration Charge prior to the comeback hearing.

79. The Proposed Monitor has reviewed and considered the underlying assumptions upon which the Applicant has based the quantum of the proposed Administration Charge, the complexities of the CCAA Proceeding and the services to be provided by the beneficiaries of the Administration Charge and is of the view that the proposed quantum of the Administration Charge in the Proposed Initial Order is reasonable and appropriate in the circumstances.

80. Accordingly, the Proposed Monitor respectfully recommends that the Applicant's request for the Administration Charge be granted by this honourable Court.

The Proposed Monitor respectfully submits to the Court this, its Pre-Filing Report.

Dated this 9th day of October, 2023.

FTI Consulting Canada Inc.
In its capacity as Proposed Monitor of
Tacora Resources Inc.

Nigel D. Meakin
Senior Managing Director

Jodi Porepa
Senior Managing Director

Appendix A

The October 7 Forecast

Tacora Resources Inc.

Consolidated Cash Flow Projections

($USD in thousands)

Forecast Week Ending		15-Oct-23	22-Oct-23	29-Oct-23	05-Nov-23	12-Nov-23	19-Nov-23	26-Nov-23	03-Dec-23	10-Dec-23	17-Dec-23	24-Dec-23	31-Dec-23	07-Jan-24	14-Jan-24	21-Jan-24	28-Jan-24	04-Feb-24	11-Feb-24	18-Feb-24	25-Feb-24	20 Week
Forecast Week	[1]	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	**Total**
Total Receipts	[2]	**(807)**	**9,861**	**7,170**	**5,847**	**6,791**	**8,750**	**6,729**	**6,803**	**6,564**	**6,820**	**6,086**	**8,113**	**7,297**	**6,665**	**7,033**	**6,797**	**7,349**	**6,771**	**7,444**	**7,899**	**135,981**
Operating Disbursements	[3]																					
Employees		(2,077)	(300)	(1,987)	(205)	(1,877)	(205)	(1,977)	(1,167)	(1,939)	(205)	(2,139)	(285)	(2,443)	(205)	(2,147)	(205)	(2,154)	(206)	(2,000)	(206)	**(23,930)**
Mine, Mill and Site Costs		(1,993)	(1,305)	(1,770)	(1,280)	(1,936)	(1,673)	(1,305)	(1,772)	(1,750)	(1,318)	(4,780)	(1,089)	(1,976)	(927)	(2,113)	(5,963)	(2,151)	(1,353)	(1,854)	(1,299)	**(39,605)**
Plant Repairs and Maintenance		(1,693)	(1,937)	(2,637)	(2,403)	(2,371)	(2,321)	(2,471)	(2,410)	(2,439)	(2,239)	(2,189)	(2,089)	(2,086)	(2,086)	(2,086)	(2,086)	(2,087)	(2,165)	(2,165)	(2,165)	**(44,122)**
Logistics		(5,097)	(1,066)	(1,199)	(4,675)	(1,243)	(1,616)	(1,066)	(1,889)	(4,114)	(1,066)	(1,733)	(1,199)	(4,562)	(1,067)	(1,067)	(1,200)	(4,827)	(1,068)	(1,245)	(1,068)	**(42,065)**
Capital Expenditures		(1,152)	(3,828)	(1,615)	(2,290)	(7,911)	(2,090)	(2,090)	(1,590)	(2,905)	(2,205)	(1,105)	(1,105)	(1,451)	(750)	(750)	(750)	(1,451)	(750)	(750)	(750)	**(37,288)**
Other		(566)	(619)	(1,079)	(400)	(400)	(400)	(400)	(608)	(400)	(400)	(400)	(633)	(400)	(400)	(400)	(987)	(513)	(400)	(400)	(455)	**(10,263)**
Total Operating Disbursements		**(12,578)**	**(9,055)**	**(10,287)**	**(11,253)**	**(15,738)**	**(8,305)**	**(9,309)**	**(9,436)**	**(13,547)**	**(7,433)**	**(12,346)**	**(6,400)**	**(12,918)**	**(5,435)**	**(8,562)**	**(11,191)**	**(13,184)**	**(5,941)**	**(8,414)**	**(5,942)**	**(197,273)**
Net Cash from Operations		**(13,386)**	**806**	**(3,117)**	**(5,406)**	**(8,948)**	**445**	**(2,579)**	**(2,634)**	**(6,982)**	**(613)**	**(6,260)**	**1,713**	**(5,620)**	**1,230**	**(1,529)**	**(4,394)**	**(5,835)**	**830**	**(970)**	**1,957**	**(61,292)**
Restructuring Legal and Professional Costs	[4]	(497)	(1,696)	(405)	(400)	(269)	(269)	(223)	(490)	(223)	(223)	(223)	(223)	(490)	(223)	(223)	(223)	(491)	(223)	(223)	(223)	**(7,458)**
KERP	[5]	-	(3,035)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**(3,035)**
NET CASH FLOWS		**(13,882)**	**(3,925)**	**(3,521)**	**(5,806)**	**(9,216)**	**176**	**(2,802)**	**(3,124)**	**(7,205)**	**(835)**	**(6,483)**	**1,490**	**(6,111)**	**1,008**	**(1,752)**	**(4,617)**	**(6,326)**	**607**	**(1,193)**	**1,734**	**(71,784)**
Cash																						
Beginning Cash Balance		12,272	13,890	9,965	15,806	10,000	10,000	10,176	13,428	10,000	10,835	10,000	10,000	11,123	10,000	11,008	15,077	10,000	10,000	10,607	9,964	**12,272**
Net Receipts/ (Disbursements)		(13,882)	(3,925)	(3,521)	(5,806)	(9,216)	176	(2,802)	(3,124)	(7,205)	(835)	(6,483)	1,490	(6,111)	1,008	(1,752)	(4,617)	(6,326)	607	(1,193)	1,734	**(71,784)**
DIP Advances/ (Repayments)	[6]	15,500	-	9,422	-	9,216	-	6,054	-	8,041	-	6,483	-	4,988	-	5,821	-	6,326	-	550	-	**72,400**
DIP Fees & Interest Payment	[7]	-	-	(59)	-	-	-	-	(304)	-	-	-	(367)	-	-	-	(460)	-	-	-	(540)	**(1,730)**
Ending Cash Balance		**13,890**	**9,965**	**15,806**	**10,000**	**10,000**	**10,176**	**13,428**	**10,000**	**10,835**	**10,000**	**10,000**	**11,123**	**10,000**	**11,008**	**15,077**	**10,000**	**10,000**	**10,607**	**9,964**	**11,158**	**11,158**
Memo: Total DIP Advances		***15,500***	***-***	***9,422***	***-***	***9,216***	***-***	***6,054***	***-***	***8,041***	***-***	***6,483***	***-***	***4,988***	***-***	***5,821***	***-***	***6,326***	***-***	***550***	***-***	***72,400***

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 1.35.

[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.
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 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 are calculated based on total draws.

Appendix B

Interim Financing Data

CCAA DIP Financing Tracking Sheet
DIP loan values in excess of $35M USD
Updated through August 31, 2023

	Company	Filing Date	DIP Structure ($M USD)[1]	Interest Rate	Fee(s)	Maturity
1	LoyaltyOne Co. (dba AIR MILES®)	3/10/2023	$ 51	6% + Base Rate	Upfront fee of 2% and standby fee of 1.25%	The earlier of: (i) the occurrence of any Event of Default (ii) five (5) business days after the trust established pursuant to the Combined Disclosure Statement and Plan.
2	DCL Corporation	12/20/2022	$ 40	3% + Base Rate	N/A	The earlier of: (a) the Stated Maturity Date, March 31, 2023 (b) thirty (30) days after the entry of the Interim US Financing Order (c) ten (10) days after the entry of the Initial CCAA Order (d) the date of the substantial consummation of a plan of reorganization (e) the date of implementation of a plan of compromise or arrangement (g) the date the Loan Parties' file a motion seeking to convert to a chapter 7 (h) the date of conversion to chapter 7 (i)) the appointment or election of a trustee under Chapter 11 of the Bankruptcy Code (j) the date the Loan Parties' file a motion seeking a termination or dismissal of any or all of the Bankruptcy Cases, or (k) the date of dismissal of any of the Bankruptcy Cases.
3	Just Energy Group Inc. (TSX:JE)	3/9/2021	$ 92	13.0%	Commitment fee of $1.25 million and origination fee of $1.25 million.	12/31/2021
4	Mountain Equipment Co-operative	9/14/2020	$ 74	2% + Prime	$250,000 payable on the execution of the Interim Financing Credit Agreement and reasonable and documented expenses in connection with the Interim Financing Facility and Interim Financing Credit Agreement.	11/30/2020
5	Reitmans (Canada) Limited	5/19/2020	$ 44	5% + Prime	The interim financing provides for: 1) a standby charge of 0.6% on amounts committed and not drawn; 2) a commitment fee of $360k payable on court approval of the interim facility; and 3) reimbursement of the reasonable out-of-pocket expenses.	6/30/2021
6	Aldo Group	5/7/2020	$ 44	6.5% + LIBOR	Standby charge of 1.25% on amounts committed and not drawn and commitment fee of $600,000	5/1/2021
7	Dominion Diamond Mines	4/23/2020	$ 44	5.3%	DMI shall pay all outstanding fees and expenses to date of the Existing Credit Facility Lenders, including legal and financial advisory expenses, via the initial draw under the Interim Facility.	10/31/2020
8	Jack Cooper Ventures	8/9/2019	$ 63	3.5% + LIBOR	0.25% standby fee	12/31/2019
9	Hollander Sleep Products Canada Limited	5/23/2019	$ 66	6.5%	$1.35 million closing fee (1.5% of committed amount)	The earlier of: (a) the date that is one hundred fifty (150) days after the Filing Date, (b) the consummation of a sale of all or substantially all of the Debtors' assets, (c) if the Final Financing Order has not been entered, the date that is forty (40) days after the date of the First Day Hearing, (d) the Plan Effective Date of a Plan and (e) the Maturity Date (as defined in the Prepetition Term Loan Credit Agreement).

Footnote:
1. Canadian dollars have been converted to USD at a USD/CAD FX rate of 1.36.

Source: Insolvency Insider database and individual debtor CCAA websites & the applicable DIP term sheets.

Court File No.

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

PRE FILING REPORT OF THE PROPOSED MONITOR

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Lawyers for the Proposed Monitor, FTI Consulting Canada Inc.

Appendix B

The Greenhill Engagement Letter

Greenhill & Co. Canada Ltd.
79 Wellington Street West
Suite 3403, P.O. Box 333
Toronto, ON M5K 1K7
(416) 601-2560

Greenhill

As of January 23, 2023

Tacora Resources Inc.
3400 De L'Eclipse, Suite 630
Brossard, Qc J4Z 0P3

Attn: Mr. Heng Vuong, EVP and CFO

Dear Mr. Vuong:

This letter agreement (this "Agreement") confirms the terms under which Tacora Resources Inc. (collectively with its direct and indirect subsidiaries, the "Company") has engaged Greenhill & Co. Canada Ltd. ("Greenhill"), as sole financial advisor and investment banker to the Company in connection with developing, and advising the Company with respect to, various strategic and business alternatives for the Company, which may include, without limitation, a Financing Transaction, or Restructuring Transaction, and/or M&A Transaction (each as defined below, and together the "Transactions"), and with respect to such other financial matters as to which the Company and Greenhill may agree in writing during the term of this engagement, as more specifically discussed herein. Notwithstanding Greenhill's engagement as sole financial advisor and investment banker to the Company, Greenhill acknowledges that Revival Capital Partners has been retained as the Company's Chief Transformation Officer. For purposes hereof, the term "Company" includes any entity formed or invested in to consummate a Financing Transaction, or a Restructuring Transaction, and/or M&A Transaction, and shall also include any successor to or assignee of all or substantially all of the assets and/or business of the Company, whether pursuant to a Plan (as defined below) or otherwise.

If appropriate in connection with performing its services for the Company hereunder, Greenhill may utilize the services of one or more of its affiliates, in which case references herein to Greenhill shall include such affiliates.

1. Scope of Services.

   In connection with the engagement hereunder, Greenhill will render the services set forth below, to the extent the Company deems necessary, as appropriate and feasible:

   a. review and analyze the Company's assets and operations and the historical and projected financial performance of the Company, including its liquidity;

b. analyze the Company's financial results and key operating performance indicators;

c. review and analyze the business plan and financial projections prepared by the Company;

d. evaluate the Company's potential debt capacity in light of its projected cash flows;

e. assist in the determination of an appropriate capital structure for the Company and its affiliates;

f. assist in the determination of a range of values for the Company as a going concern;

g. assist the Company in raising, structuring and effecting new debt, equity or other securities, including, but not limited to, bridge, debtor-in-possession and/or exit financing;

h. assist in evaluating strategic alternatives of the Company, and develop Transaction frameworks;

i. provide advice and coordinate with management and counsel to develop a strategy for any Transaction and other transactions, as applicable and mutually agreed by the Company and Greenhill;

j. provide financial advice and assistance to the Company in structuring any new securities, other consideration or instruments to be offered and/or issued in connection with a Transaction;

k. assist the Company and its other professionals in reviewing the terms of any proposed Transaction and evaluate and recommend potential financial and strategic alternatives with respect to a possible Transaction;

l. advise the Company on the risks and benefits of considering a Transaction with respect to the Company's intermediate and long-term business prospects and strategic alternatives to maximize the business enterprise value of the Company;

m. assist or participate in negotiations with the parties in interest, including, without limitation, any current or prospective creditors or owners of the Company and/or their respective representatives in connection with a Transaction;

n. manage information flow and requests from the counterparties to a Transaction throughout the transaction process;

o. advise the Company with respect to, and attend, meetings of the Company's senior management, board of directors, audit committees (as necessary), creditor groups and other interested parties, as necessary, with respect to matters on which Greenhill has been engaged to advise hereunder;

p. if requested by the Company, provide the Company with an Opinion (as defined below);

q. in the event the Company determines to commence a Bankruptcy Case (as defined below), and if requested by the Company, participate in hearings either before the relevant Canadian court or the United States Bankruptcy Court, in which such proceedings or cases are pending (each, a "Bankruptcy Court") and provide relevant testimony with respect to Greenhill's services and the matters described herein, as well as issues arising in connection with any proposed Plan in Greenhill's area of expertise concerning a Transaction; and

r. provide such other general advisory services and investment banking services as are customary for similar transactions and as may be mutually agreed upon by the Company and Greenhill,

(each a "Service" and together, the "Services").

In rendering the Services to the Company hereunder, Greenhill is not assuming any responsibility for the Company's underlying business decision to pursue (or not to pursue) any business strategy or to effect (or not to effect) any Transaction. The Company agrees that Greenhill shall not have any obligation or responsibility to provide accounting, audit, or "crisis management", or "business consultant" services for the Company, and shall have no responsibility for designing or implementing any operating, organizational, administrative, cash management or liquidity improvements, or to provide any opinions with respect to solvency in connection with any Transaction. The Company confirms that it will rely on its own counsel, accountants and other similar expert advisors for legal, accounting, tax, regulatory and other similar advice.

It is understood and agreed that nothing contained in this Agreement shall constitute an express or implied commitment by Greenhill to underwrite, place or purchase any securities.

As part of our investment banking business, Greenhill has regular ordinary-course conversations concerning our clients' respective businesses, the markets, and potential transactions, as is customary for advisory services. Often, we may represent such clients on matters unrelated to any Transaction. Our clients include lender institutions, creditors, interested parties and potential counterparties to the Company who may have interests that are not aligned with your interests. You agree that any such relationships do not constitute a conflict of interest or a potential conflict of interest on the part of Greenhill, except where we may separately disclose to you circumstances that may require special consideration.

2. Information.

The Company shall use its best efforts to make available to Greenhill all information concerning the business, assets, operations, financial condition and prospects of the Company that Greenhill requires to render the Services hereunder ("Company Information"), and shall provide Greenhill with access to the Company's officers, directors, employees, independent accountants, counsel and other advisors and agents as Greenhill reasonably deems appropriate. In order to coordinate effectively the

Company's and Greenhill's activities to effect any Transaction, the Company and Greenhill will promptly inform each other of any discussions, negotiations or inquiries regarding a possible Transaction (including any such discussions, negotiations or inquiries that have occurred prior to the date of this Agreement).

The Company represents that all Company Information furnished by it or on its behalf to Greenhill, at all times during Greenhill's engagement (i) will be true and correct in all material respects, and (ii) will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein not misleading in light of the circumstances under which such statements are made, in each case as of the date on which such Company Information is provided, or as of the date indicated in such Company Information, as applicable. If at any time during the term of this engagement, the Company becomes aware that the Company Information is or becomes inaccurate, incomplete or misleading in any material respect the Company shall promptly notify Greenhill.

Greenhill agrees that it will use the Company Information for the sole purpose of the engagement contemplated by this Agreement. The Company recognizes and acknowledges that in advising the Company and completing its engagement hereunder, Greenhill will also be using and relying on publicly available information and on data, material and, with the Company's permission, other information furnished to Greenhill by the Company's other advisors.

It is understood that in performing under this engagement, Greenhill shall be entitled to rely upon and assume, without assuming any responsibility for independent verification, the accuracy and completeness of all information that is publicly available and of all information that has been furnished to it by the Company or otherwise reviewed by Greenhill, and Greenhill shall not assume any responsibility or have any liability therefor; *provided*, *however*, that Greenhill acknowledges that projections and forecasts are subject to significant uncertainties and contingencies, many of which may be beyond the Company's control, and no assurance can be given that any particular projections or forecasts will be realized and that actual results during the period or periods covered by the projections or forecasts may differ from projected results, and such differences may be material.

3. Definitions.

As used herein, the term "Restructuring Transaction" shall mean any one or more of the following, whether or not on an out-of-court basis or pursuant to a plan of reorganization of the Company (a "Plan") confirmed in connection with any case or cases commenced by or against the Company, any of its affiliates or subsidiaries, its parent companies or any combination thereof, whether individually or on a consolidated basis, whether or not pursuant to chapter 11 of the United States Bankruptcy Code, the Canada Companies' Creditors Arrangement Act, R.S.C 1985, c. C-36 (the "CCAA"), the Canada Business Corporations Act, R.S.C. 1985, c. C-44 (the "CBCA") (or comparable provincial legislation) or a proposal under the Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3 (the "BIA"), or similar proceedings in other jurisdictions, (each a "Bankruptcy Case"), and whether proposed by the Company or any other party: (a) any transaction or series of transactions that effects or proposes to effect material amendments to, or other material changes in the Company's 8.250% Senior Secured Notes due 2026 (the "8.250% Notes") and the related Indenture, dated as of May 11, 2021 (as the same may be amended, restated,

amended and restated, supplemented or otherwise modified from time to time, the "Indenture"), among Tacora Resources Inc. as borrower, Computershare Trust Company, N.A., as Trustee and Notes Collateral Agent, including, without limitation, by any exchange offer, repurchase or tender offer, refinancing, repayment, reorganization, recapitalization, equitization, amend-and-extend, cramdown or forgiveness of any portion thereof or similar transaction. and (b) any material amendments made to the Company's Advance Payments Facility Agreement with Cargill International Trading Pte, Ltd (the "Cargill Advanced Payment Facility Agreement") to the extent made in conjunction with a transaction related to the 8.250% Notes as described in 3(a) above.

As used herein, the term "M&A Transaction" shall mean any one or more of the following, whether or not pursuant to a Plan confirmed in connection with any case or cases commenced by or against the Company, any of its subsidiaries, or any combination thereof, whether individually or on a consolidated basis, whether or not pursuant to a Bankruptcy Case, and whether proposed by the Company or any other party: (i) any merger, consolidation, disposition, business combination, exchange of equity interests or other equity securities, or other transaction pursuant to which the entirety of the Company (or all or a material portion of any of the assets or operations thereof) is acquired by, or combined with, any person, group of persons, partnership, corporation or other entity that is not a current shareholder of the Company (an "Acquirer") or (ii) any acquisition, directly or indirectly, by one or more Acquirers (or by one or more persons acting together with an Acquirer pursuant to a written agreement or otherwise), through a credit bid or otherwise, whether in a single transaction, multiple transactions or a series of transactions, of (x) all or a material portion of any of the assets or operations thereof (including through the assignment of any executory contracts) or operations of the Company (y) all or a majority of the outstanding or newly-issued shares of the Company's capital stock or any securities convertible into, or options, warrants or other rights to acquire such capital stock or other equity securities of the Company for the purpose of effecting a Change of Control of the Company.

As used herein, the term "Financing Transaction" shall mean any new capital raised from investors including (a) senior secured debt, including, without limitation, any debtor in possession financing, (b) junior secured debt (c) unsecured or subordinated debt, (d) securitized facilities, (e) hybrid debt, (f) convertible securities, (g) preferred equity, (h) common equity, (i) rights offerings, (j) any other securities or capital offering. For greater certainty, Financing Transaction shall exclude issuance of any securities of the Company which are issued upon conversion, exercise or exchange of any currently-issued and outstanding securities of the Company.

As used herein, the term "Opinion" shall mean any opinion rendered as to the fairness, from a financial point of view, to the Company or, if applicable, holders of the Company's common stock of the consideration to be received by the Company or such holders (or the exchange ratio provided for) in connection with a proposed Transaction; it being understood that the nature and scope of Greenhill's investigation as well as the scope, form and substance of, and the assumptions and qualifications contained in, its Opinion, shall be as Greenhill, in its professional judgement, deems appropriate (provided such assumptions and qualifications will be communicated to the Company prior to the delivery of the Opinion in order that the Company may address them, should the Company consider this appropriate).

As used herein, the term "Change of Control of the Company" shall mean the occurrence of any event whereby the Acquirer becomes the owner, directly or indirectly, beneficially or of record, of shares representing more than 50% of the outstanding shares entitled to vote.

As used herein, the term "Transaction" shall mean any of a Restructuring Transaction, Financing Transaction, or M&A Transaction.

4. Compensation.

As compensation for Greenhill's services rendered hereunder, the Company (including any successor to or assignee of all or substantially all of the assets and/or business of the Company) shall pay Greenhill the following fees, in cash, in U.S. Dollars, via direct wire transfer:

a. Monthly Advisory Fee. Commencing as of May 1, 2023, a non-refundable financial advisory fee of US$125,000 per month (the "Monthly Advisory Fee"), which shall be due and paid promptly by the Company on a monthly basis in advance. The initial Monthly Advisory Fee shall be payable on May 1, 2023, and thereafter the Monthly Advisory Fees shall be payable in advance on the first date of each month.

b. Restructuring Transaction Fee. If, at any time during the Fee Period (as defined below), the Company consummates a Restructuring Transaction, Greenhill shall be entitled to receive a fee equal to (A) 1.00% of the aggregate value of the 8.250% Notes, and (B) 0.50% of the face value of the Cargill Advanced Payment Facility Agreement, subject to a minimum payment of US$2,000,000 (the "Restructuring Transaction Fee") payable upon the earlier of (a) the consummation of a Restructuring Transaction (out-of-court) and (b) the date on which notice is filed with the relevant court that a Plan (in-court) has become "effective" (e.g., through the filing of a notice of effective date in a case filed pursuant to chapter 11 of the United States Bankruptcy Code or the filing of a certificate of implementation under a CCAA proceeding). However, notwithstanding the date upon which a Restructuring Transaction Fee becomes payable, such Restructuring Transaction Fee will be earned upon the earlier of (x) the consummation of a Restructuring Transaction and (y) the confirmation, sanction or approval of a Plan.

Notwithstanding anything to the contrary in this Agreement, in connection with any Restructuring Transaction that is intended to be effected, in whole or in part, as a prepackaged, partial prepackaged or prearranged plan of reorganization anticipated to involve the solicitation of acceptances of such plan in compliance with the Bankruptcy Code, by or on behalf of the Company, from holders of any class of the Company's securities, indebtedness or obligations (a "Prepackaged Plan"), the Restructuring Transaction Fee shall be earned and payable (x) 50% upon (1) receipt of votes or binding commitments from the Company's creditors necessary to confirm such Prepackaged Plan or (2) obtaining indications of support from the Company's creditors that in the good faith judgment of the Board of Directors of the Company are sufficient to justify filing a Prepackaged Plan and (y) the balance not previously paid shall be payble upon consummation of such Restructuring Transaction.

c. Financing Fee. If at any time during the Fee Period, the Company raises new capital, Greenhill shall be entitled to receive a new capital or financing fee (a "Financing Fee") equal to (and as applicable):

(i) 1.00% of the face amount of any senior secured debt raised, including, without limitation, any debtor in possession financing raised; and

(ii) 2.00% of the face amount of any junior secured debt raised; and

(iii) 3.00% of the face amount of any unsecured or subordinated debt raised; and

(iv) 4.00% of any hybrid capital raised; and

(v) 5.00% of any equity capital or capital convertible into equity raised, including, without limitation, equity underlying any warrants, purchase rights or similar contingent equity securities.

For the avoidance of doubt, the term "raised" includes the amount committed or otherwise made available to the Company, whether or not such amount (or any portion thereof) is drawn down at closing or is ever drawn down and whether or not such amount (or any portion thereof) is used to refinance existing obligations of the Company. Provided further, Greenhill will not receive a Financing Fee for any capital provided by existing shareholders (as listed in Schedule C). Provided further, that Greenhill shall be entitled to a Financing Fee due to new capital being raised from any entity which owns the 8.250% Notes.

d. M&A Fee. If at any time during the Fee Period, either (a) a M&A Transaction is consummated or (b) a definitive agreement to effect an M&A Transaction is entered into and the M&A Transaction contemplated by such definitive agreement is eventually consummated at any time thereafter (including following the expiration of the Fee Period), in either case, Greenhill shall be entitled to receive an M&A fee (a "M&A Fee") equal to the greater of (a) US$2,500,000 and (b) an amount determined in accordance with Schedule B hereto.

e. Opinion Fee. An opinion fee to be mutually agreed upon by the Company and Greenhill (the "Opinion Fee"), payable at the time Greenhill delivers any Opinion. No portion of the Opinion Fee shall be contingent upon the consummation of the Transaction or any conclusion set forth in the Opinion. The Opinion Fee, to the extent previously paid, shall be credited once against and otherwise discharged in full by payment of the M&A Fee payable to Greenhill hereunder.

As used in this Agreement, "Fee Period" shall mean the period including (i) the term of this Agreement and Greenhill's engagement hereunder, and (ii) the period beginning upon the termination of this Agreement and Greenhill's engagement hereunder and extending 12 (twelve) months thereafter.

Notwithstanding anything to the contrary contained herein, Greenhill shall not be entitled to receive any fee, including any Restructuring Transaction Fee, Financing Fee and M&A Fee, in connection with any sale, transfer or disposition of Tacora Norway AS, Sydvaranger Mining AS, Sydvaranger Eiendom AS, Sydvaranger Drift AS, Sydvaranger Malmtransport AS and/or any other subsidiary of Tacora Norway AS in any jurisdiction (collectively, the "Norwegian Subsidiaries") (the "Norwegian Sale").

5. Crediting

In the event that Greenhill earns both a Restructuring Transaction Fee and an M&A Fee concurrently, 50% of the lowest such fee earned (to the extent actually paid) shall be credited once against the other such fee.

6. Recognition of Fee Structure.

The Company and Greenhill acknowledge and agree that the hours worked, the results achieved, and the ultimate benefit to the Company of the work performed, in each case, in connection with this engagement, may be variable, and that the Company and Greenhill have taken this into account in setting the fees hereunder.

No fee payable to any other person, by the Company or any other party, shall affect any fee payable to Greenhill hereunder.

7. Out-of-Pocket Expenses.

Without in any way reducing or affecting the provisions of Schedule A hereto, the Company shall promptly reimburse, during the term of the engagement hereunder, Greenhill on a monthly basis for its reasonable and documented out-of-pocket expenses incurred in connection with the performance of its engagement hereunder, including, without limitation, the reasonable fees, disbursements and other documented charges of Greenhill's counsel (without the requirement that the retention of such counsel be approved by the Bankruptcy Court); provided that the amount of such expenses and fees for which Greenhill shall be entitled to reimbursement from the Company shall not excess $50,000 in the aggregate without Company's prior written consent. If a Bankruptcy Case is commenced and Greenhill's engagement hereunder is approved by the Bankruptcy Court, consistent with and subject to any applicable order of the Bankruptcy Court, the Company shall promptly reimburse Greenhill for such expenses under this Section 6 upon presentation of an invoice or other similar documentation with reasonable detail. Greenhill agrees to provide the Company with reasonable documentary support for its expenses at the Company's request or at the Bankruptcy Court's direction.

8. Indemnification.

The Company hereby indemnifies Greenhill and certain related persons in accordance with the indemnification provisions ("Indemnification Provisions") attached to this Agreement as Schedule A. Such Indemnification Provisions are an integral part of this Agreement, and the terms thereof are incorporated by reference herein. Such Indemnification Provisions shall survive any termination or completion of Greenhill's engagement hereunder.

9. Termination.

This Agreement and Greenhill's engagement hereunder may be terminated by either the Company or Greenhill at any time, upon providing 30 days' advance written notice thereof to the other party, *provided*, *however*, that (a) termination of Greenhill's engagement hereunder shall not affect the Company's continuing obligation to indemnify Greenhill and certain related persons as provided for in Schedule A to this Agreement, and the Company's and Greenhill's continuing obligations and agreements under paragraphs 7, 8, 9, 10, 12, and 13 hereof, (b) notwithstanding any such termination, Greenhill shall be entitled to receive from the Company the fees in the amounts and at the times provided for in paragraph 4 hereof subject to terms and conditions of this Agreement, and (c) any termination of Greenhill's engagement hereunder shall not affect the Company's obligation to reimburse expenses provided in paragraph 6 hereof in the amounts and at the times provided therein. Without limiting any of the foregoing, any Restructuring Transaction Fee, Financing Fee and / or M&A Fee shall be payable in the event that (a) any Restructuring Transaction, Financing Transaction, and / or M&A Transaction is consummated at any time prior to the expiration of the Fee Period, or (b) a definitive agreement with respect thereto is executed at any time prior to the expiration of the Fee Period (which definitive agreement subsequently results in the consummation of the related Transaction), in each case subject to the terms herein.

10. Independent Contractor.

Greenhill has been retained under this Agreement as an independent contractor with no fiduciary duties owing to or agency relationship with the Company or to any other party.

11. Confidentiality.

a. The advice (oral or written) rendered by Greenhill pursuant to this Agreement is intended solely for the benefit and use of the Company and the Company's board of directors in considering the matters to which this Agreement relates, and the Company agrees that such advice may not be relied upon by any other person or entity, used for any other purpose or reproduced, disseminated, quoted or referred to at any time, in any manner for any purpose, nor shall any public references to Greenhill be made by the Company, without the prior written consent of Greenhill, except in each case as may be required by law, rule, or regulation or legal, judicial, administrative or regulatory process or proceeding, including in connection with any application for retention of Greenhill in a Bankruptcy Case.

b. Greenhill and each of its principals, directors, officers, employees and advisors shall keep strictly confidential and shall use only for the purpose of performing Services hereunder all information, whether written or oral, received from the Company and its agents and advisors or to which they obtain access in connection with Greenhill's engagement hereunder except and only to the extent that the information was made available to the public prior to Greenhill's engagement or thereafter becomes available to the public other than through a breach by Greenhill of its obligations hereunder and except to the extent that Greenhill is required by law or in connection with legal process or legal or regulatory proceedings or policy to disclose such information. If Greenhill is required to

disclose any such information, it shall to the fullest extent legally permitted provide the Company with prompt notice of such requirement so that the Company may seek an appropriate protective order or other appropriate remedy or waive compliance with this requirement; provided that if a protective order or other appropriate remedy is not obtained, Greenhill will furnish only the portion of such information that it determines on the advice of counsel is legally required. Greenhill shall only disclose information provided to it in connection with its engagement hereunder to its principals, directors, officers, employees, advisors, counsel and agents who need to know such information for purposes of Greenhill performing the Services hereunder and provided such principals, directors, officers, employees, advisors, counsel and agents shall be made aware of and be bound by this paragraph 11.b. and Greenhill shall be responsible for ensuring compliance by such principals, directors, officers, employees and agents with the terms hereof.

12. Required Information.

The Company acknowledges that Greenhill is required to obtain, verify and record certain information that identifies each entity that enters into a formal business relationship with Greenhill (including, but not limited to, the Company's complete legal name, street address and taxpayer ID number or similar identification number) in accordance with the USA Patriot Act and FinCEN rules.

13. Public Announcement.

The Company agrees that Greenhill shall have the right, at its own expense, with the Company's initial, prior consent, such consent not to be unreasonably withheld, following the closing of a Transaction, to place announcements and advertisements or otherwise publicize a Transaction in such financial and other newspapers and journals as it may choose, stating that Greenhill acted as financial advisor to the Company in connection with such Transaction. The Company further agrees that Greenhill may utilize the Company's logo and other marks in any such public announcement and/or general marketing and promotional materials.

14. Choice of Law; Jurisdiction.

This letter agreement (including Schedule A) (a) shall be governed by and construed in accordance with the laws of the Province of Ontario, regardless of the laws that might otherwise govern under applicable principles of conflicts of law thereof and no proceeding or claim related directly or indirectly to this letter agreement shall be commenced, prosecuted, pursued or continued in any court other than the courts of the Province of Ontario located in the City of Toronto, (b) incorporates the entire understanding of the parties with respect to the subject matter hereof and supersedes all previous agreements should they exist with respect thereto, (c) may not be amended or modified except in a writing executed by the Company and Greenhill and (d) shall be binding upon and inure to the benefit of the Company, Greenhill, the other Indemnified Parties (as defined in Schedule A) and their respective successors and assigns. Each of the Company and Greenhill agree to waive, to the fullest extent permitted by law, any objection it may now or hereafter have to the laying of venue of any such proceeding brought in any Ontario court specified in this paragraph and any claim that any such proceeding brought in any such court has been brought in an

inconvenient forum and to waive all rights to trial by jury in any action, proceeding or counterclaim brought by or on behalf of either party with respect to any matter whatsoever relating to or arising out of any actual or potential Financing Transaction or the engagement of or performance by Greenhill hereunder. No party may assign its rights or obligations under this letter agreement without the prior written consent of the other party.

15. Successors and Assigns.

This Agreement shall be binding upon the parties hereto and their respective successors and assigns (including, in the case of the Company, any successor to all or a substantial portion of the assets and/or the businesses or operations of the Company under a Plan or a sale under §363 of the Bankruptcy Code). This Agreement is not intended to confer any rights upon any shareholder, creditor, owner or partner of the Company, or any other person or entity not a party hereto other than the Indemnified Persons referenced in the Indemnification Provisions contained herein.

16. Application for Retention under CCAA, CBCA or BIA. In the event the Company determines to commence a CCAA, CBCA or BIA, the Company shall apply promptly to the applicable court, for approval of (a) this Agreement; (b) the retention of Greenhill by the Company under the terms of this Agreement, nunc pro tunc to the date of this Agreement; (c) the payment of the fees and expenses of Greenhill in the form and at the times contemplated hereby; and (d) security or charge rank for such fees in priority over pre-filing claim of any secured and unsecured creditor of the Company. The Company shall use its commercially reasonable efforts to obtain such court approval and authorization on terms outlined herein; and Greenhill shall have no obligation to provide any services under this Agreement unless Greenhill's retention under the terms of this Agreement is approved in the manner set forth above by a final order of the applicable court, which order is acceptable to Greenhill, acting reasonably.

17. Chapter 11 under the United States Bankruptcy Code.

In the event that the Company is or becomes a debtor under chapter 11 of the U.S. Bankruptcy Code, the Company shall use its commercially reasonable efforts to promptly apply to the Bankruptcy Court for the approval pursuant to sections 327 and 328 of the Bankruptcy Code of this Agreement and Greenhill's retention by the Company under the terms of this Agreement, subject to the standard of review provided in section 328(a) of the Bankruptcy Code and not subject to any other standard of review under section 330 of the Bankruptcy Code. The Company shall supply Greenhill with a draft of such application and any proposed order authorizing Greenhill's retention sufficiently in advance of the filing of such application and proposed order to enable Greenhill and its counsel to review and comment thereon. Greenhill shall have no obligation to provide any services under this Agreement if Greenhill's retention under the material terms of this Agreement is not approved under section 328(a) of the Bankruptcy Code by a final order of the Bankruptcy Court no longer subject to appeal, rehearing, reconsideration or petition for certiorari, and which order is reasonably acceptable to Greenhill in all respects. Greenhill acknowledges that in the event that the Bankruptcy Court approves its retention by the Company, Greenhill's fees and expenses shall be subject to the jurisdiction and

approval of the Bankruptcy Court under section 328(a) of the Bankruptcy Code and any applicable fee and expense guideline orders. In the event that the Company becomes a debtor under the Bankruptcy Code and Greenhill's engagement hereunder is approved by the Bankruptcy Court, the Company shall pay all fees and expenses of Greenhill hereunder as promptly as practicable in accordance with the terms hereof and the order approving the retention of Greenhill. Subject to being so retained, Greenhill agrees that during the pendency of any Bankruptcy Case, it shall continue to perform its obligations under this Agreement and shall file interim and final applications for allowance of the fees and expenses payable to it under the terms of this Agreement pursuant to the applicable Federal Rules of Bankruptcy Procedure, and the local rules and orders of the Bankruptcy Court. Prior to commencing a chapter 11 case, the Company shall pay all undisputed amounts theretofore due and payable to Greenhill in cash.

The Company shall use best efforts to ensure that any cash collateral order, debtor-in-possession financing order and/or similar order entered in the Bankruptcy Case provides for the full and prompt payment of Greenhill's fees and expenses contemplated hereby from any cash collateral and financing proceeds. Greenhill's fees, documented out-of-pocket expenses and indemnification under this Agreement shall be entitled to payment priority as expenses of administration or as professional compensation to the fullest extent permitted by the Bankruptcy Code.

In agreeing to seek Greenhill's retention under Section 328(a) of the Bankruptcy Code, the Company acknowledges that it believes that Greenhill's general restructuring experience and expertise, its knowledge of the industry in which the Company operates and the capital markets and its merger and acquisition capabilities will inure to the benefit of the Company, that the value to the Company of Greenhill's services hereunder derives in substantial part from that expertise and experience and that, accordingly, the structure and amount of the Monthly Advisory Fee, the Restructuring Transaction Fee, the Financing Fee and the M&A Fee are reasonable, regardless of the number of hours expended by Greenhill's professionals in performance of the services provided hereunder.

18. Entire Agreement.

Except as provided herein, this Agreement, including Schedule A hereto, embodies the entire agreement and understanding of the parties hereto and supersedes any and all prior agreements, arrangements and understandings relating to the matters provided for herein. No alteration, waiver, amendment, change or supplement hereto shall be binding or effective unless the same is set forth in writing signed by a duly authorized representative of each party.

19. Authority.

Each party hereto represents and warrants that it has all requisite power and authority to enter into this Agreement and the transactions contemplated hereby. Each party hereto further represents and warrants that this Agreement has been duly and validly authorized by all necessary corporate or other action on the part of the Company and Greenhill and has been duly executed and delivered by the Company and Greenhill

and constitutes a legal, valid and binding agreement of the Company and Greenhill, enforceable in accordance with its terms.

20. Counterparts.

This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Agreement by facsimile, portable document format (PDF) or other electronic means shall be effective as delivery of a manually executed counterpart to this Agreement.

21. Additional Services.

If at any time during the term of this Agreement the Company requests additional services not covered in this Agreement, the parties may agree on an additional engagement, the terms of which will be set forth in an amendment to this Agreement or a separate letter agreement containing terms and conditions to be mutually agreed upon, including, without limitation, appropriate indemnification provisions. In any such additional engagement, Greenhill shall be paid fees to be mutually agreed upon in good faith by the Company and Greenhill at the appropriate time, which fees shall be customary for similarly situated investment banking firms in similar circumstances.

We are pleased to accept this engagement and look forward to working with the Company. Please confirm that the foregoing is in accordance with your understanding by signing and returning to us the enclosed duplicate of this letter, which shall thereupon constitute a binding agreement between the parties hereto.

Very truly yours,

GREENHILL & CO. CANADA Ltd.

By:_____
Michael Nessim

MANAGING DIRECTOR & HEAD
Metals & Mining

By:_____
Usman Masood

MANAGING DIRECTOR

GREENHILL & CO., LLC

By:_____
Chetan Bhandari

MANAGING DIRECTOR & CO-HEAD
North American Financing Advisory & Restructuring

Accepted and Agreed to:

Tacora Resources Inc.

By: _____
Name: Heng Vuong

Title: EVP and CFO

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MANAGING DIRECTOR & CO-HEAD
North American Financing Advisory & Restructuring

Accepted and Agreed to:

Tacora Resources Inc.

By: _____
Name: Heng Vuong

Title: EVP and CFO

SCHEDULE A

INDEMNIFICATION

The Company shall indemnify and hold harmless Greenhill, its affiliates and their respective officers, directors, members, partners, employees, agents, representatives and each other entity or person, if any, controlling Greenhill or any of its affiliates (collectively, the "Indemnified Parties") from and against any losses, claims, damages, demands and liabilities (but not including any consequential, indirect or special damages, such as lost profits) (collectively, "Liabilities") (or actions or proceedings in respect thereof), to which any of the Indemnified Parties may become subject related to or arising in any manner out of any activities performed or Services furnished pursuant to the attached letter agreement, any matter contemplated thereby or an Indemnified Party's role in connection therewith, including prior to the date hereof (the "Indemnified Activities"), except to the extent a court of competent jurisdiction shall have determined by final nonappealable judgment that such Liabilities resulted directly from the gross negligence or willful misconduct of Greenhill in performing the Services that are the subject of the attached letter agreement. In addition, the Company shall promptly reimburse the Indemnified Parties for all customary out-of-pocket costs and expenses (including, without limitation, fees, costs and expenses of legal counsel), as incurred, in connection with (i) the investigation of, preparation for, responding to, serving as a witness in respect of, or defending, pursuing, settling or otherwise becoming involved in, any pending or threatened investigative, administrative, judicial, or regulatory or other claim, action or proceeding or any arbitration or investigation in any jurisdiction related to or arising in any manner out of any Indemnified Activities, whether or not in connection with pending or threatened litigation to which Greenhill (or any other Indemnified Party) or the Company or any of its securityholders is, or is threatened to be, a party (collectively, "Proceedings") and (ii) enforcing any Indemnified Party's right under the attached letter agreement (including this Schedule A).

Greenhill shall notify the Company after it becomes aware that a Proceeding has been commenced (by way of service with a summons or other legal process giving information as to the nature and basis of the claim) against an Indemnified Party in respect of which indemnity may be sought hereunder. In any event, failure to notify the Company shall not relieve the Company from any liability which the Company may have on account of this indemnity or otherwise, except to the extent the Company shall not otherwise have been aware of such Proceeding and the Company shall have been materially prejudiced with respect to the Proceeding by such failure. Throughout the course of any Proceeding, Greenhill will provide the Company with copies of all relevant documentation, will keep the Company apprised of the progress of such Proceeding and will discuss with the Company all significant actions proposed. The Company shall on behalf of Greenhill and/or any other Indemnified Party, as applicable, be entitled (but not required) to assume the defence of any Proceeding. Notwithstanding the foregoing, Greenhill and its applicable Indemnified Party shall have the right to appoint their own separate counsel at the Company's cost in respect of any such Proceeding if: (i) the employment of such counsel has been authorized in writing by the Company; or (ii) counsel retained by the Company or by Greenhill and its applicable Indemnified Party has advised Greenhill and its applicable Indemnified Party that representation of both parties by the same counsel would be inappropriate because there may be legal defences available to Greenhill and its applicable Indemnified Party which are different from or in addition to those available to the Company, there is a conflict of interest between the Company, on one hand, and

Greenhill and its applicable Indemnified Party, on the other hand, or the subject matter of the Proceeding may not fall within the indemnity set forth herein. The Company shall not be liable for any settlement of any Proceeding effected by an Indemnified Party without the Company's prior written consent, which consent shall not be unreasonably withheld, but if settled in accordance herewith or if there is a judgment against an Indemnified Party, the Company agrees to indemnify the Indemnified Party from and against any Liability by reason of such settlement or judgment. Neither the Company nor any member of the Company's board of directors shall (a) settle, compromise, consent to the entry of a judgment in or otherwise seek to terminate any pending or threatened Proceeding in respect of which indemnity may be sought hereunder, whether or not any Indemnified Party is an actual or potential party to such Proceeding, or (b) participate in or facilitate any such settlement, compromise, consent or termination, including on behalf of the Company's board of directors (or a committee thereof), in each case without Greenhill's prior written consent, unless such settlement, compromise, consent or termination includes an unconditional release of each Indemnified Party from all actual or potential Liabilities relating to the Indemnified Activities (such release to be set forth in an instrument signed by all parties to such settlement, compromise, consent or termination) and does not include a statement as to or an admission of fault, culpability or a failure to act, by or on behalf of any Indemnified Party.

The Company agrees that if any indemnification or reimbursement sought pursuant to this Schedule A were for any reason not to be available to any Indemnified Party or insufficient to hold it harmless as and to the extent contemplated by this Schedule A, then the Company shall contribute to the amount paid or payable by such Indemnified Party in respect of Liabilities and expenses in such proportion as is appropriate to reflect the relative benefits to the Company and its affiliates, their respective securityholders and creditors on the one hand, and such Indemnified Party on the other, in connection with the transactions contemplated by the attached letter agreement (whether or not consummated) or, if such allocation is not permitted by applicable law as determined by a court of competent jurisdiction by final nonappealable judgment, in such proportion as is appropriate to reflect not only the relative benefits but also the relative fault of the Company (and its affiliates, and their respective directors, employees, agents and other advisors) on the one hand and such Indemnified Party on the other hand, as well as any other equitable considerations. It is hereby agreed that the relative benefits to the Company and its affiliates and their respective securityholders and creditors and to the Indemnified Party with respect to transactions contemplated by the attached letter agreement shall be deemed to be in the same proportion as (i) the total value paid or received or contemplated to be paid or received by the Company and its affiliates and their respective securityholders and creditors pursuant to transactions contemplated by the attached letter agreement (whether or not consummated) bears to (ii) the fees paid to Greenhill under the attached letter agreement (excluding amounts received by Greenhill as reimbursement of expenses and amounts paid under this Schedule A). The relative fault of the Company and the Indemnified Party shall be determined by reference to, among other things, whether the statements, actions or omissions to act or any other alleged conduct were by the Company (or its affiliates or their respective directors, employees, agents or other advisors) or the Indemnified Party and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such action or omission to act. In no event shall the Indemnified Parties be required to contribute or otherwise be liable for an amount in excess of the aggregate amount of fees actually received by Greenhill pursuant to the attached letter agreement (excluding amounts received by Greenhill as reimbursement of expenses

and amounts paid under this Schedule A).

The Company further agrees that no Indemnified Party shall have any Liability (whether direct or indirect, in contract or tort or otherwise) to the Company or any person asserting claims on behalf of or in right of the Company for or in connection with Greenhill's engagement hereunder or the transactions contemplated by the attached letter agreement except to the extent a court of competent jurisdiction shall have determined by final nonappealable judgment that any Liability resulted directly from the gross negligence or willful misconduct of Greenhill in performing the Services that are the subject of the attached letter agreement. The indemnity, reimbursement and contribution obligations of the Company shall be in addition to any liability which the Company may otherwise have to an Indemnified Party, shall not be limited by any rights that an Indemnified Party may otherwise have and shall be binding upon and inure to the benefit of any successors, assigns, heirs and personal representatives of the Company or an Indemnified Party.

The indemnity, reimbursement and contribution provisions set forth herein shall remain operative and in full force and effect regardless of (i) any withdrawal, termination or consummation of or failure to initiate or consummate any transaction contemplated by the attached letter agreement, (ii) any investigation made by or on behalf of any party hereto or any person controlling (within the meaning of Section 15 of the Securities Act of 1933, as amended, or Section 20 of the Securities Exchange Act of 1934, as amended) any party hereto, (iii) any amendment or other modification or termination of the attached letter agreement or the completion of Greenhill's engagement and (iv) whether or not Greenhill shall, or shall not be called upon to, render any formal or informal advice in the course of such engagement.

SCHEDULE B

The M&A Fee with respect to any M&A Transaction shall be calculated by multiplying the Transaction Fee Percentage and the Transaction Value (as defined below). The Transaction Fee Percentage shall be calculated in accordance with the following table, where the Transaction Fee Percentage is prorated between the US$[200] million and US$[500] million intervals of the Transaction Value Markers by linear interpolation. For Transaction Values less than US$[200] million, the Transaction fee shall be US$2,500,000. For Transaction Values above US$[500] million, the Transaction Fee Percentage shall be 0.75%.

Transaction Value Markers	**Transaction Fee Percentage**	**Transaction Fee**
US$200 million (or lower)		US$2,500,000
Between US$200 million and US$500 million	1.25% to 0.75%	Between US$2,500,000 and US$3,750,000
US$500 million (or higher)	0.75%	US$3,750,000 (or higher)

For the purpose of calculating an M&A Transaction Fee, "Transaction Value" shall equal the aggregate value of, without duplication, (A) the total value of all proceeds and other consideration to be paid to or received by the Company or its securityholders, directly or indirectly, in connection with a Transaction, including, without limitation: (i) cash; (ii) notes, securities and other property; (iii) amounts paid under contractual arrangements for financial lease arrangements; (iv) contingent payments (whether or not related to future earnings or operations); and (v) amounts held in escrow; plus (B) the aggregate principal amount of all indebtedness and other liabilities (including, without limitation, capitalized leases, pension liabilities and preferred stock obligations) outstanding immediately prior to consummation of a Transaction or otherwise, directly or indirectly, assumed, refinanced, defeased, extinguished or consolidated (including any premiums paid or defeasance costs) in connection with such Transaction. For purposes of computing any fees payable to Greenhill hereunder, (x) shares issuable upon exercise of options, warrants or other rights of conversion shall be deemed outstanding, (y) contingent and installment payments shall be valued based upon the estimated net present value thereof using an appropriate discount rate as determined in good faith by Greenhill and the Company, and (z) non-cash consideration shall be valued as follows: (A) publicly traded securities shall be valued at the average of their closing prices (as reported in The Wall Street Journal) for five trading days ending five trading days prior to the closing of the Transaction and (B) any other non-cash consideration shall be valued at the fair market value thereof as determined in good faith by the Company and Greenhill on the day prior to the consummation of the Transaction.

Transaction Value also shall include, without duplication, (i) the aggregate amount of any dividends or other distributions declared after the date hereof (other than normal recurring cash dividends), (ii) any amounts paid to repurchase any securities (other than repurchases pursuant to and consistent with currently existing stock repurchase programs) and (iii) in the case of a sale of assets, the net value of any working capital (other than cash) not acquired in such Transaction; provided that if the Norwegian Sale is completed, Transaction Value shall not include any value attributable to the assets sold, transferred or disposed of pursuant to the Norwegian Sale, including net value of any working capital attributed to any such assets.

In connection with a sale, transfer or other disposition of 50% or more of the outstanding common stock of the acquired company, Transaction Value will be calculated as if 100% of the outstanding common stock on a fully diluted basis had been acquired at the same per share amount paid in such Transaction.

SCHEDULE C

- Cargill, Incorporated, Cargill International Trading PTE LTD and each of their affiliates
- Proterra Investment Partners, Proterra M&M MGCA B.V., Proterra M&M Co-Invest LLC and each of their affiliates
- Aequor Holdings LLC and each of its affiliates
- Orion Resource Partners, Orion Fund II (Be) Ltd., Orion Fund II H Ltd. and each of their affiliates
- MagGlobal LLC and each of its affiliates
- Titlis Mining AS and each of its affiliates

Appendix C

KERP Data

CCAA KERP Tracking Sheet

Updated as of 8/22/2023. Source: Insolvency Insider

CCAA Debtor(s)	Filing Date	Filling Jurisdiction	Monitor	KERP	KERP Charge	Number of Employees	Employees Covered	Terms of Payment	Total Cost
Big Eric Inc. and Terra Nova Old Port Foods Inc.	7/20/2023	Newfoundland & Labrador	Grant Thornton	Yes	$52,000	90	19	TNOPFI KERP total payments totaling $18,000 - $6,500 in Week 1, $1,500 in Week 5, $2,500 in Week 10 and $7,500 in Week 12. BEI KERP total payments totaling $34,000 all paid in Week 5, plus an additional payment on successful exit from insolvency proceedings.	$52,000
Bron Media Corp. et al.	7/19/2023	British Columbia	Grant Thornton	Yes	$234,460	55	13	3 C-level employees receiving 1/3 of KERP upon Court approval of KERP plan and 2/3 after termination of CCAA proceedings. Remaining employees receive 1/3 upon Court approval, 1/3 in week 7 of CFF, and 1/3 after termination of CCAA proceedings.	$234,460
Groupe Airmedic	7/13/2023	Québec	Deloitte	Yes	$200,000	135	Sealed	Sealed	n/a
Perativ General Partnership et al.	7/3/2023		PwC	Yes	Sealed	85	Sealed	Sealed	n/a
Fire & Flower Inc. et al.	6/5/2023	Alberta	FTI	Yes	$1,160,000	645	30	30 executives, operational, regulatory and subject matter specialists receiving a bonus payment on either the completion of CCAA proceedings or Oct 31, 2023 - whichever occurs earlier. Certain other key employees get an additional incentive payment if a successsful stalking horse transaction is competed, or a transaction exceeds a certain amount. A Key employee only receives payment if gross proceeds from a transaction exceeds a certain threshold.	
Woodlore International Inc., Ébénisterie St-Urbain Ltée and Euro-Rite Cabinets Ltd.	5/12/2023	Ontario	Raymond Chabot	Yes	$200,000	341	Sealed	Sealed	n/a
IMV Inc. (TSX: IMV)	5/1/2023	Nova Scotia	FTI	Yes	$575,000	58	11	Certain guaranteed payments to some employees and additional percentage-based payments based on the purchase price obtained from SISP.	$ 575,000
Greenspace Brands Inc., Love Child (Brands) Inc., Central Roast Inc., And Life Choices Natural Food Corp	4/6/2023	Ontario	PwC	Yes	$100,000	14	14	In essence, the KERP provides that most employees will be entitled to a KERP payment if: (i) they are still employed at the completion of the transaction; and (ii) they are not offered employment by the successful bidder	$100,000
Canada Drives Limited et al.	3/20/2023	British Columbia	PwC	Yes	$450,000	326	17	One-time lump sum payment, calculated as a percentage (15-23%) of the employee's base salary	$450,000
Loyaltyone, Co.	3/10/2023	Ontario	KSV	Yes	$3.1M	750	20	¼ paid on March 31, 2023, with the balance payable when a transaction is consummated pursuant to the SISP.	$3.1M

CCAA KERP Tracking Sheet

Updated as of 8/22/2023. Source: Insolvency Insider

CCAA Debtor(s)	Filing Date	Filling Jurisdiction	Monitor	KERP	KERP Charge	Number of Employees	Employees Covered	Terms of Payment	Total Cost
Nordstrom Canada Retail, Inc., Nordstrom Canada Holdings, Llc, Nordstrom Canada Holdings Ii, Llc, Nordstrom Canada Leasing Lp	3/2/2023	Ontario	A&M	Yes	$2.6M	2,330	Up to 265	Up to 13 Store Managers eligible for a payment of 20% of base salary for a total maximum payout of approximately $359,000; up to 117 Department Managers eligible for a payment of 15% of base salary for a total maximum payout of approximately $1.2 million; up to 42 Assistant Department managers eligible for a payment of 10% of base salary for a total maximum payout of appproximately $193,000; up to 56 Asset Protection personnel eligible for a payment of 10% of base salary for a total maximum payout of appproximately $263,000; 37 non-store personnel eligible for a payment of 5-25% of base salary for a total maximum payout of appproximately $532,000	$2.6M
BBB Canada Ltd.	2/10/2023	Ontario	A&M	Yes	$161,000	1,425	3	The KERP Participants are entitled to retention bonuses of 30% of the KERP Participants' annual salary, totaling $161,000 in the aggregate across the three KERP Participants. Such retention bonuses are payable as follows: (i) 15% payable following one month after the commencement of the Sale; (ii) 15% payable after two months after the commencement of the Sale; and (iii) 70% payable following the earlier of (a) four months after the commencement of the Sale or (b) the date on which the KERP Participants' services are no longer required.	$161,000
Polar Holding Ltd.	2/10/2023	Manitoba	Deloitte	Yes	$300,000	335	Sealed	First installment payment of $150,000 upon the Court granting the stay extension at the comeback hearing; second installment payment of $150,000 upon the completion of the CCAA proceedings, the discharge of the Monitor and the payment in full of the TD indebtedness.	$300,000
Forex Inc., Forex Amos Inc., Wawa Osb Inc.	2/7/2023	Quebec	PwC	Yes	$580,000	350	Sealed	Sealed	Sealed
Acerus Pharmaceuticals Corporation	1/26/2023	Ontario	EY	Yes	$455,250	10	3	There are no guaranteed payments under the KERP. Payments under the KERP are due only upon certain triggers or milestones in the Applicants' restructuring, which include: a. upon closing of the sale of one or more of the Applicants' drugs; b. upon the completion of the production of a commercial batch of Noctiva; and c. upon the completion of a sale or restructuring transaction in respect of substantially all of the Applicants' assets or operations.	$455,250
Payslate Inc.	12/5/2022	British Columbia	Grant Thornton	Yes	$604,000	21	Sealed	Each key employee will be paid a lump sum payment on the date a transaction is concluded pursuant to the SISP. If no transaction is concluded, nothing will be payable under the KERP.	$604,000

CCAA KERP Tracking Sheet

Updated as of 8/22/2023. Source: Insolvency Insider

CCAA Debtor(s)	Filing Date	Filling Jurisdiction	Monitor	KERP	KERP Charge	Number of Employees	Employees Covered	Terms of Payment	Total Cost
Manitoba Clinic Medical Corp, And The Manitoba Clinic Holding Co. Ltd.	11/30/2022	Manitoba	A&M	Yes	$100,000	50-200	3	Milestone #1: The Key Employees must remain with the Companies and assist the Proposed Monitor in the restructuring of Medco over the Forecast Period Milestone #2: Should a successful path-forward for Medco be determined by the Proposed Monitor and Medco is restructured to a "going-concern" state, the Proposed Monitor is expected to initiate a SISP, which would be subject to Court approval. Should this occur, the Key Employees must remain with the Companies and assist the Proposed Monitor as required until the completion of the SISP and a successful plan or transaction has been closed.	$100,000
Springer Aerospace Holdings Limited And 1138969 Ontario Inc.	11/23/2022	Ontario	MNP	Yes	$70,000	100+	Sealed	Pursuant to the terms of the KERP, the Eligible Employees are entitled to receive a specified amount if they; (a) they remain employed by Springer in their current position, or as otherwise assigned, through to the end of the completion of the SISP or April 15, 2023; and (b) fulfill their performance expectations and work their regular schedule;	$70,000
Cannapiece Group Inc.	11/3/2022	Ontario	BDO	Yes	$160,000	155	11	The KERP payments are proposed to be paid in two equal installments, the first in Week 5 (end of November), and a final payment in Week 14 (in line with the end of the Stalking Horse Sales Process).	$160,000
Digitcom Telecommunications Inc.	10/31/2022	Alberta	Grant Thornton	Yes	$135,000	23	Unclear	The Key Employees will receive payments that equate to a fixed percentage of their annual base salary ($135,000 in the aggregate) as retention payments (the "Retention Payments"), if the Key Employees remain with Digitcom to the conclusion of the SISP or these Proceedings; the Key Employees will receive incentive payments that equate to a fixed percentage of their annual base salary ($112,500 in the aggregate), in the event of the Interim Loan and TD Bank's pre-existing secured debt being repaid in full following the SISP (the "Incentive Payments")	$247,500

CCAA KERP Tracking Sheet

Updated as of 8/22/2023. Source: Insolvency Insider

CCAA Debtor(s)	Filing Date	Filling Jurisdiction	Monitor	KERP	KERP Charge	Number of Employees	Employees Covered	Terms of Payment	Total Cost
Pure Gold Mining Inc. - KERP	10/31/2022	Ontario	KSV	Yes	$750,000 for KERP $2.2M (SERP) for key site employees	271	KERP coverage sealed SERP coverage is for 38 key site employees	KERP - The "Retention Bonuses" payable to each of the KERP Employees under the KERP will be paid in the form of three lump sums, payable as follows: (a) 25% of the total Retention Bonus will be paid on completion of the PFS; and (b) 25% of the total Retention Bonus will be paid on the earlier of: (i)30 days following the closing of an asset sale transaction or a restructuring transaction ("Closing") in accordance with the proposed SISP; or (ii) March 31, 2023; and (c) 50% of the total Retention Bonus will be paid 30 days following Closing. SERP- Bonus Payments become payable to most of the Key Site Employees on April 30, 2023, September 30, 2023, and December 31, 2023. Each of the Bonus Payments has two components: a "Retention Bonus" (based on a percentage of each Key Site Employee's annual salary) and a "Performance Bonus" (payable to the Key Site Employees based on their collective performance during the applicable period, also based on a percentage of each Key Site Employee's salary, to be paid in addition to the Retention Bonus if certain "Performance Criteria" are met)	$750,000
Nilex Inc	10/21/2022	Ontario	KSV	Yes	$800,000	114	Unclear	For certain KERP Employees, a portion of the KERP is to be paid as a “stay bonus”. For other employees, their KERP entitlement is based on the outcome of the SISP and recoveries to CIBC.	$800,000
Flowr Corporation	10/20/2022	Ontario	EY	Yes	$800,000	83	Unclear	KERP contemplates 2 milestone payments, the first based on continuing employment for a period of time and the second based on a going concern outcome	$800,000
Great Panther Mining Limited	10/4/2022	British Columbia	A&M	Yes	$117,500	Unknown	5	117,500, representing approximately 11.0% of the employees' annual salaries or half-a-month to two months’ salary, depending on the employee; the KERP Fund is to be disbursed to the Key Employees upon the earlier of: i. the determination that one (1) or more of the LOIs received in Phase I of the CCAA SISP is selected to participate in Phase II of the CCAA SISP, regardless of whether Management elects to advance the CCAA SISP to Phase II, or Phase II is conducted solely by affiliates or subsidiaries of GPR; or ii. the termination of the CCAA Proceedings.	$117,500
Sugarbud Craft Growers Corp.	9/29/2022	Alberta	A&M	Yes	$140,000	25-50	Sealed	Retention bonus paid over two payments to align with certain milestones contained in the SISP, with payment of 25% of the KERP to be paid to the employees on the first milestone and the remaining 75% of KERP to be paid to the employees after the second milestone.	$140,000
Xebec Adsorption Inc.	9/29/2022	Quebec	Deloitte	Yes	$1.08M	586	15	KERPs include 4 executives 5 VPs and 6 other key employees	$1.08M

CCAA KERP Tracking Sheet

Updated as of 8/22/2023. Source: Insolvency Insider

CCAA Debtor(s)	Filing Date	Filling Jurisdiction	Monitor	KERP	KERP Charge	Number of Employees	Employees Covered	Terms of Payment	Total Cost
Endoceutics Inc., Endoceutics Pharma (Msh) Inc., Endoceutics Pharma (Québec) Inc. Endoceutics Pharma (Usa) Inc. Endoceutics Sa	9/26/2022	Quebec	EY	Yes	$265,000	Unknown	Unclear	Unclear	$265,000
Trevali Mining Corporation And Trevali Mining (New Brunswick) Ltd.	8/19/2022	British Columbia	FTI	Yes	$800,000	Approx. 600	Sealed	(a) 33.3% of the total Retention Bonus will be paid on the earlier of; (i) the execution of an LOI for the sale of the Rosh Pinah Mine pursuant to the SISP; or (ii) November 30, 2022; (b) 33,3% of the total Retention Bonus will be paid on the earlier of: (i) the completion of a transaction for the sale of the Rosh Pinah Mine pursuant to the SISP; or (ii) January 31, 2023; and (c) 33.4% of the total Retention Bonus will be paid on the earlier of: (i) the completion of a transaction for the sale of the Rosh Pinah Mine pursuant to the SISP; or (ii) March 31, 2023.	$800,000
North American Lamb Company Ltd. , Canada Sheep And Lamb Farms Ltd., Canada Sheep Holdings Ltd., Lamb Club Marketing Limited., Canada Lamb Growers Ltd., Canada Lamb Processors Ltd., And Canine Fare Ltd.	8/8/2022	Alberta	EY	Yes	$500,000	160	Sealed	Sealed	$500,000
The Sanderson-Harold Company c.o.b. as Paris Kitchens	5/31/2022	Ontario	KSV	Yes	$120,000	150	Sealed	The KERP is structured to be paid in two installments, as follows: a) 50% paid four months following the Filing Date; and b) the balance to be paid upon the earlier of (i) December 31, 2022 and (ii) the last day of the KERP Employee's employment with the Company.	$120,000
Freshlocal Solutions Inc. Sustainable Produce Urban Delivery Inc. 569672 Bc Limited Organics Express Inc. Mainland Fresh Distribution Inc. Food-X Urban Delivery Inc. Food-X Technologies Inc. Food-X Technologies Gp Inc. Food-X Technologies (Egms) Inc. Be Fresh (Ab) Inc. Blush Lane Organic Produce Ltd. Foodx Technologies Sa Food-X Technologies Limited Partnership	5/16/2022	British Columbia	EY	Yes	$800,000	456	Sealed	KERP charge subordinate to admin charge, DIP charge, D&O charge and pre-filing secured debt	$800,000
Choom Holdings Inc. Choom Bc Retail Holdings Inc; 2151414 Alberta Ltd.; 2688412 Ontario Inc.; Phivida Holdings Ltd	4/22/2022	British Columbia	EY	Yes	$115,000		Sealed	Sealed	$115,000
Behr Technologies Inc.	12/3/2021	Ontario	Farber	Yes	$30,000	25-50	Sealed	Sealed	$30,000
ChronoMetriq Inc. and Health Myself Innovations Inc.	10/26/2021	Quebec	Richter	Yes	$194,000	48	Sealed	Unclear - KERP details filed under seal. KERP payments based on a percentage of employee's salary.	$194,000
Spartan Bioscience Inc.	6/21/2021	Ontario	EY	Yes	$725,000		22	The KERP Participants' eligibility for and proposed compensation under the KERP is based on each respective KERP Participant's position, responsibilities, compensation package, and other factors.	$725,000

CCAA KERP Tracking Sheet

Updated as of 8/22/2023. Source: Insolvency Insider

CCAA Debtor(s)	Filing Date	Filling Jurisdiction	Monitor	KERP	KERP Charge	Number of Employees	Employees Covered	Terms of Payment	Total Cost
Just Energy	3/9/2021	Ontario	FTI	Yes	$6.8M		42	The KERP payments will be made in three installments payable as follows: (i) 180 days after the filing date; (ii) 270 days after the filing date; and (iii) the earlier of 15 months after the filing day or exit from the CCAA proceeding. For executive employees, the first and second installments will each be in an amount equal to 25 percent of the total KERP payment payable to the employee in question whereas the final installment will be equal to 50 percent of the total KERP payment. For all other employees, the first and second installments will each be in an amount equal to 40 percent of the total KERP payment payable to the employee in question whereas the final installment will be equal to 20 percent of the total KERP payment. The total KERP payments range from 35 percent to 90 percent of the base salary of the relevant employees.	$6.8M
Ardenton Capital Corporation and Ardenton Capital Bridging Inc.	3/5/2021	British Columbia	KSV	Yes	$496,000		9	KERP shall be earned on the earlier of: i) the implementation by the Petitioners of a Plan, as approved by the Monitor (a "Plan Implementation Event"), in which case the bonus shall be payable in two installments: (i) 50% on the date of the Plan Implementation Event, and (ii) the balance on the date that is 90 days thereafter; ii) the conversion of these CCAA proceedings to a different restructuring process, provided that substantially all of ACC's business and assets have not been sold as of the date of the conversion (a "Conversion Event"), in which case the retention bonus shall be due and payable on the basis set out in 25(a) above; or iii) the completion of any realization process through the CCAA for substantially all of the Petitioners' business or assets (a "Sale Completion Event" and collectively with a Plan Implementation Event and the Conversion Event, a "Completion Event"), in which case the retention amount shall be due and payable within five (5) days following the Sale Completion Event.	$496,000
Atis Group Inc., 10422916 Canada Inc., 8528853 Canada Inc., 9060642 Canada Inc., 9092455 Canada Inc., Distributeur Vitro Clair Inc., Solarcan Architectural Holding Limited, Vitrerie Lévis Inc., and Vitrotec Portes & Fenêtres Inc.	2/19/2021	Quebec	Raymond Chabot	Yes	$500,000	Sealed	Sealed	Sealed	$500,000

CCAA KERP Tracking Sheet

Updated as of 8/22/2023. Source: Insolvency Insider

CCAA Debtor(s)	Filing Date	Filling Jurisdiction	Monitor	KERP	KERP Charge	Number of Employees	Employees Covered	Terms of Payment	Total Cost
FIGR Brands, Inc., Canada's Island Garden Inc., and FIGR Norfolk Inc.	1/21/2021	Ontario	FTI	Yes	$0		Sealed	Entitled to two (2) payments under the proposed KERP, each of which is subject to the attainment of a milestone. The first milestone is the earliest of: (i) April 30, 2021; (ii) the date upon which the Court grants an order terminating the CCAA proceedings (the "CCAA Termination Date"); and (iii) the date on which the relevant Key Employee is terminated without cause. The second milestone is the earliest of: (i) the date upon which any transaction or transactions that together result in the sale of all or substantially all of the business and/or assets of CIG closes; (ii) July 31, 2021; (iii) the date on which the relevant Key Employee is terminated without cause; and (iv) the CCAA Termination Date.	$80,000
Le Château Inc. and Château Stores Inc.	10/23/2020	Quebec	PwC	Yes	$850,000	Sealed	Sealed	Sealed	$850,000
Pharmhouse Inc.	9/15/2020	Ontario	EY	Yes	$363,072	Sealed	Sealed	The KERP has two milestones. i.The first milestone is March 15, 2021, which is 6 months after the Filing Date ($256,072 payable). ii.The second milestone is exclusive to a subset of Key Employees (the "Leadership Team"). The Leadership Team will reach the second milestone on the earlier of (i) a Court-approved transaction that results in the sale of all or substantially all the assets of PharmHouse, or (ii) the date on which a plan of arrangement under the CCAA in respect of PharmHouse is implemented ($107,000 payable).	$363,072
Mountain Equipment Co-operative and 1314625 Ontario Limited	9/14/2020	British Columbia	A&M	Yes	$778,000		8	Under the provisions of the KERP, each of the Key Employees will receive a set amount payable on the earlier of: a) the successful completion of a sale transaction or 30 days following the successful completion of a sale transaction, depending on the Key Employee; b) December 10 or 31, 2020, depending on the Key Employee; c) the last date of employment in the event MEC terminate the Key Employee's employment without cause: or d) on a pro-rated basis at the time of death if death occurs.	$778,000
Glenogle Energy Inc., 1651558 Alberta Ltd. and Glenogle Energy LP	9/8/2020	Alberta	EY	Yes	$278,829 + 1% of transaction value		4	The initial design was as follows: (a) 4 Key Employees will receive a retention payment in the aggregate amount of $278,829 as retention payments; (b) certain of the Key Employees will also receive an incentive payment that is calculated, in the aggregate, as 1% of the total transaction value achieved in a restructuring transaction. As a result of the longer than expected timing to undertake the SISP and close a transaction, the Company is proposing an increase in the Incentive Payments to 1.25% of the restructuring transaction value in order to include 2 additional employees.	$278,829 + 1% of transaction value

CCAA KERP Tracking Sheet

Updated as of 8/22/2023. Source: Insolvency Insider

CCAA Debtor(s)	Filing Date	Filling Jurisdiction	Monitor	KERP	KERP Charge	Number of Employees	Employees Covered	Terms of Payment	Total Cost
DAVIDsTEA Inc. DAVIDsTEA (USA) Inc.	7/8/2020	Quebec	PwC	Yes	$500,000	415	13	KERP would represent 20-30% of individuals base salary. KERP would be made in three equal payments. i) one third following approval of KERP ii) one third upon homologation of a plan of arrangement iii) one third after six months after homologation of the plan of arrangement	$500,000
Cirque Du Soleil Canada Inc. et al.	6/30/2020	Quebec	EY	Yes	$7.5M	Sealed	Sealed	Sealed	$7.5M
Roberts Company Canada Limited	6/29/2020	Ontario	Richter	Yes	$200,000		6 to 9	The KERP covers 4 key supply chain professionals and 2-5 other key employees integral to the debtor's business and restructuring.	$200,000
1057863 BC Ltd., Northern Resources Nova Scotia Corporation, Northern Pulp Nova Scotia Corporation, Northern Timber Nova Scotia Corporation, 3253527 Nova Scotia Limited, 3243722 Nova Scotia Limited and Northern Pulp NS GP ULC	6/19/2020	Nova Scotia	EY	Yes	$482,517		7	The KERP covers 7 mill employees. It includes a) the Key Management Employee Retention Plan ("KMERP") (which covers 5 managers) and b) the Key Technical Employee Retention Plan ("KTERP") (which covers 2 employees). The amount of the KERP was increased slightly by an Order dated September 25, 2020. The amount of the KERP was increased again on April 22, 2021.	$482,517
957855 Alberta Ltd. (Formerly Newswest Inc.) and Rosebud Creek Financial Corp.	6/17/2020	Alberta	KSV	Yes	$180,000		3	The KERP covers 3 key employees in the receivable and accounting groups whose continued efforts with respect to the collection of accounts receivable and the overseeing of the return and processing of unsold Literature Business, are expected to maximize recoveries for the benefit of Metro 360's creditors. Each KERP participant is entitled to receive a specified amount in one lump sum installment with payment of their final pay following September 30, 2020. In each case, the KERP payment is in full and final satisfaction of any and all claims the KERP participant might have had for severance or termination pay under statute or common law.	$180,000
Beleave Inc., Beleave Kannabis Corp., Seven Oaks Inc., 9334416 Canada Inc. O/A Medigreen and My-Grow, Beleave Kannabis Abbotsford Inc. and Beleave Kannabis Chilliwack Inc.	6/5/2020	Ontario	Grant Thornton	Yes	$200,550				

CCAA KERP Tracking Sheet

Updated as of 8/22/2023. Source: Insolvency Insider

CCAA Debtor(s)	Filing Date	Filling Jurisdiction	Monitor	KERP	KERP Charge	Number of Employees	Employees Covered	Terms of Payment	Total Cost
Cequence Energy Ltd. and 1175043 Alberta Ltd.	5/29/2020		EY	Yes	$500,000		13 employees	The Base KERP payments will be made on the earlier of: i) The date on which the Recipient is terminated without cause; ii) The date on which the Sanction Order is granted; or iii)) A closing of any Material Sale Transaction	$500,000
ENTREC Corporation, Capstan Hauling Ltd., ENTREC Alberta Ltd., ENT Capital Corp., ENTREC Cranes & Heavy Haul Inc., ENTREC Holdings Inc., ENT Oilfield Group Ltd. and ENTREC Services Ltd.	5/15/2020	Alberta	A&M	Yes	$670,000		5	The KERP/KEIP covers a group of senior Management personnel. Pursuant to the KERP, Key Employees will receive a set amount, payable on the earlier of: a) the closing of a sale transaction under the proposed SISP; b) the termination of the CCAA Proceedings; or c) August 30, 2020 or September 30, 2020, depending on the Key Employee. Key Employees may also be entitled to an additional payment under the KEIP. The quantum of entitlements under the KEIP for each Key Employee is tied to: (i) a percentage of the total value of potential transactions flowing from the SISP, subject to certain thresholds and exceptions, and/or (ii) the success of pre-filing accounts receivable collection efforts.	$670,000
The Aldo Group Inc., Southwest Capital Holdings Inc., Aldo U.S. Inc., Aldo Marketing LLC, Aldo Shoes West Forty Second, LLC, Aldo 1125 Third Ave Corp., 1230 Avenue of the Americas LLC, Aldo 5th Ave. Inc. and Aldo 250 West 125 Inc.	5/7/2020	Quebec	EY	Yes	$1.97M	Sealed	Sealed	Specific terms of KERP confidential. Essentially, the KERP provides for each employee to receive a specific amount which is payable if the employee does not resign or is not terminated before the earlier of various dates that are intended to reflect the substantial completion of the CCAA process.	$1.97M
Dominion Diamond Mines ULC, Dominion Diamond Delaware Company, LLC, Dominion Diamond Canada ULC, Washington Diamond Investments, LLC, Dominion Diamond Holdings, LLC and Dominion Finco Inc.	4/22/2020	Alberta	FTI	Yes	$580,000		Sealed	The KERP covers "a limited number" of Key Employees who oversee compliance with environmental and regulatory requirements and maintain longstanding relations with local indigenous communities, the government of the Northwest Territories and employees.	$580,000

CCAA KERP Tracking Sheet

Updated as of 8/22/2023. Source: Insolvency Insider

CCAA Debtor(s)	Filing Date	Filling Jurisdiction	Monitor	KERP	KERP Charge	Number of Employees	Employees Covered	Terms of Payment	Total Cost
CannTrust Holdings Inc, CannTrust Inc., CTI Holdings (Osoyoos) Inc. and Elmcliffe Investments Inc.	3/31/2020	Ontario	EY	Yes	$2.2M	280	23	KERP covers both executive and non-executive key employees. The first milestone for both groups is 60 days after the expiry of the appeal period for the amended and restated initial order. For non-executive key employees, the second milestone is the earlier of January 15, 2021 or the completion of a going concern reorganization or transaction. For executive key employees, the second milestone is upon the completion of a going concern outcome. The second milestone payment is conditional on the company receiving a successful reinstatement of its cannabis license at one of its facilities. $655,000 is payable after first milestone, $1,339,000 after the second milestone and $200,000 is discretionary.	$2.2M
Spectra Premium Industires Inc.	3/1/2020	Quebec	EY	Yes	$850,000	approx. 1,100	10	Details sealed. Payments based on participants reaching certain milestones to ensure they stay on to complete the anticipated restructuring.	$850,000
Invictus MD Strategies Corp., Greener Pastures MD Ltd., Acreage Pharms Ltd., and 2015059 Alberta Ltd.	2/13/2020	British Columbia	PwC	Yes	$500,000		Sealed	For employees, plan includes $100,000 of payroll arrears + $200,000 of additional retention amounts if employees stay on past certain milestones. Management incentive plan includes payment of payroll arrears plus a maximum $500,000 incentive bonus that is based on transaction value.	$500,000
Ontario Graphite Ltd.	2/12/2020	Ontario	Deloitte	Yes	$100,000		6	Equal to two months salary / twice the monthly fees charged. payable at the earlier of: (i) the termination, not for cause, of their employment or of the services arrangement; (ii) the closing of a Transaction; and (iii) the termination of the CCAA Proceedings	$100,000
SFP Canada Ltd.	1/23/2020	Ontario	Richter	Yes	$284,000 USD	405	28	Retention payments for highly qualified and skilled personnel essential to the group's wind-down / liquidation activities. KERP granted in US Chapter 11 proceedings of the debtor's US parent company. In Canada, court granted order allocating 30% of the KERP to SFP Canada.	$284,000 USD

Appendix D

The Solicitation Process

Procedures for the Sale, Investment and Services Solicitation Process

Tacora Resources Inc. ("**Tacora**") is a private company that is focused on the production and sale of high-grade and quality iron ore products that improve the efficiency and environmental performance of steel making. Tacora currently sells 100% of the iron ore concentrate production of the Scully Mine, an iron ore concentrate mine located near Wabush, Newfoundland and Labrador, Canada (the "**Scully Mine**"), pursuant to the Offtake Agreement with Cargill.

On October 10, 2023, Tacora commenced proceedings (the "**CCAA Proceedings**") under the *Companies' Creditors Arrangement Act* (Canada) (the "**CCAA**") before the Ontario Superior Court of Justice (Commercial List) in the City of Toronto (the "**Court**") pursuant to an order granted by the Court on the same day (as may be amended or amended and restated from time to time, the "**Initial Order**").

Pursuant to the Initial Order, FTI Consulting Canada Inc., a licensed insolvency trustee, was appointed as monitor in the CCAA Proceedings (in such capacity, the "**Monitor**"). Greenhill & Co. Canada Ltd. (the "**Financial Advisor**") is acting as Tacora's financial advisor and investment banker.

On October **[●]**, 2023, the Court granted an order (the "**Solicitation Order**"), authorizing Tacora to undertake a sale, investment and services solicitation process (the "**Solicitation Process**") to solicit offers or proposals for a sale, restructuring or recapitalization transaction in respect of Tacora's assets (the "**Property**") and business operations (the "**Business**"). The Solicitation Process will be conducted by the Financial Advisor with the Monitor in the manner set forth in these procedures (the "**Solicitation Procedures**").

Defined Terms

1. Capitalized terms used in these Solicitation Procedures and not otherwise defined herein have the meanings given to them in Appendix "A".

Solicitation Procedures

Opportunity

2. The Solicitation Process is intended to solicit interest in, and opportunities for: (a) a sale of all, substantially all, or certain portions of the Property or the Business; or (b) an investment in, restructuring, recapitalization, refinancing or other form of reorganization of Tacora or its Business as a going concern, or a combination thereof (the "**Transaction Opportunity**").

3. The Solicitation Process will also provide the ability for interested parties to investigate and conduct due diligence regarding an opportunity to arrange an offtake, service or other agreement in respect of the Business (the "**Offtake Opportunity**" and together with the Transaction Opportunity, the "**Opportunity**")).

General

4. The Solicitation Procedures describe the manner in which prospective bidders may

gain access to due diligence materials concerning Tacora, the Business and the Property, the manner in which interested parties may participate in the Solicitation Process, the requirements of and the receipt and negotiation of Bids received, the ultimate selection of a Successful Bidder and the requisite approvals to be sought from the Court in connection therewith.

5. Tacora, in consultation with the Monitor and the Financial Advisor, may at any time and from time to time, modify, amend, vary or supplement the Solicitation Procedures, without the need for obtaining an order of the Court or providing notice to Phase 1 Bidders, Phase 2 Bidders, the Successful Bidder and the Back-Up Bidder, provided that the Financial Advisor and the Monitor determine that such modification, amendment, variation or supplement is expressly limited to changes that do not materially alter, amend or prejudice the rights of such bidders and that are necessary or useful in order to give effect to the substance of the Solicitation, the Solicitation Procedures and the Solicitation Order.

6. Except as set forth in these Solicitation Procedures, nothing in this Solicitation Process shall prohibit a secured creditor of Tacora (a) from participating as a bidder in the Solicitation Process, or (b) committing to Bid its secured debt, including a credit bid of some or all of its outstanding indebtedness under any loan facility (inclusive of interest and other amounts payable under any loan agreement to and including the date of closing of a definitive transaction) owing to such party in the Solicitation Process.

7. Tacora, in consultation with the Financial Advisor and the Monitor, shall have complete discretion with respect to the provision of any information to any party or any consultation rights in connection with the Solicitation Process, provided that, no information regarding any Bids received shall be provided to any stakeholder of Tacora or their respective advisors.

8. Notwithstanding anything to the contrary in these Solicitation Procedures, Tacora and the Financial Advisor, in consultation with the Monitor, may attempt to negotiate a stalking horse bid (a "**Stalking Horse Bid**") prior to the Phase 1 Bid Deadline to provide certainty for Tacora and the Property/Business during the Solicitation Process. If Tacora, with the approval of the Monitor, determines that it is appropriate to utilize a Stalking Horse Bid, such Stalking Horse Bid shall be subject to approval by the Court and Tacora shall bring a motion before the Court on notice to the service list in these CCAA Proceedings seeking approval to use the Stalking Horse Bid as a "stalking horse" in the Solicitation Process, together with approval of any necessary consequential amendments to these Solicitation Procedures. All interested parties that have executed an NDA in connection with this Solicitation Process shall be promptly informed of any such motion, Court approval for the use of the Stalking Horse Bid and any related amendments to these Solicitation Procedures. The terms of any Stalking Horse Bid must, at a minimum, meet all requirements under these Solicitation Procedures, including, for greater certainty, the criteria applicable to a Phase 2 Qualified Bid (which must provide for payment in cash of all obligations (unless the DIP Lender agrees otherwise) owing under the DIP Agreement in full).

Timeline

9. The following table sets out the key milestones under this Solicitation Process, which may be extended from time to time by Tacora, in consultation with the Financial Advisor

and with the consent of the Monitor, in accordance with the Solicitation Process:

Event	Timing
Phase 1	
1. Notice Monitor to publish a notice of the Solicitation Process on the Monitor's Website Financial Advisor / Tacora to publish notice of the Solicitation Process in industry trade publications, as determined appropriate Financial Advisor to distribute Teaser Letter and NDA (if requested) to potentially interested parties	No later than five (5) days following issuance of the Solicitation Order.
2. Phase 1 - Access to VDR Phase 1 Bidders provided access to the VDR, subject to execution of appropriate NDAs	October **[●]**, 2023 to December 1, 2023
3. Phase 1 Bid Deadline Deadline for Phase 1 Bidders to submit non-binding LOIs in accordance with the requirements of section 23	By no later than December 1, 2023 at 12:00 p.m. (Eastern Time)
4. Notification of Phase 1 Qualified Bid Deadline to notify a Phase 1 Bidder whether it has been designated as a Phase 2 Bidder invited to participate in Phase 2	By no later than December 6, 2023, at 12:00 p.m. (Eastern Time)
Phase 2	
5. Phase 2 Bid Deadline Phase 2 Bid Deadline (for delivery of definitive offers by Phase 2 Qualified Bidders in accordance with the requirements of section 34)	By no later than January 19, 2024, at 12:00 p.m. (Eastern Time)
6. Definitive Documentation Deadline for completion of definitive documentation in respect of a Successful Bid and filing of the Approval Motion	By no later than February 2, 2024

7. Approval Motion Hearing of Approval Motion in respect of Successful Bid (subject to Court availability)	Week of February 5, 2024
8. Outside Date – Closing Outside Date by which the Successful Bid must close	February 23, 2024 (subject to customary conditions related to necessary and required regulatory approvals acceptable to Tacora, in consultation with the Financial Advisor and the Monitor, in their sole discretion)

Solicitation of Interest

10. As soon as reasonably practicable, but, in any event, by no later than five (5) days after the granting of the Solicitation Order:

    (a) the Financial Advisor, in consultation with the Monitor and Tacora, will prepare a list of potential bidders, including (i) parties that have approached Tacora, the Financial Advisor, or the Monitor indicating an interest in the Opportunity, (ii) parties suggested by Tacora's secured creditors or their advisors, (iii) local and international strategic and financial parties, including offtakers and streamers, who the Financial Advisor, in consultation with Tacora and the Monitor, believes may be interested in the Opportunity; (iv) Cargill and the Ad Hoc Group; and (v) parties that showed an interest in Tacora and/or its assets prior to the date of the Solicitation Order including by way of the previous, out-of-court strategic review process, in each case whether or not such party has submitted a letter of intent or similar document (collectively, the "**Potential Bidders**");

    (b) a notice of the Solicitation and any other relevant information that the Monitor considers appropriate regarding the Solicitation Process, in consultation with Tacora and the Financial Advisor, will be published by the Monitor on the Monitor's Website;

    (c) a notice of the Solicitation Process and any other relevant information that the Financial Advisor, in consultation with Tacora and the Monitor, considers appropriate may be published by the Financial Advisor in one or more trade industry and/or insolvency-related publications as may be considered appropriate by the Financial Advisor; and

    (d) the Financial Advisor, in consultation with Tacora and the Monitor, will prepare a process summary (the "**Teaser Letter**") describing the Opportunity, outlining the process under the Solicitation Process and inviting recipients of the Teaser Letter to express their interest pursuant to the Solicitation Process; and (ii) a form of non-disclosure agreement in form and substance satisfactory to the Financial Advisor, Tacora, the Monitor, and their respective counsel (an "**NDA**").

11. The Financial Advisor will cause the Teaser Letter to be sent to each Potential Bidder by no later than five (5) days after the Solicitation Order and to any other party who requests a copy of the Teaser Letter or who is identified to the Financial Advisor or the

Monitor as a potential bidder as soon as reasonably practicable after such request or identification, as applicable. A copy of the NDA will be provided to any Potential Bidder that requests a copy of same.

Phase 1: Non-Binding LOIs

Phase 1 Due Diligence

12. In order to participate in the Solicitation Process, and prior to the distribution of any confidential information, a Potential Bidder (each Potential Bidder interested in the Transaction Opportunity who has executed an NDA with Tacora, a "**Phase 1 Bidder**") must deliver to the Financial Advisor an executed NDA (with a copy to the Monitor).

13. Notwithstanding any other provision of this Solicitation Process, prior to Tacora executing an NDA with any Potential Bidder, Tacora, in consultation with the Financial Advisor and the Monitor, may require evidence reasonably satisfactory to Tacora, in consultation with the Financial Advisor and the Monitor, of the financial wherewithal of the Potential Bidder to complete on a timely basis a transaction in respect of the Opportunity (either with existing capital or with capital reasonably anticipated to be raised prior to closing) and/or to disclose details of their ownership and/or investors.

14. A confidential virtual data room (the "**VDR**") in relation to the Opportunity will be made available by Tacora to Phase 1 Bidders and Financing Parties (including those interested in the Offtake Opportunity) that have executed the NDA in accordance with Section 12 as soon as practicable. Following the completion of "Phase 1", but prior to the completion of "Phase 2", additional information may be added to the VDR to enable Phase 2 Qualified Bidders to complete any confirmatory due diligence in respect of Tacora and the Opportunity. The Financial Advisor, in consultation with Tacora and the Monitor, may establish or cause Tacora to establish separate VDRs (including "clean rooms"), if Tacora reasonably determines that doing so would further Tacora's and any Phase 1 Bidder's compliance with applicable antitrust and competition laws, would prevent the distribution of commercially sensitive competitive information, or to protect the integrity of the Solicitation Process and Tacora's restructuring process generally. Tacora may also, in consultation with the Financial Advisor and the Monitor, limit the access of any Phase 1 Bidder to any confidential information in the VDR where Tacora may also, in consultation with the Financial Advisor and the Monitor, reasonably determine that such access could negatively impact the Solicitation Process, the ability to maintain the confidentiality of the information, the Business or its value.

15. Tacora, in consultation with the Financial Advisor and the Monitor, may (but is not required to) provide management presentations to Phase 1 Bidders. Any communications between Phase 1 Bidders and management of Tacora shall be supervised by representatives of the Financial Advisor and the Monitor, provided that such discussions shall remain confidential and shall not be disclosed without the consent of the parties to the discussion. In connection with the foregoing, the Financial Advisor and the Monitor shall continue to have duties to the Court to ensure that the Solicitation Process proceeds in a manner that complies with the CCAA and the terms of the Solicitation Process. The provisions of this section are subject to further order of the Court.

16. The Financial Advisor, Tacora, the Monitor, and their respective employees, officers,

directors, agents, other representatives and their respective advisors make no representation, warranty, condition or guarantee of any kind, nature or description as to the information contained in the VDR or made available in connection with the Solicitation Process. All Phase 1 Bidders (and Financing Parties) must rely solely on their own independent review, investigation and/or inspection of all information and of the Property and Business in connection with their participation in the Solicitation Process.

Communication Protocol

17. Each Phase 1 Bidder and Financing Party is prohibited from communicating with any Potential Bidder or another Phase 1 Bidder or Financing Party and their respective affiliates and their legal and financial advisors regarding the Opportunity during the term of the Solicitation Process, without the consent of the Financial Advisor and the Monitor, except as provided in these Solicitation Procedures. Notwithstanding the terms of any NDA entered into by a Phase 1 Bidder or Financing Party, all Phase 1 Bidders and Financing Parties shall comply with these Solicitation Procedures.

18. Any party interested in providing debt financing (a "**Debt Financing Party**"), equity financing (a "**Equity Financing Party**") or financing through an offtake or similar agreement (including a stream or royalty agreement) in respect of the Offtake Opportunity (a "**Offtake Financing Party**" and together with Debt Financing Parties, Equity Financing Parties, the "**Financing Parties**" and each, a "**Financing Party**") shall execute a NDA with Tacora or a joinder to a NDA with the Phase 1 Bidder which the Financing Party is interested in providing financing to, prior to receiving distribution of any confidential information.

19. Each Debt Financing Party must indicate to the Financial Advisor and the Monitor whether such Debt Financing Party is acting exclusively with a Phase 1 Bidder or conducting due diligence with the expectation of providing potential debt financing to potentially multiple Phase 1 Bidders. If a Debt Financing Party is acting exclusively with a Phase 1 Bidder, the Debt Financing Party may communicate with such Phase 1 Bidder but shall not communicate with another Phase 1 Bidder and their respective affiliates and their legal and financial advisors regarding the Opportunity during the term of the Solicitation Process. If the Debt Financing Party is not acting exclusively with a Phase 1 Bidder, the Debt Financing Party may communicate with multiple Phase 1 Bidders, provided that Debt Financing Party confirms in writing to the Financial Advisor and the Monitor that the Debt Financing Party has appropriate internal controls and processes to ensure information related to Bids or potential Bids (including the identity of Potential Bidders and/or Phase 1 Bidders) is not shared with multiple Phase 1 Bidders.

20. Each Offtake Financing Party must indicate to the Financial Advisor and the Monitor whether such Offtake Financing Party is acting exclusively with a Phase 1 Bidder or conducting due diligence with the expectation of providing potential financing through an offtake or similar agreement (including a stream or royalty agreement) to potentially multiple Phase 1 Bidders. If an Offtake Financing Party is acting exclusively with a Phase 1 Bidder, the Offtake Financing Party may communicate with such Phase 1 Bidder but shall not communicate with another Phase 1 Bidder and their respective affiliates and their legal and financial advisors regarding the Opportunity during the term of the Solicitation Process. If an Offtake Financing Party is not acting exclusively with

a Phase 1 Bidder, the Offtake Financing Party shall submit an Offtake IOI and may communicate with Phase 1 Bidders with the consent of the Financial Advisor and the Monitor on such terms and conditions as the Financial Advisor and the Monitor deem appropriate.

21. Each Equity Financing Party must indicate to the Financial Advisor and the Monitor whether such Equity Financing Party is acting exclusively with a Phase 1 Bidder or conducting due diligence with the expectation of providing potential equity financing to potentially multiple Phase 1 Bidders. If an Equity Financing Party is acting exclusively with a Phase 1 Bidder, the Equity Financing Party may communicate with such Phase 1 Bidder but shall not communicate with another Phase 1 Bidder and their respective affiliates and their legal and financial advisors regarding the Opportunity during the term of the Solicitation Process. If an Equity Financing Party is not acting exclusively with a Phase 1 Bidder, the Equity Financing Party shall submit an Equity Financing IOI and may communicate with Phase 1 Bidders with the consent of the Financial Advisor and the Monitor on such terms and conditions as the Financial Advisor and the Monitor deem appropriate.

Phase 1 Bids

22. If a Phase 1 Bidder wishes to submit a bid in respect of the Transaction Opportunity (a "**Bid**"), it must deliver a non-binding letter of intent (an "**LOI**") (each such LOI, in accordance with section 23 below, a "**Phase 1 Qualified Bid**") to the Financial Advisor (including by email) with a copy to the Monitor (including by email) so as to be received by the Financial Advisor not later than 12:00 p.m. (Eastern Time) on December 1, 2023, or such other date or time as may be agreed by Tacora, in consultation with the Financial Advisor, and with the consent of the Monitor (the "**Phase 1 Bid Deadline**").

23. An LOI submitted by a Phase 1 Bidder will only be considered a Phase 1 Qualified Bid if the LOI complies at a minimum with the following:

    (a) it has been duly executed by all required parties;

    (b) it is received by the Phase 1 Bid Deadline;

    (c) it clearly indicates that:

        (i) the Phase 1 Bidder is (A) seeking to acquire all or substantially all of the Property or Business, whether through an asset purchase, a share purchase or a combination thereof (either one, a "**Sale Proposal**"); or (B) offering to make an investment in, restructure, recapitalize or refinance Tacora or the Business (a "**Recapitalization Proposal**").

    (d) in the case of a Sale Proposal, the Bid includes:

        (i) the purchase price or price range and key assumptions supporting the valuation and the anticipated amount of cash payable on closing of the proposed transaction;

        (ii) details regarding any consideration which is not cash;

        (iii) any contemplated purchase price adjustment;

(iv) a specific indication of the expected structure and financing of the transaction (including, but not limited to the sources of financing to fund the acquisition);

(v) a description of the Property that is subject to the transaction and any of the Property expected to be excluded;

(vi) a description of those liabilities and obligations (including operating liabilities and obligations to employees) which the Phase 1 Bidder intends to assume and those liabilities and obligations it does not intend to assume and are to be excluded as part of the transaction, and shall specifically identify whether the Phase 1 Bidder intends to assume or maintain the existing Offtake Agreement on its existing terms or any proposed amendments, and if not, whether the Phase 1 Bidder anticipates requiring to be paired with a Financing Party interested in the Offtake Opportunity in connection with their proposed Bid;

(vii) information sufficient for Tacora, in consultation with the Financial Advisor and the Monitor, to determine that the Phase 1 Bidder has sufficient financial ability to complete the transaction contemplated by the Sale Proposal;

(viii) a description of the Phase 1 Bidder's intentions for the Business, including any plans or conditions related to Tacora's management and employees;

(ix) an outline of any additional due diligence required to be conducted in order to submit a final and binding offer; and

(x) any other terms or conditions of the Sale Proposal that the Phase 1 Bidder believes are material to the transaction.

(e) in the case of a Recapitalization Proposal, the Bid includes:

(i) a description of how the Phase 1 Bidder proposes to structure and finance the proposed investment, restructuring, recapitalization or refinancing (including, but not limited to the sources of financing to fund the transaction);

(ii) the aggregate amount of the equity and/or debt investment to be made in Tacora or its Business;

(iii) details on the permitted use of proceeds;

(iv) a description of those liabilities and obligations (including operating liabilities and obligations to employees) which the Phase 1 Bidder intends to assume and those liabilities and obligations it does not intend to assume and are to be excluded as part of the transaction, and shall specifically identify whether the Phase 1 Bidder intends to assume or maintain the existing Offtake Agreement on its existing terms or any proposed amendments and if not, whether the Phase 1 Bidder anticipates requiring to be paired with a Financing Party interested in the

Offtake Opportunity in connection with their proposed Bid;

(v) information sufficient for Tacora, in consultation with the Financial Advisor and the Monitor, to determine that the Phase 1 Bidder has sufficient ability to complete the transaction contemplated by the Recapitalization Proposal;

(vi) the underlying assumptions regarding the pro forma capital structure;

(vii) a description of the Phase 1 Bidder's intentions for the Business, including any plans or conditions related to Tacora's management and employees;

(viii) the equity, if any, to be allocated to the secured creditors, unsecured creditors, shareholders and/or any other stakeholder of Tacora;

(ix) an outline of any additional due diligence required to be conducted in order to submit a final and binding offer; and

(x) any other terms or conditions of the Recapitalization Proposal which the Phase 1 Bidder believes are material to the transaction.

(f) it provides written evidence, satisfactory to Tacora, in consultation with the Financial Advisor and the Monitor, of its ability to consummate the transaction within the timeframe contemplated by these Solicitation Procedures and to satisfy any obligations or liabilities to be assumed on closing of the transaction, including, without limitation, a specific indication of the sources of capital and, to the extent that the Phase 1 Bidder expects to finance any portion of the purchase price, the identity of the financing source and the steps necessary and associated timing to obtain the capital;

(g) it provides any relevant details of the previous investments or acquisitions, or any other experience a Phase 1 Bidder in the mining industry, including the date, nature of the investment, amount invested, geography and any other relevant information related to such investment;

(h) it identifies all proposed material conditions to closing including, without limitation, any internal, regulatory or other approvals and any form of consent, agreement or other document required from a government body, stakeholder or other third party, and an estimate of the anticipated timeframe and any anticipated impediments for obtaining such conditions, along with information sufficient for Tacora, in consultation with the Financial Advisor, and the Monitor, to determine that these conditions are reasonable in relation to the Phase 1 Bidder;

(i) it includes a statement disclosing any connections or agreements between the Phase 1 Bidder, on the one hand, and Tacora, its shareholders, creditors and affiliates and all of their respective directors and officers and/or any other known Phase 1 Bidder, on the other hand;

(j) it includes an acknowledgement that any Sale Proposal and/or Recapitalization Proposal is made on an "as-is, where-is" basis; and

(k) it contains such other information as may be reasonably requested by Tacora, in consultation with the Financial Advisor and the Monitor.

Assessment of Phase 1 Bids

24. Following the Phase 1 Bid Deadline, Tacora, in consultation with the Financial Advisor and the Monitor, will assess the LOIs received by the Phase 1 Bid Deadline and determine whether such LOIs constitute Phase 1 Qualified Bids.

25. Tacora, in consultation with the Financial Advisor and the Monitor, may following the receipt of any LOI, seek clarification with respect to any of the terms or conditions of such LOI and/or request and negotiate one or more amendments to such LOI prior to determining if the LOI should be considered a Phase 1 Qualified Bid.

26. Tacora, in consultation with the Financial Advisor, and with the consent of the Monitor, may (a) waive compliance with any one or more of the requirements specified above and deem such non-compliant bid to be a Phase 1 Qualified Bid; or (b) reject any LOI if it is determined that such Bid does not constitute a Phase 1 Qualified Bid, is otherwise inadequate or insufficient, or is otherwise contrary to the best interests of Tacora and its creditors and other stakeholders.

Financing Opportunity

27. To assist the Financial Advisor and the Monitor in making a determination of whether to introduce any Offtake Financing Party interested in the Offtake Opportunity to any Phase 1 Bidders, such parties may provide the Financial Advisor and the Monitor, prior to the Phase 1 Bid Deadline, an indication of interest in respect of the Offtake Opportunity (an "**Offtake IOI**"), which includes:

(a) the product to be purchased from Tacora and any required specifications;

(b) the term of the contract, including all options to extend;

(c) the committed volume of product to be purchased, including market price and hedged price (if applicable);

(d) product pricing terms, including price indices to be used, premiums, hedging terms (if any);

(e) delivery and payment terms, including delivery point for product;

(f) other services that the Phase 1 Bidder anticipates providing to Tacora, including any working capital financing;

(g) any proposed capital investment by the bidder and the form of such investment, including the criteria set forth in Sections 23(e)(ii), (iii) and (ix); and

(h) an outline of any additional due diligence required to be conducted in order to submit a final and binding offer.

28. To assist the Financial Advisor and the Monitor in making a determination of e whether to introduce any Equity Financing Party interested in the Opportunity to any Phase 1

Bidders, such parties may provide the Financial Advisor and the Monitor, prior to the Phase 1 Bid Deadline, an indication of interest in respect of the Opportunity (an "**Equity Financing IOI**"), which includes:

(a) a description of how the Equity Financing Party proposes to structure and finance the proposed investment (including, but not limited to the sources of financing to fund the transaction);

(b) the aggregate amount of the equity investment to be made in Tacora or its Business;

(c) details on the permitted use of proceeds;

(d) the underlying assumptions regarding the pro forma capital structure; and

(e) an outline of any additional due diligence required to be conducted in order to commit to providing financing.

Selection of Phase 2 Bidders

29. The Financial Advisor shall notify each Phase 1 Bidder in writing as to whether the Phase 1 Bidder has been determined to be permitted to proceed to Phase 2 (each a "**Phase 2 Bidder**") by no later than December 4, 2023, at 12:00 p.m. (Eastern Time) or such other date or time as may be agreed by Tacora, in consultation with the Financial Advisor, and with the consent of the Monitor.

Phase 2 – Formal Binding Offers

Phase 2 Due Diligence

30. Each Phase 2 Bidder shall be invited to participate in on-site tours and inspections at the Scully Mine (within reason and not at the expense of Tacora maintaining "business as usual" operations, and at the sole cost and expense of such bidder).

31. Tacora, in consultation with the Financial Advisor and the Monitor, shall allow each Phase 2 Bidder such further access to due diligence materials and information relating to the Property and Business as they deem appropriate in their reasonable business judgment and subject to competitive and other business considerations.

32. Phase 2 Bidders shall have the opportunity (if requested by such party) to meet with management of Tacora. Any communications or meetings between Phase 2 Bidders and management of Tacora shall be supervised by representatives of the Financial Advisor and the Monitor, provided that the discussions shall remain confidential and shall not be disclosed without the consent of the parties to the discussion. In connection with the foregoing, the Financial Advisor and the Monitor shall continue to have duties to the Court to ensure that the Solicitation Process proceeds in a manner that complies with the CCAA and the terms of these Solicitation Procedures. The provisions of this section are subject to further order of the Court.

33. Each Phase 2 Bidder will be prohibited from communicating with any other Phase 2 Bidder and their respective affiliates and their legal and financial advisors regarding the Transaction Opportunity during the term of the Solicitation Process, without the consent

of Tacora and the Monitor, in consultation with the Financial Advisor. Such communications shall only occur on such terms as Tacora, the Financial Advisor and the Monitor may determine.

Phase 2 Bids

34. A Phase 2 Bidder that wishes to make a definitive transaction proposal (a "**Phase 2 Bid**") shall submit a binding offer that complies with all of the following requirements to the Financial Advisor (including by email) with a copy to the Monitor (including by email) so as to be received by the Financial Advisor not later than 12:00 p.m. (Eastern Time) on January 19, 2024, or such later date determined by Tacora, in consultation with the Financial Advisor and with the consent of the Monitor (the "**Phase 2 Bid Deadline**"). Such Phase 2 Bid shall be a "**Phase 2 Qualified Bid**" if it meets all of the following criteria:

(a) it is received by the Phase 2 Bid Deadline;

(b) the Bid complies with all of the requirements set forth in respect of Phase 1 Qualified Bids other than the requirements set out in Sections 23(b) and 23(d)(ix) herein;

(c) the Bid is binding and includes a letter confirming that the Phase 2 Bid is irrevocable until the selection of the Successful Bidder and the Back-Up Bidder, if any, provided that if such Phase 2 Bidder is selected as the Successful Bidder or the Back-Up Bidder, its offer shall remain irrevocable until the earlier of (a) completion of the transaction with the Successful Bidder, and (b) February 23, 2024, subject to further extensions as may be agreed to under the applicable transaction agreement(s), with the consent of the Monitor;

(d) the Bid is in the form of duly authorized and executed transaction agreements, and in the case of:

(i) a Sale Proposal, the Bid includes an executed share or asset purchase agreement, including all exhibits and schedules contemplated thereby (other than exhibits and schedules that by their nature must be prepared by Tacora), together with a blackline to any model documents provided by Tacora during the Solicitation Process; and

(ii) a Recapitalization Proposal, the Bid includes the draft transaction documents contemplated to effect the Recapitalization Proposal, including all exhibits and schedules contemplated thereby (other than exhibits and schedules that by their nature must be prepared by Tacora), together with a blackline to any model documents provided by Tacora during the Solicitation Process;.

(e) the Bid includes written evidence of a firm commitment for financing or other evidence of ability to consummate the proposed transaction satisfactory to Tacora, in consultation with the Financial Advisor and the Monitor;

(f) the Bid is not subject to the outcome of unperformed due diligence, internal approval(s) or contingency financing;

(g) any conditions to closing or required approvals, including any agreements or approvals with unions, regulators or other stakeholders, the anticipated time frame and any anticipated impediments for obtaining such approvals are set forth in detail, such that Tacora, the Financial Advisor and the Monitor, can assess the risk to closing associated with any such conditions or approvals;

(h) the Bid fully discloses the identity of each entity that will be entering into the transaction or the financing (including through the issuance of equity and/or debt in connection with such Bid and whether such party is assuming the Offtake Agreement on its existing terms, assuming the Offtake Agreement with amendments agreed to by Cargill or entering into an offtake or similar agreement with another party in connection with the Bid), or that is sponsoring, participating or benefiting from such Bid, and such disclosure shall include, without limitation: (i) in the case of a Phase 2 Bidder formed for the purposes of entering into the proposed transaction, the identity of each of the actual or proposed direct or indirect equity holders of such Phase 2 Bidder and the terms and participation percentage of such equity holder's interest in such Bid; and (ii) the identity of each entity that has or will receive a benefit from such Bid from or through the Phase 2 Bidder or any of its equity holders and the terms of such benefit;

(i) the Bid provides a detailed timeline to closing with critical milestones;

(j) the Bid is accompanied by a non-refundable good faith cash deposit (the "**Deposit**"), equal to 10% of the total cash component of the purchase price or investment contemplated under the Phase 2 Bid which shall be paid to the Monitor and held in trust pursuant to Section 44 hereof until the earlier of (i) closing of the Successful Bid or Back-Up Bid, as applicable; and (ii) rejection of the Phase 2 Bid pursuant to Section 43; and

(k) The Bid includes acknowledgements and representations of the Phase 2 Bidder that: (i) it had an opportunity to conduct any and all due diligence desired regarding the Property, Business and Tacora prior to making its offer; (ii) it has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Property in making its Bid; and (iii) it did not rely upon any written or oral statements, representations, warranties, or guarantees whatsoever, whether express, implied, statutory or otherwise, regarding the Business, Property or Tacora or the completeness of any information provided in connection therewith, except to the extent otherwise provided under any definitive transaction agreement executed by Tacora.

Assessment of Phase 2 Bids

35. Following the Phase 2 Bid Deadline, Tacora in consultation with the Financial Advisor and the Monitor, will assess the Phase 2 Bids received by the Phase 2 Bid Deadline and determine whether such Bids constitute Phase 2 Qualified Bids.

36. Tacora, in consultation with the Financial Advisor, and with the consent of the Monitor, may waive strict compliance with any one or more of the requirements specified above and deem such non-compliant Bid to be a Phase 2 Qualified Bid.

37. Phase 2 Bids may not be modified, amended, or withdrawn after the Phase 2 Bid Deadline without the written consent of Tacora, in consultation with the Financial Advisor and with the consent of the Monitor, except for proposed amendments to increase the purchase price or otherwise improve the terms of the Phase 2 Bid for Tacora,its creditors and other stakeholders.

38. Tacora, in consultation with the Financial Advisor and with the consent of the Monitor, may reject any Phase 2 Bid if it is determined that such Bid does not constitute a Phase 2 Qualified Bid, is otherwise inadequate or insufficient, or is otherwise contrary to the best interest of Tacora and its creditors and other stakeholders.

Evaluation of Qualified Bids and Subsequent Actions

39. Following the Phase 2 Bid Deadline, Tacora, the Financial Advisor and the Monitor will review the Phase 2 Qualified Bids. In performing such review and assessment, the Financial Advisor, Tacora, and the Monitor may evaluate the following non-exhaustive list of considerations: (a) the purchase price and net value (including assumed liabilities and other obligations to be performed by the Phase 2 Bidder); (b) the firm, irrevocable commitment for financing of the transaction; (c) the claims likely to be created by such Bid in relation to other Bids; (d) the counterparties to the transaction; (e) the terms of transaction documents; (f) the closing conditions and other factors affecting the speed, certainty and value of the transaction; (g) planned treatment of stakeholders, including employees; (h) the assets included or excluded from the Bid; (i) any restructuring costs that would arise from the Bid; (j) the likelihood and timing of consummating the transaction; (k) the capital sufficient to implement post-closing measures and transactions; and (l) any other factors that the Financial Advisor, Tacora, and Monitor may deem relevant in their sole discretion.

40. Following evaluation of the Phase 2 Qualified Bids, Tacora may, in consultation with the Financial Advisor and the Monitor, undertake one or more of the following steps:

    (a) accept one of the Phase 2 Qualified Bids (the "**Successful Bid**" and the offeror making such Successful Bid the "**Successful Bidder**") and take such steps as may be necessary to finalize definitive transaction documents for the Successful Bid with Successful Bidder;

    (b) continue negotiations with Phase 2 Bidders who have submitted a Phase 2 Qualified Bids with a view to finalizing acceptable terms with one or more of Bidders that submitted Phase 2 Qualified Bids; or

    (c) schedule an auction with all Bidders that submitted Phase 2 Qualified Bids to determine the Successful Bid in accordance with auction procedures determined by the Financial Advisor and the Monitor, in consultation with Cargill and the Ad Hoc Group, provided they or any of their members are not Bidders that submitted Phase 2 Qualified Bids, which procedures shall be provided to all Bidders that submitted Phase 2 Qualified Bids at least four (4) Business Days prior to an auction.

41. Tacora, in consultation with the Financial Advisor and the Monitor, may select the next highest or otherwise best Phase 2 Qualified Bid which is a Sale Proposal or Recapitalization Proposal to be a back-up bid (the "**Back-Up Bid**" and such bidder, the

"**Back-Up Bidder**"). For greater certainty, Tacora shall not be required to select a Back-Up Bid.

42. If a Successful Bidder fails to consummate the Successful Bid for any reason, then the Back-Up Bid will be deemed to be the Successful Bid and Tacora will proceed with the transaction pursuant to the terms of the Back-Up Transaction Bid. Any Back-Up Bid shall remain open for acceptance until the completion of the transaction with the Successful Bidder.

43. All Phase 2 Qualified Bids (other than the Successful Bid and the Back-Up Bid, if applicable) shall be deemed rejected by Tacora on and as of the date of the execution of the definitive documents contemplated by the Successful Bid by Tacora.

44. All Deposits will be retained by the Monitor and deposited in a trust account. The Deposit (without interest thereon) paid by the Successful Bidder and Back-Up Bidder whose bid(s) is/are approved at the Approval Motion will be applied to the purchase price to be paid or investment amount to be made by the Successful Bidder and/or Back-Up Bidder, as applicable upon closing of the approved transaction and will be non-refundable, other than in the circumstances set out in the Successful Bid or the Back-Up Bid, as applicable. The Deposits (without interest) of Qualified Bidders not selected as the Successful Bidder and Back-Up Bidder will be returned to such bidders within five (5) Business Days after the selection of the Successful Bidder and Back-Up Bidder or any earlier date as may be determined by the Monitor, in consultation with the Financial Advisor and Tacora. The Deposit of the Back-Up Bidder, if any, shall be returned to such Back-Up Bidder no later than five (5) Business Days after closing of the transaction contemplated by the Successful Bid .

45. If a Successful Bidder or Back-Up Bidder breaches its obligations under the terms of the Solicitation Process, its Deposit shall be forfeited as liquidated damages and not as a penalty, without limiting any other claims or actions that Tacora may have against such Successful Bidder or Back-Up Bidder and/or their affiliates.

46. If no Phase 2 Qualified Bids are received by the Phase 2 Bid Deadline, the Solicitation Process shall automatically terminate.

Approval Motion

47. Prior to the Approval Motion, the Monitor shall provide a report to the Court providing information on the process and including its recommendation in connection with the relief sought at the Approval Motion. At the Approval Motion, Tacora shall seek the Approval Order.

48. The consummation of the transaction contemplated by the Successful Bid, or the Back-Up Bid if the Successful Bid does not close, will not occur unless and until the Approval Order is granted.

"As Is, Where Is"

49. Any sale of the Business and/or Property or any investment in Tacora or its Business will be on an "as is, where is" basis and without surviving representations or warranties of any kind, nature, or description by the Financial Advisor, Tacora, or Monitor, or their advisors or agents, except to the extent otherwise provided under any definitive sale or

investment agreement with the Successful Bidder executed by Tacora. None of the Financial Advisor, Tacora, or Monitor, or their advisors or agents, including the Financial Advisor, make any representation or warranty as to the information contained in the Teaser Letter, any management presentation or the VDR, except to the extent otherwise provided under any definitive sale or investment agreement with the Successful Bidder executed by Tacora. Each Phase 2 Bidder is deemed to acknowledge and represent that: (a) it has had an opportunity to conduct any and all due diligence regarding the Business and Property prior to making its Phase 2 Bid; (b) it has relied solely on its own independent review, investigation, and/or inspection of any documents and/or the Business and Property in making its Bid; and (c) it did not rely on any written or oral statements, representations, promises, warranties, conditions or guaranties whatsoever, whether express, implied, by operation of law or otherwise, regarding the Business and Property, or the completeness of any information provided in connection therewith, except to the extent otherwise provided under any definitive sale or investment agreement executed by Tacora.

No Entitlement to Expense Reimbursement or Other Amounts

50. Phase 1 Bidders and Phase 2 Bidders shall not be entitled to any breakup fee, termination fee, expense reimbursement, or similar type of payment or reimbursement.

Jurisdiction

51. Upon submitting an LOI or a Phase 2 Bid, the Phase 1 Bidder or the Phase 2 Bidder, as applicable, shall be deemed to have submitted to the exclusive jurisdiction of the Court with respect to all matters relating to the Solicitation Process and the terms and conditions of these Solicitation Procedures, any Sale Proposal or Recapitalization Proposal.

52. For the avoidance of doubt, the approvals required pursuant to the terms hereof are in addition to, and not in substitution for, any other approvals required by the CCAA or any other statute or as otherwise required at law in order to implement a Successful Bid.

53. Neither Tacora, the Financial Advisor nor the Monitor shall be liable for any claim for a brokerage commission, finder's fee or like payment in respect of the consummation of any of the transactions contemplated under the Solicitation Process arising out of any agreement or arrangement entered into by the parties that submitted the Successful Bid and Back-Up Bid.

54. The Monitor shall supervise the Solicitation Process as outlined herein. In the event that there is disagreement or clarification is required as to the interpretation or application of this Solicitation Process the responsibilities of the Monitor, the Financial Advisor or Tacora hereunder, the Court will have jurisdiction to hear such matter and provide advice and directions, upon application of the Monitor or Tacora or any other interested party with a hearing which shall be scheduled on not less than three (3) Business Days' notice.

APPENDIX A

DEFINED TERMS

(a) "**Ad Hoc Group**" means the ad hoc group of holders of the Senior Notes and Senior Priority Notes issued by Tacora.

(b) "**Approval Motion**" means the motion seeking approval by the Court of the Successful Bid with the Successful Bidder, and if applicable, any Back-Up Bid if the Successful Bid is not consummated.

(c) "**Approval Order**" means an order of the Court approving, among other things, if applicable the Successful Bid and the consummation thereof, and if applicable, any Back-Up Bid if the Successful Bid is not consummated;

(d) "**Back-Up Bid**" shall have the meaning attributed to it in Section 41;

(e) "**Back-Up Bidder**" shall have the meaning attributed to it in Section 41;

(f) "**Bid**" shall have the meaning attributed to it in Section 22

(g) "**Business**" shall have the meaning attributed to it in the preamble;

(h) "**Business Day**" means a day, other than a Saturday, Sunday or a statutory holiday, on which banks are generally open for business in Toronto, Ontario;

(i) "**Cargill**" means Cargill International Trading PTE Ltd. and its affiliates.

(j) "**CCAA**" shall have the meaning attributed to it in the preamble;

(k) "**Court**" shall have the meaning attributed to it in the preamble;

(l) "**Debt Financing Party**" **s**hall have the meaning attributed to it in Section 18;

(m) **"DIP Agreement"** means the DIP Loan Agreement between Tacora and Cargill, Incorporated, dated October 9, 2023, as may be amended from time to time;

(n) "**Equity Financing IOI**" **s**hall have the meaning attributed to it in Section 28;

(o) "**Equity Financing Party**" **s**hall have the meaning attributed to it in Section 18;

(p) "**Financial Advisor"** shall have the meaning attributed to it in the preamble;

(q) "**Financing Party**" **s**hall have the meaning attributed to it in Section 18;

(r) "**Initial Order**" shall have the meaning attributed to it in the preamble;

(s) **"LOI" s**hall have the meaning attributed to it in Section 22;

(t) "**Monitor**" shall have the meaning attributed to it in the preamble;

(u) "**Monitor's Website**" means http://cfcanada.fticonsulting.com/Tacora;

(v) "**NDA"** shall have the meaning attributed to it in Section 10(d);

(w) "**Offtake Agreement**" means the Restatement of the Iron Ore Sale and Purchase Agreement dated November 11, 2018, as amended;

(x) "**Offtake Financing Party**" **s**hall have the meaning attributed to it in Section 18;

(y) "**Offtake IOI**" **s**hall have the meaning attributed to it in Section 27;

(z) "**Offtake Opportunity**" shall have the meaning attributed to it in Section 3;

(aa) "**Opportunity**" shall have the meaning attributed to it in Section 3;

(bb) "**Phase 1 Bid Deadline**" shall have the meaning attributed to it in Section 22;

(cc) "**Phase 1 Bidder**" shall have the meaning attributed to it in Section 12;

(dd) "**Phase 1 Qualified Bid**" shall have the meaning attributed to it in Section 22;

(ee) "**Phase 2 Bid**" shall have the meaning attributed to it in Section 34;

(ff) "**Phase 2 Bid Deadline**" shall have the meaning attributed to it in Section 34;

(gg) "**Phase 2 Bidder**" shall have the meaning attributed to it in Section 29;

(hh) "**Phase 2 Qualified Bid**" shall have the meaning attributed to it in Section 34;

(ii) "**Potential Bidder"** shall have the meaning attributed to it in Section 10(a);

(jj) "**Property**" shall have the meaning attributed to it in the preamble;

(kk) "**Recapitalization Proposal**" shall have the meaning attributed to it in Section 23(c)(i);

(ll) "**Sale Proposal**" shall have the meaning attributed to it in Section 23(c)(i);

(mm) "**Scully Mine**" shall have the meaning attributed to it in the preamble;

(nn) "**Solicitation Order**" shall have the meaning attributed to it in the preamble;

(oo) "**Solicitation Process**" shall have the meaning attributed to it in the preamble;

(pp) "**Solicitation Procedures**" shall have the meaning attributed to it in the preamble;

(qq) "**Stalking Horse Bid**" shall have the meaning attributed to it in Section ;

(rr) "**Successful Bid**" shall have the meaning attributed to it in Section 40; and

(ss) "**Successful Bidder**" shall have the meaning attributed to it in Section 40.

(tt) "**Teaser Letter**" shall have the meaning attributed to it in Section 10(d);

(uu) "**Transaction Opportunity**" shall have the meaning attributed to it in Section 2.

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

FIRST REPORT OF THE MONITOR

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