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

Tacora Resources Inc.

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

March 13, 2024

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CONFIDENTIAL APPENDIX

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

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

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

(Applicant)

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

INTRODUCTION

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

2. The Initial Order, among other things:

   (a) granted a stay of proceedings until October 20, 2023 (the "**Stay Period**");

   (b) appointed FTI Consulting Canada Inc. as Monitor of Tacora (in such capacity, the "**Monitor**");

   (c) approved a DIP Facility Term Sheet (the "**Existing DIP Agreement**") dated October 9, 2023, between the Applicant as borrower and Cargill Inc. as lender (the "**Existing DIP Lender**"), pursuant to which the Existing DIP Lender agreed to advance up to a maximum principal amount of $75 million to the Applicant (the "**Existing DIP Facility**"), subject to the terms and conditions of the Existing DIP Agreement, with an initial loan amount of up to $15.5 million (the "**Original Initial Advance**") being available prior to the comeback hearing;

   (d) granted a priority charge in favour of the Existing DIP Lender on all the assets, property and undertakings of the Applicant in order to secure the obligations under the Existing DIP Agreement in the principal amount of the Original Initial Advance and the Post-Filing

Credit Extensions (as defined in the Existing DIP Agreement) up to the maximum principal amount of $20,000,000;

(e) granted a charge in the amount of $4.6 million (the "**Directors' Charge**") in favour of the Applicant's directors and officers; and

(f) granted a charge in the amount of $1 million securing the fees and expenses of the Monitor and its legal counsel, legal counsel of the Applicant and the payment by the Applicant of the Monthly Advisory Fee (as defined in the Engagement Letter dated as of January 23, 2023, (the "**Greenhill Engagement Letter**") between the Applicant and Greenhill & Co. Canada Ltd ("**Greenhill**")).

3. On October 13, 2023, the Stay Period was extended to October 27, 2023, pursuant to an Order of Justice Kimmel and on October 20, 2023, in advance of the comeback hearing, the Monitor filed its First Report to Court.

4. On October 27, 2023, the Stay Period was further extended to October 31, 2023 and the amount available under the Existing DIP Agreement was increased from the Original Initial Advance amount of $15.5 million to $20.5 million pursuant to an Order of Justice Kimmel.

5. Following the comeback hearing, the Initial Order was amended and restated on October 30, 2023 (the "**ARIO**"). A copy of the ARIO is attached as Appendix "A". The ARIO, among other things:

(a) extended the Stay Period to February 9, 2024;

(b) authorized the Applicant to borrow up to the full amount of $75 million available under the Existing DIP Agreement;

(c) increased the Directors' Charge to $5.2 million;

(d) approved a key employee retention plan (the "**KERP**") and granted a charge to secure payments under the KERP of up to $3.035 million; and

(e) approved the Greenhill Engagement Letter, pursuant to which Greenhill was appointed as financial advisor and investment banker to the Applicant and granted a corresponding charge to a maximum amount of $5,600,000 to secure certain fees that may become payable thereunder (the "**Transaction Fee Charge**").

6. Pursuant to an Order also granted on October 30, 2023 (the "**Solicitation Order**"), the Court approved a sale, investment and services solicitation process (the "**Solicitation Process**") to solicit

interest in a potential Transaction Opportunity and/or Offtake Opportunity (each as defined in the Solicitation Process). A copy of the Solicitation Order is attached as Appendix "B".

7. On January 18, 2024, the Monitor filed its Second Report to Court (the "**Second Report**"). On January 24, 2024, Justice Kimmel granted orders as requested by the Applicant which (i) extended the Stay Period to and including March 18, 2024; and (ii) approved a premium insurance financing agreement (the "**Property Financing Agreement**") dated January 10, 2024 between Tacora and Marsh Canada Limited – Toronto ("**Marsh**"). Copies of the Orders granted on January 24, 2024 are attached as Appendix "C" and "D".

8. On February 2, 2024, the Applicant served and filed a motion (the "**Sale Approval Motion**") seeking *inter alia* approval of a subscription agreement (the "**Subscription Agreement**") entered into between Tacora as issuer and a consortium consisting of the Ad Hoc Group,[1] Resource Capital Fund VII L.P. and Javelin Global Commodities (SG) Pte Ltd. (collectively, the "**Investors**") and the transactions contemplated therein (the "**Investor Transaction**") as the Successful Bid (as defined in the Solicitation Process).

9. On February 5, 2024, Cargill, Incorporated and Cargill International Trading Pte Ltd. (collectively, "**Cargill**") filed a motion (the "**Preliminary Threshold Motion**") seeking an order, *inter alia*, prohibiting Tacora from obtaining relief set out in the Sale Approval Motion as it relates to the Cargill Offtake Agreement (as defined therein) absent a valid disclaimer of the Cargill Offtake Agreement.

10. Cargill, the Investors and the Applicant were unable to consensually agree on a litigation schedule to address the Sale Approval Motion and Preliminary Threshold Motion and case conferences were held on February 6, 2024 and February 9, 2024 before Justice Kimmel to resolve the scheduling issues.

11. The Subscription Agreement was amended to extend the date for Court approval of such from April 1, 2024 to April 19, 2024 (the "**Court Approval Milestone**") and on February 9, 2024, the Court issued an endorsement (i) scheduling the hearing of the Sale Approval Motion, including the matters raised in the Preliminary Threshold Motion on April 10, 11 and 12, 2024 for 2.5 days; (ii) noting the extended Court Approval Milestone; and (ii) setting a timetable for pre-hearing steps

[1] The "**Ad Hoc Group**" consists of Brigade Capital Management, L.P., Millstreet Capital Management LLC, MSD Partners, L.P., O'Brien-Staley Partners and Snowcat Capital Management.

(the "**Litigation Schedule**"). A copy of the endorsement dated February 9, 2024, including the Litigation Schedule is attached as Appendix "E".

12. On March 5, 2024, in connection with a claim dispute between 1128349 B.C. Ltd. ("**MFC**") and Tacora relating to certain claims asserted against Tacora by MFC as holder of a certain royalty (the "**MFC Royalty Dispute**"), Justice Kimmel issued an endorsement (i) directing that the MFC Royalty Dispute be determined in the context of the CCAA Proceeding; and (ii) scheduling the MFC Royalty Dispute to be heard on April 16, 2024 before Justice Kimmel. A copy of the endorsement from March 5, 2024 is attached as Appendix "F".

13. All references to monetary amounts in this Third Report to Court of the Monitor (the "**Third Report**") are in United States dollars unless otherwise noted. Any capitalized terms not defined herein have the meanings given to them in the affidavit of Joe Broking sworn March 11, 2024 (the "**March Broking Affidavit**") or the ARIO.

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

PURPOSE

15. The purpose of this Third Report is to provide information to the Court with respect to:

    (a) the Monitor's activities since the date of the Second Report;

    (b) the Applicant's actual cash receipts and disbursements for the 7-week period ending March 3, 2024, and a comparison to the cash flow forecast attached as Appendix "F" to the Second Report (the "**January 2024 Forecast**");

    (c) the Applicant's updated cash flow forecast for the period ending May 19, 2024 (the "**March 2024 Forecast**"), attached as Appendix "G";

    (d) the relief sought by the Applicant for:

        (i) a Second Amended and Restated Initial Order ("**Second ARIO**"):

            (A) extending the Stay Period to May 19, 2024;

            (B) approving the DIP Facility Term Sheet (the "**Replacement DIP Agreement**") dated as of March 10, 2024, between the Applicant, as

borrower, and the Investors or certain of their affiliates,[2] as lenders (collectively the "**Replacement DIP Lenders**" and each, a "**Replacement DIP Lender**"), pursuant to which the Replacement DIP Lenders have agreed to advance up to a maximum principal amount of approximately $188 million (the "**Replacement DIP Facility**"), which amount includes the Deposit (as defined in the Subscription Agreement), to the Applicant, subject to the terms and conditions of the Replacement DIP Agreement;

(C) authorizing and directing Tacora to repay the Existing DIP Facility with Cargill from proceeds of the Replacement DIP Facility;

(D) granting a priority charge in favour of the Replacement DIP Lenders on all the assets, property and undertakings of the Applicant in order to secure the obligations under the Replacement DIP Facility as described below (the "**Replacement DIP Charge**"); and

(E) increasing the Transaction Fee Charge from $5,600,000 to $5,989,917.50;[3] and

(ii) an order (the "**A&L Insurance Order**") approving the commercial premium finance agreement (the "**A&L Premium Finance Agreement**") dated as of March 4, 2024, between Tacora and Marsh, as insurance broker, with respect to Tacora's auto and liability insurance policies and related relief; and

(e) the Monitor's views in respect of the foregoing, as applicable.

TERMS OF REFERENCE AND DISCLAIMER

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

[2] The Replacement DIP Lenders consist of Brigade Capital Management, L.P., Millstreet Capital Management LLC, MSD Partners, L.P., O'Brien-Staley Partners, Small Micro LLC (an affiliate of Snowcat Capital Management), RCF VII CAD LLC, (an affiliate of Resource Capital Fund VII L.P.), and Javelin Global Commodities (SG) PTE Ltd.

[3] Based on the quantum of the Replacement DIP Facility, Greenhill would earn a financing fee of $389,917.50 (inclusive of tax) pursuant to the Greenhill Engagement Letter. The Monitor has been advised that in an effort to help the Applicant preserve its liquidity, Greenhill has agreed to defer payment of the financing fee for the duration of the CCAA Proceeding and accordingly, the Applicant is seeking to increase the Transaction Fee Charge to secure the additional financing fee amounts.

17. Except as otherwise described in this Third Report:

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

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

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

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

MONITOR'S ACTIVITIES SINCE THE SECOND REPORT

20. In accordance with its duties set out in Orders granted by the Court in this CCAA Proceeding including the ARIO and the Solicitation Order, as well as its prescribed rights and obligations under the CCAA, the activities of the Monitor since the Second Report have included the following:

    (a) participating in regular discussions with Tacora, its legal counsel and other advisors, including Greenhill, regarding, among other things, the Solicitation Process, the CCAA Proceeding, and communications with stakeholders and business operations;

    (b) assisting Tacora with the solicitation, negotiation and consideration of additional financing proposals (including the Replacement DIP Agreement);

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

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

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

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

(g) attending meetings of the Board of Directors of Tacora (the "**Board**");

(h) engaging in discussions with Cargill and the Investors;

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

(j) participating in discussions in respect of and attending before the Court on January 24, 2024, February 6, 2024, February 9, 2024 and March 5, 2024 in connection with the matters discussed above;

(k) assisting in negotiations among stakeholders with respect to the Litigation Schedule;

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

(m) preparing this Third Report.

BRIEF UPDATE ON THE SOLICITATION PROCESS

21. Pursuant to the Solicitation Order, the Solicitation Process was conducted by Greenhill and Tacora under the supervision of the Monitor.

22. As noted above, in accordance with the Solicitation Process, the Investors' bid was determined to be the Successful Bid and Tacora has filed materials in connection with the Sale Approval Motion seeking approval of the Subscription Agreement and Investor Transaction contemplated thereby. Cargill has filed motion materials in connection with the Preliminary Threshold Motion as well as a cross-motion record containing responding materials related to the Sale Approval Motion. The hearing of the Sale Approval Motion is scheduled for 2.5 days over the period April 10-12, 2024.

23. In accordance with the Litigation Schedule, notices of examination have been issued and production of documents continues. The Monitor intends to file its Fourth Report to the Court on March 14, 2024, with a supplement to be filed by March 26, 2024, following cross-examination of witnesses scheduled during the week of March 18, 2024.

PROPOSED REPLACEMENT DIP FINANCING[4]

[4] Terms not otherwise defined in this section have the meanings ascribed to them in the Replacement DIP Agreement, a copy of which is attached as an exhibit to the March Broking Affidavit.

24. As described in the March Broking Affidavit, as a result of significant decreases in iron ore prices that materially impact Tacora's liquidity and the timing of the Litigation Schedule, Tacora requires additional financing. The Applicant is seeking approval of the Replacement DIP Agreement between the Applicant and the Replacement DIP Lenders to provide such necessary funding. Pursuant to the Replacement DIP Agreement, funds will be available to the Applicant to, among other things, repay in full their obligations under the Existing DIP Agreement in the aggregate amount of $97,250,000 (from the Initial Advance, as described below) and fund the ongoing CCAA Proceeding.

25. The Monitor has reviewed the March Broking Affidavit, including the description of events leading up to the Applicant's selection of the Replacement DIP Facility and agrees with the description contained therein. A copy of the Replacement DIP Agreement is attached to the March Broking Affidavit as Exhibit "A".

26. As noted in the March Broking Affidavit, at the direction of the Board, with the oversight of the Monitor, Tacora through its professional advisors engaged in discussions and negotiations with Cargill and the Investors, in order to obtain the best possible terms for additional financing in the circumstances.

27. The Monitor attended meetings of the Board at which financing proposals from both the Replacement DIP Lenders and the Existing DIP Lender, through an amendment to the Existing DIP Agreement (the "**Amended Existing DIP Facility**"), were carefully considered. A discussion of the economic terms of the two available DIP financing options (being the Amended Existing DIP Facility and the Replacement DIP Facility) (the "**DIP Proposals**") and other relevant considerations, is provided in the March Broking Affidavit at paragraph 16 to 24. Attached as Confidential Appendix "1" is a comparison between the DIP Proposals prepared by the Applicant.

28. The terms and conditions of the Replacement DIP Facility are in large part substantially similar to those of the Existing DIP Agreement. The key terms of the Replacement DIP Facility include:

    (a) **Replacement DIP Facility**: The maximum principal amount available under the Replacement DIP Agreement is $188 million, which includes the Deposit (as described below) (the "**Facility Amount**"). The Replacement DIP Facility will be used to fund the Applicant's business including the costs of the CCAA Proceeding. The Applicant is also permitted to use the Facility Amount to, among other things, repay all amounts owing to the Existing DIP Lender under the Existing DIP Agreement. The Replacement DIP Lenders will fund a maximum amount of $161,135,000 and, with the approval of the Court, the

remainder of the $188 million will be funded from the Deposit pursuant to the Second Advance (as defined below). Because the Replacement DIP Facility (i) must be sufficient to satisfy the obligations owing to the Existing DIP Lender; (ii) does not contemplate the continued availability of the Onshore Agreement (as defined in the Existing DIP Agreement, which agreement between Cargill and Tacora terminates upon termination of the Existing DIP Facility); and (iii) provides for additional liquidity required by the Applicant up to the end of the requested extended Stay Period, the Facility Amount under the Replacement DIP Facility is substantially higher than that contained in the Existing DIP Agreement.

(b) **Advances**: The Replacement DIP Facility will be available to the Applicant by way of:

(i) an initial advance in a principal amount of $130 million (the "**Initial Advance**"), to be provided to Tacora one (1) Business Day following issuance of the New DIP Approval Order[5] In this regard, the Monitor understands that the Second ARIO, if granted in the form requested, satisfies the requirement of a New DIP Approval Order;

(ii) if required as contemplated by the DIP Budget, an additional advance in the principal amount of $38 million (the "**Second Advance**"), which amount shall be satisfied by application of the Deposit, to be provided upon seven (7) Business Days' prior notice from the Applicant; and

(iii) if required as contemplated by the DIP Budget, two subsequent advances in the respective principal amounts of $15 million and $5 million, in each instance to be provided upon seven (7) Business Days' prior notice from the Applicant (together with the Initial Advance and the Second Advance, the "**Advances**" and each an "**Advance**").

(c) **Deposit**: This refers to the deposit in the amount of $26,865,000 paid by the Investors pursuant to the Subscription Agreement (the "**Deposit**"). The Deposit is currently held by the Monitor pursuant to the terms of the Subscription Agreement. The Deposit may be accessed by the Applicant following issuance of the New DIP Approval Order pursuant to the Second Advance. Once the Deposit is accessed by the Applicant, it will earn interest at

[5] The relief contemplated under the Replacement DIP Agreement in the New DIP Approval Order is provided for in the relief being sought by the Applicant in the Second ARIO.

10% per annum in accordance with the Replacement DIP Agreement, which interest will be payable to the Replacement DIP Lenders. The Replacement DIP Lenders and the Applicant have also agreed to amend the Subscription Agreement to provide that if the Deposit is released to the Applicant pursuant to the Replacement DIP Agreement and the Deposit ultimately becomes payable to the Applicant in accordance with the Subscription Agreement, the DIP Obligations shall be reduced by the portion of the Deposit previously released to the Applicant.

(d) **Interest:** The Replacement DIP Agreement provides for interest to accrue at the rate of 10% per annum monthly in arrears in cash on all amounts drawn under the Replacement DIP Facility (including the Deposit when released to Tacora). This interest rate is the same rate provided for under the Existing DIP Agreement. However, the Replacement DIP Agreement also includes an option whereby the Applicant may elect at any time for the Replacement DIP Lenders to receive payment of interest in-kind (the "**PIK Election**") and thereafter the Applicant shall pay the interest on the aggregate outstanding principal amount of the Advances by adding such accrued interest to the principal amount of the DIP Obligations. Where the PIK Election is utilized by the Applicant: (i) if the Investor Transaction closes, on closing the Applicant may pay the accrued interest in common shares of the Applicant at the issue price under the Subscription Agreement; and (ii) in any other case, interest that was paid in-kind shall be payable in cash at the earlier of: (A) the Maturity Date; and (B) the indefeasible repayment in full of the Replacement DIP Facility and all other DIP Obligations and/or cancellation of all remaining commitments in respect thereof.

(e) **Costs and Expenses**: The Applicant agrees to reimburse the costs and expenses of the Replacement DIP Lenders for the Replacement DIP Facility which is consistent with the terms of the Existing DIP Agreement. However, the Replacement DIP Agreement provides that the Replacement DIP Lenders' Expenses incurred prior to the date of the New DIP Approval Order shall be capitalized and added to the DIP Obligations. If the Applicant utilizes the PIK Election, the go-forward DIP Lenders' Expenses following the date of the New DIP Approval Order (the "**Post DIP Order Expenses**") shall be paid from the Advances up to a maximum of the amount of interest paid-in-kind. For any period where the Applicant has not utilized the PIK Election or where the Post DIP Order Expenses are greater than the amount of interest paid-in-kind, the Post DIP Order Expenses shall not be paid from the Advances and shall only be added to the DIP Obligations.

(f) **Repayment**: The DIP Obligations under the Replacement DIP Agreement are due and repayable on the earlier of (i) the occurrence of any Event of Default which is continuing and has not been cured; (ii) the completion of a Restructuring Transaction; (iii) the conversion of the CCAA Proceeding into a proceeding under the BIA; (iv) the date on which the DIP Obligations are voluntarily prepaid in full and the Replacement DIP Facility terminated, and (v) June 1, 2024 (previously October 10, 2024 under the Existing DIP Agreement). The June 1 date is capable of being extended to June 30, 2024 upon election by the Applicant and subject to payment of an "Extension Fee" of $2,417,025, being 1.5% of the aggregate amount of the Replacement DIP Facility less the Deposit (subject to the variation noted below).

(g) **Compliance with Material Agreements**: Unlike the Existing DIP Agreement, the Replacement DIP Agreement does not require that Tacora comply or keep in full force and effect any of the agreements it has with Cargill (including the Cargill Offtake Agreement).

(h) **Fees:** Along with the Extension Fee described above, the Replacement DIP Agreement provides for an "Exit Fee" in the amount of $2,417,025, being 1.5% of the aggregate amount of the Replacement DIP Facility less the Deposit, which becomes payable if the Replacement DIP Facility is approved. In circumstances where the Deposit becomes payable to the Replacement DIP Lenders pursuant to the Subscription Agreement, the Exit Fee and the Extension Fee would be adjusted in a commensurate amount. However, if the Investor Transaction closes, on closing the Applicant may pay both the Exit Fee (and the Extension Fee if earned) by the issuance of common shares of the Applicant at the issue price under the Subscription Agreement; and in any other case, the Exit Fee (and Extension Fee if earned) shall be payable in cash at the earlier of the Maturity Date and the indefeasible repayment in full of the Replacement DIP Facility and all other DIP Obligations and/or cancellation of all remaining commitments in respect thereof. If the Deposit becomes payable to the Replacement DIP Lenders under the Subscription Agreement, the Exit Fee and the Extension Fee shall each be increased by a commensurate amount, to be allocated among the Replacement DIP Lenders and such amounts shall be deemed to be committed under the Replacement DIP Facility and shall remain with the Monitor to be advanced to the Applicant.

(i) **Amendments to Subscription Agreement**: The Replacement DIP Lenders and the Applicant agree under the Replacement DIP Agreement to amend the Subscription Agreement as follows:

(i) if the Deposit or a portion thereof is released to the Applicant pursuant to Replacement DIP Agreement and the Deposit ultimately becomes payable to the Applicant in accordance with the Subscription Agreement, the DIP Obligations shall be reduced by the portion of the Deposit previously released to the Applicant; and

(ii) a Replacement DIP Lender may elect that any Advance made by it may be set-off as payment against their commitments in respect of the New Equity Offering Initial Cash Consideration (as defined in the Subscription Agreement), in its capacity as an Investor under the Subscription Agreement, on a dollar-for-dollar basis, and upon such set-off at closing of the Investor Transaction, the DIP Obligations owed to such Replacement DIP Lender in respect of any set-off Advance will be considered indefeasibly repaid in an equivalent amount.

(j) **Access Rights:** The Replacement DIP Facility provides that the Replacement DIP Lenders will have the same access rights provided to the Investors under section 5.5 of the Subscription Agreement for the term of the Replacement DIP Facility.

(k) **Amendment and Waiver:** The Replacement DIP Agreement includes provisions which pertain to waiver and amendment of the agreement and the terms of such between each Replacement DIP Lender.

THE MONITOR'S COMMENTS AND RECOMMENDATION

29. Section 11.2(4) of the CCAA, sets out factors that should be considered by the Court, among other things, in deciding whether to make an order granting an interim financing charge. These factors include (i) the period during which the company is expected to be subject to proceedings under the CCAA; (ii) how the company's business and affairs are to be managed during the proceedings; (iii) whether the company's management has the confidence of its major creditors; (iv) whether the loan would enhance the prospects of viable compromise or arrangement being made in respect of the company; (v) the nature of the company's property; and (vi) whether any creditor would be materially prejudiced as a result of the proposed charge.

30. The Monitor observed that the Board was aware of and considered, among other things, the factors above. Given each of the DIP Proposals provided sufficient funding for Tacora during the next stage of the CCAA Proceeding, in selecting a DIP Proposal further consideration was given to whether any creditor would be materially prejudiced as a result of the proposed charge

contemplated by the DIP Proposal and whether the loan would enhance the prospects of a viable restructuring.

31. In regard to potential material prejudice to any stakeholder, the Board considered, among other things, the cost associated with each of the DIP Proposals. In this respect, the Monitor observes that while the costs associated with each of the DIP Proposals are not materially different in the context of this CCAA Proceeding, if the Investor Transaction were to close, the cash cost of the Replacement DIP Facility would ultimately be lower than the Amended Existing DIP Facility, which would assist with the Applicant's goal of preserving cash on closing to allow for further investment in the Scully Mine. Preliminary estimates of cash costs that could be equitized upon certain elections, range from approximately $4.5 million to $7.3 million, excluding any estimates for Pre DIP Order Expenses and any Post DIP Order Expenses greater than the amount of interest paid-in-kind.

32. The Board also took into consideration the fact that the Replacement DIP Lenders are the Investors under the Subscription Agreement for which Court-approval is being sought in April, 2024. In this regard, the Board gave consideration to the alignment of interests between the lenders under the competing DIP Proposals and the Applicant and its stakeholders. The Monitor understands that it is the Board's view that proceeding with the Replacement DIP Agreement is more likely to facilitate Tacora's successful and timely emergence from the CCAA Proceeding. The Board recognized that the Subscription Agreement has not yet been approved by the Court, and that its approval may be contested by Cargill, however, the current reality is that Tacora does not have any other actionable transaction that would allow it to exit from this CCAA Proceeding on a timely basis.

33. The Monitor notes that the Subscription Agreement contains a condition to closing that Tacora's net debt immediately following the closing time shall not exceed $150 million. The Monitor has been advised and understands that given the increased borrowings required by Tacora regardless of the identity of the DIP lender, the Applicant is not likely to satisfy the net debt condition on closing of the Investor Transaction, as currently structured. The Monitor understands that Tacora and the Investors are in discussions to address same.

34. The Monitor makes the following additional observations as it relates to the DIP Proposals and the Board's selection of the Replacement DIP Facility:

    (a) Iron ore price volatility, a limited ability to hedge during the CCAA Proceeding and the pending litigation, have had a significant negative impact on the Applicant's liquidity

position. Tacora is in critical need of additional financing to continue operating while it seeks to emerge from these CCAA Proceedings in a timely manner;

(b) The DIP Proposals received by the Applicant reflect negotiations with each of the two lender groups whereby the Applicant was able to improve the terms originally presented. Both DIP Proposals provide the Applicant with the necessary liquidity and stability through the requested extended Stay Period;

(c) Based on direct feedback provided to the Applicant and the Monitor from Cargill and the Investors, it is expected that any DIP financing selected by the Applicant would be contested by the party whose financing was not ultimately selected, resulting in the potential delays and the incurrence of additional professional fees attendant to same. The Monitor notes that this was also the case with respect to the approval of the Existing DIP Facility at the outset of this CCAA Proceeding. These additional costs have been factored into the cash flow forecasts upon which the Applicant seeks an extension of the Stay Period;

(d) As noted earlier in this Third Report, the Investors have agreed to capitalize and add their existing professional fees to the Replacement DIP Facility that would otherwise become payable under the Replacement DIP Facility, and to equitize and pay in common shares such amounts if the Investor Transaction closes; and

(e) The Board has carefully considered the two DIP Proposals having regard to the Applicant's circumstances and the legal requirements imposed under the CCAA and has exercised its business judgement in selecting the Replacement DIP Agreement. The Monitor understands that it is the view of the Board that the Replacement DIP Facility will align the interests of the Applicant and the Investors and will provide the Applicant with the greatest chance to implement the only actionable restructuring transaction currently available to the Applicant to emerge from the CCAA Proceeding on a timely basis. The Monitor concurs with this view.

35. The Monitor notes that the Applicant continues to be vulnerable to fluctuations in the global price of iron ore, and that further negative movements in such prices may materially impact Tacora's cashflow. The Monitor also notes that the Applicant is in need of substantial capital investment to enable it to achieve consistent, profitable operations. Ordinary course operations during the CCAA Proceedings will continue to generate losses. While these losses will, during the proposed stay extension, be financed through the Replacement DIP Facility, additional financing may negatively

impact the Applicant's post-closing balance sheet. It is therefore imperative that the Applicant complete and emerge from this CCAA Proceeding at the earliest opportunity.

36. Based on the foregoing, the Monitor respectfully recommends that the Court grant the Applicant's request for approval of the Replacement DIP Agreement, the Replacement DIP Charge and the Second ARIO.

RECEIPTS AND DISBURSEMENTS FOR THE 7-WEEK PERIOD ENDED MARCH 3, 2024

37. Tacora's actual negative net cash flow from operations for the 7-week period from January 15, 2024, to March 3, 2024, was approximately $32.2 million, compared to a forecast negative net cash flow from operations of approximately $39.2 million, as noted in the January 2024 Forecast attached to the Second Report of the Monitor, representing a positive variance of approximately $7.0 million as summarized below:

	Actual	Forecast	Variance
	$000	$000	$000
Total Receipts	**43,021**	**44,429**	**(1,408)**
Operating Disbursements			
Employees	(9,297)	(9,332)	35
Mine, Mill and Site Costs	(20,403)	(25,672)	5,269
Plant Repairs and Maintenance	(16,299)	(18,323)	2,024
Logistics	(16,987)	(17,726)	739
Capital Expenditures	(8,062)	(7,509)	(553)
Other	(4,125)	(5,018)	893
Total Operating Disbursements	**(75,173)**	**(83,581)**	**8,408**
Net Cash from Operations	**(32,153)**	**(39,152)**	**6,999**
Restructuring Legal and Professional Costs	(1,390)	(4,992)	3,602
KERP	-	-	-
Net Cash Flow	**(33,542)**	**(44,144)**	**10,602**
Opening Cash Balance	**41,988**	**41,988**	**-**
Net Receipts/(Disbursements)	(33,542)	(44,144)	10,602
DIP Advances/(Repayments)	19,500	14,000	5,500
DIP Fees and Interest	(920)	(958)	37
Closing Cash Balance	**27,025**	**10,885**	**16,139**

38. Explanations for the key variances are as follows:

(a) negative variance in *Total Receipts* of approximately $1.4 million primarily due to the impact of unfavorable pricing, and partially offset by higher than forecast production at the mine during the period;

(b) positive variance in *Mine, Mill and Site Costs* of approximately $5.3 million primarily due to lower than forecast outflows as Tacora proactively managed its disbursements during the period. It is expected that a portion of this variance may reverse in future weeks;

(c) positive variance in *Plant Repairs and Maintenance* of approximately $2.0 million primarily due to lower than forecast outflows as Tacora proactively managed its disbursements during the period. It is expected that a portion of this variance may reverse in future weeks;

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

(e) negative variance in *Capital Expenditures* of approximately $0.6 million primarily due to earlier than forecast cash outflows of planned capital expenditures. It is expected that this variance will reverse in future weeks; and

(f) positive variance in *Other* of approximately $0.9 million primarily relates to lower than forecast outflows as Tacora proactively managed its disbursements during the period. It is expected that a portion of this variance may reverse in future weeks.

STAY EXTENSION

39. The Stay Period will expire on March 18, 2024. The continuation of the stay of proceedings is necessary to allow time for the hearing of the Sale Approval Motion and to implement the Investor Transaction should the Successful Bid be approved, or in the alternative, for the Board of Tacora to consider next steps. Accordingly, Tacora is seeking a further extension of the Stay Period to May 19, 2024.

40. As is demonstrated in the March 2024 Forecast attached to this Third Report as Appendix “G”, if the Replacement DIP Agreement is approved, Tacora is forecast to have sufficient liquidity to fund its obligations and the costs of the CCAA Proceeding through the end of the extended Stay Period. The March 2024 Forecast is summarized below:

	$000
Total Receipts	**50,898**
Operating Disbursements	
Employees	(12,910)
Mine, Mill and Site Costs	(22,858)
Plant Repairs and Maintenance	(25,888)
Logistics	(24,515)
Capital Expenditures	(11,749)
Other	(6,362)
Total Operating Disbursements	**(104,282)**
Net Cash from Operations	**(53,384)**
Restructuring Legal and Professional Costs	(8,999)
KERP	-
Net Cash Flow	**(62,383)**
Opening Cash Balance	**27,025**
Net Receipts/(Disbursements)	(62,383)
DIP Advances/(Repayments)	90,750
DIP Fees and Interest	(432)
Closing Cash Balance	**54,960**

41. The Monitor supports extending the Stay Period to May 19, 2024 for the following reasons:

(a) the Monitor is of the view that the proposed extension of the Stay Period is necessary to have the Sale Approval Motion heard and to provide Tacora with the time required to implement the Investor Transaction should the Successful Bid be approved, or in the alternative, for the Board of Tacora to consider next steps;

(b) the March 2024 Forecast demonstrates that, subject to its underlying hypothetical and probable assumptions, Tacora is forecast to have sufficient liquidity to continue funding its operations during the CCAA Proceeding to May 19, 2024;

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

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

APPROVAL OF THE PREMIUM FINANCE AGREEMENT

42. As described above, the Court previously granted an order approving the Property Financing Agreement between Tacora and Marsh, whereby FIRST Insurance Funding of Canada Inc. ("**FIRST Canada**") agreed to provide financing for the renewal of Tacora's property insurance policies which were set to renew December 21, 2023.

43. Similarly, Tacora's various auto and general liability insurance policies were set to renew on March 1, 2024.

44. Tacora has historically financed the premiums owing under its insurance policies and on March 4, 2024, Tacora entered into the A&L Premium Finance Agreement whereby FIRST Canada agreed to provide financing in the amount of C$467,134.42 towards the required C$692,051.00 for the renewal of the property insurance policies (the "**A&L Financed Policies**").

45. The A&L Premium Finance Agreement is subject to Tacora making a down payment of C$224,916.58 towards the A&L Financed Policies and the Court granting the A&L Insurance Order which, among other things:

(a) approves the A&L Premium Finance Agreement;

(b) provides that the validity and priority of the Court-ordered priority charges set out in paragraphs 47 and 50 of the Second ARIO are not applicable to any unearned premiums under the A&L Financed Policies;

(c) approves of Tacora's assignment to FIRST Canada of a security interest in the A&L Financed Policies in accordance with the terms of the A&L Premium Finance Agreement;

(d) approves of FIRST Canada's right as agent under the A&L Premium Finance Agreement to, after providing thirty (30) days' written notice to the Applicant and the Monitor: (i) cancel the A&L Financed Policies; (ii) receive all sums assigned to FIRST Canada; and (iii) execute and deliver on behalf of the Applicant all documents relating to the A&L Financed Policies; and

(e) provides for FIRST Canada to have the right to receive all unearned premiums and other funds assigned to FIRST Canada as security in the event that any of the A&L Financed Policies are cancelled.

46. Tacora is required to maintain auto and liability insurance for its business and due to current liquidity constraints, it is prudent for Tacora to finance the A&L Financed Policies. The payments required under the A&L Premium Finance Agreement, to be paid over nine months, are in compliance with each of the Existing DIP Agreement and the Replacement DIP Agreement (if approved) and the March 2024 Forecast.

47. In light of the foregoing, the Monitor supports approval of the A&L Premium Finance Agreement and related relief in the A&L Insurance Order and believes such relief to be reasonable and appropriate in the circumstances.

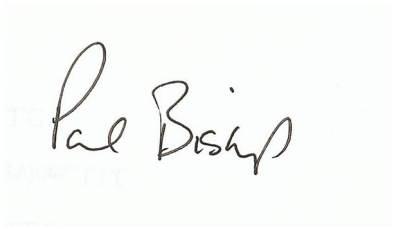
CONCLUSION

48. The Monitor is of the view that the relief requested by the Applicant is necessary, reasonable and justified in the circumstances.

49. Accordingly, the Monitor respectfully supports the relief sought in the proposed Second ARIO and the A&L Insurance Order, and accordingly recommends that such Orders be granted.

The Monitor respectfully submits to the Court this Third Report dated this 13th the day of March, 2024.

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



By: _____ _____

Paul Bishop
Senior Managing Director

Jodi Porepa
Senior Managing Director

Appendix “A”

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE MADAM	)	MONDAY, THE 30TH
JUSTICE KIMMEL	)	DAY OF OCTOBER, 2023

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

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

(Applicant)

AMENDED AND RESTATED INITIAL ORDER

THIS APPLICATION, made by Tacora Resources Inc. (the "**Applicant**"), pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") for an Order amending and restating the initial order issued by the Court on October 10, 2023 (the "**Filing Date**"), substantially in the form included at the Applicant's Application Record was heard on October 24, 2023 at 330 University Avenue, Toronto, Ontario with reasons released this day.

ON READING the Application Record of the Applicant dated October 9, 2023 (the "**Application Record**"), the Affidavit of Joe Broking sworn October 9, 2023, the Affidavit of Chetan Bhandari sworn October 9, 2023, the Supplementary Application Record of the Applicant dated October 15, 2023 (the "**Supplementary Application Record**"), the Affidavit of Joe Broking sworn October 15, 2023 (the "**Second Broking Affidavit**"), the Affidavit of Chetan Bhandari sworn October 15, 2023, the Affidavit of Philip Yang sworn October 15, 2023, the consent of FTI Consulting Canada Inc. ("**FTI**") to act as Court-appointed monitor of the Applicant (in such capacity, the "**Monitor**"), the Pre-Filing Report of the Proposed Monitor dated October 10, 2023, the First Report of the Monitor dated October 20, 2023, the Motion Record of the Ad Hoc Group of Noteholders (the "**Ad Hoc Group**") dated October 16, 2023, the Affidavit of Thomas Gray sworn October 16, 2023, the Brief of Transcripts and Exhibits, including the transcripts from the Examinations of Leon Davies held October 18, 2023, Chetan Bhandari held October 18, 2023, Paul Carrelo held October 19, 2023 and Joe Broking held October 19, 2023, and on being advised

that the secured creditors who are likely to be affected by the charges created herein were given notice, and on hearing the submissions of counsel for the Applicant, counsel for the Monitor, counsel for Cargill, Incorporated and Cargill International Trading Pte Ltd., and counsel for the Ad Hoc Group, and such other counsel and parties as listed on the Counsel Slip, with no one else appearing although duly served as appears from the affidavits of service of Natasha Rambaran and the affidavit of service of Philip Yang, filed,

SERVICE

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

APPLICATION

2. **THIS COURT ORDERS AND DECLARES** that the Applicant is a company to which the CCAA applies.

PLAN OF ARRANGEMENT

3. **THIS COURT ORDERS** that the Applicant shall have the authority to file and may, subject to further order of this Court, file with this Court a plan of compromise or arrangement (hereinafter referred to as the "**Plan**").

POSSESSION OF PROPERTY AND OPERATIONS

4. **THIS COURT ORDERS** that the Applicant shall remain in possession and control of its current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "**Property**"). Subject to further Order of this Court, the Applicant shall continue to carry on business in a manner consistent with the preservation of its business (the "**Business**") and Property. The Applicant is authorized and empowered to continue to retain and employ the employees, consultants, agents, experts, accountants, counsel and such other persons (collectively "**Assistants**") currently retained or employed by it, with liberty to retain such further Assistants as it deems reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

5. **THIS COURT ORDERS** that, subject to the terms of the DIP Agreement (as defined below), the Applicant shall be entitled to continue to utilize the cash management system currently

in place as described in the Broking Affidavit or replace it with another substantially similar cash management system (the "**Cash Management System**") and that any present or future bank providing the Cash Management System shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by the Applicant of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as hereinafter defined) other than the Applicant, pursuant to the terms of the documentation applicable to the Cash Management System, and shall be, in its capacity as provider of the Cash Management System, an unaffected creditor under any Plan with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System.

6. **THIS COURT ORDERS** that, subject to the terms of the DIP Agreement, the Applicant shall be entitled but not required to pay the following expenses whether incurred prior to or after this Order:

(a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay and expenses, and director fees of outside directors payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements; and

(b) the fees and disbursements of any Assistants retained or employed by the Applicant in respect of these proceedings, at their standard rates and charges.

7. **THIS COURT ORDERS** that, except as otherwise provided to the contrary herein and subject to the terms of the DIP Agreement, the Applicant shall be entitled but not required to pay all reasonable expenses incurred by the Applicant in carrying on the Business in the ordinary course after this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

(a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors and officers' insurance), and maintenance and security services;

(b) payment for goods or services actually supplied to the Applicant following the date of this Order; and

(c) payments on behalf of Tacora Resources LLC to pay salaries and wages for U.S. based employees and rent for the Applicant's head office located in Grand Rapids, Minnesota.

8. **THIS COURT ORDERS** that the Applicant shall remit, in accordance with legal requirements, or pay:

(a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of employment insurance, Canada Pension Plan, and income taxes;

(b) all goods and services or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by the Applicant in connection with the sale of goods and services by the Applicant, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order, and

(c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the Applicant.

9. **THIS COURT ORDERS** that until a real property lease is disclaimed or resiliated in accordance with the CCAA, the Applicant shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise may be negotiated between the Applicant and the landlord from time to time ("**Rent**"), for the period commencing from and including the date of this Order, twice-monthly in equal payments on the first and fifteenth day of each month, in advance (but not in arrears). On the date of the first of such payments, any Rent relating to the period commencing from and including the date of this Order shall also be paid.

10. **THIS COURT ORDERS** that, except as specifically permitted herein, the Applicant is hereby directed, until further Order of this Court: to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Applicant to any of its creditors as of this date; to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of its Property; and to not grant credit or incur liabilities except in the ordinary course of the Business.

RESTRUCTURING

11. **THIS COURT ORDERS** that the Applicant shall, subject to such requirements as are imposed by the CCAA and such covenants as may be contained in the DIP Agreement and the Definitive Documents (as hereinafter defined), have the right to:

(a) permanently or temporarily cease, downsize or shut down any of its business or operations, and to dispose of redundant or non-material assets not exceeding US$1,000,000 in any one transaction or US$5,000,000 in the aggregate;

(b) terminate the employment of such of its employees or temporarily lay off such of its employees as it deems appropriate; and

(c) pursue all avenues of refinancing of its Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing;

all of the foregoing to permit the Applicant to proceed with an orderly restructuring of the Business (the "**Restructuring**").

12. **THIS COURT ORDERS** that the Applicant shall provide each of the relevant landlords with notice of the Applicant's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Applicant's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Applicant, or by further Order of this Court upon application by the Applicant on at least two (2) days notice to such landlord and any such secured creditors. If the Applicant disclaims the lease governing such leased premises in accordance with Section 32 of the CCAA, it shall not be required to pay Rent under such lease pending resolution of any such dispute (other than Rent payable for the notice period provided for in Section 32(5) of

the CCAA), and the disclaimer of the lease shall be without prejudice to the Applicant's claim to the fixtures in dispute.

13. **THIS COURT ORDERS** that if a notice of disclaimer is delivered pursuant to Section 32 of the CCAA, then during the notice period prior to the effective time of the disclaimer, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the Applicant and the Monitor 24 hours' prior written notice, and at the effective time of the disclaimer, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against the Applicant in respect of such lease or leased premises, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

NO PROCEEDINGS AGAINST THE APPLICANT OR THE PROPERTY

14. **THIS COURT ORDERS** that until and including February 9, 2024, or such later date as this Court may order (the "**Stay Period**"), no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**") shall be commenced or continued against or in respect of the Applicant or the Monitor, or affecting the Business or the Property, except with the written consent of the Applicant and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Applicant or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

15. **THIS COURT ORDERS** that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") against or in respect of the Applicant or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Applicant and the Monitor, or leave of this Court, provided that nothing in this Order shall (a) empower the Applicant to carry on any business which the Applicant is not lawfully entitled to carry on, (b) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA, (c) prevent the filing of any registration to preserve or perfect a security interest, or (d) prevent the registration of a claim for lien.

NO INTERFERENCE WITH RIGHTS

16. **THIS COURT ORDERS** that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Applicant, except with the written consent of the Applicant and the Monitor, or leave of this Court.

NO PRE-FILING VS POST-FILING SET-OFF

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, in each case 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.

CONTINUATION OF SERVICES

18. **THIS COURT ORDERS** that during the Stay Period, all Persons having oral or written agreements with the Applicant or statutory or regulatory mandates for the supply of goods and/or services, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Business or the Applicant, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Applicant, and that the Applicant shall be entitled to the continued use of its current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Applicant in accordance with normal payment practices of the Applicant or such other practices as may be agreed upon by the supplier or service provider and each of the Applicant and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

19. **THIS COURT ORDERS** that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of lease or licensed

property or other valuable consideration provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to the Applicant. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

20. **THIS COURT ORDERS** that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the Applicant with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Applicant whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the Applicant, if one is filed, is sanctioned by this Court or is refused by the creditors of the Applicant or this Court.

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

21. **THIS COURT ORDERS** that the Applicant shall indemnify its directors and officers against obligations and liabilities that they may incur as directors or officers of the Applicant after the commencement of the within proceedings, including with respect to employee vacation pay which may have accrued prior to the commencement of these proceedings, but which obligation may become due and payable after the commencement of these proceedings, except to the extent that, with respect to any officer or director, the obligation or liability was incurred as a result of the director's or officer's gross negligence or wilful misconduct.

22. **THIS COURT ORDERS** that the directors and officers of the Applicant shall be entitled to the benefit of and are hereby granted a charge (the "**Directors' Charge**") on the Property, which charge shall not exceed an aggregate amount of US$5,200,000, as security for the indemnity provided in paragraph 21 of this Order. The Directors' Charge shall have the priority set out in paragraphs 46 and 49 herein.

23. **THIS COURT ORDERS** that, notwithstanding any language in any applicable insurance policy to the contrary, no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge, and the Applicant's directors and officers shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 21 of this Order.

ENGAGEMENT OF GREENHILL

24. **THIS COURT ORDERS** that the engagement of Greenhill & Co. Canada Ltd. ("**Greenhill**") by the Applicant as investment banker pursuant to the engagement letter dated as of January 23, 2023 (the "**Greenhill Engagement Letter**") and payment by the Applicant of the Monthly Advisory Fee (as defined in the Greenhill Engagement Letter) and the Transaction Fee (as defined in the Broking Affidavit) are hereby approved, subject to the priority provided for herein.

25. **THIS COURT ORDERS** that Greenhill shall be entitled to the benefit of and are hereby granted a charge (the "**Transaction Fee Charge**") on the Property as security for the Transaction Fee, which charge shall not exceed an aggregate amount of US$5,600,000. The Transaction Fee Charge shall have the priority set out in paragraphs 46 and 49 herein.

26. **THIS COURT ORDERS** that Greenhill shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of the Greenhill Engagement Letter, save and except for any gross negligence or wilful misconduct on its part.

APPOINTMENT OF MONITOR

27. **THIS COURT ORDERS** that FTI. is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Applicant with the powers and obligations set out in the CCAA or set forth herein and that the Applicant and its shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Applicant pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

28. **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

(a) monitor the Applicant's receipts and disbursements;

(b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;

(c) assist the Applicant, to the extent required by the Applicant, in its dissemination, to the DIP Lender and their counsel, pursuant to and in accordance with the DIP

Agreement (as defined herein), or as may otherwise be agreed between the Applicant and the DIP Lender;

(d) advise the Applicant in its preparation of the Applicant's cash flow statements and reporting required by the DIP Lender under the DIP Agreement, which information shall be reviewed with the Monitor and delivered to the DIP Lender and their counsel in accordance with the DIP Agreement;

(e) advise the Applicant in its development of the Plan and any amendments to the Plan;

(f) assist the Applicant, to the extent required by the Applicant, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan;

(g) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Applicant, to the extent that is necessary to adequately assess the Applicant's business and financial affairs or to perform its duties arising under this Order;

(h) hold and administer funds in connection with arrangements made among the Applicant, any counterparties and the Monitor or by Order of this Court;

(i) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order; and

(j) perform such other duties as are required by this Order or by this Court from time to time.

29. **THIS COURT ORDERS** that the Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof.

30. **THIS COURT ORDERS** that nothing herein contained shall require the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation,

enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, the *Ontario Occupational Health and Safety Act*, the *Newfoundland Environmental Protection Act*, the *Newfoundland Water Resources Act*, the *Newfoundland Occupational Health and Safety Act*, and the regulations thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

31. **THIS COURT ORDERS** that the Monitor shall provide any creditor of the Applicant and the DIP Lender with information provided by the Applicant in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Applicant is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Applicant may agree.

32. **THIS COURT ORDERS** that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

ADMINISTRATION CHARGE

33. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor and counsel to the Applicant shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, whether incurred prior to, on or subsequent to the date of this Order, by the Applicant as part of the costs of these proceedings. The Applicant is hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor and counsel for the Applicant on a bi-weekly basis and, in addition, the Applicant is hereby authorized to pay to the Monitor, counsel to the Monitor and counsel to the Applicant reasonable retainers to be held by them as security for payment of their respective fees and disbursements outstanding from time to time.

34. **THIS COURT ORDERS** that the Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Monitor and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

35. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, the Applicant's counsel and Greenhill for its Monthly Advisory Fee (as defined by the Greenhill Engagement Letter) shall be entitled to the benefit of and are hereby granted a charge (the "**Administration Charge**") on the Property, which charge shall not exceed an aggregate amount of US$1,000,000, as security for their professional fees and disbursements incurred at the standard rates and charges of the Monitor and such counsel, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs 46 and 49 hereof.

DIP FINANCING

36. **THIS COURT ORDERS** that the Applicant is hereby authorized and empowered to obtain and borrow a super-priority, debtor-in-possession, non-revolving credit facility (the "**DIP Facility**") under a DIP Loan Agreement dated October 9, 2023 (the "**DIP Agreement**") from Cargill Inc. (collectively, in such capacity, the **"DIP Lender"**) in order to finance the Applicant's working capital requirements and other general corporate purposes and capital expenditures, provided that borrowings under the DIP Agreement shall not exceed the principal amount of US$75,000,000 and Post-Filing Credit Extensions (as defined in the DIP Agreement) shall not exceed the principal amount of US$20,000,000, unless permitted by further Order of this Court.

37. **THIS COURT ORDERS** that the DIP Facility shall be on the terms and subject to the conditions set forth in the DIP Agreement attached as Exhibit "K" to the Broking Affidavit.

38. **THIS COURT ORDERS** that the Applicant is hereby authorized and empowered to execute and deliver such security documents and other definitive documents (collectively, the **"Definitive Documents"**), as are contemplated by the DIP Agreement or as may be reasonably required by the DIP Lender pursuant to the terms thereof, and the Applicant is hereby authorized and directed to pay and perform all of its indebtedness, interest, fees, liabilities and obligations to the DIP Lender under and pursuant to the DIP Agreement and the Definitive Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.

39. **THIS COURT ORDERS** that the DIP Lender and Cargill International Trading Pte Ltd. ("**CITPL**") shall be entitled to the benefit of and is hereby granted a charge (the **"DIP Charge"**) on

the Property, which DIP Charge shall not secure an obligation that exists before this Order is made, and in the case of CITPL, shall only secure Post-Filing Credit Extensions. The DIP Charge shall have the priority set out in paragraphs 46 and 49 hereof.

40. **THIS COURT ORDERS** that, notwithstanding any other provision of this Order:

(a) the DIP Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the DIP Charge or any of the Definitive Documents;

(b) upon the occurrence of an event of default under the DIP Agreement or the Definitive Documents, the DIP Lender may cease making advances to the Applicant upon four (4) business days' notice to the Applicant and the Monitor, exercise any and all of its rights and remedies against the Applicant or the Property under or pursuant to the DIP Agreement, Definitive Documents and the DIP Charge, including without limitation, set off and/or consolidate any amounts owing by the DIP Lender to the Applicant against the obligations of the Applicant to the DIP Lender under the DIP Agreement, the Definitive Documents or the DIP Charge, to make demand, accelerate payment and give other notices, or to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the Applicant and for the appointment of a trustee in bankruptcy of the Applicant; and

(c) the foregoing rights and remedies of the DIP Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Applicant or the Property.

41. **THIS COURT ORDERS AND DECLARES** that the DIP Lender shall be treated as unaffected in any plan of arrangement or compromise filed by the Applicant under the CCAA, or any proposal filed by the Applicant under the *Bankruptcy and Insolvency Act (Canada)* (the **"BIA"**), with respect to any advances made under the Definitive Documents.

42. **THIS COURT ORDERS AND DECLARES** that this Order is subject to provisional execution and that if any of the provisions of this Order in connection with the DIP Agreement, the Definitive Documents or the DIP Charge shall subsequently be stayed, modified, varied, amended, reversed or vacated in whole or in part (collectively, a "**Variation**"), such Variation shall not in any way impair, limit or lessen the priority, protections, rights or remedies of the DIP Lender, whether under this Order (as made prior to the Variation), under the DIP Agreement or the Definitive

Documents with respect to any advances made or obligations incurred prior to the DIP Lender being given notice of the Variation, and the DIP Lender shall be entitled to rely on this Order as issued (including, without limitation, the DIP Charge) for all advances so made and other obligations set out in the DIP Agreement and the Definitive Documents.

KEY EMPLOYEE RETENTION PLAN

43. **THIS COURT ORDERS** that the Key Employee Retention Plan (the "**KERP**"), as described in the Broking Affidavit and the Second Broking Affidavit, is hereby approved and the Applicant is authorized to make payments contemplated thereunder in accordance with the terms and conditions of the KERP.

44. **THIS COURT ORDERS** that payments made by the Applicant pursuant to the KERP do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

45. **THIS COURT ORDERS** that the Applicant is authorized to pay up to US$3,035,000 to the Monitor to hold in a segregated account (the "**KERP Funds**") and the key employees referred to in the KERP (the "**Key Employees**") shall be entitled to the benefit of and are hereby granted a charge on the KERP Funds (the "**KERP Charge**"), which charge shall not exceed an aggregate amount of US$3,035,000 to secure any payments to the Key Employees under the KERP. The KERP Charge shall have the priority set out in paragraphs 46 and 49 hereof. The Monitor shall not be responsible for making the payments to the Key Employees under the KERP; paying any tax withholdings or remittances payable to any tax authorities or otherwise in respect of the KERP; or reporting or making disclosure with respect to the KERP to any taxing authorities or otherwise.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

46. **THIS COURT ORDERS** that the priorities of the Administration Charge, the Directors' Charge, the Transaction Fee Charge and the DIP Charge (collectively, with the KERP Charge, the "**Charges**"), as among them, as against the Property other than the KERP Funds, shall be as follows:

First – the Administration Charge (to the maximum amount of US$1,000,000);

Second – the Directors' Charge (to the maximum amount of US$5,200,000);

Third – the Transaction Fee Charge (to the maximum amount of US$5,600,000); and

Fourth – the DIP Charge.

47. **THIS COURT ORDERS** that the KERP Charge (to the maximum amount of US$3,035,000) shall rank first solely as against the KERP Funds and the other Charges shall rank subordinate to the KERP Charge as against the KERP Funds in the priorities set out in paragraph 46.

48. **THIS COURT ORDERS** that the filing, registration or perfection of the Charges shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

49. **THIS COURT ORDERS** that each of the Charges shall constitute a charge on the Property, and such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any Person, except for the portion of the Transaction Fee Charge which ranks *pari passu* basis with the Senior Priority Notes and Senior Priority Advances.

50. **THIS COURT ORDERS** that, except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicant shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with any of the Charges, unless the Applicant also obtains the prior written consent of the Monitor, the beneficiaries of the Administration Charge, the Directors' Charge, DIP Charge and the KERP Charge, or further Order of this Court.

51. **THIS COURT ORDERS** that the Administration Charge, the Directors' Charge, the KERP Charge, the Transaction Fee Charge, the DIP Charge, the DIP Agreement and the Definitive Documents shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the "**Chargees**") and/or the DIP Lender thereunder shall not otherwise be limited or impaired in any way by the pendency of these proceedings and the declarations of insolvency made herein; any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications; the filing of any assignments for the general benefit of creditors made pursuant to the BIA; the provisions of any federal or provincial statutes; or any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "**Agreement**") which binds the Applicant, and notwithstanding any provision to the contrary in any Agreement:

(a) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of the DIP Agreement or the Definitive Documents shall create or be deemed to constitute a breach by the Applicant of any Agreement to which it is a party;

(b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the Applicant entering into the DIP Agreement, the creation of the Charges, or the execution, delivery or performance of the Definitive Documents; and

(c) the payments made by the Applicant pursuant to this Order, the DIP Agreement or the Definitive Documents, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

52. **THIS COURT ORDERS** that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the Applicant's interest in such real property leases.

SERVICE AND NOTICE

53. **THIS COURT ORDERS** that the Monitor shall (a) without delay, publish in the Globe and Mail (National Edition), a notice containing the information prescribed under the CCAA, (b) within five (5) days after the date of this Order, (i) make this Order publicly available in the manner prescribed under the CCAA, (ii) send, in the prescribed manner, a notice to every known creditor who has a claim against the Applicant of more than $1,000, and (iii) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder.

54. **THIS COURT ORDERS** that the Commercial List E-Service Guide (the "**Guide**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Guide (which can be found on the Commercial List website at https://www.ontariocourts.ca/scj/practice/regional-practice-directions/eservice-commercial/) shall be valid and effective service. Subject to Rule 17.05 of the *Rules of Civil Procedure* (Ontario) (the "**Rules**"), this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules. Subject to Rule 3.01(d) of the Rules and paragraph 13 of the Guide, service of documents in accordance with the Guide will be effective on transmission. This Court further orders that a

Case Website shall be established in accordance with the Protocol with the following URL: http://cfcanada.fticonsulting.com/tacora.

55. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the Applicant and the Monitor are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Applicant's creditors or other interested parties at their respective addresses as last shown on the records of the Applicant and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

56. **THIS COURT ORDERS** that the Applicant and the Monitor and their counsel are at liberty to serve or distribute this Order, any other materials and orders as may be reasonably required in these proceedings, including any notices or other correspondence, by forwarding true copies thereof by electronic message to the Applicant's creditors or other interested parties and their advisors. Any such distribution or service shall be deemed to be in satisfaction of a legal or judicial obligation and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2-175 (SORS/DORS).

SEALING

57. **THIS COURT ORDERS** that Confidential Exhibit "C" to the Second Broking Affidavit is hereby sealed pending further Order of the Court and shall not form part of the public record.

GENERAL

58. **THIS COURT ORDERS** that the Applicant or the Monitor may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

59. **THIS COURT ORDERS** that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the Applicant, the Business or the Property.

60. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Applicant, the Monitor and their respective agents in carrying

out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicant and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicant and the Monitor and their respective agents in carrying out the terms of this Order.

61. **THIS COURT ORDERS** that each of the Applicant and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

62. **THIS COURT ORDERS** that any interested party (including the Applicant, the Monitor and the DIP Lender) may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

63. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Standard/Daylight Time on the Filing Date.

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

Digitally signed
by Jessica Kimmel
Date: 2023.10.30
14:29:55 -04'00'

Electronically issued / Délivré par voie électronique : 30-Oct-2023
Toronto Superior Court of Justice / Cour supérieure de justice

Court File No./N° du dossier du greffe : CV-23-00707394-00CL

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

(Applicant)

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDINGS COMMENCED AT TORONTO

AMENDED AND RESTATED INITIAL ORDER

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Counsel to Tacora Resources Inc.

Appendix “B”

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE MADAM	)	MONDAY, THE 30TH
JUSTICE KIMMEL	)	DAY OF OCTOBER, 2023
	)	

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

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

(Applicant)

ORDER
(Solicitation Order)

THIS MOTION, made by Tacora Resources Inc. (the "**Applicant**"), for an Order approving, the procedures for a sale, investment, and services solicitation process in respect of the Applicant attached hereto as Schedule "A" (the "**Solicitation Process**") was heard on October 24, 2023 at 330 University Avenue, Toronto, Ontario with reasons released this day.

ON READING the Application Record of the Applicant dated October 9, 2023 (the "**Application Record**"), the Affidavit of Joe Broking sworn October 9, 2023, the Affidavit of Chetan Bhandari sworn October 9, 2023, the Supplementary Application Record of the Applicant dated October 15, 2023 (the "**Supplementary Application Record**"), the Affidavit of Joe Broking sworn October 15, 2023 (the "**Second Broking Affidavit**"), the Affidavit of Chetan Bhandari sworn October 15, 2023, the Affidavit of Philip Yang sworn October 15, 2023, the consent of FTI Consulting Canada Inc. ("**FTI**") to act as Court-appointed monitor of the Applicant (in such capacity, the "**Monitor**"), the Pre-Filing Report of the Proposed Monitor dated October 10, 2023, the First Report of the Monitor dated October 20, 2023, the Motion Record of the Ad Hoc Group of Noteholders (the "**Ad Hoc Group**") dated October 16, 2023, the Affidavit of Thomas Gray sworn October 16, 2023, the Brief of Transcripts and Exhibits, including the transcripts from the Examinations of Leon Davies held October 18, 2023, Chetan Bhandari held October 18, 2023, Paul Carrelo held October 19, 2023 and Joe Broking held October 19, 2023, and on hearing the submissions of counsel for the Applicant, counsel for the Monitor, counsel for Cargill, Incorporated

and Cargill International Trading Pte Ltd., and counsel for the Ad Hoc Group, and such other counsel and parties as listed on the Counsel Slip, with no one else appearing although duly served as appears from the affidavits of service of Natasha Rambaran and the affidavit of service of Philip Yang, filed,

SERVICE AND DEFINITIONS

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

2. **THIS COURT ORDERS** that capitalized terms used in this Order and not otherwise defined herein shall have the meanings ascribed to them in the Solicitation Process.

APPROVAL OF THE SOLICITATION PROCESS

3. **THIS COURT ORDERS** that the Solicitation Process attached hereto as Schedule "A" is hereby approved and the Applicant, Financial Advisor, and Monitor are hereby authorized and directed to implement the Solicitation Process pursuant to the terms thereof. The Financial Advisor, Applicant, and Monitor are hereby authorized and directed to take any and all actions as may be necessary or desirable to implement and carry out the Solicitation Process in accordance with its terms and this Order.

4. **THIS COURT ORDERS** that the Financial Advisor, Applicant, and the Monitor are hereby authorized and directed to immediately commence the Solicitation Process.

5. **THIS COURT ORDERS** that each of the Financial Advisor, Applicant, Monitor and their respective affiliates, partners, directors, employees, agents and controlling persons shall have no liability with respect to any and all losses, claims, damages or liabilities, of any nature or kind, to any person in connection with or as a result of the Solicitation Process, except to the extent such losses, claims, damages or liabilities result from the gross negligence or wilful misconduct of the Financial Advisor, Applicant, or Monitor, as applicable, in performing their obligations under the Solicitation Process, as determined by this Court.

6. **THIS COURT ORDERS** that, pursuant to section 3(c) of the Electronic Commerce Protection Regulations, Reg. 81000-2-175 (SOR/DORS), the Financial Advisor, Applicant, and Monitor are authorized and permitted to send, or cause or permit to be sent, commercial electronic

messages to an electronic address of prospective bidders or offerors and to their advisors, but only to the extent required to provide information with respect to the Solicitation Process in these proceedings.

7. **THIS COURT ORDERS** that notwithstanding anything contained herein or in the Solicitation Process, the Financial Advisor and Monitor shall not take possession of the Property or be deemed to take possession of the Property.

PROTECTION OF PERSONAL INFORMATION

8. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5, the Financial Advisor, Applicant, Monitor, and their respective advisors are hereby authorized and permitted to disclose and transfer to prospective Solicitation Process participants (each, a "**Solicitation Process Participant**") and their advisors personal information of identifiable individuals ("**Personal Information**"), records pertaining to the Applicant's past and current employees, and information on specific customers, but only to the extent desirable or required to negotiate or attempt to complete a transaction under the Solicitation Process (a "**Transaction**"). Each Solicitation Process Participant to whom any Personal Information is disclosed shall maintain and protect the privacy of such Personal Information and limit the use of such Personal Information to its evaluation of a Transaction, and if it does not complete a Transaction, shall return all such information to the Financial Advisor, Applicant, or Monitor, or in the alternative destroy all such information and provide confirmation of its destruction if required by the Financial Advisor, Applicant, or Monitor. The Successful Transaction Bidder shall maintain and protect the privacy of such information and, upon closing of the Transaction contemplated in the Successful Transaction Bid, shall be entitled to use the personal information provided to it that is related to the Business and/or Property acquired pursuant to the Solicitation Process in a manner that is in all material respects identical to the prior use of such information by the Applicant, and shall return all other personal information to the Financial Advisor, Applicant, or Monitor, or ensure that all other personal information is destroyed and provide confirmation of its destruction if requested by the Financial Advisor, Applicant, or Monitor.

GENERAL

9. **THIS COURT ORDERS** that the Applicant or the Monitor or any interested party may from time to time apply to this Court to amend, vary or supplement this Order or for advice and directions in the discharge of their powers and duties under the Solicitation Process.

10. **THIS COURT ORDERS** that this Order shall have full force and effect in all provinces and territories in Canada.

11. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States of America, or in any other foreign jurisdiction, to give effect to this Order and to assist the Applicant, Monitor, and their respective agents in carrying out the terms of this Order. All courts, tribunals, and regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Financial Advisor, Applicant, and Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Financial advisor, Applicant, Monitor, and their respective agents in carrying out the terms of this Order.

12. **THIS COURT ORDERS** that the Applicant and Monitor be at liberty and are hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order.

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

Digitally signed
by Jessica Kimmel
Date: 2023.10.31
11:07:08 -04'00'

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

(Applicant)

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDINGS COMMENCED AT TORONTO

ORDER
(Solicitation Order)

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Counsel to Tacora Resources Inc.

Schedule "A"

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 30, 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, provided further that, the Monitor may (but is not required to) share Bids with advisors to the Ad Hoc Group and/or Cargill following the Phase 2 Bid Deadline on such terms and conditions they may deem appropriate, if (a) in the case of the Ad Hoc Group, each member of the Ad Hoc Group, other noteholders and the trustee on behalf of noteholders and their affiliates and related parties have not participated in any Bid, including as a Financing Party; and (b) in the case of Cargill, Cargill and its affiliates and related parties have not participated in any Bid, including as a Financing Party.

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 30, 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 (i) 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 (an "**Equity Financing Party**") or financing through an offtake or similar agreement (including a stream or royalty agreement) in respect of the Offtake Opportunity (an "**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 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 6, 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**" shall 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**" shall have the meaning attributed to it in Section 28;

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

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

(s) **"LOI"** shall 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 lOl**" **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.

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

(Applicant)

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDINGS COMMENCED AT TORONTO

ORDER
(Solicitation Order)

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Counsel to Tacora Resources Inc.

Appendix “C”

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE MADAM	)	WEDNESDAY, THE 24TH
JUSTICE KIMMEL	)	DAY OF JANUARY, 2024
	)	

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

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

(Applicant)

ORDER
(Stay Extension)

THIS MOTION, made by Tacora Resources Inc. (the "**Applicant**"), pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") was heard this day by judicial videoconference via Zoom.

ON READING the Motion Record of the Applicant dated January 17, 2024, the Affidavit of Joe Broking sworn January 17, 2024 (the "**Broking Affidavit**"), the Second Report of FTI Consulting Canada Inc., in its capacity as the Court-appointed monitor of the Applicant (in such capacity, the "**Monitor**") dated January 18, 2024, and on hearing the submissions of counsel for the Applicant, counsel for the Monitor, and such other counsel and parties as listed on the Participant Information Form, with no one else appearing although duly served as appears from the affidavit of service of Philip Yang, filed,

SERVICE AND DEFINITIONS

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

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

EXTENSION OF STAY PERIOD

3. **THIS COURT ORDERS** that the Stay Period is extended to and including March 18, 2024, or such later date as this Court may order.

GENERAL

4. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Applicant, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicant and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicant and the Monitor and their respective agents in carrying out the terms of this Order.

5. **THIS COURT ORDERS** that each of the Applicant and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

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

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

Kimmel J.

Digitally signed by Jessica Kimmel
Date: 2024.01.25 09:32:58 -05'00'

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

(Applicant)

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDINGS COMMENCED AT TORONTO

ORDER
(Stay Extension)

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Counsel to Tacora Resources Inc.

Appendix “D”

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE MADAM	)	WEDNESDAY, THE 24TH
JUSTICE KIMMEL	)	DAY OF JANUARY, 2024
	)	

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

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

(Applicant)

ORDER
(Approval of Premium Finance Agreement)

THIS MOTION, made by Tacora Resources Inc. (the "**Applicant**"), for an Order approving a premium finance contract and carving out certain exceptions to the Amended and Restated Initial Order of the Honourable Madam Justice Kimmel dated October 30, 2023 (the "**ARIO**") was heard this day by judicial videoconference via Zoom.

ON READING the Motion Record of the Applicant dated January 17, 2024, the Affidavit of Joe Broking sworn January 17, 2024 (the "**Broking Affidavit**"), the Second Report of FTI Consulting Canada Inc., in its capacity as the Court-appointed monitor of the Applicant (in such capacity, the "**Monitor**") dated January 18, 2024, and on hearing the submissions of counsel for the Applicant, counsel for the Monitor, and such other counsel and parties as listed on the Participant Information Form, with no one else appearing although duly served as appears from the affidavit of service of Philip Yang, filed,

SERVICE AND DEFINITIONS

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

2. **THIS COURT ORDERS** that capitalized terms used in this Order and not otherwise defined herein shall have the meanings ascribed to them in the Broking Affidavit and the ARIO, as applicable.

PREMIUM FINANCE AGREEMENT

3. **THIS COURT ORDERS** that the Premium Finance Agreement dated as of January 10, 2024, between the Applicant and Marsh Canada Limited - Toronto, is hereby approved.

4. **THIS COURT ORDERS** that the validity and priority of the Charges set out in paragraphs 46 and 49 of the ARIO, are not applicable to any unearned premiums under the Financed Policies in the event that the Financed Policies are cancelled.

5. **THIS COURT ORDERS** that, if and after any of the Financed Policies are cancelled, FIRST Canada shall have the right to receive all unearned premiums and other funds assigned to FIRST Canada as security.

6. **THIS COURT ORDERS** that the Applicant's assignment to FIRST Canada of a security interest in the Financed Policies in accordance with the terms of the Premium Finance Agreement, is hereby approved.

7. **THIS COURT ORDERS** that notwithstanding paragraphs 4 and 14-16 of the ARIO, FIRST Canada's right as agent under the Premium Finance Agreement to, after providing thirty (30) days' written notice to the Applicant and the Monitor: (a) cancel the Financed Policies; (b) receive all sums assigned to FIRST Canada; and (c) execute and deliver on behalf of the Applicant all documents relating to the Financed Policies, is hereby approved.

GENERAL

8. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Applicant, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicant and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicant and the Monitor and their respective agents in carrying out the terms of this Order.

9. **THIS COURT ORDERS** that each of the Applicant and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

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

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

Digitally signed by
Jessica Kimmel
Date: 2024.01.25
09:31:38 -05'00'

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

(Applicant)

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDINGS COMMENCED AT TORONTO

ORDER
(Approval of Premium Finance Agreement)

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Appendix “E”

ONTARIO SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

COUNSEL SLIP/ENDORSEMENT

COURT FILE NO.: CV-23-00707394-00CL **DATE:** 6 February 2024 and 9 February 2024

NO. ON LIST: 3

TITLE OF PROCEEDING: TACORA RESOURCES INC.

BEFORE JUSTICE: KIMMEL

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Natasha Rambaran		nrambaran@stikeman.com
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For Defendant, Respondent, Responding Party, Defence:

Name of Person Appearing	Name of Party	Contact Info

For Proposed Monitor:

Name of Person Appearing	Name of Party	Contact Info
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Alan Merskey		amerskey@cassels.com
Paul Bishop	FTI Consulting Canada Inc. in its capacity as Monitor	Paul.Bishop@fticonsulting.com
Jodi Porepa		Jodi.Porepa@fticonsulting.com

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ENDORSEMENT OF JUSTICE KIMMEL:

1. The applicant's sale approval motion sought by Notice of Motion dated February 2, 204 (that requests, among other things, a reverse vesting order) and the non-scheduling aspects of the motion brought by Cargill International Trading Pte Ltd. (together, "Cargill") by its Notice of Motion dated February 5, 2024 (referred to in the agreed timetable as the "Preliminary Threshold Motion") have now been scheduled to be heard together commencing on April 10, 2024 at 10:00 a.m. for 2.5 days.
2. The schedule has been accommodated by Cargill's agreement to extend the DIP Facility and by the negotiated extension of the court approval deadline contained in the Subscription Agreement for the Investors' bid from April 1, 2024 to April 19, 2024 (the "Court Approval Milestone"). While the court will endeavour to render its decision, one way or the other, within the one week period that this extension allows for before the expiry of the extended deadline, that cannot be guaranteed. This will be a matter for the parties to address, if it becomes an issue after the hearing.
3. The parties shall adhere to the following timetable for the remaining pre-hearings steps, such that all materials shall have been served, filed and uploaded into CaseLines by no later than 2:30 p.m. on April 9, 2024 (with the exception of the reply factum(s) due that day and which may be served, filed and uploaded into CaseLines by no later than 5 p.m. that day):

Event	Dates
Notices of Examination from all parties	Wednesday, February 14
Production in response to notices of examination	Friday, February 23
Cargill Responding Record and any Tacora responding record on preliminary threshold motion	Friday, March 1
Additional Notices of Examination from Tacora and any supporting parties	Tuesday, March 5
Production in response to additional notices of examination	Tuesday, March 12
Fourth Report of the Monitor	Thursday, March 14
Reply	Thursday, March 14
Cross-examinations on all motions	Week of March 18
Answers to undertakings from cross-examinations	Tuesday, March 26
Supplement to the Fourth Report	Tuesday, March 26
Factums of Tacora and any supporting parties and factum of Cargill and any supporting parties on preliminary threshold motion	Wednesday, March 27

Event	Dates
Responding factums of Cargill and any supporting parties and responding factums of Tacora and any supporting parties to preliminary threshold motion	Saturday, April 6 at noon
Reply factums	Tuesday, April 9
Hearing (including of Cargill preliminary threshold motion)	April 10, 11 and 12 (morning)

4. The current stay of proceedings expires on March 18, 2024. A stay extension motion has been scheduled commencing at 9:30 a.m. on March 18, 2024. Cargill has indicated that it would like to see the cash flows and the Monitor's report supporting the stay extension. The applicant is encouraged to serve this motion as far in advance as it is able to with a view to minimizing the matters in dispute, if any, on the stay extension motion.

KIMMEL J.

Appendix “F”

ONTARIO SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

COUNSEL SLIP/ENDORSEMENT

COURT FILE NO.: CV-23-00707394-00CL **DATE:** 5 March 2024

NO. ON LIST: 1

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

BEFORE JUSTICE: KIMMEL

PARTICIPANT INFORMATION

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Natasha Rambaran	Tacora Resources Inc.	nrambaran@stikeman.com

For Defendant, Respondent, Responding Party, Defence:

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Caroline Descours	Cargill, Incorporated and Cargill International Trading Pte Ltd.	cdescours@goodmans.ca

Graham Phoenix	BDO Canada Limited, the Receiver	gphoenix@LN.law
Mark Hebbeln	Computershare Trust Company, N.A., as indenture trustee	mhebbeln@foley.com
Jane Dietrich	FTI Monitor for Tacora Resources Inc.	jdietrich@cassels.com

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ENDORSEMENT OF JUSTICE KIMMEL:

1. There is an outstanding claim dispute between Tacora and 1128349 B.C. Ltd. ("MFC") involving certain pre-filing claims asserted against Tacora by MFC (the "MFC Royalty Dispute"). MFC is a holder of a certain royalty (the "Royalty") reserved and granted under the Amendment and Restatement of the Consolidation of Mining Leases - 2017 (the "Wabush Lease"). This MFC Royalty Dispute (involving both interpretation and quantification issues under the Wabush Lease) was submitted to arbitration by MFC prior to the CCAA filing, but is currently subject to the CCAA stay.
2. MFC has informed Tacora that it may oppose approval of the Subscription Agreement at the sale approval hearing scheduled for April 10 - 12, 2024 on the basis that it does not provide for payment in full of their pre-filing Royalty claim. If that issue cannot be resolved before the sale approval motion or MFC's position prevails, it could have implications for both the sale approval and the implementation of a transaction, if approved, which must close before the "Outside Date" of May 14, 2024 under the Subscription Agreement.
3. In these circumstances, while various other procedural approaches were suggested, the court has directed that this MFC Royalty Dispute be determined in the context of this CCAA proceeding by the CCAA court to ensure that the timing is aligned with the timelines already in place within the CCAA process and to ensure that the CCAA court has the benefit of all of the arguments and submissions and the ability to make any determinations deemed necessary in the context of the issues that are already before the court as part of the CCAA process.
4. This is consistent with the "single proceeding model" adopted by our courts for the resolution of debtor/creditor claims in an insolvency. See *Royal Bank of Canada v. Mundo Media Ltd.*, 2022 ONSC 2147, at paras. 19-26 citing *Re: Essar Steel Algoma Inc. et al.*, 2016 ONSC 595, 33 C.B.R. (6th) 313, among others.
5. Accordingly, the hearing of this MFC Royalty Dispute has been scheduled before me on April 16, 2024.
6. The participating parties shall agree as soon as possible upon a timetable for all pre-hearing steps so that all evidence and written submissions to be presented to the court for consideration in connection with this MFC Royalty Dispute have been served and uploaded onto CaseLines and placed in the April 16, 2024 hearing bundle by 9:00 p.m. on Sunday April 16, 2024, and filed with the court by noon on Monday April 15, 2024. If any of these materials are to be relied upon in connection with the earlier sale approval hearing the week before, then they may also be uploaded into that hearing bundle for ease of reference.

KIMMEL J.

Appendix “G”

Tacora Resources Inc.

Consolidated Cash Flow Projections

($USD in thousands)

Forecast Week Ending		10-Mar-24	17-Mar-24	24-Mar-24	31-Mar-24	07-Apr-24	14-Apr-24	21-Apr-24	28-Apr-24	05-May-24	12-May-24	19-May-24	
Forecast Week	[1]	1	2	3	4	5	6	7	8	9	10	11	**Total**
Total Receipts	[2]	**-**	**4,450**	**20,114**	**(4,399)**	**(3,088)**	**-**	**5,900**	**(314)**	**6,530**	**6,965**	**14,740**	**50,898**
Operating Disbursements	[3]												
Employees		(680)	(2,035)	(207)	(2,160)	(285)	(2,147)	(676)	(2,073)	(286)	(2,155)	(206)	**(12,910)**
Mine, Mill and Site Costs		(1,052)	(3,475)	(1,705)	(2,522)	(955)	(1,664)	(1,041)	(6,883)	(993)	(1,863)	(704)	**(22,858)**
Plant Repairs and Maintenance		(2,783)	(2,354)	(3,198)	(2,104)	(2,164)	(2,164)	(2,090)	(2,090)	(2,672)	(2,172)	(2,098)	**(25,888)**
Logistics		(1,698)	(2,412)	(1,818)	(1,284)	(5,065)	(1,265)	(1,084)	(1,084)	(5,622)	(1,611)	(1,571)	**(24,515)**
Capital Expenditures		(43)	(1,600)	(1,200)	(1,403)	(1,000)	(1,000)	(1,000)	(1,203)	(1,100)	(1,100)	(1,100)	**(11,749)**
Other		(946)	(586)	(418)	(630)	(556)	(418)	(418)	(591)	(965)	(418)	(418)	**(6,362)**
Total Operating Disbursements		**(7,202)**	**(12,462)**	**(8,546)**	**(10,103)**	**(10,024)**	**(8,658)**	**(6,309)**	**(13,925)**	**(11,638)**	**(9,318)**	**(6,097)**	**(104,282)**
Net Cash from Operations		**(7,202)**	**(8,012)**	**11,568**	**(14,502)**	**(13,112)**	**(8,658)**	**(409)**	**(14,239)**	**(5,109)**	**(2,353)**	**8,643**	**(53,384)**
Restructuring Legal and Professional Costs	[4]	(752)	(1,398)	(1,109)	(1,740)	(1,285)	(693)	(518)	(693)	(749)	(619)	(444)	**(9,999)**
KERP	[5]	-	-	-	-	-	-	-	-	-	-	-	**-**
NET CASH FLOWS		**(7,954)**	**(9,409)**	**10,459**	**(16,243)**	**(14,397)**	**(9,351)**	**(926)**	**(14,932)**	**(5,858)**	**(2,972)**	**8,200**	**(63,383)**
Cash													
Beginning Cash Balance		27,025	19,070	9,661	52,438	36,196	21,798	50,448	49,521	34,589	43,732	40,760	**27,025**
Net Receipts/ (Disbursements)		(7,954)	(9,409)	10,459	(16,243)	(14,397)	(9,351)	(926)	(14,932)	(5,858)	(2,972)	8,200	**(63,383)**
Net DIP Advances/ (Repayments)	[6]	-	-	32,750	-	-	38,000	-	-	15,000	-	5,000	**90,750**
DIP Fees & Interest Payment	[7]	-	-	(432)	-	-	-	-	-	-	-	-	**(432)**
Ending Cash Balance		**19,070**	**9,661**	**52,438**	**36,196**	**21,798**	**50,448**	**49,521**	**34,589**	**43,732**	**40,760**	**53,960**	**53,960**

DIP Facility Opening Balance		**75,000**	**75,000**	**75,000**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**75,000**
Net DIP Advances/ (Repayments)		-	-	(75,000)	-	-	-	-	-	-	-	-	**(75,000)**
DIP Facility Ending Balance		**75,000**	**75,000**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Opening Post-Filing Margin Advances		**20,000**	**20,000**	**20,000**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**20,000**
Net Margin Advances/ (Repayments)		**-**	**-**	**(20,000)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(20,000)**
Ending Post-Filing Margin Advances		**20,000**	**20,000**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total DIP Facility and Post-Filing Margin Advances		**95,000**	**95,000**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Replacement DIP Opening Balance		**-**	**-**	**-**	**130,000**	**130,000**	**130,000**	**168,000**	**168,000**	**168,000**	**184,715**	**184,715**	**-**
Net DIP Advances/ (Repayments)		-	-	32,750	-	-	38,000	-	-	15,000	-	5,000	**90,750**
Repayment of DIP Facility		-	-	75,000	-	-	-	-	-	-	-	-	**75,000**
Repayment of Post-Filing Margin Advances		-	-	20,000	-	-	-	-	-	-	-	-	**20,000**
Payment of DIP Facility Exit Fee		-	-	2,250	-	-	-	-	-	-	-	-	**2,250**
PIK Interest	[7]	-	-	-	-	-	-	-	-	1,715	-	708	**2,423**
Replacement DIP Ending Balance		**-**	**-**	**130,000**	**130,000**	**130,000**	**168,000**	**168,000**	**168,000**	**184,715**	**184,715**	**190,423**	**190,423**

Tacora Resources Inc.

Consolidated Cash Flow Projections

Notes to the Consolidated Cash Flow Projections:

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

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

[3] Operating disbursements include the following key categories:

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

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 reflect inflows and outflows pertaining to the DIP Facility, as well as the proposed Replacement DIP Facility, and are based on funding requirements per each DIP term sheet. The cash flow forecast above assumes a minimum cash balance throughout the period.

[7] DIP Fees and Interest are calculated based on total draws. Forecast DIP Fees and Interest in weeks 1 to 3 relate to the DIP Facility. Forecast DIP Fees and Interest in weeks 4 to 11 relate to the proposed Replacement DIP Facility. Forecast DIP Fees and Interest from weeks 4 and beyond are reflected as payment in-kind (PIK) Interest.

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

THIRD REPORT OF THE MONITOR

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