



Affidavit #3 of Michèle Hay  
Sworn: June 31, 2024

No. S238572  
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 A PLAN OF COMPROMISE AND ARRANGEMENT OF  
MYRA FALLS MINE LTD.


PETITIONER

**AFFIDAVIT**

I, **MICHÈLE HAY**, Legal Administrative Assistant, of 2300 – 550 Burrard Street,  
Vancouver, BC V6C 2B5, SWEAR THAT:

1. I am employed at the firm of Gowling WLG (Canada) LLP ("**Gowling WLG**") counsel for the Petitioner, and as such have personal knowledge of the facts and matters hereinafter deposed to save and except where they are stated to be on information and belief in which case I verily believe them to be true.
2. Attached hereto and marked as **Exhibit "A"** is a copy of an unsigned Continuous Premium Installment Contract from CAFO Inc.

SWORN BEFORE ME at Vancouver, BC, this )  
31 day of July, 2024. )

  
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A Commissioner for taking Affidavits within  
British Columbia )

  
\_\_\_\_\_  
**MICHÈLE HAY** )

**MANUEL DOMINGUEZ**  
**GOWLING WLG (CANADA) LLP**  
BARRISTER & SOLICITOR  
550 BURRARD STREET - SUITE 2300  
BENTALL 5 - VANCOUVER, B.C. V6C 2B5  
TELEPHONE: (604) 891-2772

This is Exhibit "A" referred to in the Affidavit of **MICHÈLE HAY**, sworn before me at Vancouver, BC, this 31 day of July, 2024.

  
A Commissioner for taking Affidavits in British Columbia



**Continuous Premium Installment Contract**

170 University Avenue, Suite 601, Toronto, ON M5H 3B3

TEL. NOS. 416-868-6777 800-387-1558

PERSONAL  
 COMMERCIAL

Agent or Broker (Name and Address) 10295711  
FM Global Insurance Company  
100 New Park Place, Suite 200  
Vaughan, ON L4K 0H9

Insured (Name and Address as shown on the policy)  
Myra Falls Mine Ltd.  
2900-550 Burrard Street  
Vancouver, BC V6C 0A3

A) Total Premiums	B) Down Payment	C) Amount Financed	D) Finance Charge	E) Total Payments
\$874,539.00	\$306,089.00	\$568,450.00	\$18,077.84	\$586,527.84

Service Charge Flat Rate	Annual Percentage Rate	No. of Payments	Amount of Payments	First Installment Due	Installment Due Dates
2.067 %	8.412 %	8 (Monthly)	\$73,315.98	08/01/2024	1st

Finance Charge ÷ Total Premiums

**SCHEDULE OF POLICIES**

Policy and/or Binder Numbers	Effective Date of Policy/Inst.	Name of Insurance Company and Name and Address of General or Policy Issuing Agent or Intermediary	Type of Coverage	Months Covered	Premium \$
1119215	07/01/2024	Factory Mutual Insurance Company - CAB	PROP	12	874,539.00

INSURED HAS READ, UNDERSTANDS AND AGREES TO ALL TERMS SET FORTH ON ALL PAGES OF THIS AGREEMENT AND ANY ADDENDA THERETO

_____ SIGNATURE OF INSURED(S) AUTHORIZED REPRESENTATIVE	_____ PRINT NAME	_____ TITLE	_____ DATE
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The Insured agrees and acknowledges that the Continuous Premium Installment Contract terms as set out in paragraph (23) are to apply to this contract. Yes

(1) **DEFINITIONS:** The above named Insured is the borrower.CAFO INC. ("CAFO") is the lender."Insurance company" or "company", "Insurance policy" or "policies" and "premium" refer to those items listed under the "Schedule of Policies". Singular words mean plural and vice-versa as may be required in order to give the Agreement meaning. "Agreement" means this Premium Installment Contract.

**AGENT OR BROKER REPRESENTATIONS**

Agent Broker Representations:The undersigned warrants and agrees: (A) The policies are in full force and effect and the information in the Schedule of Policies has been verified and is correct. (B) The insured has authorized this transaction including the Continuous Premium Installment Contract option where applicable and has received a copy of this agreement.(C) To hold in trust for CAFO any payments made or credited to the insured through or to the undersigned, directly or indirectly, actually or constructively,by any party and to pay the monies as well as any unearned commissions to CAFO promptly.(D)To the knowledge of the undersigned there are not and will not be any other liens specifically given against the policies and the premiums are not and will not be financed by any other lender.(E) Unless specifically disclosed to CAFO, no policy is subject to retrospective rating or minimum earned premium. Any deposit or provisional premiums are not less than anticipated premiums to be earned for the full term of the policies.(F)Unless specifically disclosed to CAFO, the Insured can cancel each of the policies and the unearned premiums will be computed on the standard short-rate or pro-rata table.(G) All insurance premiums shall be paid to the insurer(s). (H) CAFO will rely upon these representations in determining whether to accept this Agreement.

IF THERE ARE ANY EXCEPTIONS TO THE ABOVE STATEMENTS, PLEASE LIST BELOW:

THE UNDERSIGNED FURTHER WARRANTS THAT IT HAS COLLECTED THE DOWN PAYMENT, IF APPLICABLE, AND ANY OTHER SUMS DUE AS REQUIRED BY THE AGREEMENT AND IS HOLDING SAME OR THEY ARE REMITTED WITH THIS AGREEMENT

_____ SIGNATURE OF AGENT OR BROKER	_____ AGENT OR BROKER	_____ TITLE	_____ DATE
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AUTHORITY FOR PAYMENT BY PRE - AUTHORIZED DEBITS ("PAD")

FROM: Insured

TO: CAFO INC. ("CAFO")

If notified by the Insured or Agent or Broker, you are hereby requested and authorized to debit our account identified on the attached voided cheque with all amounts specified in debit slips or other media purporting to represent installment payments due under our Premium Installment Contract("Agreement"). Insured also represents that this Agreement is for Commercial purposes only. This authorization shall also extend to any revised payment amounts or other amounts due CAFO under terms of the Agreement as amended or revised from time to time.The parties have mutually agreed that your right to receive required prenotification in connection with amounts called for under the PAD is waived and agreed that you will not require any advance notice of the amount called for under the PAD or any change or changes to that amount before the debt is processed. Further, Insured has certain recourse rights if any debit does not comply with this Agreement. For example, Insured has the right to receive reimbursement for any debit that is not authorized or is not consistent with the PAD Agreement. To obtain more information on Insured's recourse rights, Insured may contact their financial institution or visit www.payments.ca.This authorization may be revoked on 30 days written notice to CAFO by the Insured.

A SPECIMEN CHEQUE MARKED "VOID" MUST BE ENCLOSED

- (2) **PROMISE OF PAYMENT:** The Insured (a) requests that CAFO pay the premiums in the Schedule of Policies, less the Down Payment and any installments paid prior to acceptance of this Agreement and (b) promises to pay CAFO, at such address as CAFO designates, the amount stated in Block E above according to the payment schedule, subject to the remaining terms of this Agreement where applicable adjusted from time to time by reason of renewals or changes to the policies. No additional Authority, acts, approvals or licenses are or will be necessary as a prerequisite to the enforceability of this Agreement. CAFO may, at its option, pay loan proceeds to any agent, broker, general agent, managing general agent or insurer set forth herein. Payments to CAFO are deemed made only upon receipt in good funds. Cheques are accepted, subject to collection.
- (3) **SECURITY INTEREST AND POWER OF ATTORNEY:** The Insured assigns and hereby gives a security interest to CAFO as collateral for the total amount payable in this agreement and any other past, present or future extension of credit in (a) any and all unearned Premiums or dividends which may become payable for any reason under all insurance policies financed by CAFO, (b) loss payments which reduce the unearned premiums, subject to any mortgagee or loss payee interests and (c) any interest in any applicable guarantee fund relating to any financed policy. If any circumstances exist in which all premiums related to any policy could become fully earned in the event of any loss, CAFO shall be named a loss-payee with respect to such policy. CAFO at its option may enforce payment of this debt without recourse to the security given to CAFO. The Insured irrevocably appoints CAFO as its attorney in fact with full authority to (i) cancel all insurance policies financed by CAFO for the reason set forth in paragraph 12, whether pursuant to this or any other agreement, (ii) receive all sums hereby assigned to CAFO and (iii) execute and deliver on the Insured's behalf all documents, instruments of payment, forms and notices of any kind relating to the insurance policies in furtherance of this agreement.
- (4) **WARRANTY OF ACCURACY:** The Insured (a) warrants that all listed insurance policies are in full force and effect and that it has not and will not assign any specific interest in the unearned premiums for the policies and (b) authorizes CAFO to insert or correct on this agreement, if omitted or incorrect, the insurer's name, the policy numbers, and the due date of the first installments and to correct any obvious errors. In the event of any such change, correction or insertion, CAFO will give the Insured written notice thereof.
- (5) **REPRESENTATION OF SOLVENCY:** The Insured represents that it is not insolvent or the subject of any insolvency proceeding.
- (6) **ADDITIONAL AMOUNTS:** The money paid by CAFO is designated to be applied only for the premium as determined at the time the insurance policy is issued. The Insured shall pay to the insurer any additional premiums or any other sums that become due for any reason. The Insured or its agent may request that CAFO finance any additional premiums and, If CAFO agrees to do so, as documented by a notice of acceptance, this agreement shall be deemed amended accordingly. If CAFO assigns the same account number to any additional extension or extensions of credit, (a) this Agreement and any agreement or agreements identified by such account number shall be deemed to comprise a single and indivisible loan transaction, (b) any default with respect to any component of such transaction shall be deemed a default with respect to all components of such transaction and (c) any unearned premiums relating to any component of such transaction may be collected and applied by CAFO to the totality of such transaction.
- (7) **SPECIAL INSURANCE POLICIES:** If an insurance policy is auditable or is a reporting form policy or is subject to retrospective rating, then the Insured promises to pay to the insurance company the earned premium computed in accordance with the policy provisions which is in excess of the amount of premium advanced by CAFO.
- (8) **NAMED INSURED:** If an insurance policy provides that the first named Insured in the policy shall be responsible for payment of premiums and shall act on behalf of all other Insureds regarding the policy, then the same shall apply to this Agreement. The Insured represents that it is authorized to sign this agreement on behalf of all Insureds. If not, then all Insureds' names must be shown on this Agreement, unless a separate agreement appoints an Insured to act for the others.
- (9) **FINANCE CHARGE:** The finance charge shown in Block D begins to accrue as of the earliest policy effective date, unless otherwise indicated in the Schedule of Policies, and shall continue to accrue until the balance due CAFO is paid in full or until such other date as required by law, notwithstanding any cancellation of coverage.
- (10) **AGREEMENT BECOMES A CONTRACT:** This Agreement becomes a binding contract when CAFO mails or transmits to the Insured its acceptance and is not a contract until such time. The Insured agrees that (a) this Agreement and other notices may be transmitted by facsimile, E-mail or other electronic means, (b) any such transmitted Agreement shall be deemed a fully enforceable duplicate original document and (c) such Agreement, when accepted by CAFO, shall constitute a valid and enforceable contract.
- (11) **DEFAULT AND DISHONORED CHEQUE:** If the Insured is late in making a loan payment to CAFO by more than 10 days, the Insured agrees to pay a collection expense fee equal to 5% of the outstanding amount or \$5.00, whichever is greater. If a cheque is dishonoured, the Insured will pay the returned cheque charge not to exceed \$35.00 or the maximum amount permitted by law, whichever is the less. Insured may obtain a sample cancellation form, or further info regarding their right to cancel PAD payments, at their financial institution, or by visiting [www.payments.ca](http://www.payments.ca).
- (12) **CANCELLATION:** CAFO may cancel any or all insurance policies financed by CAFO and the full balance due to CAFO shall be immediately payable if the Insured does not pay any installment according to the terms of this or any other agreement with CAFO. Payment of unearned premiums shall not be deemed to be payment of installments to CAFO, in full or in part.
- (13) **ACCELERATION:** In the event of default by the Insured, the entire amount set out in Box E together with all default charges shall immediately become due and payable and bear interest at the annual percentage rate. The total of interest, charges and expenses shall not exceed the maximum permitted by law.
- (14) **MONEY RECEIVED AFTER NOTICE OF CANCELLATION:** Any payments made to CAFO after mailing of CAFO's Notice of Cancellation may be credited to the Insured's account without affecting the acceleration of this agreement and without any liability or obligation to request reinstatement of a cancelled policy. Any money CAFO receives from an insurance company shall be credited to the amount due CAFO with any surplus paid over to whomever is entitled to the money. No refund of less than \$5.00 shall be made. In the event that CAFO requests, on the Insured's behalf, reinstatement of the policy, such request does not guarantee that coverage will be reinstated.
- (15) **LEGAL FEES-COLLECTION EXPENSE:** If, for collection, this agreement is referred to a lawyer and/or other party who is not a salaried employee of CAFO, the Insured agrees to pay any reasonable fees and costs as well as other reasonable collection expenses, as permitted by law or granted by the court.
- (16) **REFUND CREDITS:** The Insured will receive a refund of a portion of the finance charge if the account is voluntarily prepaid in full before the last installment due date as required or permitted by law.
- (17) **INSURANCE AGENT OR BROKER:** The insurance agent or broker named in this agreement is the Insured's agent, not CAFO's and CAFO is not legally bound by anything the agent or broker represents to the Insured orally or in writing. CAFO has not participated in the choice, placement, acquisition or underwriting of any financed policy. Any disclosures made by the agent are made in its capacity as the Insured's agent and CAFO makes no representations with respect to the accuracy of any such disclosures. Any refunds or payments for the Insured may be made to the Insured's agent or broker.
- (18) **SUCCESSORS AND ASSIGNS:** All legal rights given to CAFO shall benefit CAFO's successors and assigns. The Insured will not assign this Agreement and/or the policies without CAFO's written consent except for the interest of mortgagees and loss payees.
- (19) **LIMITATION OF LIABILITY - CLAIMS AGAINST CAFO:** The Insured hereby irrevocably waives and releases CAFO from any claims, lawsuits and causes of action which may be related to any prior loans and/or to any act or failure to act prior to the time that this Agreement becomes a binding contract, pursuant to paragraph 10. CAFO's liability for breach of any of the terms of this agreement or the wrongful exercise of any of its powers shall be limited to the amount of the principal balance outstanding, except in the event of gross negligence or willful misconduct.
- (20) **DISCLOSURE:** The insurance company or companies and their agents, any intermediaries and the insurance agent or broker named in this Agreement and their successors are authorized and directed to provide CAFO with full, prompt and complete information regarding any financed insurance policy or policies, including, without limitation, the status and calculation of unearned premiums. CAFO is authorized to disclose information in connection with any aspect of this Agreement, including personal information, to its corporate parent or affiliates, and for audit and/or examination purposes, to any of its or their government regulators.
- (21) **ENTIRE DOCUMENT:** This document is the entire agreement between CAFO and the Insured and can only be changed in writing signed by both parties, except as stated in paragraphs (4) and (24). The document may be executed in one or more counterparts all of which together shall constitute one and the same agreement.
- (22) **AUTHORITY - INSURED:** The Insured hereby certifies that it is empowered to enter into this Agreement without any restrictions and that the individual signing it has been fully empowered to do so.
- (23) **CONTINUOUS PREMIUM INSTALLMENT CONTRACT TERMS:** Where the Insured has elected the Continuous Premium Installment Contract options, the following additional provisions shall apply: (a) this Agreement is to provide continuous financing for insurance premiums and as such is an ongoing contract which may be, at the sole option of CAFO, renewed or extended at the request of Insured or Insured's agent (b) upon authorization by the insured or the insured's agent this contract may be renewed annually for the policy term and premium amounts specified for the policies in Notice of Acceptance communicated by CAFO to the insured or insured's agent (c) each term and condition of the original contract shall remain in full force and effect during any renewal term notwithstanding any change of insurer, policy coverages, premium or payment schedule (d) a down payment as specified in this Agreement shall be provided to CAFO by the Insured and shall be maintained by the Insured from year to year in an amount equal in proportion to that in the original term and authorizes CAFO (i) to continue pre-authorized withdrawals until written notice of cancellation from the insured is received by CAFO and (ii) to credit any excess to or collect any shortfall of down payment from the Insured (e) CAFO has the absolute right and discretion to decline any extension or renewal of this Agreement (f) financing by CAFO for any renewal term will be calculated at current rates and delinquency and returned cheque charges being charged by CAFO at the renewal date (g) continued pre-authorized cheque withdrawals or acceptance by CAFO of any payment after expiration of a policy term or after cancellation of a policy or after CAFO has mailed notice of cancellation of the policies following default or for any other reason or following termination of this Agreement by CAFO or the Insured will not constitute renewal or reinstatement of the policies or obligate CAFO to request reinstatement and the Insured's sole right shall be the refund of any excess amount.
- (24) **RIGHT TO MAKE CHANGES:** In addition to the rights set out in paragraph (4), CAFO shall also have the right to make any changes to this Agreement as may be required in response to a change in the applicable law or any government regulation.

No. S238572  
Vancouver Registry

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*ARRANGEMENT ACT*, R.S.C. 1985, c. C-36. AS AMENDED

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IN THE MATTER OF A PLAN OF COMPROMISE AND  
ARRANGEMENT OF MYRA FALLS MINE LTD.

PETITIONER

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**AFFIDAVIT**

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File No. A172589

JBR/msh