



No. S-226670
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

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

AND

**IN THE MATTER OF THE *BUSINESS CORPORATIONS ACT*,
S.B.C. 2002, c.57, AS AMENDED AND THE *BUSINESS CORPORATIONS ACT*, S.N.B.
1981, C-9.1, AS AMENDED**

AND

**IN THE MATTER OF A PLAN OF COMPROMISE AND ARRANGEMENT OF
TREVALI MINING CORPORATION AND TREVALI MINING CORPORATION (NEW
BRUNSWICK) LTD.**

PETITIONERS

FOURTH REPORT OF THE MONITOR

OCTOBER 11, 2022

FOURTH REPORT OF THE MONITOR

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INTRODUCTION

1. On August 19, 2022 (the “**Filing Date**”), Trevali Mining Corporation (“**Trevali Corp.**”) and Trevali Mining (New Brunswick) Ltd. (“**Trevali NB**” and collectively, “**Trevali**” or the “**Applicants**”) commenced proceedings (the “**CCAA Proceedings**”) under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”) pursuant to an order granted by this Honourable Court which was subsequently amended and restated on August 29, 2022 (the “**ARIO**”).
2. The ARIO appointed FTI Consulting Canada Inc. as Monitor in the CCAA Proceedings (the “**Monitor**”) and established a stay of proceedings (the “**Stay of Proceedings**”) in favour of the Applicants until October 6, 2022. The Stay of Proceedings has since been extended until and including October 18, 2022.
3. On September 14, 2022, this Honourable Court granted the following orders:
 - a. an order (the “**SISP Order**”) approving procedures for a sales and investment solicitation process (the “**SISP**”) and a sales agent agreement between Trevali Corp. and National Bank Financial Inc. (the “**Sales Agent**”) and granting a charge to secure the Sales Agent’s fees (the “**Sales Agent Charge**”); and
 - b. an order approving a key employee retention plan (the “**KERP**”) and granting a charge over the Applicants’ property in favour of the KERP employees as security for the amounts payable under the KERP in the amount of \$800,000 (the “**KERP Charge**”).
4. On September 29, 2022, Trevali filed a Notice of Application for an order (the “**Non-Applicant Stay Order**”) with respect to Trevali Corp.’s non-applicant subsidiary Rosh Pinah Zinc Corporation (Proprietary) Limited (“**RPZC**”). Trevali’s application for the Non-Applicant Stay Order arose in response to Glencore AG and its affiliates (collectively, “**Glencore**”) declining to advise whether they will assert a right of set-off

against amounts owing by them for delivery under off-take agreements with the Applicants and certain affiliated entities (“**Multilateral Set-off**”).

5. On or about October 11, 2022 the Applicants, RCF Lenders and Glencore reached a settlement agreement (the “**Settlement Agreement**”), resolving the issues involved in the Non-Applicant Stay Order application and Multilateral Set-off as between those parties.
6. On October 11, 2022, the Applicants filed a Notice of Application for the following orders:
 - a. an order (the “**Interim Financing Order**”) authorizing and empowering Trevali Corp. to obtain and borrow an interim financing tranche (the “**Interim Financing Tranche**”) pursuant to a term sheet (the “**Interim Financing Term Sheet**”), the form of which has been agreed amongst Trevali Corp., RCF Lenders, and the administrative agent for the RCF Lenders, The Bank of Nova Scotia (the “**RCF Administrative Agent**”) and granting a charge in favour of the RCF Administrative Agent, on behalf of the RCF Lenders, to secure obligations in connection with the Interim Financing Tranche (the “**Interim Lenders’ Charge**”), conditional upon the execution by Trevali Corp. (with the consent of the Monitor), the RCF Administrative Agent and the RCF Lenders of an amendment to the RCF Lenders credit agreement (as amended, the “**Credit Agreement**”), as contemplated by the Interim Financing Term Sheet.
 - b. an order (the “**Settlement Approval Order**”) authorizing and approving the Settlement Agreement, conditional upon the execution by Trevali Corp. (with the consent of the Monitor), the RCF Administrative Agent and the RCF Lenders of an amendment to the Credit Agreement, as contemplated by the Interim Financing Term Sheet.
 - c. an order (the “**Stay Extension Order**”) extending the Stay of Proceedings until and including December 15, 2022 (the “**Stay Extension**”).

7. The RCF Administrative Agent has advised the Monitor that it plans to file a Notice of Application for a sealing order (the “**Sealing Order**”) directing that the Confidential Supplement Report to the Fourth Report of the Monitor (the “**Confidential Supplement**”) be filed under seal.

PURPOSE

8. The purpose of this Fourth Report is to provide this Honourable Court and the Applicants’ stakeholders with information with respect to:
 - a. the terms of the Interim Financing Tranche;
 - b. the terms of the Settlement Agreement, excluding certain commercially sensitive terms;
 - c. updated cash flow statements for the 24-week period ending January 31, 2023 (the “**Forecast Period**”) with respect to the Applicants (the “**Third Cash Flow Statement**”) and the Rosh Pinah mine (the “**Second Rosh Pinah Cash Flow Statement**”) as well as the key assumptions on which the cash flow statements are based;
 - d. an update on the status of the Applicants’ Perkoa mine; and
 - e. Trevali’s application for the Stay Extension Order.

TERMS OF REFERENCE

9. In preparing this report, the Monitor has relied upon certain information (the “**Information**”) including Trevali’s unaudited financial information, books and records and discussions with senior management (“**Management**”).
10. Except as described in this report, the Monitor has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that

would comply with Generally Accepted Assurance Standards pursuant to the Chartered Professional Accountants of Canada Handbook.

11. The Monitor has not examined or reviewed financial forecasts and projections referred to in this report in a manner that would comply with the procedures described in the Chartered Professional Accountants of Canada Handbook.
12. Future-oriented financial information reported to be relied on in preparing this report is based on Management's assumptions regarding future events. Actual results may vary from forecast and such variations may be material.
13. Unless otherwise stated, all monetary amounts contained herein are expressed in United States dollars to be consistent with the Applicants' primary reporting currency.
14. Capitalized terms not otherwise defined herein are as defined in the First Report of the Monitor in these CCAA Proceedings dated August 26, 2022 or the Settlement Agreement.

INTERIM FINANCING

15. As set out in the Third Cash Flow Statement and Second Rosh Pinah Cash Flow Statement, Trevali requires an immediate infusion of cash in order to meet its obligations at Trevali Corp. and to make the intercompany funding transfers required to preserve operations at Rosh Pinah. In order to avoid missing critical payroll and supplier payments at Rosh Pinah, the Applicants require that the first advance under the Interim Financing Tranche be received as early as October 19, 2022.
16. Trevali has reached an agreement with the RCF Lenders to provide the Interim Financing Tranche by way of an amendment of Trevali Corp.'s existing credit agreement with the RCF Lenders and the RCF Administrative Agent (the "Existing Credit Agreement").

17. The key commercial terms of the Interim Financing Tranche as set out in the Interim Financing Term Sheet are as follows:

- a. the principal amount of \$16.5 million will be made available to Trevali on a non-revolving basis;
- b. the borrower will be Trevali Corp. and the guarantors, administrative agent and lenders will be consistent with the Existing Credit Agreement;
- c. the proceeds of the Interim Financing Tranche will be used to:
 - i. fund the ordinary course working capital and general corporate purposes of Trevali Corp.;
 - ii. fund the on-going operations of Rosh Pinah; and
 - iii. pay permitted fees and expenses.
- d. Trevali is to provide the RCF Lenders with rolling 13-week cash flow forecasts for each of Trevali Corp., Trevali NB and RPZC (collectively, the “**Interim Financing Budgets**”) and a variance reports as compared to the Interim Financing Budget every two weeks. The Third Cash Flow Statement and Second Rosh Pinah Cash Flow Statement shall serve as the first Interim Financing Budgets;
- e. the Applicants are permitted to incur a cumulative aggregate negative variance from the Interim Financing Budgets, on an entity-by-entity basis, of not more than 10% or \$200,000, whichever is more, relative to the aggregate receipts and aggregate disbursements in the respective Interim Financing Budgets;
- f. the following fees and interest are to be paid to the RCF Lenders and RCF Administrative Agent in respect of the Interim Financing Tranche:

- i. interest is payable at the base rate from time to time in effect (or approximately 5.45% as at October 9, 2022) plus 8% per annum and paid-in-kind upon repayment of the Interim Financing Tranche and is payable in priority to the Interim Financing Tranche;
 - ii. an upfront fee of 150 bps (approximately \$247,500) on the maximum principal amount of the Interim Financing Tranche which will be capitalized and added to the principal amount of the Interim Financing Tranche;
 - iii. an agency fee of approximately \$50,000 as provided in the Existing Credit Agreement; and
 - iv. all reasonable costs and expenses of the RCF Administrative Agent and the RCF Lenders, including legal fees and disbursements.
- g. all obligations in connection with the Interim Financing Tranche shall be secured in accordance with the terms of the Existing Credit Agreement and a Court-ordered, super-priority Interim Lenders' Charge on the assets, undertakings and properties of the Applicants;
- h. relative priority of the charges granted in the CCAA Proceedings shall be as follows:
- i. the Administration Charge;
 - ii. the D&O Charge;
 - iii. the Intercompany Advances Charge;
 - iv. the KERP Charge;

- v. the Sales Agent Charge solely in respect of amounts payable upon completion of a transaction for the sale of the Rosh Pinah mine pursuant to the SISP;
 - vi. the Interim Lenders' Charge; and
 - vii. the Sales Agent Charge in respect of all remaining amounts secured thereby.
- i. amounts drawn under the facility are to be repaid by the earlier of:
- i. the 180th day after the date of issuance of the Interim Financing Order or such later date as agreed to in writing by the RCF Lenders in their sole and absolute discretion;
 - ii. the completion of a sale or sales of the equity of all or any substantial portion of the assets, property and undertaking, any other sale or other transaction pursuant to the SISP for gross proceeds exceeding \$16.5 million;
 - iii. the implementation of a plan of compromise or arrangement;
 - iv. the date on which the stay in the ARIO expires;
 - v. the date on which the CCAA Proceeding is terminated or dismissed; and
 - vi. the occurrence of an event of default under the Existing Credit Agreement and the Interim Financing Term Sheet.
- j. conditions precedent include, among other things, resolution satisfactory to the RCF Lenders of the dispute between the Applicants and Glencore with respect to Multilateral Set-off; and

- k. the RCF Lenders shall at all times be treated as unaffected creditors in the CCAA Proceedings and in any plan of compromise or arrangement filed thereto.

18. The Monitor's comments with respect to Trevali's application for the Interim Financing Order are as follows:

- a. the Applicants require interim financing on an urgent basis;
- b. absent interim financing, the Applicants will be unable to continue the SISP or preserve the value of the Rosh Pinah mine;
- c. while the Applicants considered alternative sources of interim financing, the RCF Lenders are the most practical party to provide short-term financing and the Monitor understands that the RCF Lenders would be opposed to funds being advanced by any other lenders on a priority basis;
- d. the interest and fees payable to the RCF Lenders with respect to the Interim Financing Tranche are reasonable in the circumstances and comparable to other market transactions for debtor-in-possession interim financings of a similar nature;
- e. the Monitor understands that the RCF Lenders would not be prepared to extend the interim financing without the Interim Lenders' Charge and that the Sales Agent does not oppose the subordination of certain of its security;
- f. the condition precedent with respect to satisfactory resolution of the Multilateral Set-off issue has been addressed by the Settlement Agreement; and
- g. certain key stakeholders including Glencore are supportive of the Interim Financing Tranche.

19. Overall, it is the Monitor's view that, as detailed in the cash-flows discussed herein, the financing contemplated by the Interim Financing Tranche is required by the Applicants and will enhance the Applicants' prospects of achieving a successful restructuring transaction with respect to the Rosh Pinah mine. Further, the Monitor is of the view that the terms of the Interim Financing Term Sheet are fair and reasonable in the circumstances.

SETTLEMENT AGREEMENT

20. On or about October 11, 2022 Trevali, the RCF Administrative Agent and Glencore (the "Settlement Parties") reached the Settlement Agreement to, among other things, resolve the possibility of Glencore asserting entitlement to Multilateral Set-off and the preservation of the Off-Take Agreements and facilitate the funding of the Interim Financing Tranche. A copy of the Settlement Agreement, with certain commercially sensitive provisions redacted, is attached as Appendix "A".

21. The key commercial terms of the Settlement Agreement are summarized as follows:

- a. the Settlement Agreement is conditional upon the Court granting the Interim Financing Order and the Settlement Approval Order;
- b. under the Settlement Agreement, the Net Proceeds (for certainty, as defined in the Settlement Agreement) to the RCF Administrative Agent are calculated as:
 - i. any proceeds realized by any member of Trevali and its subsidiaries that are subject to the security of the RCF Lenders, including Trevali's direct or indirect interest in RPZC and the Rosh Pinah Mine, insurance proceeds in respect of the flood at the Perkoa Mine, amounts receivable from Cerro De Pasco Resources Inc. or realised from the sale or realization of any other assets ("**Gross Proceeds**"); less

- ii. any costs determined by the Court or required by law to be paid from the Gross Proceeds in priority to the RCF Lenders' security to the extent the same have not been paid from the Interim Financing Tranche and are paid from the Gross Proceeds ("**Realization Costs**"); less
 - iii. the amount outstanding under the Interim Financing Tranche.
- c. at such time as Trevali is authorized to pay the Net Proceeds to the RCF Administrative Agent, the proceeds shall be distributed under a schedule of distribution prescribed in the Settlement Agreement. The terms are commercially sensitive and are not disclosed in this Fourth Report but a full copy of the Settlement Agreement is included in the Confidential Supplement;
- d. Glencore approves the Interim Financing Term Sheet and shall not oppose any application by Trevali for an order approving such term sheet or the Interim Financing Tranche in the CCAA Proceedings;
- e. Glencore waives any right or claim to Multilateral Set-off in respect of liabilities incurred prior to the completion of any acquisition transaction(s) resulting from the SISF and the Settlement Agreement does not otherwise alter commercial relationships as among Glencore and an acquirer in the future;
- f. neither the RCF Lenders nor Trevali will contest, challenge or bring into question the validity or enforceability of any of the Off-Take Agreements during the term of the agreement;
- g. neither the RCF Lenders nor Trevali will propose, seek, approve or consent to, vote in favour of or support any transaction that adversely affects any of the Off-take Agreements without the express written consent of Glencore during the term of the agreement;

- h. the RCF Lenders and Trevali agree that Glencore can collect the remaining amount of zinc concentrate at the Caribou mine and the amount payable for same (estimated to be approximately \$250,000) will be paid by way of set-off against the amount owing by Trevali to Glencore under the Caribou off-take agreement. All costs associated with such collection will be paid in cash by Glencore;
- i. Glencore and the RCF Lenders will provide commercially reasonable cooperation and assistance in connection with the SISP if requested, including in any discussions with potential bidders;
- j. Glencore represents to the RCF Administrative Agent and Trevali that, with respect to Rosh Pinah, Glencore is only aware of existing claims that arise in respect of deliveries made by RPZC to Glencore during June 2022 or thereafter; and
- k. the Settlement Agreement shall terminate:
 - i. in accordance with the further written agreement of all of the Parties; and
 - ii. upon the termination of the SISP in relation to the sale of Trevali's interest in the Rosh Pinah Mine in accordance with the SISP.

22. The Monitor's Comments with respect to Trevali's application for the Settlement Approval Order are as follows:

- a. the Settlement Agreement resolves the Parties' concerns regarding Glencore's potential claim of Multilateral Set-off and the preservation of the Off-Take Agreements;
- b. the Settlement Agreement addresses the condition precedent of the Interim Financing Term Sheet that Glencore's potential entitlement to effect Multilateral Set-off be resolved in a manner acceptable to the RCF Lenders and thereby

- facilitates the provision of funding under the Interim Financing Tranche, which funding is necessary for the Applicants' on-going operations;
- c. the Settlement Agreement provides the Applicants with greater certainty regarding cash receipts at Rosh Pinah and the assumptions supporting the Third Cash Flow Statement and Second Rosh Pinah Cash Flow Statement;
 - d. it is the Monitor's view that the agreement by the RCF Lenders and Trevali not to challenge the validity or enforceability of any of the Off-Take Agreements or support any transaction that seeks or purports to eliminate or adversely affect any of the Off-Take Agreements without the express written consent of Glencore is a reasonable concession in the circumstances. The lender constituencies have consultation rights under the SISP and the provisions of the Settlement Agreement and intercreditor agreement among the RCF Administrative Agent, Glencore and Trevali (the "ICA") may allow for a commercial negotiation amongst the lender constituencies should the SISP result in an attractive offer contingent on some form of modification to the Off-Take Agreements;
 - e. the Monitor has been advised by Management that the quality and saleability of the lead and zinc concentrate remaining at the Caribou mine that is to be picked up by Glencore diminishes over time as a result of oxidation and other factors. Management is also of the view that Trevali is unlikely to find an alternative buyer for the concentrate due to, among other things, the relatively small volume;
 - f. the Settlement Parties are sophisticated and have sufficient knowledge and experience to evaluate the terms and conditions of this Settlement Agreement;
 - g. absent the Settlement Agreement, it is unlikely that Trevali will be able to secure the interim funding it requires on a timely basis and to the satisfaction of the RCF Lenders to complete the SISP and effect a restructuring transaction to the benefit of all stakeholders; and

h. overall, the Settlement Agreement is reasonable in the circumstances and is in the best interests of Trevali and its stakeholders.

23. It is the Monitor's view that the Settlement Agreement includes commercially sensitive information with respect to the schedule of distribution among the RCF Lenders and Glencore, the disclosure of which could undermine the integrity of the on-going SISP involving Trevali's interests in the Rosh Pinah Mine and Caribou Mine. The commercially sensitive information includes distribution provisions that could be used by potential purchasers to derive information on the RCF Lenders and Glencore's views on potential value that may result from the SISP. Therefore, the Monitor believes that the Sealing Order is reasonable in the circumstances.

24. The complete Settlement Agreement is included in the Confidential Supplement.

CASH FLOW STATEMENTS

Trevali Corp. and Trevali NB

25. Management has prepared the Third Cash Flow Statement to set out the liquidity requirements for the 24 weeks ending January 31, 2023. A copy of the Third Cash Flow Statement is attached as Appendix "B".

26. The Cash Flow Statement is summarized in the following table:

<i>(USDS thousands)</i>	Weeks 1-6 Actual	Weeks 7-24 Forecast	Weeks 1-24 Total
Operating Receipts			
Sales	-	-	-
Other Receipts	105	-	105
Total Receipts	105	-	105
Operating Disbursements			
Payroll and Benefits	1,638	2,685	4,324
Trade Accounts Payable	447	2,823	3,270
Utilities	148	343	492
Operating Leases	57	233	290
Insurance	167	1,584	1,751
Restructuring Professional Fees	997	5,261	6,258
Other Professional Fees	-	120	120
Other Operating Disbursements	21	814	834
Total Operating Disbursements	3,475	13,863	17,338
Net Change in Cash from Operations	(3,370)	(13,863)	(17,233)
Financing			
Intercompany Receipts / (Disbursements)	(4,600)	(12,000)	(16,600)
Interim financing	-	16,000	16,000
Net Change in Cash from Financing	(4,600)	4,000	(600)
Effect of Foreign Exchange Translation	(112)	-	(112)
Net Change in Cash	(8,082)	(9,863)	(17,946)
Opening Cash	18,589	10,507	18,589
Ending Cash	\$ 10,507	\$ 643	\$ 643

27. The Third Cash Flow Statement is based on the following key assumptions:

- a. payroll and benefits for Trevali Corp. have been revised since the Second Cash Flow Statement as a result of the departure of certain executives and a further reduced staff complement while Caribou payments reflect the ongoing care and maintenance operations;
- b. operating disbursements relate primarily to ordinary course payments to run Trevali's head office and care and maintenance operations at Caribou;

- c. insurance costs of approximately \$1.7 million relate to the renewal of the Applicants' corporate insurance policies which expire in November 2022. The Applicants continue to review their options in order to potentially reduce the premiums and preserve liquidity;
- d. restructuring professional fees are forecast to be approximately \$6.3 million during the forecast period and include fees and disbursements for the Applicants' legal counsel, the Monitor, the Monitor's legal counsel, the financial advisor to the RCF Lenders, the legal counsel to the RCF Lenders, the consultant to the Special Committee of the Board of Directors, the legal counsel to the Board of Directors and the Sales Agent;
- e. intercompany funding transfers from Trevali Corp. totalling a net amount of \$16.6 million are required to fund the liquidity requirements of Rosh Pinah during the Forecast Period comprised of \$18.6 million of advances net of \$2.0 million of transfers back to Trevali Corp. The cash flows associated with Rosh Pinah are set out in the Second Rosh Pinah Cash Flow Statement which is summarized further in the following section; and
- f. interim financing of approximately \$16.0 million is forecast to be required during the Forecast Period with a first tranche of approximately \$1.0 million to be sent to Rosh Pinah during the week ending October 25, 2022.

28. The Applicants are forecast to have a remaining cash balance of approximately \$643,000 as at January 31, 2023.

Rosh Pinah

29. As described above, Rosh Pinah requires intercompany funding transfers from Trevali Corp. in order to avoid liquidity shortfalls during the SISF with the first transfer required during the week ending October 25, 2022.

30. To date the Monitor has approved intercompany transfers of \$9.6 million comprised of transfers of \$4.6 million on August 29, 2022 and \$5.0 million on September 28, 2022.

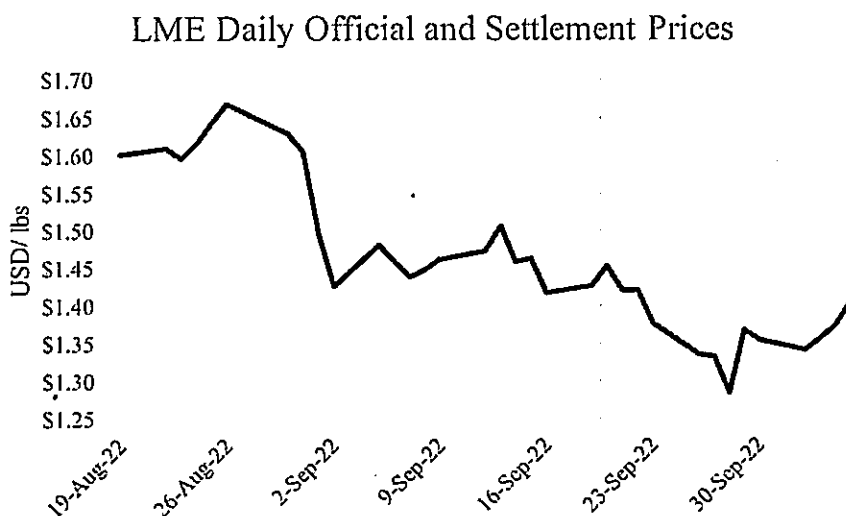
31. Management has prepared the Second Rosh Pinah Cash Flow Statement to set out the liquidity requirements of Rosh Pinah during the Forecast Period, a copy of which is attached as Appendix "C".

32. A summary of the Second Rosh Pinah Cash Flow Statement is set out in the below table:

<i>(USDS thousands)</i>	Weeks 1-6 Actual	Weeks 7-24 Forecast	Weeks 1-24 Total
Operating Receipts			
Sales	6,239	21,499	27,738
Other Receipts	1,402	2,423	3,825
Total Receipts	7,641	23,922	31,563
Operating Disbursements			
Sales Expenses	283	5,870	6,153
Payroll and Benefits	1,881	5,243	7,124
Trade Accounts Payable	2,998	13,835	16,833
Utilities	563	2,987	3,550
Insurance	-	220	220
Tax	202	2,200	2,402
Capital Expenditures	991	9,716	10,707
Other Operating Disbursements	-	820	820
Total Operating Disbursements	6,920	40,890	47,810
Net Change in Cash from Operations	722	(16,968)	(16,247)
Financing			
Intercompany Receipts / (Disbursements)	4,600	12,000	16,600
Net Change in Cash from Financing	4,600	12,000	16,600
Effect of Foreign Exchange Translation	(300)	-	(300)
Net Change in Cash	5,021	(4,968)	53
Opening Cash	1,588	6,609	1,588
Ending Cash	\$ 6,609	\$ 1,641	\$ 1,641

33. The Second Rosh Pinah Cash Flow Statement is based on the following assumptions:

- a. the projected operating receipts at Rosh Pinah are assumed to be collected in cash payments under normal course trade settlement terms with Glencore International AG and in accordance with the Settlement Agreement;
- b. operating receipts are also subject to fluctuations in zinc prices which have been volatile in recent weeks as depicted in the following chart:



The Applicants have drafted the projected operating receipts with the assumption of a \$1.35/lbs zinc price but note that every 10 cent drop in price may have a \$3.5 million adverse impact on cash flow; and

- c. operating disbursements reflect ongoing operations and certain minimum capital and development expenditures to preserve value at the Rosh Pinah mine.

PERKOA MINE

34. A description of the Applicants' strategy with respect to the Perkoa mine in Burkina Faso was described in the Confidential Affidavit #3 of Brendan Creaney, which was filed under seal.

35. On October 6, 2022, Trevali announced that its 90% owned subsidiary Nantou Mining Burkina Faso S.A. (“Nantou Mining”) has filed an application for liquidation with the Judicial Tribunal of Commerce in Burkina Faso. Under applicable Burkinabe law, a liquidator is expected to be appointed by the Judicial Tribunal in the coming days and such liquidator will assume responsibility for the management of Nantou Mining’s affairs.
36. On October 6, 2022, Trevali provided details of the liquidation application in a press release and confirmed that funds remain on deposit in a segregated environmental reclamation fund administered by the Government of Burkina Faso in order to support future closure and reclamation work of the Perkoa Mine. Trevali also stated that funds have been placed in trust to fund a financial settlement with the families of the workers that died in the tragic flooding event in April 2022.

STAY EXTENSION

37. The Monitor’s comments with respect to Trevali’s application to extend the Stay of Proceedings until and including December 15, 2022 are as follows:
- a. the Third Cash Flow Statement forecasts that the anticipated proceeds of the Interim Financing Tranche will provide the Applicants with sufficient liquidity during the proposed Stay Extension;
 - b. the Applicants require the Stay Extension in order to continue undertaking the SISF in conjunction with the Sales Agent and in accordance with the SISF Order;
 - c. there will be no material prejudice to the Applicants’ creditors and other stakeholders as a result of the Stay Extension;
 - d. the Stay Extension is supported by certain key stakeholders including the RCF Lenders and Glencore;

- e. the Applicants are acting in good faith and with due diligence; and
- f. Trevali's overall prospects of effecting one or more viable restructuring transactions will be enhanced by the Stay Extension.

CONCLUSIONS AND RECOMMENDATIONS

38. Based on the foregoing, the Monitor respectfully recommends that this Honourable Court grant the following:

- a. the Interim Financing Order;
- b. the Settlement Approval Order; and
- c. the Stay Extension Order.

All of which is respectfully submitted this October 11th, 2022.

FTI Consulting Canada Inc.
In its capacity as Monitor of Trevali



Tom Powell
Senior Managing Director



Mike Clark
Senior Director

Appendix A

Settlement Agreement

SETTLEMENT AGREEMENT

THIS SETTLEMENT AGREEMENT (the “**Agreement**”) is effective as of the 12th day of October 2022

AMONG:

THE BANK OF NOVA SCOTIA (the “**Agent**”) as agent for and on behalf of those parties enumerated in Schedule “A” hereto

(collectively, the “**Lenders**”)

AND:

GLENCORE INTERNATIONAL AG (“**Glencore International**”), GLENCORE AG (“**Glencore AG**”) and GLENCORE CANADA CORPORATION (“**Glencore Canada**”)

(collectively, “**Glencore**”)

AND:

TREVALI MINING CORPORATION (“**Trevali Corp.**”), TREVALI MINING (NEW BRUNSWICK) LTD. (“**Trevali NB**”), GLCR LIMITED, TREVALI HOLDINGS (BERMUDA) LTD., BOUNDARY VENTURES LIMITED, WILRU INVESTMENTS ONE HUNDRED AND THIRTY FOUR (PROPRIETARY) LIMITED, ROSH PINAH BASE METALS (PROPRIETARY) LIMITED and ROSH PINAH HOLDINGS (PROPRIETARY) LIMITED

(collectively, the “**Trevali Group**”)

WHEREAS:

- A. Trevali Corp. is a Canadian-based mining company, having wholly or majority-owned direct and indirect subsidiaries located in various jurisdictions.
- B. Trevali Corp. directly owns 100% of the issued and outstanding shares of Trevali NB, a company incorporated under the laws of New Brunswick, which owns the “Caribou Mine” located in New Brunswick, Canada. Operations at the Caribou Mine are presently suspended, but some amount of concentrate remains on the Caribou Mine site (the “Caribou Concentrate”).
- C. Trevali Corp. indirectly owns 90% of the issued and outstanding shares of Nantou Mining Burkina Faso S.A. (“**Nantou**”), a company incorporated under the laws of Burkina Faso, which owns the “Perkoa Mine” located in Burkina Faso. Operations at the Perkoa Mine were suspended due to a flood in April 2022 and on October 5, 2022, Nantou submitted an application for judicial liquidation to the Burkina Faso Judicial Tribunal of Commerce.

- D. Trevali Corp. indirectly owns 90% of the issued and outstanding shares of Rosh Pinah Zinc Corporation (Pty) Ltd. (“**RPZC**” and, together with Trevali NB and Nantou, the “**Mine Owners**”), a company incorporated under the laws of Namibia, which owns the “Rosh Pinah Mine” (the Caribou Mine, the Perkoa Mine and the Rosh Pinah Mine are all collectively referred to herein as the “**Mines**”) located in Namibia. The Rosh Pinah Mine is a producing mine.
- E. Pursuant to a second amended and restated credit agreement dated August 6, 2020 among the Agent and Trevali Corp. (the “**Lenders Credit Agreement**”), the Agent made available to Trevali Corp. a revolving credit facility up to a maximum amount of USD \$150,000,000 (the “**Revolving Credit Facility**”). The Revolving Credit Facility is secured by way of guarantees and security agreements executed by the Trevali Group in favour of the Agent (the “**RCF Security**”).
- F. Pursuant to a facility agreement dated August 6, 2020 among Glencore Canada and Trevali Corp. (the “**Glencore Credit Agreement**”), Glencore Canada made available to Trevali Corp. a non-revolving credit facility in the amount of USD \$20,000,000 (the “**Glencore Facility**”). The Glencore Facility is secured by way of guarantees and security agreements executed by the Trevali Group in favour of Glencore Canada (the “**Glencore Security**” and, together with the RCF Security, the “**Security**”).
- G. Glencore AG, Glencore Canada and Trevali Corp. are parties to the Caribou Off-Take Agreements (as defined herein).
- H. Glencore AG and Nantou are parties to the Perkoa Off-Take Agreements (as defined herein).
- I. Glencore International and RPZC are parties to the Rosh Pinah Off-Take Agreements (as defined herein).
- J. The Agent, Glencore Canada and the Trevali Group are parties to an intercreditor agreement dated September 30, 2020 (the “**ICA**”) which, among other things, confirms the relative priority of the Security and certain protections of the Off-Take Agreements (as defined in the ICA).
- K. On August 19, 2022 (the “**Filing Date**”), Trevali Corp. and Trevali NB (collectively, the “**Applicants**”) obtained protection from their creditors under the provisions of the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (the “**CCAA**”) by way of an order (the “**Initial Order**”) of the Supreme Court of British Columbia (the “**Court**”) made in Supreme Court of British Columbia Action No. S-226670 (the “**CCAA Proceedings**”). Pursuant to the Initial Order, FTI Consulting Canada Inc was appointed monitor of the Applicants (in such capacity, the “**Monitor**”). The other members of the Trevali Group are not applicants in the CCAA Proceedings.
- L. Pursuant to an order of the Court made in the CCAA Proceedings on September 14, 2022, the Applicants initiated a sales and investment solicitation process (the “**SISP**”) to solicit proposals for either an investment transaction or a sale of one or both of the

Caribou Mine and Trevali Corp.'s direct or indirect interest in RPZC, and the Applicants were authorized to engage National Bank Financial Inc. ("NBF") as sales agent.

- M. As at the Filing Date, the Lenders were owed approximately USD \$88.9 million under the Revolving Credit Facility (the amount owing under the Revolving Credit Facility as at the Filing Date, plus interest thereon to the date of payment in accordance with the terms of the Lenders Credit Agreement is hereafter referred to as the "**Pre-Filing RCF Indebtedness**") and Glencore Canada was owed approximately USD \$13.1 million under the Glencore Facility (the amount owing under the Glencore Credit Facility as at the Filing Date, plus interest thereon to the date of payment in accordance with the terms of the Glencore Credit Agreement is hereafter referred to as the "**Glencore Facility Indebtedness**").
- N. As at the Filing Date, Glencore AG, Glencore Canada and Glencore International each had claims against Trevali Corp., Nantou and RPZC arising under the Off-Take Agreements, and, since the Filing Date, additional potential claims have arisen against RPZC under the Rosh Pinah Off-Take Agreements.
- O. Glencore declined to advise whether it will assert a right to set off amounts payable by it after the Filing Date under the Rosh Pinah Off-Take Agreement against amounts owed to it by Trevali Corp., Trevali NB and Nantou under the Caribou and Perkoa Off-Take Agreements.
- P. The Applicants requested that the Lenders provide interim financing in the CCAA Proceedings in order to fund, among other things, the continuation of mining activities at the Rosh Pinah Mine during the pendency of the CCAA Proceedings and professional costs associated with the CCAA Proceedings, including the SISP, and the Lenders have agreed to provide an interim financing tranche (the "**Interim Financing**") by way of an amendment to the Lenders Credit Agreement on the terms set out in the Indicative Term Sheet dated October 2022 (the "**Interim Financing Term Sheet**"), a copy of which is attached hereto as Schedule "B", including on the condition that Glencore's potential entitlement to effect Multilateral Setoff (as defined herein) be resolved in a manner acceptable to the Lenders in their sole discretion.
- Q. The parties to this Agreement (collectively, the "**Parties**") wish to facilitate the provision of funding for the Applicants by the Lenders under the Interim Financing Term Sheet and, among other things, address Glencore's potential claim of Multilateral Setoff and confirm their agreements relating to the set-offs effected by Glencore to date and the preservation of the Off-Take Agreements and any rights of setoff thereunder, all on the terms set out in this Agreement.

NOW THEREFORE in consideration of the mutual promises and covenants and agreements in this Agreement and for other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, the Parties covenant and agree with each other as follows:

1. In this Agreement, the following terms have the following definitions:

- (a) **“Caribou Off-Take Agreements”** means: (i) for zinc concentrates, Contract No. 062-13-27000-P dated October 15, 2012 between Trevali Corp. and Glencore AG, as amended; and (ii) for lead concentrates, Contract No. 180-13-30423-P dated March 17, 2020 between Trevali Corp., Glencore AG and Glencore Canada, as amended, as assigned from Contract No. 180-13-27002-P dated October 15, 2012 between Trevali Corp. and Glencore AG, as amended;
- (b) **“Gross Proceeds”** means any proceeds, in its broadest sense, realized by any member of the Trevali Group that are subject to the Security, including without limitation Trevali Corp.’s direct or indirect interest in RPZC and the Rosh Pinah Mine, insurance proceeds claimed by Trevali Corp. in respect of an insurance claim made in respect of the flood at the Perkoa Mine, amounts receivable from Cerro De Pasco Resources Inc. or realized from the sale or realization of any other assets;
- (c) **“Net Proceeds”** means Net Proceeds Available for Distribution less the Outstanding Interim Financing Balance;
- (d) **“Net Proceeds Available for Distribution”** means Gross Proceeds less Realization Costs;
- (e) **“Off-Take Agreements”** means the Caribou Off-Take Agreements, the Perkoa Off-Take Agreements and the Rosh Pinah Off-Take Agreements;
- (f) **“Outstanding Interim Financing Balance”** means the outstanding amount of Interim Financing, including principal, interest, fees and costs; and, for greater certainty: (i) the Outstanding Interim Financing Balance shall not directly or indirectly include any pre-filing obligations of the Applicants to the Lenders; and (ii) there shall be no direct or indirect recovery to the Lenders under the Interim Financing Term Sheet other than the principal to be advanced as part of the Interim Financing, interest thereon, fees and costs, all as expressly contemplated under the Interim Financing Term Sheet;
- (g) **“Party”** means a party to this Agreement;
- (h) **“Perkoa Off-Take Agreements”** means; (i) for zinc concentrates, Contract No. 062-10-12611-P dated June 30, 2010 between Nantou and Glencore International, as amended; and (ii) for lead concentrates, Contract No. 180-11-11996-P dated March 22, 2011 between Nantou and Glencore International, as amended;
- (i) **“Realization Costs”** means any costs determined by the Court or required by law to be paid from the Gross Proceeds in priority to the Security, including the following, to the extent the same have not been paid from the Interim Financing and are paid from the Gross Proceeds (without duplication or double counting):
 - (i) professional fees, including without limitation any success fee payable to NBF, fees of Trevali Corp.’s legal counsel, the Monitor, the Monitor’s legal counsel, independent legal counsel to Trevali Corp.’s board of

directors, the Lenders' legal counsel and financial advisors, and any other fees that are secured by a Court-ordered charge ranking in priority to the Security, all subject to Court approval (where applicable);

- (ii) reasonable provision for the wind-down of Trevali Corp. and additional realization costs after repayment of the Interim Financing, subject to Court approval;
- (iii) any taxes payable by Trevali Corp. on the sale of Trevali Corp.'s direct or indirect interest in RPZC or the Rosh Pinah Mine which have priority over the Security; and
- (iv) amounts secured under any other Court-approved priority charges having priority to the Security in the context of the CCAA Proceedings, to the maximum amount of such charge,

and, for greater certainty, Realization Costs do not include any direct or indirect recovery by the Lenders or any payments to or on account of any pre-filing indebtedness owing by Trevali Corp. to the Lenders, other than the recovery of fees contemplated by sub-paragraph (i), above; and

- (j) "Rosh Pinah Off-Take Agreements" means: (i) for zinc concentrates, Contract No. 062-12-12076-P dated July 3, 2012 between RPZC and Glencore International, as amended; and (ii) for lead concentrates, Contract No. 180-13-11417-P dated January 1, 2013 between RPZC and Glencore International, as amended.

2. The Parties acknowledge and agree that the above recitals to this Agreement are incorporated into and form an integral part of this Agreement.
3. Glencore International hereby represents to the Agent and the Trevali Group that, in regards to the Rosh Pinah Off-Take Agreement, Glencore International is only aware of existing claims that arise in respect of deliveries made by RPZC to Glencore International during June 2022 or thereafter.
4. This Agreement and the Parties' obligations hereunder are conditional upon the granting of one or more orders of the Court in the CCAA Proceedings approving and authorizing the Applicants to enter into: (i) this Agreement; (ii) the Interim Financing Term Sheet; and (iii) an agreement to further amend the terms of the Lenders Credit Agreement in accordance with the terms of the Interim Financing Term Sheet, and to borrow funds under the Interim Financing.

5.



[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

6. Glencore hereby approves the Interim Financing Term Sheet and shall not oppose any application by Trevali Corp. for an order of the Court in the CCAA Proceedings approving such term sheet and granting all related relief as contemplated by paragraph 4 hereof.

7. Glencore hereby formally and irrevocably waives any right or claim to apply set off in respect of: (i) any obligations of Glencore Canada, Glencore AG or Glencore International to any particular Mine Owner, or in respect of any particular Mine, on the one hand; against (ii) any obligations to Glencore of any other Mine Owner, or in respect of any other Mine, on the other hand (such setoff is herein referred to as “Multilateral Setoff”). Such waiver shall remain effective during the pendency of the CCAA Proceedings and in perpetuity in relation to any Mine Owner acquired by a third party through the SISF. Such waiver shall not, however, apply as between any Glencore entity and any two or more Mine Owners or Mines that are acquired by the same third party (the “Acquiror”), either directly or indirectly, in relation to liabilities incurred by the Mine Owner after the completion of any such acquisition transaction(s). For greater certainty, following the sale of a Mine Owner or Mine, the waiver acts solely to prevent Glencore from asserting any right or claim to Multilateral Setoff in relation to liabilities incurred prior to the completion of any such acquisition transaction(s), and does not otherwise alter commercial relationships as among Glencore and the Acquiror in the future with respect to obligations arising after the completion of any such acquisition transaction(s).

8. The Lenders and the Trevali Group hereby acknowledge and agree that, aside from the waiver set forth above, Glencore continues to have rights of set-off under the Off-Take Agreements in accordance with the terms thereof, that such rights are not stayed, that neither the Lenders nor the Trevali Group will seek to stay such rights and that neither the

Lenders nor the Trevali Group will challenge any set-offs effected by Glencore to date or in the future in accordance with the terms of the Off-Take Agreements (including, for certainty, all set-offs effected to date in relation to the Caribou Off-Take Agreements and the Rosh Pinah Off-Take Agreements). For the avoidance of doubt, Glencore shall have the continuing right to set off any amounts (other than the Glencore Indebtedness, as defined in the ICA) under the Off-Take Agreements in accordance with the terms thereof, and nothing in this Agreement shall prejudice or limit the rights of Glencore under the provisions of the Off-Take Agreements, including the right to make, file and enforce any claim against any of the Mine Owners, including for specific performance and/or monetary damages.

9. Neither the Lenders nor the Trevali Group will contest, challenge or bring into question the validity, or enforceability of any of the Off-Take Agreements.
10. Neither the Lenders nor the Trevali Group will, directly or indirectly, propose, seek, approve, consent to, vote in favour of or support (including with any court or any monitor or other court officer appointed in any insolvency proceeding) any transaction that seeks or purports to eliminate, disclaim, terminate, repudiate, modify or otherwise adversely affect or impact any of the Off-Take Agreements (including the sale of the assets of a Mine free of the relevant Off-Take Agreement) without the express written consent of Glencore.
11. The Lenders and the Applicants agree that Glencore can pick up the Caribou Concentrate, and that the amount payable by Glencore for same will be paid by way of set-off against the amount owing by Trevali Corp. to Glencore under the Caribou Off-Take Agreement. Trevali Corp. will provide commercially reasonable cooperation to facilitate the transfer and sale of the Caribou Concentrate to Glencore. All costs associated with any such pickup, transfer and sale will be paid by Glencore, including any pre-approved third-party costs incurred by Trevali Corp., which shall be paid in cash by Glencore. For clarity, to the extent that such costs are to be borne by Trevali Corp. under the Caribou Off-Take Agreement and are paid by Glencore, such costs may be included in the amount set off by Glencore under the Caribou Off-Take Agreement.
12. The Parties agree to conduct themselves in a commercially reasonable manner in accordance with the agreements among them, including this Agreement, and Glencore and the Lenders will provide commercially reasonable cooperation and assistance in connection with the SISF if requested by Trevali Corp. or the Monitor, including in any discussions with potential bidders. Among other things, neither Glencore nor the Lenders will as part of any such discussions assert any rights or entitlements in relation to the Trevali Group's assets or business which are not expressly contemplated by their agreements either with one or more members of the Trevali Group or with one another. Nothing herein prevents the Lenders or Glencore from taking positions or making arguments in their interests, provided such positions are consistent with the terms of their agreements either with one or more members of the Trevali Group or with one another (including this Agreement).

13. This Agreement, and the Parties' rights and obligations, shall terminate: (i) in accordance with the further written agreement of all of the Parties; or (ii) upon the termination of the SISP in relation to the sale of the Trevali Group's interest in the Rosh Pinah Mine in accordance with the terms of the SISP, and more particularly paragraph 46 thereof. Upon such termination, all existing agreements, including the ICA and the Off-Take Agreements, shall continue, unamended by this Agreement
14. The Lenders, the Trevali Group and Glencore agree that the ICA remains binding, effective and unmodified, except as expressly contemplated by this Agreement. In the event of a conflict between the terms of the ICA and the terms of this Agreement, this Agreement shall govern.
15. The Trevali Group covenants and agrees that it shall cause all other affiliates of the Trevali Group to abide by the terms of this Agreement. Glencore covenants and agrees that it shall cause all of its affiliates to abide by the terms of this Agreement.
16. This Agreement and its terms shall be kept confidential by the Parties, save and except for such disclosure as may be necessary to obtain the approval of this Agreement by the Court as contemplated by this Agreement.
17. The Parties each represent and declare that they have read and understood this Agreement, have consulted with and been advised by their legal counsel before signing this Agreement, that they hereby execute this Agreement as the free and willing act of such Party, and that any signatory on behalf of any of a Party has full authority to execute this Agreement.
18. Time is of the essence of this Agreement.
19. This Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada, as applicable. Any dispute arising out of this Agreement, including the enforcement of this Agreement, shall be determined by the Court in the CCAA Proceeding, and the Parties hereby attorn to the exclusive jurisdiction of the courts of the Province of British Columbia, sitting in Vancouver. Nothing in this Agreement will alter the choice of law or attornment provisions of any other agreement among any of the Parties, including without limitation, the Off-Take Agreements.
20. This Agreement shall be binding upon and enure to the benefit of each of the Parties, their respective administrators, successors and assigns and the Parties agree for themselves, and their respective administrators, successors and assigns to execute any instruments and to perform any acts which may be necessary or proper to carry out the purposes of this Agreement.

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21. This Agreement may be executed by the Parties in counterparts with the same effect as if each of the Parties had signed the same document and all such counterparts, taken together, shall constitute one and the same agreement. This Agreement may be executed and delivered by email or other means of electronic communication with the same effect as if the Parties had executed and delivered original documents.

IN WITNESS WHEREOF the Parties have executed this Agreement effective as of the 12th day of October 2022.

**THE BANK OF NOVA SCOTIA as agent
for and on behalf of the Lenders**

Per: _____
Authorized Signatory

Per: _____
Authorized Signatory

GLENCORE INTERNATIONAL AG

Per: _____
Authorized Signatory

GLENCORE AG

Per: _____
Authorized Signatory

GLENCORE CANADA CORPORATION

Per: _____
Authorized Signatory

TREVALI MINING CORPORATION

Per: _____
Authorized Signatory

GLCR LIMITED

Per: _____
Authorized Signatory

**ROSH PINAH HOLDINGS
(PROPRIETARY) LIMITED**

Per: _____
Authorized Signatory

**TREVALI MINING (NEW BRUNSWICK)
LTD.**

Per: _____
Authorized Signatory

**TREVALI HOLDINGS (BERMUDA)
LTD.**

Per: _____
Authorized Signatory

BOUNDARY VENTURES LIMITED

Per: _____
Authorized Signatory

**WILRU INVESTMENTS ONE
HUNDRED AND THIRTY FOUR
(PROPRIETARY) LIMITED**

Per: _____
Authorized Signatory

**ROSH PINAH BASE METALS
(PROPRIETARY) LIMITED**

Per: _____
Authorized Signatory

SCHEDULE "A"

LENDERS

- The Bank of Nova Scotia
- HSBC Bank Canada
- Société Générale
- Bank of Montreal
- The Toronto-Dominion Bank
- National Bank of Canada
- ING Capital LLC

SCHEDULE "B"
INTERIM FINANCING TERM SHEET

**INDICATIVE TERM SHEET
DEBTOR-IN-POSSESSION FACILITY
OCTOBER 2022**

This Indicative Debtor in Possession Term Sheet (the "Indicative Term Sheet") has been prepared as a basis of discussion between Trevali Mining Corporation ("Trevali" or the "Borrower") and the Lenders (as defined in the Existing Credit Agreement defined below) and does not represent a commitment on the part of the Lenders to provide any financing. Further due diligence on the part of the Lenders, as well as internal credit authorizations, will be required before a commitment can be provided. In addition, this Indicative Term Sheet incorporates information which is confidential or proprietary in nature, and is being furnished on the expressed basis that none of this information is to be used in a manner inconsistent with its confidential nature or be disclosed to anyone other than as may be required by law, to those employees who are directly involved in the proposed transaction and who have been informed of the confidential nature of this Indicative Term Sheet, or to those parties approved in advance by the Lenders. Reference is made to an existing second amended and restated credit agreement dated as at August 6, 2020 between the Borrower, the lenders referred to therein and The Bank of Nova Scotia, as administrative agent, as amended (the "Existing Credit Agreement"). Capitalized terms not otherwise defined herein have the same meanings as specified in the Existing Credit Agreement. Unless otherwise specified herein, all references to currency, monetary values and dollars shall mean United States (U.S.) dollars.

Documentation:	The DIP Tranche (as defined below) shall be documented by way of an amendment of the Existing Credit Agreement on the terms set forth in this Indicative Term Sheet (as so amended, the "Credit Agreement").
Credit Facility:	<p>The Credit Facility shall be amended to convert it from a revolving term credit facility to a non-revolving credit facility comprised of two tranches as follows:</p> <ul style="list-style-type: none"> • Up to the principal amount of \$16,500,000¹ to be made available to Trevali on a non-revolving basis (such principal amount together with all accrued and unpaid interest, fees and expenses from and after the Filing Date (defined below) being the "DIP Tranche"). • The current \$90,000,000² principal amount of outstanding Indebtedness under the Existing Credit Agreement shall be referred to as the "Pre-Filing Tranche". The Pre-Filing Tranche shall be capped at the amount of the outstanding Indebtedness under the Existing Credit Agreement as at August 19, 2022 (the

¹ DIP Tranche size to be determined based upon DIP Budgets anticipated to be received on or about October 4 but will ultimately be an amount equal to the sum of the shortfall at Rosh Pinah as reflected in the latest DIP Budget *minus* an amount equal to 90% (ie: reflecting Trevali's ownership interest in Rosh Pinah) of any overdraft or working capital facilities provided by Standard Bank to Rosh Pinah. DIP Tranche size ultimately approved by the Court shall include the DIP Upfront Fee and capitalized interest and standby fees under the DIP Tranche.

² Current principal amount outstanding to be confirmed.

	<p>“Filing Date”) plus an amount equal to the contingent exposure for outstanding Letters³ under the Pre-Filing Tranche as and when such outstanding Letters are drawn upon.</p>
<p>Forbearance:</p>	<p>Subject to compliance by the Obligors with the Credit Agreement and the other Finance Documents and compliance by the CCAA Debtors with the Amended and Restated Initial Order, the DIP Order and the other Court Orders, in each case at all times prior to the earlier to occur of an Event of Default (other than the Existing Events of Default (as defined below) and the DIP Maturity Date, the Administrative Agent, for and on behalf of the Finance Parties, shall agree to forbear from enforcing their rights and remedies against the CCAA Debtors under the Credit Agreement and the other Finance Documents (the “Forbearance”). The following Events of Default (collectively, the “Existing Events of Default”) have occurred and, to the extent applicable, are continuing under the Credit Agreement: (i) an Event of Default under Section 13.1(a) of the Credit Agreement arising as a result of the failure of the Borrower to pay the Secured Obligations under the Existing Credit Agreement when due on September 18, 2022 and to make a mandatory prepayment required under Section 9.4 of the Credit Agreement with respect to an Excess Cash Flow Prepayment Trigger Event that occurred in August 17, 2022, (ii) Events of Default under Sections 13.1(c) and (d) of the Credit Agreement arising as a result of the liquidation of Nantou, the cessation of business at the Caribou Mine, the occurrence of the insolvency of the CCAA Debtors and the commencement and continuation of the CCAA Proceeding, (iii) an Event of Default under Section 13.1(g) of the Credit Agreement arising as a result of a breach of Sections 11.1(m), (n), (o) and (p) of the Credit Agreement, (iv) an Event of Default under Section 13.1(h) arising as a result of a breach of Sections 11.1(j) and 11.1(t) of the Credit Agreement, (v) an Event of Default under Section 13.1(l) of the Credit Agreement arising as a result of the cessation of the Perkoa Mine for a period of 180 consecutive days, and (vi) an Event of Default under Section 13.1(r) arising as a result of the occurrence of Second Lien Events of Default. For certainty, except in respect of and to permit the DIP Tranche and as contemplated herein, nothing in the Credit Agreement shall or shall be deemed to (i) reinstate the Credit Facility or the right of the Borrower to obtain credit under the Credit Facility or the obligations of the</p>

³ Letters issued and outstanding under the Existing Credit Agreement to be explicitly acknowledged/recognized in the Credit Agreement as outstanding.

	Lenders to extend credit thereunder, (ii) waive the Events of Default referenced in the preceding sentence, or (iii) extend the September 18, 2022 Maturity Date in respect of the Pre-Filing Tranche.
Borrower:	Trevali Mining Corporation
Guarantors:	As per the Existing Credit Agreement
Administrative Agent:	The Bank of Nova Scotia
Lenders:	As per the Existing Credit Agreement
Purpose:	The proceeds of the DIP Tranche shall be used by the Borrower solely in accordance with, and subject to, the DIP Budgets and the Court Orders, (a) to fund the ordinary course working capital and other general corporate purposes of the Borrower, (b) to fund ongoing operations of the Rosh Pinah Mine and (c) to pay Permitted Fees and Expenses (as defined below in the Fees and Expenses paragraph). No proceeds of the DIP Tranche may be used for any other purpose, except with the prior written approval of the Lenders (in their sole and absolute discretion). For certainty, proceeds of the DIP Tranche shall not be used to fund the Caribou or Perkoa mines, repay the Pre-Filing Tranche nor to, directly or indirectly, assert or pursue any claims against the Administrative Agent or any other Finance Party. The Borrower shall not be permitted to drawdown credit under the DIP Tranche for the purpose of accumulating and/or maintaining cash in depository or investment accounts.
DIP Budgets	<p>At or prior to execution of the Credit Agreement the Borrower shall provide to the Administrative Agent rolling 13-week period detailed cash flow forecasts for each of (i) the Borrower, (ii) Trevali Mining (New Brunswick) Ltd. ("Trevali NB") and (iii) Rosh Pinah Zinc Corporation (Proprietary) Limited ("RPZC") (each, a "DIP Budget" and collectively, the "DIP Budgets"), each of which shall be in form and substance satisfactory to the Lenders in their sole discretion and, where requested by the Administrative Agent, such DIP Budgets produced in a singular and consolidated format.</p> <p>On Friday of each second week, commencing on October 21, 2022, the Borrower (for and on behalf of itself and RPZC) and Trevali NB, in each case with the assistance of the Monitor, shall provide the Lenders with updated rolling 13-week cash flow forecasts for each of the Borrower, Trevali NB and RPZC, in each case substantially in the form of the DIP Budgets (the</p>

	<p>“Updated Cash Flows”) together with a variance report for each of the Borrower, Trevali NB and RPZC (each, a “Cash Flow Variance Report” and collectively, the “Cash Flow Variance Reports”), certified in each case by a senior officer of the Borrower, showing on a line-by-line basis the actual receipts and disbursements and the total available liquidity for the last day of the prior two-week period and noting therein all variances on a line-by-line basis from the amounts in the applicable DIP Budget, with explanations for all material variances.</p> <p>The Lenders may, in their sole discretion, agree to substitute any of the Updated Cash Flows for the corresponding then current DIP Budgets, in which case the Updated Cash Flows shall thereafter be deemed to be the effective DIP Budgets for the purposes hereof.</p>
<p>DIP Advances:</p>	<p>Advances under the DIP Tranche (each, an “Advance”) require a written notice to be delivered by the Borrower to the Administrative Agent (an “Advance Notice”), which Advance Notice has been approved by the Monitor and executed by a senior officer of the Borrower, setting out: (a) the proposed amount of the requested Advance; (b) the date the Advance is required; (c) the specific use for the proceeds of the Advance, together with a certification that such use is in accordance with the DIP Budgets; (d) certification that the representations and warranties in the Credit Agreement are true and correct as of such date; and (e) certification that no Event of Default has occurred and is continuing (other than the Events of Default which are subject the Forbearance) or will occur after giving effect to the Advance. Except for the Initial Advance, each Advance Notice shall be delivered by the Borrower to the Administrative Agent not less than three (3) Banking Days prior to the requested date of the Advance. Each Advance shall be in the minimum amount of \$500,000.</p>
<p>Interest/Applicable Margin:</p>	<p>DIP Tranche: Base Rate from time to time in effect plus 8%. DIP Tranche interest shall be PIK’d and be payable in priority to the DIP Tranche principal.</p> <p>Pre-Filing Tranche: As per the Existing Credit Agreement.</p>
<p>Security:</p>	<p>As per the Existing Credit Agreement, together with the DIP Charge and such confirmations and amendments as recommended by counsel to the Administrative Agent. For the avoidance of doubt, all post-filing intercompany advances from Borrower to RPZC and to any other Affiliate of the Borrower</p>

	and the Court ordered charge securing such advances (as applicable) shall be subject to the Security and the DIP Charge.
DIP Charge:	All obligations of the CCAA Debtors under or in connection with the DIP Tranche including without limitation, all principal, capitalized interest, accrued but uncapitalized interest, fees, expenses (including the Permitted Fees and Expenses) and other amounts owing in respect of post-filing fees and expenses of the Administrative Agent (collectively, the “ DIP Obligations ”) shall be secured by: (a) a Court-ordered first-ranking super-priority charge in favour of the Administrative Agent, for and on behalf of the Lenders, on the assets, undertakings and properties of the CCAA Debtors (the “ DIP Charge ”), which DIP Charge shall be established in the DIP Order.
Priority of the DIP Charge:	<p>The DIP Charge shall rank in priority to any and all Liens on the assets, undertakings and properties of the CCAA Debtors, including those in favour of Glencore in respect of the Glencore Obligations. As among the DIP Charge and the other charges created by Court Order, the relative priority shall be as follows:</p> <ol style="list-style-type: none">1. the Administration Charge2. the D&O Charge3. the Intercompany Advances Charge4. the KERP Charge5. the Sales Agent Charge solely in respect of amounts payable upon completion of a transaction for the sale of the Rosh Pinalh Mine pursuant to the SISF6. the DIP Charge7. the Sales Agent Charge in respect of all remaining amounts secured thereby <p>For the avoidance of doubt, nothing in this Term Sheet shall prevent Glencore AG and any of its affiliates from exercising the right to set off any amounts (other than Glencore Obligations) under the Off-Take Agreements (as defined under the Intercreditor Agreement) in accordance with the terms thereof).</p>
Maturity Date/Repayment:	DIP Tranche: All DIP Obligations owing to the Lenders shall be due and payable, and the Forbearance shall terminate, on the earliest of the following:

	<p>(a) 180th day after the date of issuance of the DIP Order or such later date as agreed to in writing by the Lenders in their sole and absolute discretion;</p> <p>(b) the completion of (i) a sale or sales of the equity of all or any substantial portion of the assets, property and undertaking of the Borrower and/or Trevali NB (including pursuant to a reverse vesting transaction, and on the understanding that a sale of the equity of any Subject Entity shall constitute a sale of a substantial portion of the assets, property and undertaking of the Borrower), as approved by the Lenders in their sole and absolute discretion, the Monitor and, where required, the Court, provided in the case of any such sale involving Trevali NB the gross proceeds exceed \$16,500,000 or (ii) any other sale or other transaction pursuant to the SISP or otherwise involving any Subject Entity or Security for gross proceeds exceeding \$16,500,000;</p> <p>(c) the implementation of a plan of compromise or arrangement pursuant to the CCAA Proceeding acceptable to the Lenders and which has been approved by the requisite creditors of the Borrower and Trevali NB (as applicable) and the Court;</p> <p>(d) the date on which the stay in the Amended and Restated Initial Order expires without being extended or is lifted without the prior written consent of the Administrative Agent, or on which the CCAA Proceeding is terminated or dismissed; and</p> <p>(e) the occurrence of an Event of Default (other than an Event of Default which is subject the Forbearance) in respect of which the Lenders have elected, in their sole discretion, to accelerate the DIP Obligations.</p> <p>(such earliest date, the “DIP Maturity Date”).</p> <p>The Lenders’ commitment to make Advances under the DIP Tranche shall expire on the DIP Maturity Date and all then outstanding Secured Obligations under the Credit Agreement shall be repaid on the DIP Maturity Date, without the Administrative Agent, for and on behalf of the Lenders, being required to make demand upon the Borrower or to give notice that the Credit Facility has expired and that all Secured Obligations under the Credit Agreement and the other Finance Documents are due and payable.</p> <p>Pre-Filing Tranche: The parties shall acknowledge that the Accommodations outstanding under the Pre-Filing Tranche matured and were due and payable on September 18, 2022 and</p>
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	that all such amounts remain outstanding, due and payable, subject only to the Forbearance.
Voluntary Prepayments:	As per the Existing Credit Agreement.
Mandatory Prepayments of DIP Tranche:	<p>All mandatory prepayments in the Existing Credit Agreement to be deleted and replaced with a covenant to prepay the DIP Tranche of the Secured Obligations with 100% of each of the amounts set forth below. All mandatory prepayments shall be applied first to the outstanding PIK'd interest and outstanding post-filing fees and expenses under the DIP Tranche and secondly to the DIP Tranche principal until repaid in full.</p> <p>(a) insurance proceeds (net of deductibles) or expropriation awards received by any Obligor or any Person on an Obligor's behalf which amounts shall include, without limitation, insurance proceeds paid on account of loss or damage of property at the Perkoa mine;</p> <p>(b) deferred payments made by Cerro de Pasco (whether cash, shares or other consideration) to the Borrower as consideration for the sale of the Santander mine;</p> <p>(c) the net proceeds from the sale of any of the Secured Assets other than the sale of inventory in the ordinary course of business;</p> <p>(d) any extraordinary payments received by any Obligor which are not disclosed or accounted for in the DIP Budgets (as determined by the Lenders, acting reasonably);</p> <p>(e) the net cash proceeds from the sale of any equity interests in any Subject Entity or the receipt of capital contributions by the Borrower or any other Subject Entity;</p> <p>(f) an amount equal to all dividends, returns of capital and/or repayments of intercompany advances paid by any Subject Entity to the Borrower which are not disclosed or accounted for in the DIP Budgets; and</p> <p>(g) the net cash proceeds received from the incurrence by the Borrower or any other Obligor of any Indebtedness (except as permitted under the Credit Agreement);</p> <p>If, at the time of or as a result of any mandatory prepayment no Secured Obligations are outstanding in respect of the DIP Tranche, the mandatory prepayment (or any remaining balance thereof) shall at the option of the Lenders be applied against the Pre-Filing Tranche, the entirety of which is due and owing. Each mandatory prepayment shall be accompanied by the</p>

	amount of accrued but uncapitalized interest under the DIP Tranche.
DIP Upfront Fee:	150 bps on the maximum principal amount of the DIP Tranche. The DIP Upfront Fee shall be capitalized and added to the principal amount of credit outstanding under the DIP Tranche and interest shall accrue on such principal amount.
Agency Fee:	As per the Existing Credit Agreement.
Fees and Expenses	The Borrower shall pay all reasonable costs and expenses of the Administrative Agent and the Lenders (including all reasonable fees, expenses and disbursements of outside counsel and any financial advisor) incurred from and after the Filing Date, including in connection with the DIP Tranche, including the preparation of this Indicative Term Sheet and the Credit Agreement, the administration of the Credit Facilities (including the Administrative Agent's standard administration and servicing fees), the enforcement of any of the Administrative Agent's or the Lenders' rights and remedies available under the Credit Agreement, the Finance Documents and the Court Orders and in connection with the CCAA Proceeding (collectively, " Permitted Fees and Expenses ").
Conditions Precedent to Forbearance and DIP Tranche Availability:	<p>Usual and customary for a DIP facility of this type, together with such other conditions precedent as the Lenders may consider to be necessary or advisable in the circumstances, including, without limitation, the following:</p> <ol style="list-style-type: none"> 1. Execution and delivery of acceptable credit, guarantee and security documentation, which embodies the terms and conditions contained in this Indicative Term Sheet; 2. Payment of all fees and expenses payable to the Lenders, including payment of the fees, charges and expenses of Lenders' counsel and their financial advisor; 3. Legal opinions from counsel to Borrower and any of its Subsidiaries which directly or indirectly own Shares in RPZC (the Borrower, together with all such Subsidiaries, the "RPZC Shareholders"), in connection with, <i>inter alia</i>, the enforceability of the credit documentation, in form and substance satisfactory to the Lenders and their counsel and otherwise consistent with past opinion practice among the parties; 4. The Court shall have issued the DIP Order on terms and conditions satisfactory to the Lenders, no appeal shall

	<p>have been taken from such order and no motion shall have been brought to amend, vary or set aside such order;</p> <ol style="list-style-type: none"> 5. Filing of all necessary or advisable security filings in applicable jurisdictions to reflect the confirmations and/or amendments to the Security; 6. Execution and delivery of a settlement agreement among the Agent, Glencore (on behalf of itself and its affiliates) and the Subject Entities to which this Indicative Term Sheet is attached and which is otherwise in form and substance acceptable to the Lenders, the satisfaction of all conditions in favour of the Lenders therein, and no material breach having occurred thereunder (except any breach by the Agent or the Lenders); 7. All intercompany advances from Borrower, whether pre-filing or post-filing, to RPZC and to any other Affiliate of the Borrower shall be documented in form and substance satisfactory to the Lenders (ie: whether by grid promissory notes, loan agreements etc.) and the Borrower's rights as a creditor thereunder shall be subject to the Security; and 8. Updated insurance certificates noting the Administrative Agent as lender loss payee and additional insured in respect of all of the Borrower's direct and indirect ownership interest in the Subject Entities' assets.
<p>Representations & Warranties:</p>	<p>As per the Existing Credit Agreement but adjusted to reflect Trevali and Trevali NB's CCAA filing.</p>
<p>Affirmative Covenants:</p>	<p>As per the Existing Credit Agreement but adjusted to reflect Trevali and Trevali NB's CCAA filing and otherwise updated to include the following, from and after execution of the Credit Agreement:</p> <ol style="list-style-type: none"> (a) Provide to the Administrative Agent a copy of all materials to be served and/or filed in connection any application or motion brought by the Borrower or Trevali NB for a Court Order at least five (5) Banking Days before the earlier of service and filing thereof to permit review by the Lenders and their legal and financial advisors, unless it is not practical in the circumstances to provide a copy of such materials in such timing in which case the Borrower and Trevali NB shall provide the Administrative Agent with a copy of such materials as far in advance as the circumstances permit.

which materials (including the proposed Court Order) shall be in form and substance acceptable to the Lenders;

(b) Provide to the Administrative Agent, promptly upon receipt, a copy of all materials received by the Borrower or Trevali NB from third parties in connection with any application or motion to the Court or another court in or in respect of the CCAA Proceeding;

(c) Comply with the provisions of the Court Orders including, without limitation, the Initial Order, the Amended and Restated Initial Order, the SISP Order and the DIP Order;

(d) Comply with the SISP procedures and timelines in all respects, including by achieving the milestones set out in the SISP and carrying out the SISP in accordance with the SISP Order and the Appendices thereto;

(e) Comply at all times with the DIP Budgets, provided each of the Borrower, Trevali NB and/or RPZC shall be permitted a cumulative aggregate negative variance from its DIP Budget of not more than ten percent (10%) or \$200,000 whichever is more, in respect of each of aggregate cash receipts and aggregate disbursements (for certainty, such variance shall be calculated on an entity-by-entity (and not consolidated) basis as the difference, expressed as a percentage, between

(A) the actual cumulative aggregate cash receipts and aggregate disbursements, as applicable, (excluding debt service payments and hedge payments) of each of the Borrower, Trevali NB or RPZC, during the period from the start of the applicable DIP Budget to the calculation date, and

(B) the budgeted cumulative aggregate cash receipts and aggregate disbursements, as applicable, (excluding debt service payments and hedge payments) of each such entity, as applicable,

during the period from the start of the applicable DIP Budget to the calculation date;

(f) Deliver to the Administrative Agent (i) Updated Cash Flows and Cash Flow Variance Reports as provided under the heading "Financial Covenants", (ii) such other reporting as is required under the Credit Agreement, and (iii) such other information from time to time as is reasonably requested by the Administrative Agent or a Lender;

(g) Deliver to the Administrative Agent, concurrently with the delivery thereof to the Monitor (i) copies of all monthly

internal financial statements, liquidity and updates to the DIP Budgets that are reported bi-weekly, together with any related or supporting information provided to the Monitor, and (ii) any written reports, commentary or analysis received by the Borrower or Trevali NB from the Monitor regarding the financial position of the Borrower and Trevali NB and their affiliates (as applicable) or otherwise;

(h) Provide the Administrative Agent with a weekly status update (which at a Lender's request shall include weekly meetings with National Bank Financial) regarding the status of the CCAA Proceeding and the SISP, including any information which may otherwise be confidential, subject to same being maintained as confidential by the Lenders in accordance with the SISP;

(i) Keep the Lenders apprised on a timely basis of all material developments with respect to the Security, the business and affairs of the Subject Entities, and the SISP, including, without limiting the foregoing, by providing to the Administrative Agent copies of (i) all marketing, process and other materials which it intends to provide to prospective interested parties in carrying out the SISP, including all bid process letters and draft forms of letter of interest or definitive agreements, which materials shall be to the satisfaction of the Administrative Agent, acting reasonably, and (ii) all expressions of interest bids or offers received, whether binding or non-binding; provided that if any of the Lenders is participating in the assessment, preparation, or submission of any bid pursuant to the SISP, the Borrower shall be entitled to restrict the SISP-related disclosure to the Administrative Agent required pursuant to this paragraph in such manner as the Monitor in its professional judgment considers to be reasonable to preserve the integrity of the SISP until such time as the Administrative Agent provides the Monitor with assurance, acceptable to the Monitor, that measures have been taken by the Administrative Agent to ensure that the disclosure would not in the professional judgment of the Monitor be likely to negatively impact the integrity of the SISP; and

(j) On or before the earlier of (i) the date of the second extension of credit to the Borrower under the DIP Tranche and (ii) November 15, 2022, the Borrower shall furnish the Administrative Agent with (i) a renewed Exchange Control Approval in respect of the guarantees and share pledges granted by, or in respect of, (i) Wilru, (ii) Rosh Pinah Base Metals and (iii) Rosh Pinah Mine Holdings and (ii) a new Exchange Control Approval in relation to the loans to be made by the

	<p>Borrower to RPZC pursuant to the Intercompany Loan Agreement and the Borrower's collateral assignment of rights therein to the Administrative Agent.</p>
<p>Negative Covenants:</p>	<p>As per the Existing Credit Agreement but adjusted to reflect Trevali and Trevali NB's CCAA filing and otherwise updated to include the following, subject in all cases to the prior written consent of the Administrative Agent:</p> <ul style="list-style-type: none">(a) Seek any Court Order that may adversely impact the Lenders, including its claims, rights and entitlements under the Credit Agreement and the Finance Documents, the DIP Charge and at law or in equity without the Lenders' prior written consent and the approval of the Monitor, and otherwise, not seek any Court Order without prior consultation with the Lenders and the approval of the Monitor;(b) Use any Advance except in accordance with the permitted uses hereunder and the DIP Budget;(c) Except as contemplated by the Credit Agreement or any Court Order, and except as otherwise required by Law, make any payment of any Indebtedness or obligations existing as at the Filing Date (the "Pre-Existing Debt"), other than in accordance with the DIP Budget or as approved by the Monitor;(d) Create, incur or permit to exist any Indebtedness other than Pre-Existing Debt, Advances and accounts payable in the ordinary course of business and in accordance with the DIP Budgets;(e) Except for Permitted Liens and the DIP Charge, create or permit to exist any Lien or provide or seek or support a motion by another Person to provide any Lien, upon any of the Security;(f) Present for acceptance by any creditors or approval by the Court any plan of compromise or arrangement or take any other action which contemplates or may result in a compromise or other impairment of the Secured Obligations under the Credit Agreement (including the DIP Tranche), or the rights of the Administrative Agent and the Lenders under or in respect thereof;(g) Accept, enter into or present for approval by the court any sale or other transaction involving any of the Subject Entities (Trevali NB excepted) which does not provide for the payment in full in cash upon closing of all Secured Obligations of the Obligor under the Credit Agreement (including the DIP Tranche) and related Finance Documents;

	<p>(h) Disclaim any contract that is directly or indirectly material to the Borrower's or Subject Entities' business without the prior written approval of the Administrative Agent, acting reasonably, and the Monitor, other than any Off-Take Agreements (as defined in the Intercreditor Agreement);</p> <p>(i) Amend or renew, extend the term, disclaim or accept the surrender of any mining claim, lease or concession without the prior written approval of the Administrative Agent (acting reasonably) and consent of the Monitor; excluding any such disclaimer or surrender resulting from liquidation or other insolvency proceeding initiated by Nantou Mining Burkina Faso S.A. ("Nantou");</p> <p>(j) Suffer or permit any further funding of the Caribou and Perkoa mines by any of the Subject Entities other than as required by Applicable Laws.</p>
Events of Default:	<p>As per the Existing Credit Agreement subject to the following additions:</p> <p>(a) The Lenders determine, in their sole discretion, acting reasonably, that a material adverse change has occurred after the date hereof in respect of the business, affairs or financial condition of any Subject Entity or the ability of any Obligor to comply with their respective Secured Obligations under the Credit Agreement, any other Finance Document or any Court Order; provided the following shall not constitute a material adverse change for the purpose of this paragraph: (A) the cessation of operations and transition to care and maintenance by Trevali NB or Nantou, (B) the initiation of liquidation or other insolvency proceedings by Nantou or (C) in the event that there are no acceptable bids involving Trevali NB through the SISP process, any abandonment involving Trevali NB or any of its assets provided such abandonment and the approach thereto does not increase any adverse effect and would not reasonably be expected to increase any adverse effect on the interests of the Administrative Agent or the Lenders;</p> <p>(b) Any Obligor fails to pay or remit any amounts that constitute Priority Payables as they become due from time to time;</p> <p>(c) The Initial Order, the Amended and Restated Initial Order, the SISP Order or the DIP Order is amended, restated or otherwise varied, in a manner that adversely affects or would reasonably be expected to adversely affect (in each case without regard to materiality) the interests of the Administrative Agent, without the prior written consent of the</p>

	<p>Administrative Agent, or any Court Order is issued, dismissed, stayed, reversed, vacated, amended or restated and such issuance, dismissal, stay, reversal, vacation, amendment or restatement adversely affects or would reasonably be expected to adversely affect (in each case without regard to materiality) the interests of the Administrative Agent or the Lenders, including any Court Order:</p> <ul style="list-style-type: none">(i) terminating, lifting or amending the stay imposed by the Court Orders or otherwise in the CCAA Proceeding;(ii) issuing a bankruptcy order against any CCAA Debtor;(iii) granting an appeal of, or leave to appeal the Initial Order, the Amended and Restated Initial Order, the SISP Order or the DIP Order;(iv) granting or declaring that any other claim or Lien ranks equal or in priority to the DIP Charge or the Security, except as permitted hereunder; or(v) staying, reversing, vacating or otherwise modifying the Credit Agreement or any other Finance Document, the DIP Charge or the Security or prejudicially affecting the Administrative Agent, the Lenders or the Security; <p>(d) The SISP is amended, modified, terminated or otherwise varied, which for greater certainty includes any amendments or modifications to the bid deadlines and bid requirements, without the prior written consent of the Administrative Agent;</p> <p>(e) The appointment of a receiver and manager, receiver, interim receiver or similar official or any process of any court becomes enforceable against any Subject Entity (other than Trevali NB) or any of their property, any of their property is seized or levied upon, or a creditor or governmental agency takes possession of any property of a Subject Entity (other than Trevali NB);</p> <p>(f) Any violation or breach of any Court Order by a CCAA Debtor;</p> <p>(g) Subject to the Amended and Restated Initial Order, the SISP Order, the DIP Order any other Court Order, or the prior written consent of the Administrative Agent, any Subject Entity ceases to carry on or maintain its business or its assets in the ordinary course of the business (for the avoidance of doubt, the</p>
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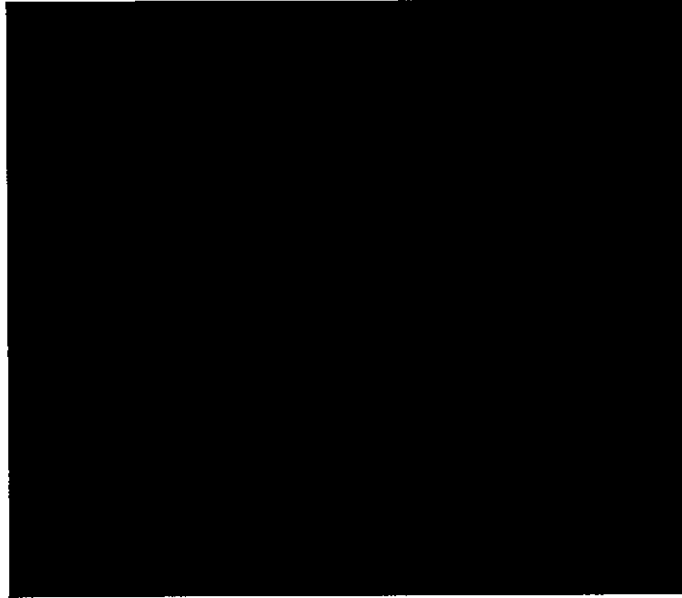
	<p>foregoing shall not be triggered by the Caribou or Perkoa mines being placed on care and maintenance);</p> <p>(h) Any proceeding, motion or application is commenced or filed by a CCAA Debtor, or if commenced by another Person, supported or otherwise consented to by a CCAA Debtor, seeking the invalidation, subordination or other challenge of the terms of the DIP Charge, the Credit Agreement or any other Finance Document;</p> <p>(i) Any applicable DIP Budget and/or Updated Cash Flow, in each case as updated from time to time, indicates that such DIP Tranche does not provide sufficient liquidity for the operations of the Borrower or RPZC, as applicable;</p> <p>(j) No Qualified LOI (as defined in the SISP) in respect of RPZC is received at the LOI Deadline (as defined in the SISP) or no Potential Bidder (as defined in the SISP) is determined to be a Qualified Bidder (as defined in the SISP) in respect of RPZC within 5 calendar days of the LOI Deadline;</p> <p>(k) No Qualified Final Bid (as defined in the SISP) in respect of RPZC (or its shareholders which are directly or indirectly controlled by the Borrower) is received at the Final Bid Deadline (as defined in the SISP) or no Qualified Final Bid in respect of RPZC is determined to be a Winning Bid (as defined in the SISP) within 3 Banking Days of the Final Bid Deadline (as defined in the SISP);</p> <p>(l) No Final Agreement (as defined in the SISP) in respect of RPZC (or its shareholders which are directly or indirectly controlled by the Borrower) is executed by the Final Agreement Deadline;</p> <p>(m) The transaction contemplated in any Final Agreement is not approved by the Court or such transaction does not close on the earlier of (A) the date contemplated in such Final Agreement and (B) the Outside Closing Date (as defined in the SISP); and</p> <p>(n) The Monitor declares that a material adverse change has occurred in the CCAA Proceeding.</p>
<p>Waivers & Amendments</p>	<p>As per the Existing Credit Agreement with the exception that the Majority Lender threshold will be increased from 66⅔% to 75% of the Total Commitment Amount.</p>
<p>Application of Cash Proceeds of Realization</p>	<p>Section 14.23(b) of the Existing Credit Agreement shall be amended to reflect the following payment priorities from Cash Proceeds of Realization:</p>

	<ol style="list-style-type: none">1. Costs and expenses of enforcement and realization;2. Amounts of money borrowed or advanced by the Administrative Agent or Receiver pursuant to the DIP Charge or the Security Documents;3. Interest under the DIP Tranche;4. Principal under the DIP Tranche;5. Interest under the Pre-Filing Tranche; and6. All remaining Secured Obligations under the Finance Documents which were, and remain, outstanding on the date of the Initial Order (including holding as cash collateral to be applied against outstanding Letters which have yet to be drawn upon) to be applied <i>pro rata</i> in accordance with the relative Exposures.
Unaffected Creditor Status of the Lenders	<p>(a) the Administrative Agent and the Finance Parties shall at all times be treated as an “<i>unaffected creditor</i>” in the CCAA Proceeding and in any plan of compromise or arrangement filed pursuant thereto and/or in any other insolvency, restructuring, reorganization and/or arrangement proceeding with respect to any Subject Entity thereafter including, without limitation, proceedings under the CCAA or the <i>Bankruptcy and Insolvency Act</i> (Canada) or any other legislation of any jurisdiction pertaining to insolvency or creditors’ rights; and</p> <p>(b) any plan of compromise or arrangement filed by a CCAA Debtor in the CCAA Proceeding or by any Subject Entity in any other proceedings shall not contemplate or result in a compromise or other impairment of the Secured Obligations of the Obligors under the Credit Agreement and any other Finance Documents, or the rights of the Administrative Agent or the Lenders under or in respect thereof; and</p> <p>(c) any stay of proceedings ordered by the Court in the CCAA Proceeding, including, without limitation, in the Initial Order and the Amended and Restated Initial Order, shall not apply to the Administrative Agent, the Lenders or any Finance Parties, in respect of the DIP Tranche, provided, however, that the DIP Order shall provide that the Administrative Agent, the Lenders and Finance Parties, in respect of the DIP Tranche, may not exercise any of their rights or remedies under or pursuant to this Indicative DIP Term Sheet, the Credit Agreement or any other Finance Documents, without providing 3 Banking Days’ notice to the Borrower and the Monitor.</p>

Governing Law:	As per the Existing Credit Agreement
Defined Terms:	<p>“Administration Charge” has the meaning given to it in the Amended and Restated Initial Order:</p> <p>“Amended and Restated Initial Order” means the amended and restated initial order of the Court issued on August 29, 2022 in the CCAA Proceeding:</p> <p>“CCAA Debtors” means the Borrower and Trevali NB:</p> <p>“CCAA Proceeding” means the proceeding commenced by the Borrower and Trevali NB under the <i>Companies’ Creditors Arrangement Act</i> (Canada) (the “CCAA”) before the Court:</p> <p>“Court” means the Supreme Court of British Columbia:</p> <p>“Initial Order” means the initial order of the Court issued on August 19, 2022 in the CCAA Proceeding:</p> <p>“DIP Order” means an order of the Court to be issued in the CCAA proceedings in form and substance acceptable to the Administrative Agent, <i>inter alia</i>, (i) approving the Credit Agreement and the DIP Tranche, (ii) establishing the DIP Charge, and (iii) authorizing the Borrower and Trevali NB to borrow up to the amount of the DIP Tranche pursuant to the Credit Agreement:</p> <p>“Monitor” means FTI Consulting Canada Inc., as the Court-appointed Monitor of the Borrower and Trevali NB in the CCAA Proceeding:</p> <p>“Priority Payables” means harmonized sales tax, sales Tax and any amount payable or accrued by the Borrower or Trevali NB which is secured by an Lien (other than the Administration Charge) which ranks or is capable of ranking prior to or <i>pari passu</i> with the DIP Charge, including amounts accrued or owing for wages, vacation pay, termination pay (only where it is a priority payable), employee deductions, Taxes, or employer</p>

	<p>pension contributions, and other statutory or other claims that have or may have priority over, or rank pari passu with, the DIP Charge;</p> <p>“SISP” means the sale and investment solicitation process approved by the Court in the SISP Order;</p> <p>“SISP Order” means the order of the Court issued on September 14, 2022 in the CCAA Proceeding, <i>inter alia</i>: (i) approving the SISP, and (ii) approving the appointment of National Bank Financial to act as the investment banker to the Borrower in respect of the SISP at the cost of the Borrower;</p> <p>“Subject Entities” means, collectively, the Obligors and their respective affiliates and subsidiaries, Rosh Pinah Zinc Corporation (Proprietary) Limited and, at any time prior to a liquidation or bankruptcy proceeding under the Applicable Laws of Burkina Faso whereby Nantou is precluded from exercising management and control of Nantou’s business, Nantou.</p>
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SCHEDULE "C"
ILLUSTRATIVE CHART



Appendix B

Third Cash Flow Statement for the 24-weeks ending
January 31, 2023

Appendix C

**Second Rosh Pinah Cash Flow Statement for the 24-
weeks ending January 31, 2023**

