



Affidavit of Hein Frey #1
affirmed: December 17, 2023

S-238572

No:
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 PLAN OF COMPROMISE AND ARRANGEMENT OF
MYRA FALLS MINE LTD.

AFFIDAVIT

I, **HEIN FREY**, of the City of Campbell River, British Columbia, AFFIRM THAT:

1. I am the general manager of Myra Falls Mine Ltd. (referred to in this affidavit as the "**Company**" or "**MFM**"). I have been involved in the financial and operational management of the Company since May of this year. As a result, I have personal knowledge of the matters to which I hereinafter depose save and except where I refer to matters based on information and belief, in which case I verily believe that information to be true. Where the information set out in this affidavit is based upon information that I have received from others, I have stated the source of that information and believe it to be true.

2. This affidavit is sworn in support of an application by the Company pursuant to the *Companies' Creditors Arrangement Act* (Canada) (the "**CCAA**") seeking an order (the "**Initial Order**") substantially in the form of the draft order to be filed with the Court, granting relief that is reasonably necessary for the continued operations of the Company within an initial 10 day stay period, including:

- (a) declaring that the Company is a party to which the CCAA applies;

- (b) appointing FTI Consulting Canada Inc. ("**FTI**" or the "**Proposed Monitor**") as an officer of the Court to monitor the assets, business, and affairs of the Company (once appointed in such capacity, the "**Monitor**");
- (c) staying, until December 28, 2023, all proceedings and remedies taken or that might be taken in respect of the Company, the Monitor, the Company's sole director and officers, or affecting the Company's business or current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (collectively, the "**Property**"), except as otherwise set forth in the Initial Order or as otherwise permitted by law;
- (d) approving the Company's ability to borrow under a debtor-in-possession credit facility (the "**DIP Facility**") pursuant to the DIP Term Sheet established by the DIP Lender (each as defined below);
- (e) granting the following limited priority charges (collectively, the "**Charges**") against the Company's Property:
 - (i) the Administration Charge (as defined below) in favour of the Monitor, counsel to the Monitor, and counsel to the Company;
 - (ii) the D&O Charge (as defined below) in favour of the Company's sole director and the Company's officers; and
 - (iii) the DIP Lender's Charge in favour of the DIP Lender (each as defined below).

3. Should the Initial Order be granted, the Company intends to bring an application, returnable on December 28, 2023 (the "**Comeback Hearing**"), seeking, among other things: an extension of the stay of proceedings in respect of the Company until February 29, 2024, an increase in the quantum and priority of the Charges in order to facilitate these CCAA proceedings, and authorization to make the Supplemental Hardship Payment (as defined below).

I. OVERVIEW AND INTRODUCTION

4. MFM's principal asset is the Myra Falls Mine (the "**Mine**"), an operating mine located in Strathcona Provincial Park approximately 90 kilometres southwest of Campbell River on Vancouver Island, British Columbia ("**Strathcona Park**"). The Mine is primarily a zinc mine but also produces copper concentrate, lead concentrate, and a minimal amount of gold concentrate. It employs approximately 105 full time salaried employees and 265 hourly employees. In addition to these employees, approximately 104 full time equivalent workers are provided by independent contractors at the Mine.

5. In the face of continuously declining zinc prices and significant rising operating costs, the Company has reached an unprecedented level of unprofitability.

6. The Company's sole source of financing since 2019 has been through the Trafigura group of companies (the "**Trafigura Group**"), which has provided shareholder loans in excess of \$100 million to the Company, when Trafigura Pte Ltd. ("**TPTE**") became an indirect majority shareholder in MFM.

7. Despite the Company's and the Trafigura Group's constant efforts to reach profitability, market circumstances now make it completely uneconomical for the Trafigura Group to

continue funding losses in the manner in, and at the rate at, which it has been supporting the Company for the last 4 years.

8. The Company has determined that the best course of action at this time is to commence these proceedings and place the Mine in a state of care and maintenance while the Company explores restructuring options for the benefit of its stakeholders.

9. As further described below, Trafigura US Inc. (the "**DIP Lender**"), a member of the Trafigura Group, has agreed to provide interim financing pursuant to the DIP Facility to help facilitate these CCAA proceedings and the transition of the Mine into a state of care and maintenance.

II. BACKGROUND REGARDING MFM

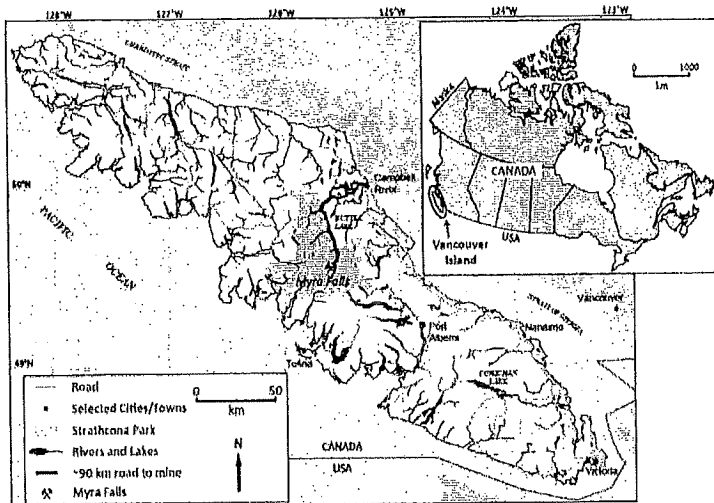
A. Corporate Structure and Description of the Company

10. MFM was originally incorporated federally under the *Canada Business Corporations Act* (the "**CBCA**"). In 2013, it was continued from the CBCA to the *Business Corporations Act* (British Columbia) under the name "Nyrstar Myra Falls Ltd." ("**Nyrstar**"). In 2021, the Company changed its name to "Myra Falls Mine Ltd". A true copy of a British Columbia Company Summary for MFM dated November 24, 2023, and issued by British Columbia Registry Services is attached as **Exhibit "A"**.

11. MFM is a subsidiary of Breakwater Resources Limited ("**Breakwater**"), which is a subsidiary of TPTE. Breakwater and TPTE are part of the Trafigura Group, a global supplier of commodities and a global commodity trader.

B. Description of the Mine

12. As noted above, the Mine is located within Strathcona Park. The Mine occupies approximately 3901 hectares of land in Strathcona Park (the "**Mine Site**") and is located approximately 90 kilometres by road southwest of the City of Campbell River. The physical location of the Mine is depicted below:



13. MFM is the recorded holder of 6 mineral leases and 23 Crown grants in connection with the Mine. These leases and Crown grants have been duly issued by the Province of British Columbia (the "**Province**"), and are registered pursuant to the *Mineral Tenure Act* (British Columbia). MFM also holds park use permits ("**PUPs**") that are required to provide surface access in Strathcona Park. MFM's mineral leases, Crown grants and PUPs are currently in good standing, and the Company's Free Miner Certificate was recently renewed.

14. Infrastructure used as part of the Mine include an administration building, a surface crusher, a concentrator circuit, a flotation circuit, a processing plant, a building for the surface operations team, a concentrate storage facility, a tailings storage facility, 2 hydro-electric power

plants, a complimentary back-up diesel powerhouse, an accommodations camp, a changing facility, and a port facility at Campbell River (defined below as the Discovery Terminal).

15. Due to the Mine's location, the Company self-generates power and transmits it for distribution to its underground operations and surface facilities.

16. The Mine produces concentrates of zinc, and to a lesser extent lead, copper, and gold. Approximately 78% of the Mine's concentrate production by weight is zinc concentrate.

17. Mining at the Mine Site is predominately done through underground longhole open stoping. This is a process by which ore is extracted through a series of horizontal or sub-horizontal levels known as "stopes." Underground mines are accessed by a decline ramp and a vertical shaft equipped to move personnel and materials. Mined ore is transported via internal roads to a processing plant at the Mine Site where concentrates are produced. The concentrates (other than gold) are then transported by truck in bulk to Campbell River for storage and subsequent loading onto bulk carrier ships at a wharf and terminal facility operated by the Company (the "**Discovery Terminal**") located on lands leased from the Wei Wai Kum First Nation.

18. In addition to containing the infrastructure necessary for ship-loading, the Discovery Terminal has a concentrate storage facility (for storing concentrate before shipment). From the Discovery Terminal, concentrate is shipped internationally typically (although not exclusively) to smelters in South Korea (in the case of zinc), China (in the case of lead), or Mexico (in the case of copper).

C. History of the Mine

19. The Mine has been in operation since approximately 1966, with intermittent periods where the Mine has been closed or placed in care and maintenance. Mining began at the Mine Site in open pit form and shortly thereafter moved to underground mining.

20. TPTE became an indirect majority shareholder of Nyrstar, the then owner of the mine, in 2019.

21. At or around when TPTE became a majority shareholder, the Mine was coming out of an extended period of care and maintenance that had begun in June 2015 (the "**2015 Suspension of Operations**"). I understand the 2015 Suspension of Operations was the result of a combination of a prolonged period of low commodity prices and site infrastructure issues. As part of the 2015 Suspension of Operations, the Mine's workforce was significantly reduced.

22. Efforts were made by the then owner to restart operations in 2017, with a series of repairs and upgrades to the Mine Site's infrastructure. Production ultimately restarted at the Mine Site around the third quarter of 2018 and has continued since then, albeit at a financial loss.

23. Since 2019, the Company with the support of the Trafigura Group has made significant efforts to attempt to bring economic stability to the Mine and make it profitable. During this period, among other things, MFM:

- (a) Oversaw the construction of a tailings dam wall raise designed to fully comply with Canadian regulations and completed in-house using labour from the local community which resulted in a significant reduction in capital costs;

- (b) Implemented capital improvements to on-site hydro facilities to reduce reliance on diesel power generation;
- (c) Improved copper concentrate production, through increases designed around mill reliability, and mineralogical and metallurgical surveys resulting in consistent particle sizes, and stabilization of floatation circuits;
- (d) Strengthened operational discipline by focussing on efficiency and productivity through the implementation of a formal management operating system framework (MOS); and
- (e) Executed a historic impact and benefit agreement with the Wei Wai Kum First Nation and the We Wai Kai First Nation (as further described below).

24. To support these improvements and to cover operating expenses, over a period of 4 years, the Trafigura Group have made unsecured shareholder loans to the Company pursuant to which over \$100 million was outstanding as of November 30, 2023.

25. Despite the Trafigura Group's efforts, the Mine has not been able to achieve long-term economic stability and the Company is currently facing severe liquidity issues.

III. MFM'S FINANCIAL STATUS

A. Financial Issues of MFM

Declining Zinc Prices / Rising Costs

26. Profitability for the Mine in any given year is driven primarily by commodity prices and in particular the price of zinc.

27. Prices for zinc in 2023 have steeply declined and are down approximately 22% on a year over year basis. Against this backdrop, the Mine's operational costs have significantly increased by over 20% from 2020 to 2023.

28. The current decline in zinc prices globally is largely driven by weak demand from the construction sector, which accounts for a substantial portion of zinc demand (one of the primary uses of zinc is for galvanizing steel and iron).

29. In 2023, a number of mines have suspended production, including: (a) the Islay Mine in Peru; (b) the Tara Mine in Ireland (formerly the largest zinc mine in Europe); (c) the King Vol Mine in Australia; and (d) the Mungana Mine also in Australia.

30. Although the Mine produces a number of types of concentrates its overall ability to achieve profitability is driven by zinc. Given the Mine's current ore-body, the Company is not in a position, absent further exploration, to counter-balance weak zinc prices through increases in the volume of production of zinc-concentrate or other minerals that can be produced from the Mine. Any further exploration would require a significant financial investment.

31. With future zinc prices uncertain at this time it is unclear when the Mine might return to profitability.

Dependence on Shareholder Loans

32. MFM's operations to-date have been completely dependent on unsecured shareholder loans from the Trafigura Group.

33. In the face of the current difficult zinc price environment, in November 2023, the Trafigura Group advised the Company that it was not willing to continue to fund operations at the Mine in their current form.

34. The Trafigura Group has demanded repayment of all loans it provided to the Company.

35. Without further shareholder loans, the Company does not expect to have sufficient liquidity to meet its ongoing obligations.

36. The Company has determined that in light of its liquidity constraints, the best course of action at this time is to commence these proceedings and place the Mine in a state of care and maintenance while it explores restructuring and operational options.

37. As will be described below, a member of the Trafigura Group has agreed to provide DIP financing to provide the Company with the liquidity required to cover the administrative costs associated with these proceedings, the Company's restructuring activities, and the costs that will be necessary to transition the Mine into care and maintenance.

B. Financial Statements

38. In advance of these proceedings, the Company has prepared unaudited annual financial statements for the fiscal year ending September 30, 2023 (the "**FY 2023 Financial Statements**"). A true copy of the FY 2023 Financial Statements is attached as **Exhibit "B"**.

39. As set out in the FY 2023 Financial Statements, as at September 30, 2023 MFM had total assets with a net book value of approximately \$214 million. This includes current assets of approximately \$29 million (comprised predominately of inventory) and non current assets of approximately \$185 million.

40. As at September 30, 2023 MFM had total liabilities of approximately \$326 million. This included current liabilities of approximately \$224 million and non-current liabilities of approximately \$102 million.

41. It is my belief, that the Company is currently insolvent.

IV. STAKEHOLDERS OF MFM

A. The Trafigura Group

42. Members of the Trafigura Group are parties to various agreements involving the Company, including:

43. TPTE CAD Loans: Pursuant to a facility agreement dated as of November 10, 2020, as amended by an amendment dated May 5, 2021 (collectively, the "**TPTE CAD Loan Agreement**") between TPTE, as lender, and the Company, as borrower, TPTE established a demand loan facility in favour of the Company in the principal amount of \$60,000,000 CAD. As of November 30, 2023, the Company was indebted to TPTE under the TPTE CAD Loan Agreement in the amount of approximately \$61,648,265. Interest on funds advanced under the TPTE CAD Loan Agreement accrues at a per annum rate equal to the aggregate of the CORRA rate and the short term weighted average cost of debt of the lender. A true copy of the TPTE CAD Loan Agreement is attached as **Exhibit "C"**.

44. TPTE USD Loans: Pursuant to a facility agreement dated as of November 10, 2020, as amended by an amendment dated May 5, 2021 (collectively, the "**TPTE USD Loan Agreement**") between TPTE, as lender, and the Company, as borrower, TPTE established a demand loan facility in favour of the Company in the principal amount of \$30,000,000 USD. As of November 30, 2023 the Company was indebted to TPTE under the TPTE USD Loan Agreement in the amount of approximately \$36,720,020 USD. Interest on funds advanced under the TPTE USD Loan Agreement accrues at a per annum rate equal to the aggregate of the LIBOR rate and the short term weighted average cost of debt of the lender. A true copy of the TPTE USD Loan Agreement is attached as **Exhibit "D"**.

45. Breakwater CAD Loans: Breakwater, as lender, and MFM, as borrower, are party to a loan agreement dated as of August 31, 2012, as amended by an amendment dated September 30, 2021 (collectively, the "**Breakwater Loan Agreement**"). As of November 30, 2023 approximately \$76,579,371.27 was owing by MFM to Breakwater under the Breakwater Loan Agreement. Interest accrues on this loan at the 12 month CDOR rate plus a margin specified in the Breakwater Loan Agreement. In addition to those amounts advanced under the Breakwater Loan Agreement, from time to time, Breakwater has advanced further unsecured interest-free loans to the Company, on an as needed basis (the "**Additional Breakwater Loans**"). As of December 1, 2023, \$4,232,000 was owing in respect of the Additional Breakwater Loans. A true copy of the Breakwater Loan Agreement is attached as **Exhibit "E"**.

46. Historically, as part of intercompany tax optimization planning, MFM has acted as a conduit for members of the Trafigura Group to fund one of its Canadian subsidiaries. No assets of MFM were used to fund that subsidiary. These arrangements have now been discontinued.

47. TCL Offtake Arrangements. Trafigura Canada Limited ("**TCL**") is party to off-take arrangements with the Company, pursuant to purchase contracts dated as of January 1, 2022, as amended, under which TCL purchases all of the zinc concentrate, all of the lead concentrate, and certain of the copper concentrate produced by the Company. As part of these off-take arrangements, on an annual basis, TCL is required to notify MFM of a proposed shipping schedule for the following year. The Company is required to arrange transportation of purchased concentrates to the Discovery Terminal at the cost of TCL. 95% of the provisional value of any shipment of concentrate is paid upfront within 3 days of certain documents being delivered by the Company to TCL, including a holding certificate and provisional invoice. At the time of the receipt of this first provisional payment title passes to TCL. The purchase price for concentrates produced by the Mine is based on market rates that vary depending on,

among other things, the pricing for the applicable concentrate on the London Metal Exchange, then in effect.

B. Employees

Union and Non-Unionized Labour

48. MFM currently employs approximately 265 employees on an hourly basis (the “**Unionized Employees**”) and 105 salaried employees.

49. The Company’s employees include underground production crews, mill and mobile equipment operators, mechanics, electricians, millwrights, mineral resource management employees, administrative staff, and management.

50. The majority of the Company’s employees reside in the Campbell River or the Courtenay-Comox region and travel to the Mine Site via a company daily chartered bus or personal transportation. A limited number of employees live further afield and stay at the accommodation camp on-site when working at the Mine.

51. The Unionized Employees are represented by Unifor Local 3019 (the “**Union**”).

52. In respect of the Unionized Employees, MFM and Unifor Local 3019, are party to a collective agreement, a copy of which is attached as **Exhibit “F”** (the “**Collective Bargaining Agreement**”).

53. The terms of the Collective Bargaining Agreement expired in September 2023. The Company and the Union have begun negotiations to renew the Collective Bargaining Agreement but have not reached an agreement to date.

Pension Plans

54. Myra Falls is the sole participating employer and the legal administrator with respect to 2 registered pension plans:

- (a) The Nyrstar Myra Falls Ltd., Myra Falls Operations Hourly-paid Employees Pension Plan (the "**DB Plan**") for unionized employees hired before August 1, 2017; and
- (b) The Pension Plan for the Employees of Myra Falls Mine Ltd. (the "**DC Plan**" and together with the DB Plan, the "**Plans**"), for unionized employees hired on or after August 1, 2017, and non-unionized employees.

55. The Plans are registered with the British Columbia Financial Services Authority ("**BC FSA**") pursuant to the *British Columbia Pension Benefits Standards Act*. The Plans are also registered under the *Income Tax Act* (Canada).

56. The DB Plan is closed to new members since August 1, 2017. Based on the most recent actuarial valuation report as of December 31, 2022 prepared by Aon (the "**Valuation Report**"), and filed in September 2023, the DB Plan is in an actuarial excess position from a funding standpoint. As a result, the Company is not required to make contributions to the DB Plan with respect to any solvency deficiency or going concern deficiency, and this year elected to take a contribution holiday with respect to current service contributions to the DB Plan. The Company has recently taken steps to reduce the risk that the DB Plan's assets, including the actuarial excess, are adversely impacted by market volatility. A copy of the Valuation Report is attached as **Exhibit "G"**.

57. During the course of a targeted review of the Plan's contributions to the DC Plan, it was determined that there had been certain contribution issues. These issues relate primarily to Company contributions and to unionized employee contributions and are comprised of a mix

of over and under contribution errors for both the Company and employees. The Company has been working with outside advisors to develop a strategy for correcting these issues and has advised both BC FSA, which is supportive of the Company's proposed approach, and the Union. The Company determined that the best course of action involved the use of proposed new tax rules for correcting contribution errors in defined contribution errors, and the relevant amendments to the *Income Tax Act* (Canada) have recently been passed. Discussions with the Union regarding the errors and subsequent collective bargaining have contributed to delaying the corrections. The Company still needs to consider certain final issues regarding former DC Plan members. However, the Company is preparing to materially rectify the over and under contribution issues during the first and second quarters of 2024.

58. Each of the employees who are members of the DC Plan and the Company make bi-weekly contributions to the DC Plan. At this time, the Company is not seeking authority to discontinue these contributions. For clarity, at this time, the Company is not seeking to change any of its obligations under the DB or DC Plan.

59. In addition, non-union employees have the option to participate in employer matching programs for Group RRSP and an Employee Savings Plan. The Company is not proposing to continue making these payments as part of the CCAA proceedings.

C. First Nations

Wei Wai Kum First Nation and the We Wai Kai First Nation

60. The Mine is located on the traditional territory of the Wei Wai Kum First Nation and the We Wai Kai First Nation and the Company is party to an impact and benefit agreement dated as of February 27, 2023 with these first nations (the "IBA").

61. In addition to the IBA, the Wei Wai Kum First Nation and MFM are party to a lease agreement dated as of January 1, 2022, in connection with the Discovery Terminal, which is located on reserve lands (the "**Discovery Terminal Lease**"). Under the Discovery Terminal Lease, MFM has certain obligations relating to environmental matters. During these CCAA proceedings, the Company intends to make regularly scheduled post-filing payments under the Discovery Terminal Lease while it explores its strategic options.

Other First Nations Groups

62. In addition to the Wei Wai Kum First Nation and the We Wai Kai First Nation, both the K'ómoks First Nation and the Mowachaht/Muchalaht First Nation have asserted rights over parts of the Mine Site. As of the date hereof, MFM is not party to any formal agreements with either of these nations.

D. The Crown

Leases, Licenses and Grants

63. As outlined above, MFM maintains 6 mineral leases and 23 crown grants that are registered with, and administered by, the Province. MFM also holds various PUPs required to provide surface access to Strathcona Park, among other licenses and permits used in connection with the Mine and the Discovery Terminal.

Crown Reclamation Obligations

64. As a condition of obtaining the requisite provincial approvals for its mining operations, the Company was required to post a bond in the amount of \$132,424,500 (the "**Bond**") with the Province to secure performance of any conditions, obligations, or requirements that are imposed under the laws of British Columbia relating to mines that, in the opinion of the

Province, are related to reclamation or protection of, and mitigation or damage to, the land, watercourses or cultural heritage resources effected by the Mine. The Bond has been issued by Trisura Guarantee Insurance Company. MFM, among others, is party to a general agreement of indemnity in favour of Trisura Guarantee Insurance Company, among others, in connection with the Bond.

65. The Company intends for the Bond to remain in place for the benefit of the Province.

Water Lot Lease

66. In addition to its licenses, leases, and grants with the Province, MFM leases from the Province, the water lot (the foreshore and seabed) contiguous with the Discovery Terminal pursuant to a lease agreement dated July 5, 2018.

E. Secured Indebtedness

67. The Company does not have a traditional bank or senior secured lender, and no party maintains a blanket security interest against all of the assets, property, and undertakings of the Company. As outlined above, the Trafigura Group finances the Company's operations on an unsecured basis.

68. The Company has a limited number of creditors with registered financing statements under the *Personal Property Security Act* (British Columbia) that relate to the leasing or financing of equipment and motor vehicles. These creditors are as follows:

- (a) Versatile Leasing Incorporated;
- (b) Toyota Credit Canada Inc.;
- (c) Travelers Leasing Ltd.;

- (d) Sandvik Canada Inc. / Sandvik Financial Services Canada;
- (e) Valiant Financial Services Inc.;
- (f) Amalgamated Mining & Tunnelling Inc.;
- (g) Epiroc Canada Inc.;
- (h) Linde Canada Inc.; and
- (i) Xerox Canada Ltd.

69. A summary of PPSA searches recently obtained against the Company current as of November 24, 2023, is attached hereto as **Exhibit "H"**.

F. Alberta Legacy Well Obligations

70. The Company's assets include 11 legacy oil wells in the province of Alberta (the "**Wells**"). MFM is in the process of undertaking reclamation work in respect of the Wells under the oversight of the Alberta Energy Regulator. The Company intends to continue such work during these CCAA Proceedings, the cost of which is contemplated under the Cash Flow Forecast (as defined below).

G. Trade Payables

71. MFM contracts with a number of suppliers in order to operate and service the Mine and ancillary mine assets and infrastructure (the "**Suppliers**"). Many, although not all, of MFM's Suppliers are based in the Campbell River or the Courtenay-Comox region. MFM has struggled to stay current on its trade payables with some Suppliers currently operating on extended payment terms. As of November 30, 2023, MFM owes its suppliers approximately \$37,556,708.

72. Certain suppliers who are required to operate the Mine (including, when the Mine is in care and maintenance) have advised the Company that they will not continue to provide goods and services absent outstanding invoices being addressed. Some suppliers have recently suspended supplying goods and services, and others have removed equipment from the Mine Site in light of outstanding payables. I expect that further suppliers may seek to exercise remedies against the Company in the coming days absent a stay of proceeding being granted.

V. CCAA PROCEEDINGS

A. Stay of Proceedings

73. The Company produces on average 3700 tons of zinc concentrate every month. It takes approximately 3 months for the Company to aggregate a full shipment of zinc concentrate.

74. Every month that the Mine operates, the Company's financial position deteriorates.

75. The Company completed its last full load of zinc concentrate on December 15, 2023.

76. MFM has limited liquidity, is insolvent and requires a stay of proceedings, in order to provide it with the "breathing room" required to consider its restructuring options and implement a restructuring plan.

77. These restructuring options may include a court-supervised sales and investment solicitation process and / or filing a plan of arrangement or compromise.

78. Concurrently with the commencement of these CCAA proceedings, the Company intends to place the Mine into a state of care and maintenance while it develops a restructuring plan.

79. As part of placing the Mine into care and maintenance, only essential operations at the Mine will continue, including actions intended to maintain environmental compliance, actions intended to secure the Mine Site, and preservation of key Mine infrastructure.

80. A stay of proceedings together with the DIP financing being proposed are essential to transitioning the Mine into care and maintenance and maintaining environmental compliance. In the absence of a stay of proceedings being granted, actions taken by Suppliers (in particular ceasing to supply goods and services to MFM and / or taking enforcement action), will impact the Company's ability to transition the Mine into care and maintenance in an orderly manner. Such an outcome will not only have an adverse effect on the Mine's go-forward value but also may have long-term negative environmental implications.

B. Appointment of Monitor

81. MFM is seeking the appointment of FTI to serve as the proposed Monitor in these proceedings. A copy of the consent of FTI to act as Monitor is attached as **Exhibit "I"** of this my affidavit.

82. I have been advised by Tom Powell, a senior managing director at FTI with carriage of this matter, that FTI is a trustee within the meaning of section 2 of the *Bankruptcy and Insolvency Act* and is not subject to any of the restrictions set out in Section 11.7(2) of the CCAA.

83. I understand that FTI has experience with mandates of this nature, and has previously served as monitor in CCAA proceedings involving mines across Canada. I believe FTI is qualified and competent to act as MFM's Monitor in these CCAA proceedings.

C. DIP Facility

84. In light of the Company's liquidity issues, the Company will require interim financing to cover its go-forward costs including the costs associated with transitioning the Mine into care and maintenance, undertaking restructuring activities, and the payment of professional fees during these CCAA proceedings.

85. Under a DIP term sheet dated December 17, 2023 (the "**DIP Term Sheet**"), the DIP Lender has agreed to establish the DIP Facility in the maximum principal amount of \$21 million for use during these CCAA proceedings. A copy of the DIP Term Sheet is attached hereto as **Exhibit "J"**.

86. During the initial 10 day stay period, availability under the DIP Facility will be limited to the principal amount of \$4 million which is the amount reasonably necessary for the Company's operations until the Comeback Hearing.

87. The DIP Term Sheet contains among other things, the following terms:

- (a) Principal Amount of DIP: \$4 million of initial availability (the "**Initial Maximum Amount**"), and, subject to the satisfaction of certain conditions precedent, an aggregate maximum amount of \$21 million (the "**Maximum Amount**").
- (b) DIP Facility Fee: \$210,000 (representing one 1% of the Maximum Amount).
- (c) Use of Proceeds: (i) to fund the Company's operating expenses and general corporate and working capital requirements during the CCAA proceedings, including the costs associated with transitioning the Mine into care and maintenance, and (ii) to fund the administrative expenses of the CCAA proceedings.

- (d) Interest: an annual rate equal to 11%.
- (e) DIP Charge: The DIP Facility requires a super-priority ranking charge (the "**DIP Lender's Charge**") against all of the current and future assets, undertakings and property of the Company in favour of the DIP Lender. The DIP Lender's Charge will not secure any amount owed to the Trafigura Group as of the date of commencement of these proceedings.

D. Cash Flow Forecast

88. The Company, with the assistance of the Proposed Monitor, has prepared a 13-week cash flow forecast (the "**Cash Flow Forecast**"). The Cash Flow Forecast assumes that the Mine will transition into care and maintenance immediately. The transition is expected to take approximately 2 months.

E. Post-Filing Payments to Employees

89. Transitioning the Mine to care and maintenance will not require the full complement of MFM's existing workforce, and only a limited number of employees will be needed for this process (collectively the "**Remaining Employees**").

90. The Company will require the services of no more than 17 salaried employees and 20 unionized employees to transition the Mine to care and maintenance. Starting at or around February 16, 2024, the services of most of the Remaining Employees will not be required. The Company will continue to pay the Remaining Employees until the date their services are no longer required.

91. The current circumstances of the Company do not allow the Company to provide full working notice to its employees. Given the unique circumstances and timing of the transition,

and in recognition of the hardship that terminated or temporarily laid off employees will experience, the Company currently intends, even if it is not required to do so, to pay 2 additional weeks of wages or salaries to these terminated / or temporarily laid off employees, on the next pay cycle following their termination or temporary layoff (the "**Initial Hardship Payment**").

92. As part of the Comeback Hearing, in order to ensure a smooth and safe transition of the Mine into care and maintenance, the Company intends to seek an Order from the Court authorizing the Company to supplement the Initial Hardship Payment, by paying terminated / or temporarily laid off employees, with a further 6 weeks of wages or salaries (the "**Supplemental Hardship Payment**").

93. The Company intends to maintain health and welfare insurance benefits for its unionized employees in accordance with the CBA, and for its salaried employees for a period of 2 weeks following their effective date of termination or temporary layoff.

F. Charges

Administration Charge

94. It is contemplated under the form of Initial Order being sought by the Company that the Proposed Monitor, along with its counsel, and counsel to the Company will be granted a Court-ordered charge in the amount of \$350,000 (the "**Administration Charge**") during the initial 10 day stay period, as security for their fees and disbursements incurred at their standard rates and charges.

95. I believe that the amount of the proposed Administration Charge is the amount reasonably necessary for the initial 10 day stay period to ensure the continued participation of the proposed beneficiaries of the Administration Charge, whose expertise, knowledge and assistance will be critical to the success of these CCAA proceedings.

96. The Company has worked with the Monitor to develop the proposed amount of the Administration Charge, which I believe is fair and reasonable in the circumstances.

97. I do not believe that there is any unwarranted duplication of roles between the proposed beneficiaries of the Administration Charge.

98. MFM intends to seek an increase in the maximum amount of the Administration Charge to \$800,000 at the Comeback Hearing.

D&O Charge

99. MFM's sole director and the Company's officers have invaluable experience pertaining to aspects of MFM's operations, suppliers, employees, and other stakeholders. That experience cannot be replicated or easily replaced, and will be, in my view, critical to helping (i) place the Mine into care and maintenance (ii) determine a way forward as part of these proceedings.

100. The proposed Initial Order provides for a \$650,000 Court-ordered charge over the assets, property and undertaking of the Company (the "**D&O Charge**") to indemnify the Company's sole director and the Company's officers in respect of liabilities they may incur during the CCAA proceedings in their capacities as directors and officers in the initial 10 day period.

101. The amount of the proposed D&O Charge has been determined by the Company, with the assistance of the Proposed Monitor, is supported by the DIP Lender, and reflects the quantum of the Company's directors' and officers' potential statutory liabilities for a 10 day period.

102. I understand that the Company's sole director and officers benefit from director and officer insurance pursuant to a Trafigura Group level insurance policy that covers directors and officers of multiple companies (the "**Group D&O Policy**"). The Company's officers and sole director have requested the protection of the D&O Charge in respect of post-filing obligations of MFM for which they could be personally liable, should the Group D&O Policy not be sufficient to protect against such liabilities.

103. The Company intends to seek an increase in the maximum amount of the D&O Charge at the Comeback Hearing to \$1,200,000.

DIP Lender's Charge

104. The DIP Facility is conditional upon an order of this Court, among other things, approving the amount and priority of the DIP Lender's Charge.

105. As outlined above, during the initial 10 day stay period availability under the DIP Facility will be limited to the Initial Maximum Amount. The form of Initial Order being sought by MFM contemplates a DIP Lender's Charge in this amount.

106. I am of the belief that the amount of the proposed DIP Lender's Charge is reasonably necessary for the initial 10 day stay period and is supported by the Cash Flow Forecast prepared with the assistance and review of the Proposed Monitor.

107. At the Comeback Hearing, MFM intend to seek an increase in the amount and the priority of the DIP Lender's Charge to the Maximum Amount.

Priorities of Charges

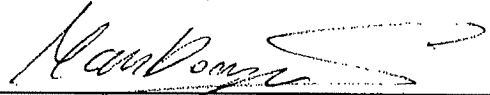
108. It is contemplated by the Company that the Charges will be against all of the Company's current and future assets, undertakings and property, and will have the following priorities as between them:

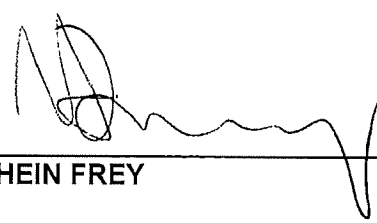
- (a) First – the Administration Charge;
- (b) Second – the D&O Charge; and
- (c) Third – the DIP Lender's Charge.

VI. CONCLUSION

109. The relief requested in the proposed Initial Order is limited to relief that is reasonably necessary for the operations of MFM during the initial 10-day stay period.

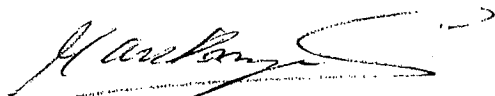
AFFIRMED BEFORE ME at Vancouver, BC,)
on December 17, 2023.)


 _____)
 A Commissioner for taking Affidavits within)
 British Columbia.)


 _____)
HEIN FREY

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

This is Exhibit "A" referred to in the Affidavit #1
of **HEIN FREY**, sworn before me at Vancouver, BC, this
17 day of December, 2023.



A Commissioner for taking Affidavits in British Columbia



BC Company Summary For MYRA FALLS MINE LTD.

Date and Time of Search: November 24, 2023 10:11 AM Pacific Time
Currency Date: June 06, 2023

ACTIVE

Incorporation Number: C0989527
Name of Company: MYRA FALLS MINE LTD.
Business Number: 871209060 BC0004
Recognition Date and Time: Continued into British Columbia on December 27, 2013 09:21 AM Pacific Time In Liquidation: No
Last Annual Report Filed: December 27, 2022 Receiver: No

PREVIOUS FOREIGN JURISDICTION INFORMATION

Identifying Number in Foreign Jurisdiction: 8226385 Name in Foreign Jurisdiction: NYRSTAR MYRA FALLS LTD.
Date of Incorporation, Continuation or Amalgamation in Foreign Jurisdiction: September 01, 2012 Foreign Jurisdiction: FEDERAL

EXTRAPROVINCIAL REGISTRATION INFORMATION

Previous Registration Number in BC: A0087648 Extraprovincial Company's Name in BC: NYRSTAR MYRA FALLS LTD.

COMPANY NAME INFORMATION

Previous Company Name: NYRSTAR MYRA FALLS LTD. Date of Company Name Change: March 24, 2021

REGISTERED OFFICE INFORMATION

Mailing Address: 2900 - 550 BURRARD STREET VANCOUVER BC V6C 0A3 CANADA
Delivery Address: 2900 - 550 BURRARD STREET VANCOUVER BC V6C 0A3 CANADA

RECORDS OFFICE INFORMATION

Mailing Address:
2900 - 550 BURRARD STREET
VANCOUVER BC V6C 0A3
CANADA

Delivery Address:
2900 - 550 BURRARD STREET
VANCOUVER BC V6C 0A3
CANADA

DIRECTOR INFORMATION

Last Name, First Name, Middle Name:
Sciazko, Maciej

Mailing Address:
1 RUE DE JARGONNANT
GENEVA 1207
SWITZERLAND

Delivery Address:
1 RUE DE JARGONNANT
GENEVA 1207
SWITZERLAND

OFFICER INFORMATION AS AT December 27, 2022

Last Name, First Name, Middle Name:
Foulstone, Adam

Office(s) Held: (Other Office(s))

Mailing Address:
PO BOX 8000
CAMPBELL RIVER BC V9W 5E2
CANADA

Delivery Address:
2451 SPIT ROAD
CAMPBELL RIVER BC V9W 6E3
CANADA

OFFICER INFORMATION AS AT December 27, 2022

Last Name, First Name, Middle Name:
Singer, Iain


Office(s) Held: (Secretary)

Mailing Address:
1441 23RD STREET SW
CALGARY AB T3C 1H5
CANADA

Delivery Address:
1441 23RD STREET SW
CALGARY AB T3C 1H5
CANADA

OFFICER INFORMATION AS AT December 27, 2022

This is Exhibit "B" referred to in the Affidavit #1
of **HEIN FREY**, sworn before me at Vancouver, BC, this
17 day of December, 2023.



A Commissioner for taking Affidavits in British Columbia

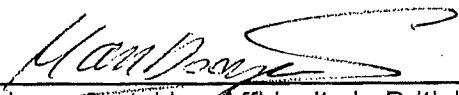


Statement of financial position

	September 30, 2023	September 30, 2022
ASSETS	<i>CAD' 000</i>	<i>CAD' 000</i>
Current		
Cash and cash equivalents	2,653.9	14,387.4
Other receivables	845.8	662.8
Prepayments	4,449.3	3,761.5
Inventory	21,191.7	23,784.7
Total Current Assets	29,140.8	42,596.3
Non-current		
Mineral property, plant & equipment	184,207.4	184,217.6
Intangible assets	52.3	103.9
Other assets	616.4	591.9
Total Non-Current Assets	184,876.1	184,913.3
Total Assets	214,016.9	227,509.6
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable	47,206.3	21,513.1
Other liabilities	2,388.7	1,363.4
Loans and borrowings	174,193.9	151,131.6
Total Current Liabilities	223,788.9	174,008.1
Non-Current		
Loans and borrowings	59.5	76.8
Site closure and reclamation provision	100,370.3	106,089.3
Other liabilities	1,754.6	2,282.1
Total Non-Current Liabilities	102,184.3	108,448.1
Total Liabilities	325,973.2	282,456.2
Shareholders' Equity		
Share capital	593,321.8	593,321.8
Retained earnings	(705,278.1)	(648,268.4)
Total Shareholders' Equity	(111,956.3)	(54,946.6)
Total Liabilities and Shareholders' Equity	214,016.9	227,509.6

Statement of profit and loss	Twelve months ended Sept 30, 2023	Twelve months ended Sept 30, 2022
	<i>CAD' 000</i>	<i>CAD' 000</i>
Revenue	148,358.2	161,683.5
Cost of sales	(201,975.8)	(170,130.4)
Gross loss	(53,617.6)	(8,446.9)
Other income	231.0	275.6
Other expenses	(97.5)	(121.7)
Operating loss	(53,484.1)	(8,292.9)
Finance income	4,657.6	291.7
Finance expenses	(8,183.2)	(4,326.4)
Income profit / (loss) before income tax	(57,009.7)	(12,327.6)
Income tax expenses	-	-
Loss for the period	(57,009.7)	(12,327.6)

This is Exhibit "C" referred to in the Affidavit #1 of **HEIN FREY**, sworn before me at Vancouver, BC, this 17 day of December, 2023.



A Commissioner for taking Affidavits in British Columbia

Classified as: PRIVATE AND CONFIDENTIAL

10 NOVEMBER 2020

FACILITY AGREEMENT

between

TRAFIGURA PTE. LTD

as the Lender

and

NYRSTAR MYRA FALLS LTD

as the Borrower

Message is: PRIVATE AND CONFIDENTIAL

This **FACILITY AGREEMENT** (this "**Agreement** ") is made as a deed on 10 November 2020 between:

- (1) **Trafigura Pte Ltd**, a company incorporated and registered in Singapore, with its registered address at 10 Collyer Quay #29-00 Ocean Financial Centre, Singapore 049315 (the "**Lender**"); and
- (2) **Nyrstar Myra Falls Ltd**, a private limited company incorporated under the laws of Canada, having its registered office at 2900 - 550 Burrard Street, Vancouver BC V6C 0A3, Canada (the "**Borrower**").

WHEREAS:

The Lender made certain loan facilities available to the Borrower on terms and conditions set out herein.

THIS DEED HEREBY WITNESSES:

1. DEFINITIONS AND INTERPRETATION

Definitions in this agreement, unless the context suggests otherwise:

"**Advance**" means the principal amount of each borrowing by the Borrower under this Agreement or (as the context requires) the principal amount thereof from time to time outstanding hereunder (together, the "**Advances**");

"**Available Commitment**" means, at any time, the Commitment less the amount of the Loan at that time;

"**Availability Period**" means the period commencing on the date of this Agreement and terminating on the earlier of:

- (a) that date falling one (1) month before the Termination Date; and
- (b) the date on which the Commitment is terminated or cancelled in full, (both dates inclusive);

"**Business Day**" means a day when commercial banks are open for general business in Geneva, London, Toronto and New York;

"**Commitment**" means the obligation of the Lender to make available Advances to the Borrower up to an amount specified in Clause 3.1, as such amount may be reduced, terminated or cancelled in accordance with the terms of this Agreement;

"**Interest Period**" means, unless the Lenders and the Borrower agree otherwise, one calendar month, provided that if an interest period would end on a day, which is not a Business Day, such interest period shall end on the immediately following Business Day;

"**CORRA Rate**" means the Canadian Overnight Repo Rate Average displayed on the appropriate page of the Bank of Canada website on the first day of each interest period. If the said page is replaced or service ceases to be available, the Lender may specify another page or service establishing the appropriate rate;

"**Loan**" means the principal amount for the time being outstanding under this Agreement;

"**STWACD**" means the Short Term Weighted Average Cost of Debt of the Lender;

Classified as: PRIVATE AND CONFIDENTIAL.

"Termination Date" means the date as is specified by either party serving on the other a minimum of 30 days prior notice in writing to terminate. Notwithstanding the Lender may terminate this agreement at any time.

2. EFFECTIVE DATE

This Agreement shall have effect and apply from 01 October 2020 (the **"Effective Date"**).

3. FACILITY

3.1 Facility

- (a) The Lender established in favour of the Borrower, and the Borrower accepted, uncommitted facility by way making available to the Borrower on demand loans (the **"Facility"**) in the aggregate amount of up to CAD 40,000,000.00 (the **"Facility Amount"**).

3.2 Utilisations

- (a) The Borrower may utilise the Facility in multiple drawdowns provided always that the Facility remains uncommitted and the Lender shall have no obligation to lend.

3.3 Repayment of the Facility

The Borrower shall repay the facility on demand by the Lender, the Facility to be repaid in full or in such part, as the Lender may specify, without any deduction, set-off or counterclaim in immediately available cleared funds.

4. DRAWDOWN

4.1 Request for Advance.

Subject to the following conditions, the Borrower may request an Advance to be made by ensuring that the Lender receives a satisfactory request to draw on the date of drawdown.

4.2 Availability.

The conditions referred to in Clause 4.1 are that:

- a Drawdown Date has to be a Business Day during the Availability Period;
- the aggregate amount of the Advances and the Advance then to be made shall not exceed the Commitment.

5. INTEREST AND INTEREST PERIODS

5.1 Interest

- (a) Interest on any outstanding Loan under the Facility shall accrue on a daily basis on the outstanding loan balance.
- (b) Subject to paragraph (a) above, the rate of interest applicable to each Advance for each Interest Period relating thereto shall be a rate per annum equal to the aggregate of the CORRA Rate and STWACD and shall be payable in accordance with this Agreement.

5.2 Payment of interest.

The Borrower shall pay interest in respect of the outstanding loan amount at the end of the Interest Period or at any other agreed time between the Lender and the Borrower.

6. LAW AND JURISDICTION

This Agreement and its formation, construction and validity and any dispute arising out of or in connection with it shall be governed by the laws of England.

Classified as: PRIVATE AND CONFIDENTIAL

7. COUNTERPARTS

This Agreement may be executed in any number of counterparts, each of which is an original and which, together, has the same effect as if the signatures on the counterparts were on a single copy of this Agreement.


Execution page follows

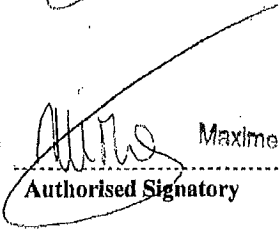
Classified as PRIVATE AND CONFIDENTIAL

EXECUTION PAGE

The Lender:

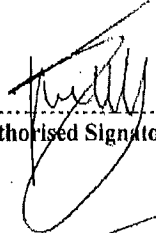
Executed as a deed on behalf of Trifigura Pte Ltd, a company incorporated in Singapore, by _____, and _____ being persons who, in accordance with the laws of that territory, are acting under the authority of the company:

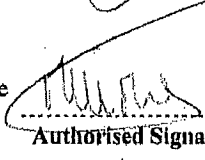
Signature  Tom Wells
Authorised Signatory

Signature  Maxime Vimont
Authorised Signatory

The Borrower:

Executed as a deed on behalf of Nyrstar Myra Falls Ltd, a company incorporated in Canada, by _____, and _____ being persons who, in accordance with the laws of that territory, are acting under the authority of the company:

Signature  Tom Wells
Authorised Signatory

Signature  Maxime Vimont
Authorised Signatory

THIS AGREEMENT is dated 5 May 2021

BETWEEN:

1. **TRAFIGURA PTE LTD**, a company incorporated and registered in Singapore, with its registered address at 10 Collyer Quay #29-00 Ocean Financial Centre, Singapore 049315 (the "**Lender**"); and
2. **Nyrstar Myra Falls Ltd**, a private limited company incorporated under the laws of Canada, having its registered office at 2900 - 550 Burrard Street, Vancouver BC V6C 0A3, Canada (the "**Borrower**")

BACKGROUND

- (A) The Borrower and the Lender entered into a facility agreement dated 10 November 2020 pursuant to which the Lender agreed to make available to the Borrower a loan ("**Original Facility Agreement**").
- (B) The parties have agreed to amend the Original Facility Agreement as set out in this agreement.
- (C) This agreement is supplemental to the Original Facility Agreement.

IT IS AGREED

1. Interpretation

- a. Terms defined in the Original Facility Agreement shall have the same meaning when used in this agreement unless otherwise stated herein.
- b. The rules of interpretation of the Original Facility Agreement shall apply to this agreement as if set out in this agreement save that references in the Original Facility Agreement to "this agreement" shall be construed as references to this agreement.
- c. Unless the context otherwise requires, references in the Original Facility Agreement to "this agreement" shall be to the Original Facility Agreement as amended by this agreement.
- d. The following definition shall apply in this agreement:

"**Amended Facility Agreement**" means the Original Facility Agreement as amended by this agreement.

2. Amendments to the Original Facility Agreement

- a. The Original Facility Agreement shall be amended with effect on and from 1 May 2021 (the "**Effective Date**").
- b. Clause 3.1.(a) shall be amended and read as follows: 'The Lender established in favour of the Borrower, and the Borrower accepted, uncommitted facility by way making available to the Borrower on demand loans (the "**Facility**") in the aggregate amount of up to CAD 60,000,000.00 (the "**Facility Amount**").'

3. Continuity

- a. The provisions of the Original Facility Agreement shall, save as amended in this agreement, continue in full force and effect, and shall be read and construed as one document with this agreement.

4. Governing law and Jurisdiction

- a. This agreement and any non-contractual obligations arising out of or in connection with it are governed by English law.
- b. The Parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no Party will argue to the contrary.

This Agreement has been entered into on the date stated at the beginning of this Agreement.

EXECUTION PAGE

SIGNED by



Tom Walk
Authorized Signatory

.....

for and on behalf of **Trafigura Pte Ltd**



Maxime Vimont

.....

SIGNED by



Tom Walk
Authorized Signatory

.....


for and on behalf of **Nyrstar Myra Falls Ltd**



Maxime Vimont

.....

This is Exhibit "D" referred to in the Affidavit #1
of **HEIN FREY**, sworn before me at Vancouver, BC, this
17 day of December, 2023.



A Commissioner for taking Affidavits in British Columbia

Classified as PRIVATE AND CONFIDENTIAL.

10 NOVEMBER 2020

FACILITY AGREEMENT

between

TRAFIGURA PTE. LTD
as the Lender

and

NYRSTAR MYRA FALLS LTD
as the Borrower

Classified as: PRIVATE AND CONFIDENTIAL

This **FACILITY AGREEMENT** (this "**Agreement** ") is made as a deed on 10 November 2020 between:

- (1) **Trafigura Pte Ltd**, a company incorporated and registered in Singapore, with its registered address at 10 Collyer Quay #29-00 Ocean Financial Centre, Singapore 049315 (the "**Lender**"); and
- (2) **Nyrstar Myra Falls Ltd**, a private limited company incorporated under the laws of Canada, having its registered office at 2900 - 550 Burrard Street, Vancouver BC V6C 0A3, Canada (the "**Borrower**").

WHEREAS:

The Lender made certain loan facilities available to the Borrower on terms and conditions set out herein.

THIS DEED HEREBY WITNESSES:

1. DEFINITIONS AND INTERPRETATION

Definitions in this agreement, unless the context suggests otherwise:

"**Advance**" means the principal amount of each borrowing by the Borrower under this Agreement or (as the context requires) the principal amount thereof from time to time outstanding hereunder (together, the "**Advances**");

"**Available Commitment**" means, at any time, the Commitment less the amount of the Loan at that time;

"**Availability Period**" means the period commencing on the date of this Agreement and terminating on the earlier of:

- (a) that date falling one (1) month before the Termination Date; and
- (b) the date on which the Commitment is terminated or cancelled in full, (both dates inclusive);

"**Business Day**" means a day when commercial banks are open for general business in Geneva, London, Toronto and New York;

"**Commitment**" means the obligation of the Lender to make available Advances to the Borrower up to an amount specified in Clause 3.1, as such amount may be reduced, terminated or cancelled in accordance with the terms of this Agreement;

"**Interest Period**" means, unless the Lenders and the Borrower agree otherwise, one calendar month, provided that if an interest period would end on a day, which is not a Business Day, such interest period shall end on the immediately following Business Day;

"**LIBOR Rate**" means the British Bankers' Association Interest Settlement Rate displayed on the appropriate page of the Reuters screen as of 11.00am on the first day of each interest period for the offering of deposits in USD for a period of one week. If the said page is replaced or service ceases to be available, the Lender may specify another page or service establishing the appropriate rate;

"**Loan**" means the principal amount for the time being outstanding under this Agreement;

"**STWACD**" means the Short Term Weighted Average Cost of Debt of the Lender;

Classified as: PRIVATE AND CONFIDENTIAL

"Termination Date" means the date as is specified by either party serving on the other a minimum of 30 days prior notice in writing to terminate. Notwithstanding the Lender may terminate this agreement at any time.

2. EFFECTIVE DATE

This Agreement shall have effect and apply from 01 October 2020 (the **"Effective Date"**).

3. FACILITY

3.1 Facility

(a) The Lender established in favour of the Borrower, and the Borrower accepted, uncommitted facility by way making available to the Borrower on demand loans (the **"Facility"**) in the aggregate amount of up to USD 10,000,000.00 (the **"Facility Amount"**).

3.2 Utilisations

(a) The Borrower may utilise the Facility in multiple drawdowns provided always that the Facility remains uncommitted and the Lender shall have no obligation to lend.

3.3 Repayment of the Facility

The Borrower shall repay the facility on demand by the Lender, the Facility to be repaid in full or in such part, as the Lender may specify, without any deduction, set-off or counterclaim in immediately available cleared funds.

4. DRAWDOWN

4.1 Request for Advance.

Subject to the following conditions, the Borrower may request an Advance to be made by ensuring that the Lender receives a satisfactory request to draw on the date of drawdown.

4.2 Availability.

The conditions referred to in Clause 4.1 are that:

- a Drawdown Date has to be a Business Day during the Availability Period;
- the aggregate amount of the Advances and the Advance then to be made shall not exceed the Commitment.

5. INTEREST AND INTEREST PERIODS

5.1 Interest

- (a) Interest on any outstanding Loan under the Facility shall accrue on a daily basis on the outstanding loan balance.
- (b) Subject to paragraph (a) above, the rate of interest applicable to each Advance for each Interest Period relating thereto shall be a rate per annum equal to the aggregate of the LIBOR Rate and STWACD and shall be payable in accordance with this Agreement.

5.2 Payment of interest.

The Borrower shall pay interest in respect of the outstanding loan amount at the end of the Interest Period or at any other agreed time between the Lender and the Borrower.

6. LAW AND JURISDICTION

This Agreement and its formation, construction and validity and any dispute arising out of or in connection with it shall be governed by the laws of England.

SECTION 001 PRIVATE AND CONFIDENTIAL

7. COUNTERPARTS

This Agreement may be executed in any number of counterparts, each of which is an original and which, together, has the same effect as if the signatures on the counterparts were on a single copy of this Agreement.

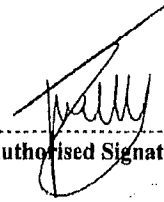
Execution page follows

Classified as: PRIVATE AND CONFIDENTIAL

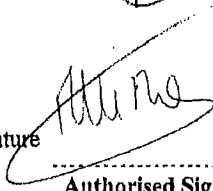
EXECUTION PAGE

The Lender:

Executed as a deed on behalf of Trafigura Pte Ltd, a company incorporated in Singapore, by _____, and _____ being persons who, in accordance with the laws of that territory, are acting under the authority of the company:

Signature  Tom Wells


Authorised Signatory

Signature  Maxime Vimont

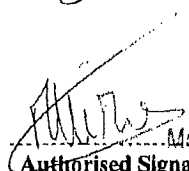
Authorised Signatory

The Borrower:

Executed as a deed on behalf of Nyrstar Myra Falls Ltd, a company incorporated in Canada, by _____, and _____ being persons who, in accordance with the laws of that territory, are acting under the authority of the company:

Signature  Tom Wells

Authorised Signatory

Signature  Maxime Vimont

Authorised Signatory

THIS AGREEMENT is dated 5 May 2021

BETWEEN:

1. **TRAFIGURA PTE LTD**, a company incorporated and registered in Singapore, with its registered address at 10 Collyer Quay #29-00 Ocean Financial Centre, Singapore 049315 (the "**Lender**"); and
2. **Nyrstar Myra Falls Ltd**, a private limited company incorporated under the laws of Canada, having its registered office at 2900 - 550 Burrard Street, Vancouver BC V6C 0A3, Canada (the "**Borrower**")

BACKGROUND

- (A) The Borrower and the Lender entered into a facility agreement dated 10 November 2020 pursuant to which the Lender agreed to make available to the Borrower a loan ("**Original Facility Agreement**").
- (B) The parties have agreed to amend the Original Facility Agreement as set out in this agreement.
- (C) This agreement is supplemental to the Original Facility Agreement.

IT IS AGREED

1. Interpretation

- a. Terms defined in the Original Facility Agreement shall have the same meaning when used in this agreement unless otherwise stated herein.
- b. The rules of interpretation of the Original Facility Agreement shall apply to this agreement as if set out in this agreement save that references in the Original Facility Agreement to "this agreement" shall be construed as references to this agreement.
- c. Unless the context otherwise requires, references in the Original Facility Agreement to "this agreement" shall be to the Original Facility Agreement as amended by this agreement.
- d. The following definition shall apply in this agreement:

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2. Amendments to the Original Facility Agreement

- a. The Original Facility Agreement shall be amended with effect on and from 1 May 2021 (the "**Effective Date**").
- b. Clause 3.1.(a) shall be amended and read as follows: 'The Lender established in favour of the Borrower, and the Borrower accepted, uncommitted facility by way making available to the Borrower on demand loans (the "**Facility**") in the aggregate amount of up to USD 12,000,000.00 (the "**Facility Amount**").'

3. Continuity

- a. The provisions of the Original Facility Agreement shall, save as amended in this agreement, continue in full force and effect, and shall be read and construed as one document with this agreement.

4. Governing law and Jurisdiction

- a. This agreement and any non-contractual obligations arising out of or in connection with it are governed by English law.
- b. The Parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no Party will argue to the contrary.

This Agreement has been entered into on the date stated at the beginning of this Agreement.

EXECUTION PAGE

SIGNED by


Tim Walk
Authorized Signatory

.....

for and on behalf of **Trafigura Pte
Ltd**


Maximo Vimon

.....

SIGNED by


Tim Walk
Authorized Signatory

.....

for and on behalf of **Nyrstar Myra
Falls Ltd**


Maximo Vimon

.....

This is Exhibit "E" referred to in the Affidavit #1
of **HEIN FREY**, sworn before me at Vancouver, BC, this
17 day of December, 2023.



A Commissioner for taking Affidavits in British Columbia

LONG TERM CREDIT AGREEMENT

By and between

Breakwater Resources Ltd.

(as Lender)

and

8277974 Canada Ltd.

(as Borrower)

CAD 60,000,000.00

dated

August 31, 2012

This Long Term Loan Agreement is entered into on August 31, 2012 by and between

1. The Borrower

8277974 Canada Ltd., a Canadian corporation, having an office at 2840 - 650 West Georgia Street, Vancouver, British Columbia, Canada V6B 4N8 (the "**Borrower**"); and

2. The Lender

Breakwater Resources Ltd., a Canadian corporation, having its registered office at 2900 - 550 Burrard Street, Vancouver, British Columbia, Canada V6C 0A3 (the "**Lender**").

3. Definitions

- "Business Day" means a day, not being a Saturday or a Sunday on which banks and financial markets in the Eurozone and Canada are open for business.
- "Events of Default" has the meaning given in article 10.
- "Due Date" means the date an obligation needs to be paid

4. Credit facilities

- The Lender makes available to the Borrower an unsecured long term facility with a principal amount not to exceed CAD 60,000,000.00 (sixty million Canadian Dollars); subordinated to 3rd party debt; pari passu to other intercompany debt.
- Purpose: Partial payment for the acquisition of all outstanding shares of NVI Holdings Ltd.
- Interest:
 - interest rate: 12 months CDOR rate, fixed two Business Days prior to the start of each annual interest period, plus a margin of 395 basis points per annum;
 - payable at the end of each interest period of 12 months (the "Due Date");
 - shall be calculated on the basis of the actual number of days elapsed and a year of 360 days.
- Payments: all payments under or in respect of this Agreement will be made for value on the Due Date in CAD to the bank account of the Lender, as the Lender may from time to time instruct the Borrower in writing.

If any payment becomes due on a day which is not a Business Day, the Due Date of such payment will be extended to the next succeeding Business Day, or if that Business Day falls in the following calendar month, on the preceding Business Day.

5. Duration of above facilities

20 years from August 31, 2012, repayable at maturity date on August 31, 2032.

6. Early repayment by the Borrower

The Borrower may prepay the whole or any part (being an amount of CAD 10 million or any multiple of that amount) of the available facility plus applicable interest three months after giving notice of the prepayment to the lender.

7. Early Demand by the Lender

The Lender may demand payment from the Borrower of the whole or any part (being an amount of CAD 10 million or any multiple of that amount) of the available facility at any time during the duration of the facility and the amount demanded plus applicable interest is payable by the Borrower three months after the date of the demand.

8. Covenants

The Borrower shall ensure that at all times the obligations of the Borrower under this Agreement rank at least pari passu with the claims of all its other unsecured and unsubordinated creditors, except those creditors whose claims are mandatorily preferred by laws applying to companies generally.

9. Representations & Warranties

The Borrower represents and warrants to the Lender that the making and performance of this Agreement has been duly authorised by all necessary corporate action of the Borrower and does not contravene any provision of any applicable law or the Bylaws of the Borrower and will not result in a breach of or constitute a default under any contractual restriction.

10. Events of Default

- If any of the following events ("Events of Default") shall occur and be continuing:
 - (i) the Borrower, after a remedy period of 15 days from such due date, shall fail to pay any amount of principal of, or interest on, or any other amount due hereunder, when same becomes due and payable in accordance with the terms hereof; or

- (II) any representation or warranty made or deemed made by the Borrower (or any of its officers) under or in connection with this Agreement shall prove to have been incorrect in any material respect when made and such incorrectness is incapable or remedy within 30 days hereafter; or
- (III) the Borrower shall fail to perform or observe any of the terms and conditions and/or covenants contained in this Agreement and (if capable of remedy) such failure is not remedied within 30 days after its occurrence; or
- (IV) a material adverse change in the financial condition, operations or assets of the Borrower; or
- (V) The Lender ceases to (directly or indirectly) own or control the Borrower or its successor entity,

then, and in any such event, the Lender may upon notice in writing to the Borrower immediately terminate its commitment and declare all advances hereunder to be due and payable; the unpaid principal amount of such advance together with accrued interest to the date of declaration and all other amounts due hereunder shall become immediately due and payable without presentment, demand, protest, or other notice of any kind, all of which are hereby expressly waived by the Borrower.

- The Borrower shall hold the Lender harmless of and indemnify the Lender against any losses or expenses, which the Lender may sustain or incur as a direct and foreseeable consequence of any Event of Default by the Borrower as stipulated herein above.

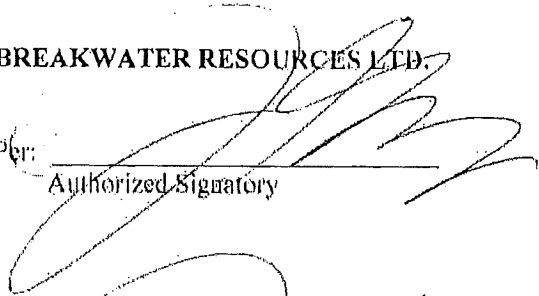
11. Place of Jurisdiction and applicable law

The laws of the Province of British Columbia shall govern all legal aspects of the relationship between the Borrower and the Lender. The place of performance and the exclusive place of jurisdiction for lawsuits and all other kinds of legal proceedings shall be the domicile of the Lender.

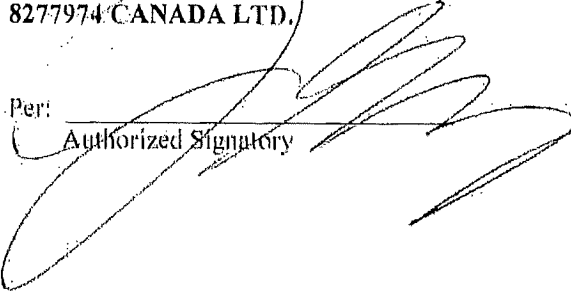
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Made in Vancouver, British Columbia in two copies on August 31, 2012.

BREAKWATER RESOURCES LTD.

Per: 
Authorized Signatory

8277974 CANADA LTD.

Per: 
Authorized Signatory

AMENDMENT 1 TO THE LONG TERM CREDIT AGREEMENT

THIS AMENDMENT (the "Amendment") is entered into on 30 September , 2021 between:

- (1) **BREAKWATER RESOURCES LTD.**, a company organised and existing under the laws of British Columbia, Canada, having its registered office at 2900 - 550 Burrard Street, Vancouver, BC V6C 0A3 (the "Lender"); and
- (2) **MYRA FALLS MINE LTD.**, a company organised and existing under the laws of incorporated in British Columbia, Canada, having its registered office at 2900 - 550 Burrard Street, Vancouver, BC V6C 0A3 (the "Borrower");

The Lender and the Borrower are hereinafter jointly referred to as the "Parties".

WHEREAS

- A. Parties entered into a Long Term Credit Agreement on August 31, 2012 (the "Agreement") whereby the Lender has agreed to make available to the Borrower a maximum amount of CAD 60,000,000,000 on the terms and conditions as set out therein.
- B. Parties have agreed to amend the Agreement to, i) increase the principal amount of the credit facility and, ii) to make the credit facility non-interest bearing.

The capitalized terms in this Amendment shall have the same meaning as set out in the Agreement. Any reference to a Clause in this Amendment shall mean a reference to such Clause in the Agreement.

IT IS HEREBY AGREED as follows:

1. AMENDMENT OF CLAUSE 4 OF THE AGREEMENT

Parties agree that Clause 4 shall be amended and restated as follows:

i. Clause 4, first bullet point,

The Lender makes available to the Borrower an unsecured long term facility with a principal amount not to exceed CAD 76,343,906 (sixty seven million three hundred forty three thousand and nine hundred and six Canadian Dollars); subordinated to 3rd party debt; pari passu to other intercompany debt.

ii. Clause 4, third bullet point,

Interest:


- shall not bear interest.


2. All provisions of the Agreement which are not expressly modified under this Amendment, will remain in full force and effect. Any reference to the Agreement will mean the original Agreement as amended by this Amendment.

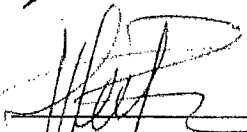
3. In the event of inconsistency between this Amendment and the Agreement, the terms stipulated in this Amendment shall prevail.
4. This Amendment shall be effective as of 1 October 2020.
5. This Amendment may be executed in counterparts, each of which shall constitute an original document but all such counterparts shall constitute one and the same instrument.
6. This Amendment and any non-contractual obligations arising out of or in relation to this Amendment shall be governed by and construed in accordance with the laws of the Province of British Columbia, Canada.

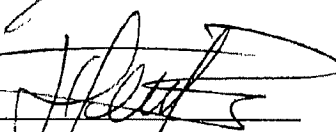
**The Lender,
Breakwater Resources Ltd.**

**The Borrower,
Myra Falls Mine Ltd.**



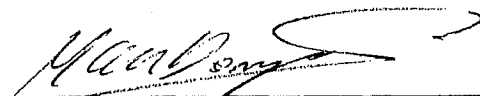
Name: Maciej SCIAZKO
Title: Director

Name: Maciej SCIAZKO
Title: Director

Name: Emmanuel HENRY
Title: Director

Name: Emmanuel HENRY
Title: Director

This is Exhibit "F" referred to in the Affidavit #1
of **HEIN FREY**, sworn before me at Vancouver, BC, this
17 day of December, 2023.



A Commissioner for taking Affidavits in British Columbia

AGREEMENT

BETWEEN:

BETWEEN:

MYRA FALLS MINE LTD.

(hereafter referred to as the "Company")

AND:

UNIFOR LOCAL 3019

(hereafter referred to as the "Union")

Article 1

PREAMBLE

The parties to this Agreement recognize it is in their mutual interest to promote, as fully as possible, conditions of safety to the employee, economy of the operation and protection of property. These conditions can best be maintained by harmonious relations between the Company and the employees and by the settlement, in an amicable manner, of all disputes which may arise. The Company and the employees shall cooperate fully for their mutual benefit.

To assist facilitation of the above, a monthly Union-Management meeting will be held to discuss all issues of mutual importance. The meeting will be convened at 1 pm on the first Thursday of every second month or on the mutually-agreed day which is the least disruptive to the efficient operation of Myra Falls. Union participants will be limited to **executive officers** plus the Chairman of the Grievance Committee and the Union Co-Chairman of the Joint Occupational Health and Safety Committee. In the event that the National Representative of **Unifor** wishes to attend the meeting, he is welcome to do so, provided that no less than ten (10) days' notice is provided. In the event that the National Representative does attend, the Company reserves the right to have corporate representation from the Company attend. Agenda items will be exchanged three days prior to each meeting. In the event that no agenda items are submitted within the three-day timeframe, no meeting will be held for the month.

Article 2

EMPLOYEES COVERED BY THIS AGREEMENT

2.01 Employee Defined

The term employees as used in this Agreement shall include all hourly rated employees of the Company and its subsidiary companies covered by the certification who are engaged in mining, treatment and transportation operations related to the Myra Falls Operations of the companies except those employees in a confidential, supervisory, technical, executive, security or clerical capacity.

The term supervisory as applied to employees as herein designated includes (without restricting the generality of the expression) foreman, shift bosses, and employees of the companies who have the authority to hire or discharge.

Words in this agreement imparting the masculine gender shall be understood to also apply to female employees.

2.02 Temporary Promotion to Staff

An employee who is replacing a member of staff to meet the needs of the operation in such circumstances as vacation replacement or special projects for a temporary period up to a maximum of forty-eight (48) working days in any calendar year, shall be considered a member

of staff. Upon completion of such a temporary period he shall return to the group classification that he left.

In the case of promotion to staff, the employee will cease to accumulate seniority after forty-eight (48) days worked in any calendar year, but will retain his previous seniority should he return to the bargaining unit.

Hourly employees who may be used under the terms of this clause will be chosen for their qualifications and will be termed designated employees. These employees will not be required to nor will they be empowered to administer discipline. These individuals will be approved by the Mine Manager who will be made aware of the number of days the employee has worked as a designated employee to that point in the year before any consideration or approval is given.

As well, the monthly report detailing designated employees will be tabled at each Union-Management meeting established in the preamble to this Agreement and will be reviewed by the parties and any potential abuse of the process will be discussed and resolved between the parties.

It is agreed that any designated employee who serves in that capacity for one full shift cycle or more must be back on his regular bargaining unit job for a full shift cycle before such employee is eligible to work an overtime assignment.

2.03 Students

The Company may employ students in reasonable numbers from time to time, provided that no employee shall be demoted, laid off, discharged, or have his recall delayed to make place for a student, nor shall promotion within the bargaining unit be adversely affected.

Article 3

UNION RECOGNITION

3.01 Union Certification

The Company hereby recognizes the Union as the exclusive representative of the employees covered by this Agreement for the purpose of conducting collective bargaining regarding rates of pay, hours of work and other working conditions; and the Company will continue to recognize the Union as long as the Union retains its right to conduct collective bargaining on behalf of such employees under the law.

3.02 Supervisor Working

The Company recognizes that it is not the function of salaried employees to perform work which is currently being performed by an employee in the bargaining unit except under emergency conditions, the purpose of training, instruction, or for metallurgical research.

It is understood that salaried employees shall attempt at all times to have a member of the bargaining unit assist him in any emergency. An emergency shall be defined as a major

disruption in production, or where there is danger to life or limb or where there is an immediate environmental hazard.

3.03 Contracting Out

The Company will not contract out work which is normally performed by employees in the bargaining unit, except to make the operation more efficient, and will not do so if it has the result of layoff or reducing the rate of pay of employees who have the ability to perform the work.

Prior to contracting out, consideration by the Company will be given to utilizing employees on layoff. An employee recalled under this clause will not receive notice of further layoff but will return to layoff status at the conclusion of the work assignment. It is understood that the Company will determine whether the employee has sufficient ability to perform the work. Greater consideration will be given to longer-term assignments. The Company will review each situation on its own merits. An employee recalled to work under this provision is entitled to one floating holiday for every 160 regular hours worked during the period of recall to a maximum of **two (2)** floating holidays, subject to anniversary date entitlement under Article 17.02.

The Company shall endeavour wherever possible and practical to have its sub-contract work performed by a union shop. When the Company decides that the contracting out of work, on site is necessary the Union will be so advised a minimum of fourteen (14) days in advance, provided such notice period is available under the circumstance. Where the full notice period is not available, the Union will be given as much advance notice as is possible and the notice will be delivered either by telephone to the Union President or his designate or if electronically, to up to three (3) Union table officers to be identified by the Local Union. Any allegation on the part of the Union that the Company is abusing this provision may be the subject of a grievance filed at the third stage, and any such grievance filed will be heard by the General Manager within ten (10) days. When the contract has been awarded, the Union will be advised in writing a minimum of seven (7) days in advance of the work start date.

The written advice shall contain the following information:

1. Name of originator of the contract advice
2. Name of contractor
3. Nature of the work to be contracted. Including if the work is expected to be covered by warranty, and any rationale why the work is not being performed by the existing workforce.
4. Approximate number of contractor's employees.
5. Approximate start date and duration of the job, including the expected shifts to be worked.
6. Union affiliation if applicable.

The Company will ensure all contractors receive a safety orientation prior to the commencement of the work for which they are engaged. **All contractors on site will follow all Company policies and procedures.**

The parties to this agreement recognize that under certain emergency situations the time limits mentioned above can be waived.

The parties will institute a contracting out committee to promote their mutual interest to maintain, and if practicable, increase, employment opportunities for bargaining unit members consistent with bona fide operations needs of the company. The parties understand the Union's priority on this committee will be to determine if there are opportunities to bring work to the bargaining unit from contractors within the core operations of mining and milling. The committee will meet quarterly, and the Company agrees to provide all relevant information for this committee to use in its deliberations.

3.04 Paid Education Leave

The Company agrees to pay into a special UNIFOR Leadership Training Fund **four cents (\$0.04)** per hour per employee for all compensated hours for the purpose of providing paid education leave. Such leave will be for the upgrading of employee's skills in all aspects of trade union functions. Payment shall be made on a quarterly basis into the trust fund established by the National Union UNIFOR, effective August 15th, 1997.

Cheques should be made payable to:

UNIFOR Leadership Training Fund
UNIFOR Family Education Centre
RR#1, Port Elgin, Ontario
N0H 2C0

3.05 Social Justice Fund

The Company agrees to pay into the UNIFOR Social Justice Fund, the purpose of which is to provide financial assistance to such entities as food banks, registered Canadian charities, international development and relief measures to assist innocent victims of droughts, famines, and other dislocations.

Subject to the following conditions, the Company will make quarterly contributions to such a fund equal to one cent (\$0.01) for each straight time hour worked.

The Company will make these quarterly payments provided that:

1. the Union maintains the fund as a non-profit corporation under the Canada Corporations Act, and ensures that all necessary steps are taken to maintain the corporation in proper legal standing and that all requirements of the Act are met;
2. the Union maintains the registration of the non-profit corporation under the Income Tax Act of Canada in good standing;
3. the Union maintains a favorable Income Tax Ruling from the Federal Department of National Revenue that all contributions which the Company makes to the non-profit corporation are tax deductible;
4. the Union provides the Company with annual audited financial statements of, and summaries of each year's donations made by the non-profit corporation;

- (a) the objects, by-laws and resolutions of this non-profit corporation should limit it to making the following types of financial contributions:
- (b) contributions to other Canadian non-partisan charities that are registered by the Canadian International Development Agency (CIDA), or any successor body that performs like functions,
- (c) contributions to any Canadian or international non-partisan efforts to which other Canadian charities that are registered under the Income Tax Act are also making contributions, or
- (d) contributions to any non-governmental and non-partisan development group recognized by CIDA and registered as a charity under the Income Tax Act.

Article 4

TERM OF AGREEMENT

4.01 Term

This Agreement shall be in force from ratification to and including September 30, 2023. Thereafter, the agreement shall continue in full force and effect from year to year unless written notice of intent to amend the agreement at the expiration of any yearly period is given by either party. Subsections 50 (2) & (3) of the Labour Relations Code of B.C. are excluded from operation under this Agreement.

4.02 Status During Negotiations

During any period when negotiations are being conducted between the parties for the renewal of this Agreement, the present Agreement shall continue in full force and effect until:

- (a) The Union commences a legal strike;
- (b) The Employer commences a legal lockout; or
- (c) The parties enter into a new or further agreement.

4.03 Effective Date

Except as otherwise provided herein, the terms and conditions of this agreement shall become effective from the date of signing of the Collective Agreement by both parties.

Article 5

RIGHTS RESERVED TO MANAGEMENT

5.01 Management Rights

The Union recognizes the right of the Company to operate and manage its business in all respects in accordance with its commitments and responsibilities and to make and alter from time to time rules and regulations to be observed by the employees, such rules and regulations shall not be inconsistent with the provisions of the Agreement provided; however, that this Article will not be used in a discriminatory manner against any employee or group of employees. Changes made to rules and regulations shall be posted and a copy of such changes sent to the local Union.

5.02 Obligation to Operate

Nothing contained in this Agreement shall be deemed to obligate the Company to continue to operate any of its plants or properties, or any part thereof.

5.03 Rights to Hire, Discharge and Select

The Company shall have the right to hire, discipline, demote and discharge employees for proper, just and reasonable cause. The selection of lead hands and all other supervisory employees shall be entirely a matter for the Company's decision.

Article 6

NO DISCRIMINATION

6.01 Discrimination and/or Harassment

The Company and UNIFOR agree that discrimination and/or harassment of any employee by reason of **gender**, race, color, creed, religion, age, marital status, sexual orientation, or disability is absolutely prohibited. Every employee has the right to work in an environment of mutual respect, free from intimidation, discrimination, and sexual harassment. Actions contravening this policy will constitute grounds for discipline.

1. At any stage in this procedure an employee may **seek assistance** and/or involvement of a company or union representative.
2. An employee who feels subject to discrimination and/or harassment should make every effort to tell the offending party to stop such behavior, prior to proceeding under the complaint procedure.
3. Complaint Procedure:
 - (a) If the problem is not resolved through discussion between the individuals concerned, then the employee who alleges harassment or a representative on behalf of the employee may contact a Human Resources representative who will:
 - (i) thoroughly investigate the matter jointly with a union representative, and
 - (ii) maintain a strict degree of confidence with the employee concerned, and
 - (iii) take appropriate action to resolve the problem.

- (b) In the event the problem is not resolved under (a) above, the employee, the union representative and Human Resources representative may refer the matter in the form of a third stage grievance to the Mine Manager who will determine appropriate action to be taken.
- (c) The Local Union may contact the National Representative to investigate such matters. The National Representative shall have full disclosure of all relevant information. Likewise, the Company may contact the corporate office of **Myra Falls Mine Ltd.** to make it aware of the situation and to undertake its own investigation. All documents disclosed to the UNIFOR's National Representative will also be forwarded to **Myra Falls Mine Ltd.**'s corporate office. It is anticipated that should a complaint of discrimination / harassment advance to this stage that the senior representatives of the UNIFOR and **Myra Falls Mine Ltd.** will undertake a collaborative and cooperative investigation.

The Company agrees that there shall be no intimidation or discrimination against any employee by reason of his legitimate activities as a member of the Union.

The Union agrees that there shall be no intimidation or discrimination on its part or by any members towards any employee of the Company.

The Parties also subscribe to and support the principles of the Human Rights Code of British Columbia.

Article 7

LOCKOUTS OR STRIKES

7.01 Prohibition Against Work Stoppages

The Company shall not cause or direct any lockout of employees during the life of this Agreement, and neither the Union, nor any representative of the Union, nor any employee shall in any way authorize, encourage, or participate in any strike, walk-out, suspension of work, or a slow-down against the Company during the life of this Agreement.

7.02 Pickets Lines

No employee(s) will be subject to disciplinary action nor will action be taken against the Union if an employee or employees honor a lawful picket line as permitted under the Labour Code of British Columbia.

Article 8

UNION ACTIVITIES ON COMPANY TIME

8.01 (a) Union Officers & Meetings

Chief Steward, Stewards and other Committeemen will be designated in writing by the Union to the Company. For the purpose of meeting with Company representatives, the Grievance Committee will consist of not more than three (3) members as designated by the Union.

When the legitimate business of a Grievance Committeeman or Chief Steward, Stewards and other Committeemen require him to leave his job or department, he shall first receive permission from his foreman or department supervisor, which permission shall not be unreasonably withheld, and he shall not suffer loss of pay for time spent in the performance of these duties during his regular working hours.

8.01 (b) Meetings

The parties agree that they will make their best efforts to schedule all meetings at a time and location that is convenient to all parties involved including the Union, the employee(s) involved (if there are any) and the Company. The Company and the Union also agree that they will make best efforts to provide no less than forty-eight (48) hours advance notice of any meeting, where such time is available.

8.01 (c) Union Meetings

The Union will be allowed access to facilities at the mine for the purposes of conducting meetings. Subject to the requirements of the Operations, the Company shall grant a maximum of two (2) Union Officials, as outlined in Article 10.03, time off work to attend any one meeting. Employees scheduled to work will not be given permission to attend the foregoing meetings.

The Union must give the Company three (3) working days' notice, confirmed by the Union in writing, as to the date and time of the meeting and the names of Union Officials to attend.

8.02 Union Access to Property

A Union representative or representatives shall be permitted entry to the Company's property subject to the decision of the Company as to the number of such representatives to be granted such entry at any one time. Such Union representative or representatives shall be granted permission to use camp and cookhouse facilities, but the Company reserves the right to determine on what basis and for what period of time such permission shall be granted.

8.03 Pay For Union Business

The Company agrees to pay the Union the amount of \$4,000.00 per month for the purpose of conducting Union business.

8.04 Grievance Committee Chair

In the event the Grievance Committee Chair does not have a dayshift job, the Company and Union **may** agree to assign the Grievance Committee Chair to the next posted job for which he is qualified. If the employee is posted to a lower paid job he shall retain his hourly rate of pay. If the new posted job receives underground production bonus, the Grievance Committee Chair will be paid his normal underground production **bonus, for time spent at the mine site conferring with the Company on grievance matters. If the new posted job receives underground**

production bonus that is less than the position the Grievance Committee Chair left, a running three-month average bonus paid to employees in the previous position will be applied.

8.05 Union Office at Mine

The Company agrees to make available at no cost to the Union, reasonable office space for the exclusive use of the Union on the ground floor of the main administration building. This office will be utilized by all Union officials (i.e. President, Grievance Chair, and OHSC Co-Chair).

8.06 Approval of Union Leaves

The Company will continue to honor requests for local union officials for short term leaves on an as need basis on the written request of the Local Union President or his designate.

Article 9

BULLETIN BOARD

9.01 Bulletin Board

The Company agrees that **locked** bulletin boards and distribution boxes will be made available in the Dry(s), H-W and Lynx surface shops, Powerhouse, Spit, Cookhouse and Concentrator for Union purposes, provided that the use of the boards shall be restricted to the posting of notices regarding the business affairs, meetings and social events of the Union. All notices must be approved and signed by a member of the Local Union Executive. The Union agrees that the bulletin boards will not be used for any matters not relating directly to Union business.

Article 10

LEAVE OF ABSENCE

10.01 Union Officers Right to Leave of Absence

An employee selected as a delegate or representative of the Union necessitating a leave of absence, shall be granted such leave of absence without pay, provide that it does not exceed a period of three (3) years upon making proper application in writing to the Company. Such leave will be renewed on written application by the Union.

10.02 Time Spent on Leave

The time spent as a delegate of the Union or on other authorized leave of absence for Union purposes as set forth in 10.01 of the Article shall not in any way jeopardize his seniority standing or vacation time entitlement.

The Company shall not be required to grant this leave to more than a total of three (3) persons and no more than one (1) from each department at the same time and for not more than a total for all persons of seven hundred and eighty (780) working days in one (1) year.

10.03 (a) National & International Gatherings

Employees who have been elected or appointed by the Union to attend National or International gatherings will be granted a leave of absence without pay for this purpose. Not more than four (4) employees from any one department or seven (7) employees in total from all departments may take such leave at any one time.

The Union must give the Company three (3) working days' notice, confirmed by the Union in writing, of such leave.

Not more than a total of one hundred and fifty (150) working days in a year need be granted for this purpose and no individual leave will exceed **three (3) work cycles or sets**.

10.03 (b) Local Union Gatherings

The Company recognizes that there are benefits to having Union leadership that is well prepared for activities such as labour negotiations, arbitration hearings, recognized committee meetings and the like. The Union recognizes that while important, these preparations must be achieved without adversely impacting the efficient operation of the commercial endeavour. In an effort to find the proper balance between these two interests, the Union agrees that it will provide as much advance notice as possible of time off required being aware of the number of Union members for whom they are asking time off. Likewise, the Company agrees to be reasonable when reviewing applications for time off for these purposes and will not unreasonably withhold approval for such leaves. Employees who have been elected or appointed by the Union to attend local union gatherings including negotiations, labour arbitrations or committee meetings with the Company will be granted leave of absence without pay for this purpose.

10.04 Employee Leave

Any employee, on written notice setting forth good cause, may, at the discretion of the Company, be granted a leave of absence without pay. Such leave may be extended when similar notice setting forth good cause is supplied. Whenever a leave of absence or extension is granted or denied, the employee shall be notified in writing. The Company agrees to consider such requests in an equitable manner and such leaves shall not be unreasonably withheld.

10.05 Bereavement Leave

In the case of death in the immediate family of any employee, the Company will grant the employee a paid leave of absence of three (3) regularly scheduled shifts, provided the leave is taken within seven (7) calendar days of the death. If the employee attends the funeral at a place other than Vancouver Island, he will be granted a total of four (4) days paid leave of absence.

Immediate family shall mean Mother, Father, Spouse, Children, **Step-Parents**, Step-Children, Brothers, Sisters, Mother-in-law, Father-in-law, Grandparents and grandchildren. Effective the date of ratification, immediate family will be expanded to include Brother and Sister-in-law, and Spousal Grandparents.

One (1) extra day leave of absence, with pay, and one (1) extra day leave of absence without pay, will be granted if the employee attends the funeral at a place outside British Columbia.

The above leave days will only be granted if the Company is notified of the leave requirement.

10.06 Absenteeism

Recognizing that excessive absenteeism by employees creates staffing and scheduling problems, the Parties agree:

- (a) The Company will institute a **twenty four (24)** hour per day phone-in message service. Employees are required to phone in at least one hour prior to the commencement of their shift, to inform the Company they will not be reporting for work and the reasons for same.
- (b) Where an employee demonstrates a pattern of absenteeism such as repeated Mondays, Fridays, etc., the Company will give written notice to the employee inclusive of documentation of the said pattern, with a copy of same to the Union. Such notice will require the employee to provide a medical certificate for any future incidents or repetition of such pattern until an employee has gone six (6) clear months without repeating the pattern. The Company will pay any medical costs associated with such a request.

10.07 Court, Jury Or Fire Fighting Duty

If an employee is summoned or subpoenaed for jury selection or jury duty or as a witness, or conscripted for firefighting duty, the Company will grant the employee a leave of absence with pay, which will be the difference between his regular pay and the monies received. The employee must provide the Company with a statement of payment. In such cases of absence, employees must provide the Company notification within three (3) working days of absence. In case of firefighting, if notification is not possible, the firefighting certificate will be accepted in lieu of written notification.

Where an employee volunteers for participation with the military service to a maximum of two (2) weeks per year, upon providing written confirmation that time away from work is required, an unpaid leave of absence will be granted and the employee involved will be assured of no loss of seniority or benefits.

Where a bona fide member of the local Search & Rescue unit is required for active duty, such employee will request a leave of absence which will not be unreasonably denied by the Company, keeping in mind the efficient operation of Myra Falls.

10.08 Maternity/Parental Leave

Maternity and Parental Leave will be granted as per the Employment Standards Act of British Columbia.

10.09 Educational Leave

Consistent with Company operating needs, the Company will consider an employee's request for educational leave for up to one (1) year without pay. The employee must apply for the leave in writing at least two (2) months prior to the requested start of the leave. The employee will provide the Company with written confirmation of registration from the educational institution.

10.10 Family Responsibility Leave

An employee can take up to five (5) days of unpaid leave per year to attend to the care, health or education of a child in the employee's care, or to the care or health of any other member of the employee's immediate family. Employees are expected to give the Company as much notice as possible and provide sufficient information for the Company to understand the reason for the leave. Employees are not required to give notice in writing or disclose personal or private information.

Article 11

SAFETY

11.01 Joint Occupational Health and Safety Committee (JOHSC)

The following terms and conditions will apply for the JOHSC. In addition, from time-to-time and as required the JOHSC will review and amend the terms of reference ("Terms of Reference for Myra Falls Operation Joint Occupational Health & Safety Committee") and adopt any necessary changes with respect to composition or administration of the Committee.

11.01 (a) Purpose of the Joint Occupational Health & Safety Committee

The purpose of the Joint Occupational Health and Safety Committee is to encourage all employees to share a common goal of improving health and safety in the workplace.

The Committee provides a mechanism through which workers can contribute and provide insight into the formulation of health and safety policies and programs, the assessment of equipment and processes, ergonomics, and the setting of safety goals and objectives.

The Committee will promote an atmosphere of co-operation and will strive to reach consensus on health and safety issues and make recommendations which are agreed to by the entire committee.

The JOHSC will:

- Ensure the completion of monthly inspection tours
- Conduct subsequent monthly meetings
- Review past inspections, review **all available** accident and near miss investigation reports and minutes of previous meetings
- Review injury statistics

- Make recommendations to correct hazardous conditions
- Review job standards and procedures
- Investigate all unsafe conditions and promote compliance with relevant legislation affecting health and safety at the mine
- Review the Myra Falls Mine Health and Safety Program in accordance with prevailing legislation
- Be involved in the design and delivery of occupational health and safety training and awareness programs for all employees to minimize adverse workplace impacts on employee health.

11.01 (b) Structure Of Joint Occupational Health & Safety Committee

The JOHSC will be made up of 16 members in total, including the two Co-Chairs, with equal representation by the Company and the Union.

11.01 (c) Monthly Joint Inspection Tours

Joint inspections will be carried out in as many locations as deemed appropriate by the JOHSC.

After the completion of the Joint inspection tours, Union representatives participating in the tour will meet with management representatives responsible for that area to discuss their findings. The inspection tour participants will complete an inspection tour report outlining their findings and remedial action suggested to be taken and forward to the JOHSC for review at their monthly meeting. Safety hazards noted during inspection tours will be corrected within thirty (30) days or by the date agreed by the JOHSC.

11.01 (d) Meetings of the Joint Occupational Health & Safety Committee

The Committee will meet once a month to review and make recommendations related to:

- i) inspection tours
- ii) accident investigations
- iii) safe work practices, methods and procedures
- iv) health and safety training
- v) health and safety concerns raised by employees and management

JOHSC members on shift at the time of the regularly scheduled meeting will be allowed time away from their work to attend the meeting.

11.01 (e) Minutes of Joint Occupational Health & Safety Committee

The secretary of the Committee will prepare minutes of the monthly meetings which will be signed by both co-chairmen. A copy will be sent to the following:

- i) Mine Manager
- ii) Union President
- iii) Department Heads
- iv) Post on bulletin boards
- v) National Union

11.01 (f) Recommendations of the J.O.H.S.C.

The parties agree that it is the role of the JOHSC to make recommendation(s) to the Mine Manager and it is left to the sole discretion of the Mine Manager whether or not to act upon such recommendation(s) and where the Mine manager elects not to act, a written explanation will be provided to the JOHSC.

Where immediate compliance cannot be accomplished but where the Company agrees to act upon a recommendation, the Company shall ensure that the recommendation has been complied with by the next JOHSC meeting. Where compliance cannot be accomplished by the next monthly meeting of the JOHSC, the Company will provide a written explanation, with a copy to the Union Safety Committee Chairman, the reasons for non-compliance and any plans for future compliance.

11.01 (g) Notification of Joint Investigations

The Company and Union agree that it is of the utmost importance to ensure that all lost time accidents, near miss incidents and/or dangerous occurrences are thoroughly investigated in the interests of future prevention. Therefore all lost time accidents, near miss incidents and/or dangerous occurrences will be jointly investigated by the designated union and management personnel from the Joint Occupational Health and Safety Committee who shall have access to any and all information available and equipment necessary in the completion of the investigation and will be copied with all reports and findings resulting from such investigations.

Joint investigation reports will be signed by both Committee co-chairmen and a copy sent to the following:

- i) Mine Manager
- ii) Union President
- iii) District Mines Inspector

11.01 (h) Accident and Near-Miss Investigation Reports

These reports shall contain the following:

- (a) The place, date and time of the incident;
- (b) The names and job titles of persons injured, if applicable;
- (c) The names of witnesses;
- (d) A brief or detailed description of the incident, **depending on severity**;
- (e) A statement from all parties directly or indirectly involved and a statement of the sequence of events which preceded the incident, **depending on severity**;
- (f) The identification of any unsafe conditions, acts or procedures which contributed in any manner to the incident;
- (g) Recommended corrective actions to prevent similar occurrences;
- (h) The names of the persons who investigated the incident.

11.01 (i) Right to Accompany Inspectors

Where a government inspector conducts an inspection at the mine and that inspection is directly related to the health and safety of the employees, a Union safety committee representative may, at the Union's discretion, accompany the inspector on his tour.

When such an inspector arrives at the mine the Company shall notify the Union Safety Committee Chairman or his designate. Should the inspector submit a written report related to such an inspection, a copy of same shall be provided to the Union Safety Committee Chairman or his designate.

11.01 (j) Access to Log Books

The JOHSC will have access to log books kept for maintenance and safety of equipment and all hourly employee time sheets for the purpose of performing their duties.

11.01 (k) Time Spent by an Employee

The time so spent on any of the aforementioned items in article 11.01, necessitating loss of time by employees delegated by the Union, shall be considered as time worked and payment shall be made on the basis of straight time plus an amount equal to the employee's normal underground production bonus, if applicable. Production bonus will only be paid to employees who normally receive production bonus. Under no conditions will overtime rates be paid.

11.01 (l) Education and Training

The Company and the Union agree that all employees shall receive sufficient training in order that they may perform their work in a safe manner and minimize adverse workplace impacts on employee health.

11.01 (m) Other Relevant Legislation

Notwithstanding the foregoing, any provision of the Collective Agreement pertaining to occupational health and safety, the Mines Act or relevant legislation that is superior to the foregoing shall take precedence.

11.02 Employee Obligation

Employees must obey all safety rules and report at once any unsafe practice or condition to their supervisors for correction as quickly as practicable.

11.03 (a) Safety Protection Equipment Supplied

The Company will supply safety protection equipment to its employees as required. Company supplied safety equipment will be as follows:

- Eye protection (non-prescription)
- Hard hats
- Hearing protection
- Dust respirators
- Miner's belt
- Safety belts and lines
- Tag out locks
- Lineman's gloves and boots
- Painter's masks
- Aprons and face shields
- Safety asbestos gloves
- Welder's leathers
- Slickers
- Gloves

11.03 (b) Replacement of Safety Protection Equipment

Upon presentation of safety protection equipment which is no longer serviceable due to normal wear and tear, the Company will provide new items as required.

11.03 (c) Boots, Coveralls & Slickers

The Company will provide employees the following items as required through a program as determined by the Company:

i) Coveralls

The Company will provide a coverall program that will provide mechanical, millwright, and electrical employees with a maximum of five (5) pair of coveralls in the system per week, and all other employees with a maximum of three (3) pair of coveralls in the system per week. Employees involved in long hole loading or shotcreting will be provided four (4) pairs of coveralls in the system. Employees electing not to participate in the coverall exchange program will be granted three (3) pairs of coveralls annually.

ii) Boots

Employees will be provided with one (1) pair of rubber safety boots every six (6) months. Employees may purchase additional rubber safety boots at cost less fifty (50) percent.

Employees may choose the option of purchasing approved leather safety boots in lieu of their rubber safety boot issue. The Company will reimburse the employee for the cost of the leather safety boots, to a maximum of \$500 every 2 years, upon proof of purchase.

The Company will provide arc flash protective equipment.

11.03 (d) Prescription Safety Glasses

The Company will provide prescription safety glasses to those employees who require them. Prescription safety glasses will be replaced upon proof of prescription change or damage. Prescription safety glasses will be supplied through a program as determined by the Company.

11.04 (a) Injured Worker Provision

An employee who is injured during working hours and who is required to leave for treatment or is sent home as a result of such injury shall receive payment, **including bonus, if eligible**, for the remainder of the shift at their regular rate of pay.

Such employee shall be provided with transportation to their doctor or hospital and to their home

11.04 (b) Modified Work Program

The Company and the Union have agreed on a Return to Work Program the purpose of which is to whenever/wherever possible return injured or ill workers to productive and meaningful employment at the appropriate time and in a manner in which assists their recovery. The Return to Work Program is Appendix "C" of this Agreement.

11.05 P.C.B.'s

No employee will be required to work on equipment where he will have direct contact with P.C.B.'s.

11.06 Gas Testers

Gas Testers shall be available as required by the Mines Code for testing noxious gases. In addition, other **qualified** employees may obtain gas testers on a sign out basis from the Company. These shall be returned to the Company at the end of the shift..

11.07 Access for Union Safety Committee Chairman

The Company agrees that the Union Safety Committee Chairman or his designate shall have access to all areas of the mine. When legitimate safety concerns require him to leave his job he shall first receive permission from his supervisor. Such permission shall not unreasonably be withheld. In the event of an emergency, he will inform the Safety Department of his intentions.

11.08 Driving From Mine Site

No employee working in excess of ten (10) hours in any twenty-four (24) hour period will be permitted to drive a company vehicle from the mine site. Prior to agreeing to work the overtime, the employee shall be notified of whether or not transportation will be provided. In the event that transportation is not provided, camp accommodation shall be provided.

11.09 Workers' Compensation Claims

The Company and the Union agree to advise the other party as to the nature of any protest or appeal relative to WorkSafe BC claims. The Company agrees further that any protest to any employee's claim shall be separate from the workers' compensation forms.

11.10 Access to Medical Records

The Company agrees that an employee shall have access to their first aid/medical records.

Article 12

SENIORITY, LAY-OFFS AND RECALL

12.01 Seniority Defined

Seniority is established on the basis of the individual's continuous service with the Company according to the records of the Company. The parties recognize that job opportunity shall increase in proportion to the length of company service.

12.02 Probationary Period

Seniority of each employee covered by the Agreement will be established after a probationary period of two hundred and forty (240) scheduled working hours, although this probationary period may be increased for each hour spent in classroom instruction during the probationary period, to a maximum of two hundred and eighty (280) hours.

During this probationary period, the employer may terminate an employee's employment for performance which, in the opinion of management, is inadequate.

The parties may agree to extend the probationary period.

The Company will notify the Union within three (3) working days of the termination of any employees under this provision.

All probationary employees shall receive a period of up to one shift cycle for familiarization and safety orientation on their new job. One Union representative will be provided an opportunity of up to one hour to meet and address new employees during this period of time.

12.03 Temporary Hires

A person originally hired by the Company to perform work that has definitive timelines, seasonal in nature, and not considered to be in the normal compliment. It is not the intent under this Article to avoid the hiring of regular full-time employees when such are justified for ongoing regular work.

A person hired by the Company as a temporary worker may be discharged when his/her employment of such assignment comes to an end or if the employer decides to keep the employee on permanently, or as a regular employee. If the employer decides to make the employment permanent, the seniority will be backdated to the most recent date of hire. If the employer chooses to discharge the temporary employee, they will receive two (2) weeks' notice in writing of such discharge or pay in lieu of notice or portion thereof.

Any temporary employee employed for six (6) months + one (1) day shall move to permanent classification unless it is mutually agreed to by the Union and Management to extend this time period. Date of seniority will be the most recent date of hire.

Employees hired under this clause are covered by the entire Collective Agreement with the exception of Article 12.

The Company will review with the Union the number of temporary employees employed at the mine, the nature of their work and any alterations from the original assignment at each Union/Management Committee Meeting.

12.04 Application Of Seniority

All promotions, transfers, filling of vacancies, layoffs and rehiring after layoffs will be done strictly in accordance with the principles set forth in 12.01 provided the employee has sufficient ability to perform the work required. The Company will consider an employee's request for work assignments within their job classification. One of the considerations will be seniority.

12.05 Maintenance of Seniority

12.05 (a)

Seniority will be accumulated and maintained for eighteen (18) months during absences caused by non-occupational illness or injury; or authorized leave of absence; and will be maintained thereafter subject to Article 12.05(c).

Seniority will be accumulated and maintained for four (4) years during absences caused by occupational illness or injury and thereafter the employees will be dealt with subject to Article 12.05 (c).

12.05 (b)

Seniority will be maintained and accumulated during:

(i) Absence due to lay-off up to eighteen (18) months with less than five (5) years seniority.

(ii) Absence due to lay-off up to twenty-four (24) months with more than five (5) years seniority

12.05 (c)

Seniority will be maintained for four (4) years from the date of absence due to authorized leave of absence, injury or illness, **subject to 12.05 (a) above. At the end of four (4) years of absence, seniority will no longer be maintained and employment will be terminated.** Employees granted leave for Union business (Article 10.01) will retain their seniority for the duration of the leave.

12.05 (d)

During periods of accumulating and/or maintaining seniority, the benefits to the Collective Agreement that apply are outlined under Article 19.

12.05 (e)

Seniority standing will be lost if an employee:

- i) voluntarily quits
- ii) is discharged for cause and is not reinstated
- iii) is recalled to work and does not report within the limits as per Article 12.13 without reasonable cause
- iv) is absent and the seniority retention period has elapsed as per Article 12.05 (b) or 12.05 (c)
- v) is absent without permission for a period of four (4) consecutive scheduled shifts of work, unless the employee provides a reasonable excuse for the absence

12.06 Job Postings

If it is determined that a job vacancy exists as described under Appendix "A", Job Classifications, and it is to be filled, the following procedure shall apply:

All job vacancies expected to last thirty (30) working days or more (except those created by vacation, illness or injury to a maximum of three (3) months) will be made known by posting on Notice Boards for eight (8) consecutive days excluding Statutory Holidays. The posting will include the following:

- i. location of job vacancy*
- ii. shift

iii. job classification

iv. rate of pay

The successful job applicant will be placed in the posted job within two (2) work rotation shift sets (i.e. work rotation 4x4; 5x2, etc). The Company and Union will review situations when the employee has not been placed in the posted job within the above noted two (2) work rotation shift sets of the close of posting.

*Location means the following specific work areas within the Myra Falls operations – Underground HW, Underground Lynx, and Underground Price, Mill, Surface and Discovery Terminal. The specific work location indicated on job posting only represents the initial work assignment. Subsequent work requirements for the job may require the employee to work in any work area of the Myra Falls operations.

12.07 Job Vacancy Register

Vacancies will be filled as per Article 12.04 from among the applicants who apply within the time during which the notice is posted and from those applicants who have pre-bid.

A successful applicant shall have a period of up to one shift cycle for familiarization in the new job and to demonstrate that he has sufficient ability to perform the work required. At any time during the period of familiarization the employee may elect to return to his previous job classification.

12.08 Time Required in Posted Positions

An employee awarded a **job posting** under the provisions detailed above will have his name removed from all other positions on the Register and will not be eligible to submit applications for six (6) months. The Company and Union may agree to waive this time restriction by mutual agreement.

An exception to the preceding paragraph will be made for applicants awarded positions in the past plant or as a control room operator. These applicants will have a thirty (30) calendar day period of familiarization under article 12.07 and will not be eligible to submit applications for any vacancies for a twelve (12) month period.

12.09 (a) Temporary Vacancies

When a temporary vacancy expected to exceed thirty (30) working days exists, the Register referenced in Article 12.06 will be used to fill the vacancy. Employees identified on the Register will be given the opportunity to fill the vacancy on a temporary basis.

Acceptance of a temporary vacancy will not result in the employee's name being removed from the Registry.

An employee occupying a job on a temporary basis shall, when his occupancy of the temporary job ends, return to his previous position.

12.09 (b) Return to Previous Position

A temporary move from one job classification involving no change in rate shall not be considered as a promotion or demotion. If an employee is absent from his normal job because of sickness, accident or authorized leave, but is not transferred, he shall on his return be restored to the job and location within the job classification that he previously held, **including shift and crew.**

12.10 Lay Off

In the event of a reduction of employment levels (except in the event of a temporary layoff as per Article 12.12) the Company will lay off in inverse order of Company seniority within affected classifications.

An employee displaced from his classification may displace a junior employee in either an entry level position or another position, provided he has sufficient ability to perform the work required, or elect to be laid off from the Company.

Employees shall be provided a period of up to one shift cycle for familiarization and to demonstrate that they have sufficient ability to perform the work required.

Apprentices shall be laid off in accordance with their seniority within their trade group.

Should an apprentice not have the seniority to retain employment within his trade group, he may elect to exercise his seniority to displace a junior employee in either an entry level position or a position he has the ability to perform the work required.

The Company and the Union shall meet no later than one (1) month prior to any layoff to discuss all matters concerning the layoff.

Employees must exercise their rights under article 12.10 within seven (7) working days of being informed of such displacement or they will be deemed to have elected lay off.

Employees shall maintain recall rights as per Article 12.05(b) and 12.13.

Employees may opt to receive their earned vacation pay in the week preceding the lay off.

The Company will provide all employees affected by layoff the contact information for the North Island Employment Foundation Society or its equivalent.

12.11 Notice of Lay off

The Company agrees to provide employees affected with notice of lay off as per the Employment Standards Act of B.C. or failing such notice pay in lieu thereof or a portion thereof at the employee's basic hourly rate of pay.

12.12 Temporary Lay Off

During a temporary reduction or lay off caused by circumstances beyond the control of the Company, the provisions of Article 12 will be waived for a period not exceeding three (3) days, or fourteen (14) days for reductions or lay offs related to public health orders. Any available work in these circumstances will be assigned to the senior employee on the shift involved who is capable of performing such work. **Any available work in these circumstances will be assigned to the senior employee on the shift involved who is capable of performing such work if he is on site or that employee will be the first one called out.**

The parties may agree to extend the period of time to be waived.

12.13 Recall

When it is necessary to increase the forces, employees on recall will be re-employed as closely as possible in the inverse order in which they were laid off. Employees are eligible for recall to the positions from which they were laid off or reduced from or to any entry level position, provided they have sufficient ability to perform the work required.

It shall be the responsibility of the laid off employee to notify the Company of any change to their current address and telephone number. Such notification shall be by registered mail **or email with confirmation of receipt by the Company.**

In the event that the Company recalls an employee to the position which he held at the time of his layoff, the Company will notify the laid off employee of the date of recall by registered mail at the last known address on file with the Company. In the event that an employee fails to report to work within fourteen (14) days after receipt of the registered notice, the employee shall lose the right to be recalled, with the exception of reasonable extenuating circumstances with as much notice to the Company as possible.

Where the Company recalls an employee to a position other than the position which he held at the time of his layoff, the Company will notify the laid off employee by telephone and will speak with the employee making the employee aware of the work opportunity. The employee so contacted will have forty-eight (48) hours from the time of the telephone conversation to either accept or reject the work opportunity. An employee electing not to return for such work assignment will not be penalized in any manner, and will retain his recall rights as provided at Article 12.05(b). If the Company is not successful in contacting the employee on its first attempt, it will initiate two additional telephone calls within twenty-four (24) hours of the first call, **with at least six (6) hours between calls ("waiting period")** and if unsuccessful after three attempts, the Company will move to the next most senior eligible employee, and the employee who was not contacted will suffer no loss of seniority. The waiting period will be of four (4) hours between calls for the period of the first nine (9) months following ratification. **The Company will provide the Union with a written list of those called and when.**

The process established in the two paragraphs above will also apply to an employee being recalled from layoff as an alternative to using outside contractors as set out at Article 3.03.

12.14 Permanent Layoff, Shutdown or Closure

In the event an employee is permanently laid off as a result of:

- i) a permanent shutdown of the Company's operation or a department thereof;
- ii) Closure or partial closure of the mine;
- iii) A re-organization of the Myra Falls Operations that results in a reduction of the work force;

employees will be laid off as per Article 12.10.

The Company agrees to provide employees affected with notice as per Article 12.11.

The Company and the Union shall meet no later than one month prior to any layoff to discuss all matters concerning the layoff.

- (1) Where an employee is laid off and the layoff is not deemed by the Company to be a permanent layoff, the employee will become entitled to severance pay (calculated based on the formula in article 12.14) upon the expiry of the employee's recall rights under article 12.05 (b) and 12.05 (c).
- (2) Upon the expiry of the laid off employee's recall rights, the employee may elect to be paid severance pay at that time, or the employee may elect to have his recall rights continued for a further period equal to the employee's original period of recall rights under article 12.05 (b) (the "extension period").
- (3) If the employee elects to have his recall rights continued for a further period under paragraph (2), the employee may elect at any time during the extension period to be paid severance pay (calculated based on the formula in article 12.14) and forfeit all further rights under the collective agreement, including the right to recall.
- (4) At the conclusion of the extension period, if the employee has not elected to be paid severance pay previously, the employee shall be paid severance pay (calculated based on the formula in article 12.14).
- (5) The principles stated in paragraphs (1) to (4) above will apply to the layoffs effected on February 15, 2008, the layoffs of June 4 and July 7, 2008, and to future layoffs.
- (6) Where an employee makes an election under paragraph (2) or (3) above, the employee shall do so in writing, and the payment of severance pay will be made within two weeks after such written election is delivered to the Company.

Employees may opt to defer collection of their severance pay and retain recall rights as per Article 12.05 (b) and 12.14. Employees may elect to be paid severance in lieu of recall rights any time during the recall period or be paid severance when his recall rights expire.

Eligible employees who elect to be paid a severance, will be paid two calendar weeks of basic hourly rate of pay per year of service calculated to the nearest full month of service from his most recent date of hire.

To qualify for this severance payment, the employee must be actively employed, on vacation or in receipt of Worker's Compensation or Weekly Indemnity benefits. Employees on long term disability will not qualify for severance but shall continue to receive long term disability benefits under the terms of the long term disability plan.

Employees, upon receipt of severance payment, will have severed the employee/employer relationship and forfeited any and all rights under the Collective Agreement, including the right to recall.

The Company will make available the services of the Industrial Adjustment Service to employees affected by a permanent layoff.

12.15 Seniority Lists

The Company will prepare seniority lists of all employees and present them to the Union within thirty (30) days of the signing of the Agreement. These lists will be posted and the Company will notify the individual involved and the Union of any revision of seniority.

Said lists will commence with the most senior employee, carry on downwards to the most junior employee, and contain the following information:

- (a) Employee's name and payroll number;
- (b) Employee's starting date;
- (c) Employee's regular classification

Probationary employees will also be shown in the same manner. Additional revised lists will be furnished to the Union every three (3) months and be posted on the bulletin boards in all departments.

The Company agrees that once per quarter it will provide to the Union President, two (2) copies of the updated list showing employee telephone numbers and addresses.

Where more than one employee is hired on the same day, permanent seniority order will be established based on a random draw. **A Union Executive Representative will participate in the draw and sign off on the results.**

12.16 Disabled Employees

The Company and Union may mutually agree to waive the seniority provisions of the Collective Agreement to place a permanently disabled employee who is unable to return to or retain their normal job as the result of a work related injury or illness. This is provided that a position is available that meets the needs of the operation and the abilities of the employee.

The parties agree that the circumstances regarding disabled employees are unique and require individual discussion between them. That being the case, prior to any layoff of personnel that will or might involve disabled employees, the Company will meet with representative of the

Local Union to discuss the impact that any such layoff will have on disabled employees. The goal of those discussions will be to minimize the impact of the layoff on disabled employees, taking into full consideration the needs of the Company and the requirement that employees (including disabled employees) have the skill, ability and physical fitness to perform the jobs and duties at hand, and recognizing the Company's responsibility to accommodate disabled employees.

In addition to the general meeting(s) provided for above, where an employee has a permanent accommodation approved and recognized through the Return to Work Program (Appendix "C"), and who is to be displaced due to lack of work in the accommodated position, a follow-up meeting will be held. The meeting will involve a representative of the Local Union, a representative of the Company and the employee involved. The purpose of the meeting will be to determine if there is any available modified or alternative work consistent with the limitations and restrictions of the employee, which will not impose an undue hardship on the Company. The parties agree that the follow-up meeting will take place as soon as possible after the employee's lay-off or displacement notice has been issued, but in any event no later than two (2) weeks prior to the announced lay-off date for the accommodated employee. In the event of a lay-off where the accommodated employee's seniority would not entitle him to retain his accommodated or any other position, there will be no further accommodation and no meeting will be convened.

Article 13

SETTLEMENT OF DISPUTE

13.01 Grievance Procedure

The Parties agree that it is desirable that any complaints or grievances should be adjusted as quickly as possible. Employees are therefore urged to try to settle their complaints with their foreman as soon after they originate as possible.

Should a dispute arise between the Company and any employee regarding the interpretation of a violation of this Agreement, an earnest effort shall be made to settle the dispute in the following manner:

The Parties recognize that the employee will have a Union Representative present during any disciplinary discussions, as long as the representative is reasonably available.

13.02 Step 1

Within **twelve (12)** days after the alleged grievance has arisen, or within **twelve (12)** days from the time the employee should reasonably have known of the occurrence of the event, the employee, accompanied by his steward, may present the grievance to his foreman. Failing settlement to the employee's satisfaction within three (3) days, the Union may proceed to Step 2.

13.03 Step 2

Within **twenty (20)** days from the time settlement could have been made in the previous step, the employee, accompanied by his steward and a member of the Grievance Committee, may present

the grievance in writing to his Department Superintendent. The Department Superintendent shall reply in writing within two (2) days of the presentation of this grievance under Step 2. Failing satisfactory settlement at this stage, the Union may proceed to Step 3.

13.04 Step 3

Within twenty (20) days from the time settlement could have been made within the time limits of the previous step, the employee, accompanied by the Grievance Committee, may take the matter up with the Manager or his delegate. The Union Grievance Committee may be accompanied by a representative of the Union. Prior to submission to the Manager there shall be a written statement outlining the nature of the grievance, the remedy sought and the section or sections of the Agreement, which are alleged to have been violated. **In the event the meeting cannot be held in the time contemplated, the parties will endeavor to agree upon a meeting date within sixteen (16) days.** Failing satisfactory settlement, within sixteen (16) days by the Manager, either party may, on giving seven (7) days' notice in writing to the other Party, refer the dispute to arbitration.

13.05 Dismissal, Suspension & Group Grievances

Grievances involving the dismissal or suspension of an employee(s) and grievances of a general or group nature may be initiated at Stage 2 of the grievance procedure provided they are submitted within ten (10) days of the time the dispute arose.

13.06 Company Grievances

The Company shall have the right to refer any dispute regarding the interpretation of an alleged violation of the Agreement to the Grievance Committee of the Union. Failing a satisfactory settlement within seven (7) days of the submission in writing of the dispute by the Company, the Company shall have the right to refer the dispute to a Board of Arbitration constituted in accordance with this Agreement.

13.07 Time Limits

13.07 (a)

In determining the time within which any step is to be taken under the foregoing provisions of this Article, Saturdays, Sundays and recognized holidays shall be excluded. Any and all time limits fixed by this Article may be extended by mutual agreement between the Company and the Union.

13.07 (b)

If the Union does not proceed to the next step within the time limits provided, the grievance shall be considered as dropped and cannot be re-opened.

If the Company does not reply within the time limits provided, the grievance shall automatically advance to the next step of the grievance procedure.

13.08 Time Off for Grievances

If it is necessary for a steward or other employee to take time off during working hours in connection with a grievance, he must receive permission from his foreman or shift boss. Such permission shall not be unreasonably withheld.

13.09 Single Arbitrator

It is agreed between the Parties that in the case of any arbitration, if both Parties agree, the case will be handled by a single arbitrator as follows:

- (a) The arbitrator shall be chosen within five (5) working days following receipt of a written notice to arbitrate. He shall be chosen by the Parties from a panel listed by letter of mutual agreement and after the first choice the next and subsequent choice will be in order of listing.
- (b) If either party in the case of any given dispute does not wish to submit that particular dispute to a single arbitrator, the arbitration procedure for that dispute will revert to the three man arbitration procedure as outlined.
- (c) The single arbitrator shall proceed under the same collective agreement conditions as set out for the three (3) man arbitration and will have the same powers.

13.10 Arbitration Boards

The decision of the Arbitrator in respect to an interpretation or alleged violation of this Agreement shall be final and binding upon the Parties, but in no event shall the Arbitrator have the power to alter, modify or amend this Agreement in any respect.

Each party shall pay all expenses incurred in connection with the presentation and preparation of its case and shall bear equally the expenses of the Arbitrator.

13.11 Working During Disputes

In the meantime, and in all cases while disputes are being investigated and settled, the employee or employees and all other parties involved, except an employee serving a disciplinary suspension must continue to work until a final decision has been reached, but where an employee or employees has or have been discharged by the Company, he or they shall not remain in the employ of the Company while his or their case is being investigated and settled. If the claim be made within five (5) working days that an employee or employees has or have been unjustly discharged, the case shall be dealt with according to this Article and if it's proven that he or they have been discharged without proper cause, he or they shall be reinstated.

13.12 Arbitrators Listed

13.12 (a)

Where a grievance has been advanced to arbitration, all four of the following arbitrators will be contacted regarding their availability, with the arbitrator with the earliest date(s) available being selected for the assignment, provided that the dates are also available for and acceptable to the Union and the Company.

1. David McPhillips
2. Mark Brown
3. **Corinn Bell**
4. Or another mutually agreed upon arbitrator.

13.12 (b)

Either party to this agreement has the right to remove the name of one arbitrator from the above list during the term of this agreement. Removal requires, however, a minimum of thirty (30) days written notice to the other party.

13.12 (c)

The rotation selection can be altered by mutual agreement between the parties. In the event of a termination arbitration, the next available arbitrator will be selected.

13.13 Reprimands & Suspensions

A written reprimand given by the Company to an employee will be signed by him and by the Shop Steward concerned, as an acknowledgement of its receipt, and a copy of the written reprimand will be sent to the Union immediately and shall be subject to the grievance procedure. When a reprimand or disciplinary action involves suspension from work for a day or longer, and if such suspension involves an employee who normally commutes, the notice of his suspension will be given to him the day before his suspension is to commence. This is to prevent the employee traveling to the mine on a given day and not being allowed to work that day. After the period of six (6) clear months has elapsed from the date the reprimand was issued for **verbal and written warnings, and twelve (12) clear months has elapsed from the date the reprimand was issued for suspensions**, all reference to the reprimand will be stricken from the records. The Company will give written reprimands within **five (5) working days** of the occurrence of the event **and/or completion of the investigation report** provided there is reasonable access to the employee.

Article 14

WAGES

14.01 Wage Rates

The wage rates listed in Wage Schedule "A" and the job classifications listed in Appendix A are agreed upon by both parties and are part of the Collective Agreement.

14.02 New or Changed Job Classifications

If any new job classifications are established, or if there is a significant change in the job classification(s) set forth in Appendix "A", or if any job classification(s) have been overlooked in this Wage Schedule "A", the parties hereto are agreed to negotiate a rate for the Job(s) in question.

If the parties are unable to reach an agreement, then the dispute will be settled through the Grievance and Arbitration procedures of this Agreement.

14.03 Lead Hands

A lead hand premium of one dollar (\$1.00) per hour will be paid to employees specifically designated as a lead hand on special jobs or on trades crews for the time worked as a lead hand. A lead hand provides direction but is not involved in issuing discipline and does not do the paperwork for which a supervisor is responsible. A lead hand will be under the supervision of a supervisory staff member, except for the Mill Control Room Operators.

14.04 Qualification for Journeymen

To qualify for the journeyman rate the employee must have a recognized Canadian Provincial Certificate in the trade for which he was hired.

14.05 Pay Days

Wages will be paid by bank deposit every second Friday and employees will be provided with an itemized statement of same.

Article 15

HOURS OF WORK

15.01 Work Week Defined

The work week shall be the period between 11:30 p.m. on Sunday evening and 11:30 p.m. on the succeeding Sunday evening.

15.02 Breaks

All employees will be allowed a reasonable opportunity for a coffee break, not to exceed fifteen (15) minutes, twice during each shift. These coffee breaks shall be arranged so as not to interfere with normal work sequences.

A paid thirty (30) minute lunch break shall be provided during the shift. The lunch break shall be taken so as not to interfere with normal work sequences.

15.03 Shifts and Dry to Dry

In the case of all underground employees within the jurisdiction of this Agreement, eight (8) or ten (10), or twelve (12) hours from Dry to Dry shall constitute a shift.

In the case of all surface employees on semi-continuous operations, eight (8) hours from 7:30 am to 3:30 pm, on the job, or ten (10) hours from 7:30 am to 5:30 pm, on the job, or **5:30 pm to 3:30 am, on the job**, shall constitute a shift. Employees may utilize up to a maximum of 15 minutes at the end of their shift for clean-up.

15.04 Continuous or Semi-Continuous Shifts

15.04 (a)

In continuous or semi-continuous operation, **being operations that require coverage seven (7) days per week, the hours of work shall consist of twelve (12) hour shifts averaging forty-two (42) hours per week, or in the case of the ten (10) hour shift schedule, thirty-five (35) hours per week.**

15.04 (b)

The Company will provide employees required for twelve (12) hour shifts in continuous or semi-continuous operations with room and board in a Company provided camp facility.

15.05 Changes to Shift Schedules

15.05 (a) Notice to the Employee

Notice of any change in regular shift schedule must be given to an employee by Thursday of the week previous to the week of the schedule change. In the case of continuous or semi-continuous operation, notice will be given by the third day of the work cycle prior to the change of the regular shift. Required notice will be provided except in the event of replacement for an employee absent without sufficient notice and/or emergency situations.

15.05 (b) Notice to the Union

Notice must be sent to the Union of any change of schedule involving four (4) or more employees in any one (1) department.

15.06 Rest Between Shifts

An employee shall be entitled to eight (8) hours rest between his regular shifts. Should such an employee be recalled to work before such eight (8) hours elapse (a call-out), the employee shall be considered as still on his previous shift and shall be paid at overtime rates as per Article 16.06.

In the event that an employee's regular shift begins before the prescribed eight (8) hours has elapsed since the end of a previous work period, he shall not report to work until the eight hours has elapsed. **Also, arrangements will be made for these employees to obtain their meal requirements for the day so they may have an uninterrupted rest period.** The employee shall be paid regular wage rates for those hours between the start of the regular shift and the end of the prescribed rest period. Such payment will be conditional upon the employee reporting for work and completing the shift following the end of the rest period.

Article 16

OVERTIME AND SPECIAL PAY

16.01 Time and One-Half Defined

For employees working an eight (8) hour schedule, one and one-half (1 1/2) the employee's rate shall be paid for all time worked in excess of eight (8) hours in any one (1) day or in excess of forty (40) hours in any one (1) week and for all work performed on an employee's regular designated day of rest. For employees working a (10) hour schedule, one and one-half (1 1/2) times the employees rate shall be paid for all time worked in excess of their regularly scheduled day, and for all work performed on an employee's regular designated day of rest.

16.02 Double Time Defined

For employees working an eight (8) hour schedule, double the employee's basic rate shall be paid for all work over eight (8) hours on days of rest and all work over ten (10) hours in one (1) day. For employees working a ten (10) hour schedule, double the employee's basic rate shall be paid for all overtime exceeding two (2) hours on any regularly scheduled working day, and all work over eight (8) hours on days of rest.

16.03 Continuous or Semi-continuous Shifts

Those employees whose schedule averages forty-two (42) hours per week as per Article 15.04 shall be paid at one and one-half (1 1/2) times their rate for all time worked in excess of an average of forty (40) hours in any one (1) week (i.e. two (2) hours per week). In addition, one and one-half (1 1/2) times the employee's rate shall be paid for all time worked in excess of their regularly scheduled hours per day or on a regular assigned day of rest. Double the employee's basic rate shall be paid for all overtime exceeding two (2) hours on any regularly scheduled working day, and all work over eight (8) hours on days of rest. **If required by law or regulation, the Union will apply with the Company for approval of a work schedule averaging forty-two (42) hours per week.**

16.04 Standby Time

Electricians and mechanics who are required to stay in camp on standby time shall receive a minimum of two (2) hours pay at overtime rates over and above the daily wages to which they were otherwise entitled.

16.05 Overtime Pyramiding

Overtime shall not be paid more than once for the same hours worked.

16.06 Call-out

All call-outs are voluntary unless on standby. An employee reporting to work on a call-out shall be paid at applicable overtime rates for hours actually worked or four hours straight time whichever is the greater.

In the event that the employee is called out from town, he shall receive an additional one (1) hours pay at straight time. This paragraph shall not apply when an employee is asked before completing his regular shift to continue work beyond the end of that shift.

16.07 Overtime Meals & Camp Charges

An employee who works overtime that is expected to last more than two (2) hours beyond the completion of his normal shift may elect to choose one the following:

- i) an established unpaid lunch break and a hot meal
- or
- ii) a paid fifteen (15) minute break and **premium** in the amount of **twenty dollars (\$20.00)**. The break shall be arranged so as not to interfere with the normal work sequences.

If an employee continues to work six (6) hours beyond the completion of his normal shift, an additional **premium** of the same value will be provided.

An employee who works unscheduled overtime will be provided with camp accommodations, if required at no extra cost.

16.08 Reporting Pay

An employee who reports to work as scheduled without having been notified not to report and for whom no work is available will be paid four (4) hours pay at his regular base rate.

An employee who is in transit to work on company supplied transportation and who is unable to report for work due to circumstances beyond his control and where no alternative transportation is provided will be eligible for four (4) hours pay at straight time. To be eligible for this payment the employee must submit his name and payroll number to the vehicle driver who makes the decision that the transportation provided cannot proceed to the work site.

16.09 Rate Retention

If an employee is transferred to a higher or lower paid job for four (4) hours in any one (1) day he shall be paid at the higher rate for the full shift that day. An employee transferred to a higher paid job for less than four (4) hours in any one (1) day shall be paid at the higher rate for the time so employed if it is not less than one (1) hour but shall otherwise be paid his usual basic rate.

The above shall not apply to job assignments for the purpose of training under supervision.

16.10 Weekend Premiums

A premium of one dollar seventy cents (\$1.70) per hour over the applicable base rate will be paid for all time worked on regularly scheduled shifts falling on Saturdays and Sundays. This premium shall not apply for hours worked at overtime rates.

16.11 Shift Differential

16.11 (a)

It is mutually agreed by the Parties hereto that an additional fifty cents (\$0.50) per hour shift differential will be paid to all employees for all work performed on afternoon, twilight and midnight shifts.

16.11 (b)

Shift differential rates will not be paid for the hours an employee works at overtime.

16.12 Tool Allowance

All journeymen, apprentices and trades helpers shall receive fifty cents (\$0.50) per hour worked as a tool allowance. Tool Allowance will not apply to overtime shifts.

16.13 Irregular Shifts

Employees traveling and working irregular eight (8) hour shifts or on call-outs that do not coincide with the bus service will receive a subsidy of forty dollars (\$40.00) per working shift.

16.14 Fair Distribution of Overtime

The Company agrees to fairly distribute overtime opportunities among those employees within the classifications willing to work overtime.

16.15 Trades Premium / Differential

Tradesmen will receive a trades premium / differential of \$0.50 for all hours worked.

Article 17

STATUTORY HOLIDAYS

17.01 Statutory Holidays Defined

All work performed on the following days shall be compensated for at two and one half (2 1/2) times the base rate:

- | | |
|-------------------|------------------|
| New Year's Day | Labour Day |
| Family Day | Thanksgiving Day |
| Good Friday | Remembrance Day |
| Easter Monday | Christmas Day |
| Victoria Day | Boxing Day |
| Canada Day | B.C. Day |

17.01 (a)

The period to include Christmas Day and Boxing Day as provided for above, will be defined for all purposes as commencing at the conclusion of an employee's day shift on December 24th and will conclude 48 hours later.

17.02 Floaters

After completion of one (1) year of service, each employee will be entitled to **two (2) floating holidays per year, subject to the same limitations in Article 18.04.**

This must be applied for at least five (5) working days prior to the required time off for continuous operations and at least two (2) working days prior to the required time off for all others. It is understood and agreed that floating holidays must be taken or be paid out at the end of the year in which they are earned and cannot be accumulated to future years.

17.03 Pay for Statutory Holidays

Employees not working on the holiday set out in 17.01 of this Article shall receive pay subject to the following terms and conditions:

17.03 (a)

When a holiday falls on a regular assigned day off, the next scheduled shift will be considered as the holiday for the employee concerned.

17.03 (b)

To qualify for pay on a holiday, the employee shall work the last scheduled shift before the holiday and the first scheduled shift after the holiday.

17.03 (c)

An employee unable to work his scheduled shift or shifts due to a quantifiable injury/illness will qualify for statutory holiday pay by presenting to the Timekeeper a medical certificate duly signed by a doctor stating the employee's injury/illness prevented him from working his scheduled shift. This medical certificate must be provided within ten (10) calendar days of their return to work.

The Company will pay statutory holiday pay to disabled employees for any such holiday occurring during the first thirty (30) calendar days of the disability. No statutory holiday pay will be paid for any statutory holiday occurring subsequent to this thirty (30) day period. This shall include all employees receiving **WorkSafe BC** or other wage loss benefits.

17.03 (d)

An employee who qualified for pay for a holiday under this Article, and who does not work on such holiday, shall receive his regular pay on the basis of his regular base rate (exclusive of shift differentials, overtime, bonuses, holiday or other premiums) as on the normal shift worked by him immediately prior to such holiday. An employee so qualifying shall not be entitled to such pay if he does not work on a holiday after having been required by the Company to work and having agreed. If an employee so qualifying does work as required by the Company on a holiday, he shall receive no pay under this section unless he works at least a part of his assigned shift thereon, when he shall be paid for the hours worked at two and one-half (2 1/2) times the

base rate as provided in Section 17.01 of this Article, and for the remaining hours of the shift not worked he shall be paid at straight time.

17.03 (e)

Notwithstanding anything in this Agreement, under no conditions shall any time be paid at a rate greater than two and one-half (2 1/2) times the base rate.

17.03 (f)

When a statutory holiday falls during an employee's vacation, the employee is entitled to an additional vacation day without pay, if he so requests prior to his vacation.

17.03 (g)

Where employees work either a 5+2 or 4+3 non-continuous shift schedule, such employees cannot be required / scheduled to work on a statutory holiday that falls on one of their regularly scheduled days of work. In the event that the Company wishes to work on a statutory holiday, the Company will seek volunteers to fill the available vacancies and will give the Union and employees involved as much advance notice as possible.

Article 18

VACATION

18.01 (a) Annual Vacations for employees that are not on the 7 on / 7 off shift

Employees will receive vacation and be paid for the vacation in accordance with the following schedule.

Years of Continuous Service	Vacation Period	Vacation Pay
Less than one (1) year		4% gross earnings
One (1) year but less than eight (8) years	Three (3) Weeks	6% gross earnings
Less than fifteen (15) years	Four (4) Weeks	8% gross earnings
Fifteen (15) years and over	Five (5) Weeks	10% gross earnings

It is understood and agreed that vacations must be taken in the year in which they are earned and cannot be accumulated to future years.

Employees must take a minimum of two (2) weeks earned vacation per year. Where this vacation has not been scheduled by the employee by October 15th of each year, as per 18.05(a), the Company reserves the right to schedule vacation for the employee.

18.01 (b)

For employees scheduled to work a 7 on / 7 off shift, the following vacation allocation will apply, despite any other provisions in the collective agreement.

Employees on this shift with more than one year but less than eight years continuous service will be able to ask for 3 Vacation Blocks where a Vacation Block is defined as either 5 shifts on a Wednesday to Sunday basis OR 2 shifts from a Monday – Tuesday Basis.

Employees on this shift with eight years continuous service but less than fifteen years will be entitled to for 4 Vacation Blocks; and employees with more than fifteen years continuous service shall be entitled to 5 Vacation Blocks

Vacation pay will remain as outlined in article 18.01(a).

18.02 Bonus Vacation

18.02 (a)

Employees with five (5) or more years of service will receive an additional three (3) weeks bonus vacation with pay at two percent (2%) per week of his gross earnings for the previous year.

Bonus Vacation must be taken in allotments of work rotation schedules (i.e. 4x4 - 4 days; 5x2 - 5 days, etc.).

18.02 (b)

For each five (5) year period, the employee will receive an additional three (3) week bonus vacation with pay at two percent (2%) per week of his gross earnings for that previous year.

18.02 (c)

All bonus vacations will be taken prior to the next five (5) year anniversary.

18.03 Number on Bonus Vacation

In order to maintain continuity and uninterrupted operations, the Company will schedule, on a seniority basis, the number of employees on bonus vacation not to exceed:

Ten (10) employees total from the Underground Department at any one time, broken down by classification as follows: Diamond drill department (2); Construction crew (1); Road crew (1); Truck Drivers (2); Trammers (1); Miner (2); Mucker (2); Nippers (2)

Six (6) employees from the Maintenance Department, with no more than one employee of any trade at one time;

Two (2) employees from the Mill Operations Department;

Two (2) employees from the Spit, including surface operations;

One (1) employee from the Warehouse.

18.04 Vacation Shutdowns

18.04 (a)

Where practical the company may schedule a vacation shutdown of all or part of its operations for up to three (3) weeks, provided that no less than three (3) months' notice is given to the Union and notices advising of the shutdown will be posted on all departmental bulletin boards.

18.04 (b)

The Company maintains the right to schedule various parts of its operation during the shutdown.

The employees necessary for these operations will be selected from those employees in the required job classifications who have indicated their desire to work during the shutdown according to Company seniority. Where there is an insufficient number of employees indicating their desire to work, selection will be made in reverse order of Company seniority. Employees who work during the shutdown will take their vacation at a later mutually agreed upon time. The Company will give a three (3) month notice when work will be required during the shutdown.

18.04 (c)

Vacations in excess of the three (3) week shutdown for which employees may be eligible shall be scheduled sufficiently in advance and taken at mutually agreed upon time that will allow for the maintenance of an adequate work force.

18.05 Vacation Scheduling**18.05 (a)**

The Company will accept vacation applications from January 1st to March 15th for the period April 16 to October 31st. Applications will be accepted from September 1st to October 15th for the period November 1st to April 15th. Vacation applications will be on a form to be supplied by the Company and agreed to by the Union.

The Company will post approved vacations by April 15th for the summer period and by October 31st for the winter period. The foregoing is subject to the following criteria:

- i) Vacations are allotted by company seniority.
- ii) An employee at his option can elect to use a combination of regular and bonus vacation when applying for vacation to a maximum of six consecutive weeks.
- iii) Floaters cannot be used to displace another employee's vacation time.
- iv) Regular vacation may be taken in any multiple of complete days from one (1) to the total number of vacation days owed except for employees on the 7/7 rotation, in which case employees with 1-8 years may take 8 days as single days, 8-15 years 8 single days and more than 15 years 12 days but these single days may not be applied to the 2 days in a single Mon-Tues vacation block as defined in article 18.01(b). Despite the foregoing, only half an employee's annual vacation entitlement per year (rounded up to the nearest week) may be taken in portions less than an entire work rotation set.
- v) Journeymen, tradesmen, apprentices or trades helpers shall not limit others in different trade occupations for vacation assignment purposes.
- vi) After March 15th and October 15th any remaining vacation time (for each respective period) can be applied for by an employee and will be allocated on a first come first serve basis. Senior employees cannot displace a less senior employee who has an approved vacation. **All vacation requests submitted after March 15 and October 15 will receive a response within two working blocks.**
- vii) When scheduling vacations, the Company will make every reasonable effort to maximize the number of employees allowed off for vacation.
- viii) In each of the designated line-up areas, the Company will post approved vacations by April 15th for the summer period and by October 31st for the winter period.

18.05 (b)

The Company agrees that once an employee's vacation has been scheduled, it will not be changed except for valid operational requirements; or if the employee has transferred to a

different job at his request; or in the case of unforeseen operating difficulties. Valid operational requirement or unforeseen operating difficulties will be determined by a senior Company official. Should the employee suffer a loss through non-refundable deposits or other increased travel costs for similar arrangements due to such a determination by management, with prior approval, the Company will reimburse such loss

18.05 (c)

All bonus vacations will be taken prior to the next five (5) year anniversary and any unused portion of the vacation bonus entitlement will be paid out to the employee at the end of the five (5) year period.

18.06 Vacation Pay

18.06 (a)

All hourly employees will receive their earned vacation pay on the payday immediately following their anniversary by separate bank deposit with an itemized statement. If the employee so requests, the Company will issue an **electronic direct deposit** for regular vacation pay to those employees who take their vacation if the anniversary date comes either before the next payday or during their vacation.

18.06 (b)

Bonus Vacation pay directly proportional to the time being taken will be paid in advance of the vacation with an itemized statement.

Article 19

PENSION, HEALTH & WELFARE

19.01 Medical Services Plan of British Columbia

The Company agrees to pay one hundred percent (100%) of the cost of premiums for employees registered with the Medical Services Plan of British Columbia (regular medical coverage). Such employees must be full time day rate employees and both Company and employees agree to comply with the Medical Services Plan regulations at all times.

19.02 Insurance Policies

The Company agrees to pay one hundred **percent** (100%) of the premium cost for all employees covered by Group Life Insurance Policy and a Sickness and Non-compensable Accident Benefit Insurance Policy (19.02 (b)). The coverage will be as follows:

19.02 (a)

The Group Life Insurance coverage will be one hundred thousand dollars (\$100,000), effective January 1, 2010.

In addition, Accidental Death and Dismemberment coverage will be eighty thousand dollars (\$80,000), effective on date of hire.

19.02 (b) Weekly Indemnity Benefit Plan

The Company agrees to pay **one hundred percent (100%)** of the cost of premiums to provide a Weekly Indemnity Benefit Plan. New employees will be eligible for coverage upon completion of the probationary period.

The plan will provide eligible employees with benefits for lost time during periods of disability, commencing on the first day of an accident or hospitalization (including day surgery or administered medical treatment) and the fourth day of sickness, and continuing for a maximum period of fifty-two (52) weeks.

The maximum benefit payable under this plan will be \$575.00 per week. The Company agrees that the current benefit payment will not be reduced during the term of this agreement.

19.02 (c)

Any employee who receives Weekly Indemnity and is subsequently paid by **WorkSafe BC** or **I.C.B.C.** shall return the equivalent of the Weekly Indemnity payments to the Company.

19.03 Dental Plan & Extended Health

19.03 (a)

The Company agrees to pay one hundred percent (100%) of the cost of premiums for employees (dental care plan and extended health benefits).

Dental Plan A, basic services payment of claims to be at one hundred percent (100%); coverage in Plan B, with payment being at sixty percent (60%); and Plan C, with payment being at fifty percent (50%) up to a maximum of \$2,500.00 per eligible family member. Eligible family members are interpreted as employee, spouse, and dependent children.

19.03 (b)

The Company will maintain a vision care program that will provide a maximum of \$300.00 every two (2) years to an employee or members of an employee's immediate family (spouse and dependent children) effective January 1, 2010.

The vision care program will also provide for reimbursement of vision testing. Dependent children under the age of 19 will be eligible for reimbursement of eye examinations to a maximum of \$100 every 12 months and eligible plan members over the age of 19 (employees and spouses) will be eligible for reimbursement of eye examinations to a maximum of \$100 every 24 months.

19.03 (c)

The Extended Health lifetime maximum will be **unlimited**.

19.04 Long Term Disability

The Company agrees to pay one hundred (100%) percent of the cost of premiums for a Long Term Disability Plan that will provide a benefit of thirteen hundred dollars (\$1,300) per month, less any benefits payable from WorkSafe BC for an employee unable to work due to illness or accident as defined by the insurance carrier.

Eligible employees would be those who have completed one (1) year's full employment.

There shall be a fifty-two (52) week waiting period before payments commence and they will continue to the earlier attainment of sixty-five (65) years of age or date of recovery.

This benefit is deemed as two years own occupation.

19.05 Pension Plan

19.05 (a) Defined Benefit Plan

Effective October 1, 2013; and applicable to employees hired before August 1, 2017.

\$56.00 per month per year of continuous service for employees with a hire date before August 1, 2017.

The Company agrees to provide a spousal survivor's benefit of sixty per cent (60%) of the earned benefit. This benefit applies should the retired employee die before attaining the age of sixty-five (65).

Employees with less than two (2) years continuous service will not be vested. After two (2) years of continuous service the employee will be vested one hundred per cent (100%).

On his termination the employee has the right to convert his pension to an RRSP, if permitted by pension regulations.

In the event of permanent mine closure, or a reduction of production in anticipation of mine closure, the full value of the pension benefit earned by each employee to date of termination will become vested and payable regardless of length of service. The Company will apply any interpretation of this provision in a fair and equitable manner.

Subject to regulatory approval, current active members of the Defined Benefit Plan will cease to accrue service as of ratification and the Company will not make ongoing contributions to the Defined Benefit Plan for service after ratification. Accrued benefits under the Defined Benefit plan up to ratification will be available to plan members. The Company remains responsible for obligations to the plan incurred prior to ratification.

19.05 (b) Defined Contribution Plan

A Defined Contribution Plan will apply to employees hired as at August 1, 2017 and any member of the Defined Benefit Plan employed at and after ratification, subject to regulatory approval.

Employees participating in the Defined Benefit Plan, of the Union's choosing, will have the

following minimum mandatory contribution rates:

	Defined Contribution Rate
Employee	5% of salary
Company	10% of salary

19.06 Health & Welfare Coverage

19.06 (a) Employee Laid-Off

Employees who are laid off shall continue to receive their current Health and Welfare coverage as per Article 19 for three (3) months following the month in which the lay-off began. When recalled to work from lay-off, health and welfare benefits will commence the first day of the month following the recall. If a laid off employee is recalled to work for 160 hours or more, his or her health and welfare benefits shall continue for 3 months if subsequently laid off.

19.06 (b) Employees on Leave of Absence

Employees who are on authorized leave of absence shall continue to receive current Health and Welfare coverage as per Article 19 for the three (3) months following the month in which the absence began.

Employees who have been granted an authorized leave of absence for Union business as per Article 10.03 (a), shall continue to receive all insurance benefits as per Article 19.01 for a maximum of twenty-one (21) calendar days following the first day in which the absence began.

After that time, the employee will make arrangements with the Company to pay the coverage.

19.06 (c) Absence Due to Injury or Illness

Employees who are absent due to injury or illness shall continue to receive their current Health and Welfare coverage (Medical, Extended Medical, Life Insurance, Dental and A.D.&D) for three (3) years from the commencement of the absence.

19.06 (d) Cancellation of Insurance Benefit Coverage

Should an employee cease to be disabled as a result of a work or non-work related injury or illness and chooses not to return to work, or should an employee take alternate employment, the Company's obligation to maintain Health and Welfare coverage shall cease.

Employees who are on such continuous coverage must keep the Company informed of their current address and employment status. Medical, Extended Medical and Dental coverage are not available to non-residents of British Columbia. Full coverage is not available to those in the employ of another employer. Failure to keep the Company informed of the current address and employment status will result in the cancellation of benefit coverage.

In no event will benefits continue past the age of sixty-five (65).

Employees who continue to work past age **sixty-five (65)** will receive pay-in-lieu of benefit premiums for employees under the age of **sixty-five (65)** for any benefits he or she does not receive while actively working.

Article 20

INCENTIVE CONTRACT COMMITTEE

20.01 Recognition of Bonus Committee

The Company shall recognize a contract committee consisting of three (3) Union members. Such members shall be qualified by experience and the committee shall concern itself exclusively with matters relating to incentive contracts.

20.02 Meetings

The Contract Committee, the Mine Superintendent and the Contract Engineer will meet monthly to discuss **incentive** contracts and bonus. The purpose of such meetings is to solve problems of mutual concern. A spirit of cooperation is essential.

20.03 Disputes

In the event of a dispute over contract prices or contract conditions or contract payments, said dispute shall be presented to the Contract Committee and the Company Management for settlement.

20.04 Contractual Obligation

The Company will maintain an **incentive** bonus system. While bonus rates may be adjusted as conditions warrant, the Company will not arbitrarily reduce bonus rates.

20.05 Training Bonus

The Union and the Company recognize that training functions may disrupt the daily routine and could therefore affect incentive bonus payments. Further it is agreed that those involved in the training will be protected from loss of bonus.

Article 21

UNION SECURITY

21.01 Assignment of Dues

The Company shall honor a written assignment of dues to the Union.

21.02 Form of Assignment

An assignment pursuant to Section 21.01 of this Article shall be in the following form:

TO: **NYRSTAR MYRA FALLS LTD.**

I hereby authorize you to deduct from my wages and pay to the

UNIFOR, LOCAL 3019, dues as established by the UNIFOR LOCAL 3019 Constitution and By-Laws, per month beginning with the month of:

_____, 20____

and/or such monthly dues per month or additional assessments as the Union Constitution and/or by-laws from time to time provide, and I hereby authorize and request you, without further authorization or requests from me to deduct and remit to the Union such other amounts:

EMPLOYEE NO.

EMPLOYEE'S NAME _____(SIGN)

21.03 Remittance of Dues

Unless the assignment is revoked in writing and delivered to the Company, the Company shall remit the dues deducted to the Union every two (2) weeks, together with a written statement of the names of the employees for whom the deductions were made and the amount of each deduction.

21.04 Revocation

If an assignment is revoked, the Company shall give a copy of the revocation to the Union.

21.05 Limit of Company Responsibility

21.05 (a)

Notwithstanding any provisions contained in Section 21.01, 21.02 and 21.03 of this Article, there shall be no financial responsibility on the part of the Company for fees, dues or assessments of an employee unless there are sufficient unpaid wages of that employee in the Company's hands.

21.05 (b)

The Company agrees to deduct from the earnings of every employee covered by this Agreement on a bi-weekly basis one-half (1/2) of the total sum of the monthly Union dues as may be fixed constitutionally by the Union, for a maximum of twenty-four (24) pay periods.

21.06 Effective Date

The said deductions shall commence at the effective date of these sections, and in the case of each assignment by an employee entering the employment of the Company subsequent to the effective date of the sections with the calendar month in which his first pay cheque from the Company is received by him.

21.07 Dues as Condition of Employment

The Company shall during the life of this Agreement, on a bi-weekly basis, deduct as a condition of employment for each bargaining unit employee in the Company's continued employment, an amount equal to the Union dues due in each calendar month for each such employee and remit within fourteen (14) days of the date such deduction is made to the Financial Secretary of the Union. The Company will, at the time of making each such payment to the Financial Secretary of the Union, name the employees from whose pay such payment has been deducted.

21.08 Union Membership**21.08 (a)**

As a condition of employment, each new employee will join the Union on his/her first day of employment.

21.08 (b)

All employees who are members of the Union on the effective date of this Agreement and all employees who join thereafter shall remain members of the Union as a condition of continuing employment during the term of this Agreement.

Article 22**GENERAL PROVISIONS****22.01 Moonlighting**

The Company and the Union agree that the practice commonly known as 'moonlighting' is wrong in principle. The term "moonlighting" for the purpose of this clause shall refer to a full-time employee who regularly makes a practice of working for another employer for a substantial number of hours during the week.

(a) When this practice affects or conflicts with Company business or the employee's ability to perform his normal duties, it shall be cause for reprimand or dismissal.

(b) When this practice affects or conflicts with the Union policy, the Company agrees to cooperate with the Union re: reprimand or dismissal.

22.02 Printing of Agreement

The Company and the Union will have printed, in pocket size books, copies of this Collective Agreement. The Company will pay the cost of printing. Every employee will be provided with a contract book and one hundred (100) copies will be provided to the Union. The books will be printed at a Union Shop.

22.03 Medical Examinations

An employee will receive up to six (6) hours pay for a medical examination as where required by law for continued employment with the Company..

22.04 Day, Week, Month & Year Defined

References of days, weeks, months, or years shall be understood to mean calendar days, weeks, months, or years, unless otherwise expressly provided in this Agreement.

22.05

The Company agrees to conform to all B.C. Industrial Camp Health Regulations.

22.06 Assignment of Work

It is a matter of Company policy that the assignment of work is to be done in a fair and equitable manner.

Article 23

APPRENTICES AND TRAINING

23.01 Training

To maintain a viable and competitive position in the global market place, the Company and the Union agree that all employees should receive sufficient training in order that they may perform their work in a safe and productive manner. The parties further agree that a properly trained workforce will contribute significantly to the safe and efficient operation of Myra Falls. The Company will pay qualified trainers a premium of \$3.00 per hour while training.

23.01 (a) Departmental Training

Identifying and prioritizing training requirements, methods, and resources (or their deficiencies) can best be achieved on a departmental basis utilizing departmental training subcommittees. Departments will include the Mine, Maintenance and Mill/Surface. Each department will be represented by a departmental subcommittee comprising one Management and one Bargaining Unit representative who will identify departmental training requirements. Departmental subcommittees will meet periodically as required, and on a quarterly basis will meet as a full committee to review training initiatives and results. Amongst the subcommittee members, a Union Co-Chair and a Company Co-Chair will be selected. Following the meeting of the full committee, a report will be generated and submitted at the following Union/Management meeting.

23.02 Training Priorities

The Company and the Union agree that there must be a systematic method in determining training requirements. Training requirements fall into two categories.

Immediate Needs
Back Up Needs

23.02 (a) Immediate Needs

In situations where new equipment or technology is introduced into the operation, creating an immediate training need in order to maintain efficiencies, employees currently performing the job function where the training need arises will be given first opportunity for training.

23.02 (b) Back Up Needs

In situations where immediate needs have been met and there is a need to provide back-up employees, employees will be trained as per the Training Identification Board, in consultation with the departmental training subcommittees.

23.02 (c)

With respect to training requirement within a job classification or progressive training, the departmental subcommittees will have the ability to identify and act upon their specific training requirements.

23.03 Training Eligibility

Employees can submit a "Request for Training" form for consideration by the departmental training subcommittees. The departmental training subcommittees will review the applications and determine the suitability of the applicant for the applied for training. In determining suitability the following will be applied:

- a) **Pre-requisite qualifications that support a progression into the position**
- b) **Previous training obtained**

Successful applications will be placed on a Training Identification Board.

23.04 Training Identification Board

In conjunction with the job posting registry set out in Article 12, the Company will produce a "Training Identification" board which will be posted on **bulletin boards in the HW, Mill, Lynx and Discovery Terminal buildings**. This board will reflect the **current training positions at the mine and will be the location where employees completing the "Request for Training" forms will be listed. If it is determined by the department training subcommittee that additional employees are to be trained for backup needs, the senior employee for the position listed on the Training Identification Board will begin training as scheduled by the department.**

23.05 Trainers and Programs

23.05 (a)

Training will be conducted in accordance with approved training programs by utilizing qualified trainers (train-the-trainers or qualified "mentors" as pre-approved by the departmental training subcommittees), and/or other sources as deemed appropriate by the departmental training representatives. In the event there is a disagreement on the selection, the General Manager will make the final determination pursuant to the Mines Act.

23.05 (b)

Training programs utilized will include documentation that the skills and knowledge that the workers require to perform specific jobs at the mine and in the mining industry similar to, or better than, the National Occupational Standards (NOC), have been successfully achieved. The departmental training subcommittees shall determine successful completion of training programs which will be done in a fair and equitable manner. Final documentation will be signed by a representative of the Company.

23.05 (c)

The Company will ensure that an employee in training will spend sufficient time (up to two (2) shifts) at the actual worksite to give the employee the ability to make an informed decision regarding the work environment and the duties of the job.

23.05 (d)

Employees in training who demonstrate a lack of sufficient ability for the position will be removed as a trainee.

23.05 (e)

The Company will pay qualified trainers a premium of \$3.00 per hour while training.

The Company alone determines what hours are eligible for the premium payment. Employees will receive their regular rates of pay while training in another classification except that employees substituting for an absent employee shall receive the rate for the job.

23.05 (f)

After an employee is deemed qualified to perform all aspects of the job, he shall be paid at the rate of the job at such times as he is actually performing the job. The employee will also be deemed to have sufficient ability to fill a job vacancy in accordance with Article 12.

23.05 (g)

In the case of Mill employees involved in the Mill Operator Progression structure, successful completion of a training segment will qualify the employee to receive a job class rate one level higher than his present regular rate, with the exception of the Grinding Operator being able to be paid Floor Operator rate if he is qualified on both the Tailings Operator and Floor Operator positions.

23.05 (h)

In the case of Surface Equipment Operator training, incidental costs required in the training process such as licenses, examination time etc. will be borne by the Company. This must be approved in advance by the Company.

23.06 Apprenticeship Training

23.06 (a) Apprenticeship Training Opportunities

Opportunities for an apprenticeship shall be made known through the job posting procedure.

23.06 (b) Apprentice Wage Rates

Apprentice hourly wage rates shall be as follows:

On Entry	Job Class 2
After 1 st Year Successful Completion	Job Class 3
After 2 nd Year Successful Completion	Job Class 5
After 3 rd Year Successful Completion	Job Class 7
After 4 th Year Successful Completion	Job Class 8
Upon certification/To Certified (Journeyman's Rate)	Job Class 10

Rate increases are contingent upon successfully passing the apprenticeship board's examination and completion of the prescribed training hours for the year. The yearly intervals shall be calculated using the date of entry into the program as the anniversary date. Reasonable allowances for vacation and other non-trades related work are inherent in the number of training hours required.

23.06 (c) Apprentice Schooling

During the periods of apprenticeship schooling, the apprentice shall apply for any available government allowance. The Company shall provide an allowance equal to the difference between the apprentice's regular straight time earnings and the amount of government earnings, provided that documentation of successful completion and attendance are provided by the apprentice to the Company.

The Company will reimburse apprentices for the cost of text books required by the apprenticeship board for the course outlined in the apprenticeship training curriculum.

23.06 (d)

Any apprentice who fails any year of his apprenticeship on two (2) successive opportunities shall be removed from the apprenticeship training program. Employees sponsored as apprentices through the Company will have two (2) years to complete and pass each successive year's schooling and hour's requirements through to provincial trade ticket or Red Seal. Employees who do not meet this requirement will be removed from the apprenticeship training program.

23.06 (e)

An employee who achieved their apprenticeship while employed by the Company is not eligible for apprenticeship training until at least five (5) years from the date of achieving their journeyman status unless there are no other successful applicants as per Article 23.08(f).

23.06 (f)

To qualify for an apprenticeship, an applicant must have:

- i) Grade 12 or equivalent and
- ii) A pre-apprenticeship certificate or its equivalent or two years of related experience in the applied trade.

23.06 (g)

In the event of a dispute concerning the equivalence of a pre-apprentice training course, the parties agree to use the results of a recognized pre-apprenticeship training exam as an equivalency test.

Article 24

TECHNOLOGICAL CHANGE

24.01 Company Rights - Automation

The Union acknowledges that the Company has the exclusive right to install, at any time, mechanical, electronic or other types of automated equipment.

24.02 Technological Change Defined

For the purposes of this Article, "Technological Change" means:

- (a) The introduction by the employer of a major change in his equipment or material from that equipment or material previously used by the employer in his work, undertaking, or business, and/or
- (b) A major change in the manner in which an employer carries on his work, undertaking, or business related to the introduction of that equipment or material.

24.03 Notice of Change

In the event of the introduction of a technological change giving rise to either a layoff or termination of a bargaining unit employee, the Company agrees to provide to the Union as much advance notice as practical, but in any event no less than three (3) months' notice.

24.04 Meeting with Union

In the event of a pending technological change, the Company shall advise the Union of such change at the earliest opportunity and meet with the Union to discuss the ramifications of such technological changes as soon as practical.

24.05 Displacement of Employees

Where an employee who has completed the probationary period with the Company is displaced from his job by reason of technological change, and where a vacancy exists for which he might qualify by training, he shall be entitled to such training at the Company's expense, provided that he has the necessary basic education and abilities to absorb such training to equip him for the operation of new equipment or procedures. The period of such training shall not exceed a maximum of thirty (30) working days.

24.06 Severance Pay

Employees who have at least one (1) year of service with the Company who are discharged or laid-off because of technological change are entitled to severance pay under article 12.14 of this Agreement.

Article 25

BUS TRANSPORTATION

25.01

The Company shall provide employees with a bus transportation service from **Campbell River and Courtenay BC** to the mine site, at no charge to the employees. **Concerns regarding the bus system may be relayed to Human Resources on a form supplied by the Company.**

The Company agrees to maintain the current quality of bus service in terms of seating comfort and temperature control. For employees working the twelve (12) hour continuous shift schedule, transportation service with professional, licensed drivers will be provided. Vans may be used to transport employees on the twelve (12) hour continuous shift schedule.

The Company agrees to maintain the current transportation standards during the life of the Agreement.

25.02

In the event that the scheduled bus service has not arrived to pick up employees and the employee has waited 30 minutes past the scheduled pick up time, the employee must advise the Company that the bus did not arrive. The employee will not suffer any disciplinary consequences as a result.

Article 26

SKILLED TRADES

26.01 (a)

The following is a list of presently recognized skilled trades at Myra Falls, although the Company does not guarantee that all of these trades will be filled during the life of this Agreement, nor does it restrict its right to add new trades as operational requirements dictate. Any new trades to be added will conform to the "Red Seal" status.

- Carpenter
- Electrician
- Heavy Duty Equipment Mechanic
- Automotive Mechanic
- Instrumentation Technician
- Machinist
- Millwright
- Plumber
- Welder
- Pipe Fitter

26.01 (b)

Skilled trades covered by this Agreement are those where a bona fide apprenticeship program must be completed before accreditation is granted, including Red Seal endorsement.

26.01 (c)

The Company will accept as proof of accreditation an inter-provincial trades ticket.

26.02 (a)

An "apprentice" shall mean a person who is engaged in learning and assisting in the trade for which he is indentured, and who is covered by an "Agreement of Apprenticeship".

26.02 (b)

The Agreement of Apprenticeship means a written agreement between the Company and the employee indentured as an apprentice. The Agreement of Apprenticeship shall be registered with the appropriate government ministry or agency and shall be distributed amongst the following.

- The apprentice
- The Company
- The appropriate government ministry or agency
- Local Union 3019
- UNIFOR Skilled Trades Department
- Joint Workplace Training Committee Maintenance Sub-Committee

26.02 (c)

Previous relevant and practical time spent in an accredited apprenticeship program as an indentured apprentice will be taken into full account when determining the competency level, status and pay rate of an apprentice to be hired at Myra Falls.

26.02 (d)

Notwithstanding the provisions of Article 12 no apprentice may apply under the provisions of this Agreement to fill any job vacancy. In the event of a layoff, an apprentice may displace an employee in any other classification where seniority allows, consistent with Article 12.10..

26.02 (e)

Upon completion of an apprenticeship, the Company will recommend to the appropriate government ministry or agency, that a certificate signifying completion of the apprenticeship be issued to the apprentice.

26.03

The Company will deduct one-half hours pay from each trades person's pay in the first pay period in January. For new hires, the half-hour's dues will be deducted from their first regular pay, prorated to January 01st. The amount so deducted will be remitted to the UNIFOR Skilled Trades Council within ten (10) days of the deduction.

26.04

On a periodic basis but no less than once per quarter, the Joint Skilled Trades Committee comprising three (3) Union and three (3) Company representatives will meet to discuss and review any general issues related to the trades that are not rightfully the jurisdiction of the JWTC Maintenance Subcommittee, the JOHSC or any other recognized committee or subcommittee.

WAGE SCHEDULE "A"

The following wage rates will be applied during the term of the agreement.

Grade	2020-10-01	2021-10-01	2022-10-01
12	47.81	49.01	49.99
11	43.24	44.32	45.21
10	48.90	50.12	51.12
9	38.64	39.61	40.40
8	37.50	38.44	39.21
7	36.37	37.28	38.02
6	35.21	36.09	36.81
5	34.09	34.94	35.64
4	32.94	33.76	34.44
3	31.80	32.60	33.25
2	30.66	31.43	32.06
1	29.52	30.26	30.86

Note: Employees in job classes 1-9 will receive a lump sum payment equivalent to \$2 x all straight-time and overtime hours worked between October 1, 2020 and ratification, less statutory deductions. Employees in job classes 10-12 will receive a lump sum payment equivalent to \$1 x all straight-time and overtime hours worked between October 1, 2020 and ratification, less statutory deductions. These payments will be made within 30 days of ratification, and to be eligible, employees need to be actively employed at ratification.

2021 Appendix "A" Job Classifications

Class	Myra Falls Position
1	Dryman
2	Surface Labourer
	Mill Labourer
4	Mill Crusher Operator
	Paste Plant Operator
	Cage Tender
	UG Crusher Operator
	Apprentice 1
	Underground Labourer
5	Warehouseman
	Surface Equipment Operator 2
6	Grinding Operator
	Apprentice 2
	U/G Equip Op 1 (Nipper)
7	Lubeman
	Tailings Operator
	Surface Equipment Operator 3
	Services/Paste Operator Mine

Class	Myra Falls Position
8	Float Floor Operator
	Hoistman
	Apprentice 3
	Shaftman
	Trackman
	U/G Equip Op 2 (Truck)
	Road Maintenance Grader
9	Control Room Operator
	Apprentice 4
	Certified Lubeman
	Timberman
10	Trammer
	U/G Equip Op 2 (Non remote scoop)
10	Journeyman
11	Shotcrete/Transmixer
	Diamond Driller
12	Longhole Driller
	Longhole Loader
	Miner Bolter
	Mine Jumbo
	Miner - Jackleg/Stoper
	Longhole Mucker

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APPENDIX "B"

ENTRY LEVEL POSITIONS

- Bucker/Core Splitter
- Bit Grinder
- Surface Labourer
- Mill Labourer
- Dryman
- Underground Equipment Operator 1
- Surface Equipment Operator 1
- Underground Labourer
- Underground Fillman
- Backfill Plant Operator
- U/G Crusher Operator
- Pumpman
- Mill Crusher Operator
- Trammer
- Warehouseman**

DORMANT POSITIONS

The parties agree that the following job classifications are now dormant:

Job Class	Job Classification
2	Spare Mill Operator
3	Bus Driver
3	Diamond Drill Helper*
3	Shop Nipper*
4	Lampman*
4	Deckman*
4	Timberman's Helper*
4	Trackman's Helper*
6	Filter Operator
7	Powerhouse Operator

***Formerly entry level position in Appendix "B"**

The parties further agree that these classifications will remain dormant until there is mutual agreement to resurrect any of them.

APPENDIX "C"

RETURN TO WORK PROGRAM

The purpose of the Return to Work Program is to, wherever/whenever possible, return injured or ill workers to productive and meaningful employment at the appropriate time⁽¹⁾ and in a manner which assists their recovery. This program is in keeping with applicable legislation including, but not limited to, Work Safe BC's policy of offering suitable employment to injured workers, and **Myra Falls Mine Ltd.**'s duty to accommodate workers.

The program requires the co-operation and the participation of the injured/ill worker, the medical community, Work Safe BC, Weekly Indemnity and Long Term Disability carriers, UNIFOR Local 3019 and **Myra Falls Mine Ltd.**

Myra Falls Operations' management, jointly with the Union Disability Management Representative, or his/her alternate, will administer the program. Every reasonable effort will be made to provide, at the appropriate time, suitable modified work⁽²⁾ or alternative employment⁽³⁾ to employees who are temporarily or permanently unable to return to their regular duties as a result of an occupational or non-occupational injury or illness. This may include:

- Providing transitional / modified work that is meaningful
- Modification of workstations or equipment to accommodate physical limitations
- Providing training – either for internal or external positions
- Reduction in expectations of work to be performed by the employee
- Permanent Accommodation⁽³⁾

- (1) *"Appropriate Time" – It is recognized that while early intervention can often be appropriate and useful to the recovery of the injured worker, both economically and emotionally, it remains for the attending medical practitioner to determine the appropriate time for the worker's return to work, subject to the ability of the Company without undue hardship to accommodate the worker's restrictions at that time.*
- (2) *"Modified Work" - Any work assignment other than the employee's normal work where a temporary change in assignment is necessary due to the employee's physical capabilities or medical suitability for his/her regular job.*
- (3) *"Permanent Accommodation" – A permanent change in work assignment or modification to work practices or expectations of the worker. Accommodating a worker may require special arrangements which may or may not be covered by the Collective Agreement. Such accommodations must be agreed to by the Union and the Company (refer to Article 12.16 of the Collective Agreement).*

The goal of the program is to return employees to work based on the following priorities:

- 1) Return to same position with no modification or accommodation required.

- 2) Return to same position with modifications or accommodations that recognize the limitations of the employee while still accomplishing the essential duties of the job;
- 3) Return to a different position within the Company that can be accomplished within the employee's limitations.
- 4) Reasonable support and preparation to assume work assignments external to the Myra Falls Operation as provided by agencies such as Work Safe BC or the Company's disability carriers.

Medical Reports

In the event of an occupational injury or illness, an employee is required to report appropriate details to the Company at the earliest possible opportunity. If medical intervention is required, the employee will provide the physician with a Physical Assessment Report (copies available to employees at the Mine site) to be completed prior to the employee's return to work. The purpose of this information is to define the employee's functional abilities or restrictions, and is not intended to provide a diagnosis such that the privacy of the employee is compromised. The Report will provide the physician with the opportunity to indicate any concerns or conditions relative to the employee's abilities to return to the work site. In the event the physician recommends modified work, the following steps will apply:

- The Report is to be provided to the Company, either by fax or mail, prior to the employee returning to the work site with the employee maintaining a copy of the form.
- The company in consultation with the Union Disability Management Representative (or his/her alternate) will review the form noting any concerns by the physician. If modified work is recommended, the employee will be contacted and appropriate arrangements made.
- In the event modified work will be more than two weeks, or a permanent accommodation is contemplated, the Management Representative will meet with the Union Disability Management Representative and the employee, and will review the form and develop a return to work plan.
- In all cases, modified work assignments can only be implemented if they will not harm or slow an employee's recovery and the Company is able without undue hardship to accommodate the employee's restrictions and limitations.

Pay and Hours of Work

Employees on modified work will receive their regular rate of pay for hours worked including production bonus when performing work on a bonus contract. In the event an employee is accommodated into a different position, the pay associated with that position will be implemented.

LETTER OF AGREEMENT

SUBJECT: CHRISTMAS DAY AND BOXING DAY

The parties agree that the period to include Christmas Day and Boxing Day as defined at Article 17.01(a) is unique in its importance to employees and their families and for that reason agree to adopt the following approach to that period.

A) The parties agree that Christmas and Boxing Day as defined at Article 17.01(a) will not be regularly scheduled work days, **with the exception of the following positions that are assigned to the continuous shift cycle and required for this shutdown:**

- i. **Hoistman**
- ii. **Cagetender**
- iii. **Mill Control Operator**
- iv. **Mill Tailings Operator**
- v. **Electrician**
- vi. **Millwright**
- vii. **Surface Equipment Operator**

B) If, for any reason, the Company requires that one or both of those days be worked, **and the Company needs more than the complement of employees in (A) above, it will use "volunteers" and / or staff employees.**

Dated this 8th day of July, 2008.

COMPANY

UNIFOR, LOCAL 3019

LETTER OF AGREEMENT

SUBJECT: HOT MEALS FOR MILL CREWS

The parties agree that the past practice regarding the provision by the Company of hot meals for Mill 4x4 Production and Maintenance crews during their shift shall continue for the term of this Agreement. **This practice only applies to Control Room Operators, Float Floor Operators, Grinding Operators, Crusher Operators and Tailings Operators who work twelve (12) hour shifts and to Electricians and Millwrights working 4 x 4 continuous shifts at the Mill.**

Dated this 8th day of July, 2008.

COMPANY

UNIFOR, LOCAL 3019

LETTER OF AGREEMENT

SUBJECT: PRE-1990 RETIREES

The Company will supplement the retirement income of the following individuals: Oldrich Skrobanek; Henry Dixon; Takaharu Sakamoto; Mary Lemay; Tersillo Collavo; and Kulvir Grewal. The supplement will be an annual lump sum payment equivalent to a 30% increase in retirement income from the Company as long as they remain eligible for pension payments. The payments will be made in January of each year.

Dated this 8th day of July, 2008.

COMPANY

UNIFOR, LOCAL 3019

LETTER OF INTENT**SUBJECT: VOLUNTARY EARLY RETIREMENT ALLOWANCE**

Benefits derived from this allowance are in addition to benefits provided for by the government's pension plan, and the **Myra Falls Mine Ltd.** Hourly Pension Plan.

In order to be eligible for benefits in accordance with this provision, an employee must be at least sixty (60) years of age and have at least twenty (20) years of continuous service. Effective April 1, 2006, employees with a combination of age plus service equal to or greater than 80, and a minimum of **fifty-five (55)** years of age, will be eligible. Employees on disability benefits (Weekly Indemnity, Long Term Disability, **WorkSafe BC**) are not eligible for benefits under this provision. The benefits in accordance with this provision will be as follows:

Effective April 1, 2007, the Voluntary Early Retirement Allowance will be **twenty-four dollars (\$24.00)** per month per year of continuous service (to a maximum of **thirty (30)** years) payable to the earlier of age **sixty-five (65)** or death.

The employee will continue to be provided the following medical/insurance benefit coverage to the earlier of age **sixty-five (65)** or death:

MSP - Basic Provincial Medical
MSA - Dental & Extended Health
Life Insurance - \$12,000

These medical/insurance benefits are subject to the provisions of the collective agreement in effect at the time of retirement and as amended in subsequent negotiations.

Dated this 8th day of July, 2008.

COMPANY

UNIFOR, LOCAL 3019

LETTER OF INTENT

SUBJECT: 30 YEAR RETIREMENT SUPPLEMENT

Benefits derived from this supplement are in addition to benefits provided for by the government's pension plan, employment insurance plan, and the Myra Falls Mining Ltd.'s Hourly Pension Plan.

Effective between April 1, 2007 and March 30, 2020, those employees retiring with **thirty (30)** or more years of continuous service will receive an additional payment from the general revenues of the Company to bring their total monthly retirement benefit to \$3,200.00. This additional payment is payable to the earlier of age **sixty-five (65)** or death. **Following ratification, in the event an employee's spouse files for and is granted "limited member" status, the amounts payable to the employee by the pension plan will be adjusted according to the limited member entitlement, and this adjustment will not be added to the employee's retirement supplement.**

The employee will continue to be provided the following medical/insurance benefit coverage to the earlier of age **sixty-five (65)** or death:

MSP - Basic Provincial Medical
MSA - Dental & Extended Health
Life Insurance - \$12,000

These medical/insurance benefits are subject to the provisions of the collective agreement in effect at the time of retirement and as amended in subsequent negotiations.

Employees on disability benefits (Weekly Indemnity, Long Term Disability, WorkSafe BC) are not eligible for benefits under this provision.

This Letter will remain in place until March 30, 2020 at which point it expires and no further eligibility for participation. Employees who have 20 or more years of continuous service at ratification will have their entitlement pro-rated at that time. That entitlement will vest and be payable only once that employee retires after 30 or more years of service.

Dated this 8th day of July, 2008.

COMPANY

UNIFOR, LOCAL 3019

LETTER OF INTENT**SUBJECT: EARLY RETIREE BENEFIT COVERAGE****(a) Future Early Retirees**

Employees who have elected early retirement under the Myra Falls Mine Ltd. Hourly Pension Plan and have not yet reached age 65 will be eligible to receive the following medical / insurance benefit coverage to the earlier of age 65 or death:

MSP - Basic Provincial Medical
MSA - Dental & Extended Health
Life Insurance - \$12,000

(b) Past Early Retirees

The above benefits will also be provided to employees who previously elected early retirement and have not yet reached age 65.

(c) Commencement of Benefits

The above benefits will be provided as soon as possible after ratification of the Collective Agreement bearing in mind the retirees must be available to enroll in the plans.

This current letter remains in place until March 30, 2020 at which point it expires and no further eligibility for participation

Dated this 8th day of July, 2008.

COMPANY

UNIFOR, LOCAL 3019

LETTER OF INTENT

SUBJECT: UNION HEALTH & SAFETY REPRESENTATIVE

The Company and the Union agree that it is in the interest of all concerned to promote and maintain a safe and healthy work environment. In order to effect a thoroughly understood and accepted health and safety program for employees, it is agreed that joint and cooperative methods will be encouraged. To this end, the Company agrees to establish a paid, full-time Health & Safety Representative position at the mine for the duration of this Agreement.

If the Union Health & Safety Representative's previous job received underground production bonus, he will receive monthly bonus payments based on **a running three-month average bonus paid to employees** in the position he held immediately prior to his selection to the role.

The Union Health & Safety Representative will be selected by the Union and shall be qualified in terms of knowledge of health and safety programs, rules, regulations and practices, and possess good communication and leadership skills.

The Union Health & Safety Representative will report to the Company Manager HSEC and will be expected to perform to similar standards as Company safety personnel in continuing and improving measures for the prevention of accidents and elimination of health hazards. He will undertake to give full support to these objectives by promoting safety consciousness and a personal sense of responsibility among all employees. He will also perform the duties of the Union Occupational Health & Safety Committee Co-Chair as described in Article 11 of this Agreement.

Dated this 8th day of July, 2008.

COMPANY

UNIFOR, LOCAL 3019

LETTER OF INTENT

July 8, 2008

UNIFOR, Local 3019
P.O. Box 98
CAMPBELL RIVER, BC
V9W 4Z9

Attention: Brian Clark, President Local 3019

RE: FUNDING OF RETIREMENT BENEFITS

This letter will confirm that the Company will fund the Voluntary Early Retirement Allowance and the 30-Year Retirement Allowance outside of the registered **Myra Falls Mine Ltd.**'s Hourly Pension Plan, and as such funding will be made from its general revenues. Notwithstanding, the Company commits to continue ongoing benefit payments beyond the term of the Collective Agreement, and in the event of a labour dispute or cessation of mine operations. **For clarity, cessation of mine operations means a temporary shutdown and does not include the permanent mine closure.**

This Letter will remain in place until March 30, 2020 at which point it expires and no further eligibility for participation.

Yours truly,

Myra Falls Mine Ltd.

Dave Keiver
Human Resources Superintendent

LETTER OF INTENT

July 8, 2008

UNIFOR, Local 3019
P.O. Box 98
CAMPBELL RIVER, BC
V9W 4Z9

Attention: Brian Clark, President Local 3019

RE: BENEFIT BOOKLETS

The Company undertakes to provide employees with a copy of a benefit booklet outlining the various Health & Welfare benefits contained in the Collective Agreement within 3 months of ratification of the agreement.

Yours truly,

Myra Falls Mine Ltd.

Dave Keiver
Human Resources Superintendent

LETTER OF INTENT

RE: JOINT SKILLED TRADES COMMITTEE

The Company and the Union confirm that the document entitled "Operational Guidelines of the Joint Skilled Trades Meeting", dated November 20, 2003, will be adopted. The Company agrees to continue its reliance on that document and further agrees to participate in quarterly meetings as set out in that document. If there are pressing trades' issues that the Union wishes to address between quarterly meetings, those matters may be raised at the monthly Union-Management meetings.

Dated this 13th day of July, 2005.

COMPANY

UNIFOR, LOCAL 3019

LETTER OF INTENT

RE: HEALTH COVERAGE FOR RETIREES OVER AGE 65

Effective July 1, 2005, retirees **sixty-five (65)** years of age and older living in British Columbia and paying MSP - Basic Provincial Medical premiums, can provide the Company copies of their receipts of payment. The Company will reimburse them for premiums paid in the previous six months, on a twice per year basis in July and January.

Dated this 8th day of July, 2008.

COMPANY

UNIFOR, LOCAL 3019

LETTER OF UNDERSTANDING

SUBJECT: CAMP ROOMS FOR 7/7 SHIFT

The Company will provide a maximum of 5 rooms in the camp for the sixth/seventh shifts of each 7/7 rotation. The rooms can be in any dormitory (Dorm B, C, D or E). The employee must have worked all the days in their current rotation up to the night when they wish to stay in camp to qualify. The rooms are not exclusively assigned to the employee and they will need to remove all belongings each day after staying in camp so the room can be cleaned and prepared of the next occupant. This will be at no cost to the employee. Basic of allocation of rooms on seniority or other reasonable basis agreed in advance. The employees should request the room from their supervisor who will secure the room. Employees cannot report to camp without approval.

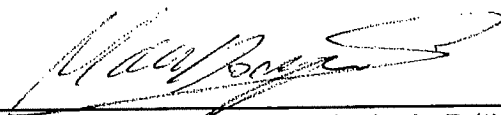
LETTER OF AGREEMENT

SUBJECT: CAMP COMMITTEE

The Company agrees to recognize a camp committee selected by the Union for the duration of this Agreement. The purpose of the committee is to bring to the attention of the Company, items of concern of the Union surrounding the camp facilities.

Meetings will be held with the management representative(s) for the camp to discuss and resolve the issue raised by either the management or Union representatives. The Committee will be limited to a maximum of three unionized employees.

This is Exhibit "6" referred to in the Affidavit #1
of **HEIN FREY**, sworn before me at Vancouver, BC, this
17 day of December, 2023.



A Commissioner for taking Affidavits in British Columbia



**Actuarial Valuation
as at December 31, 2022 for
The Nyrstar Myra Falls Ltd.,
Myra Falls Operations Hourly-Paid
Employees' Pension Plan**

Canada Revenue Agency Registration Number: 0566455

British Columbia Registration Number: P085887

September 2023

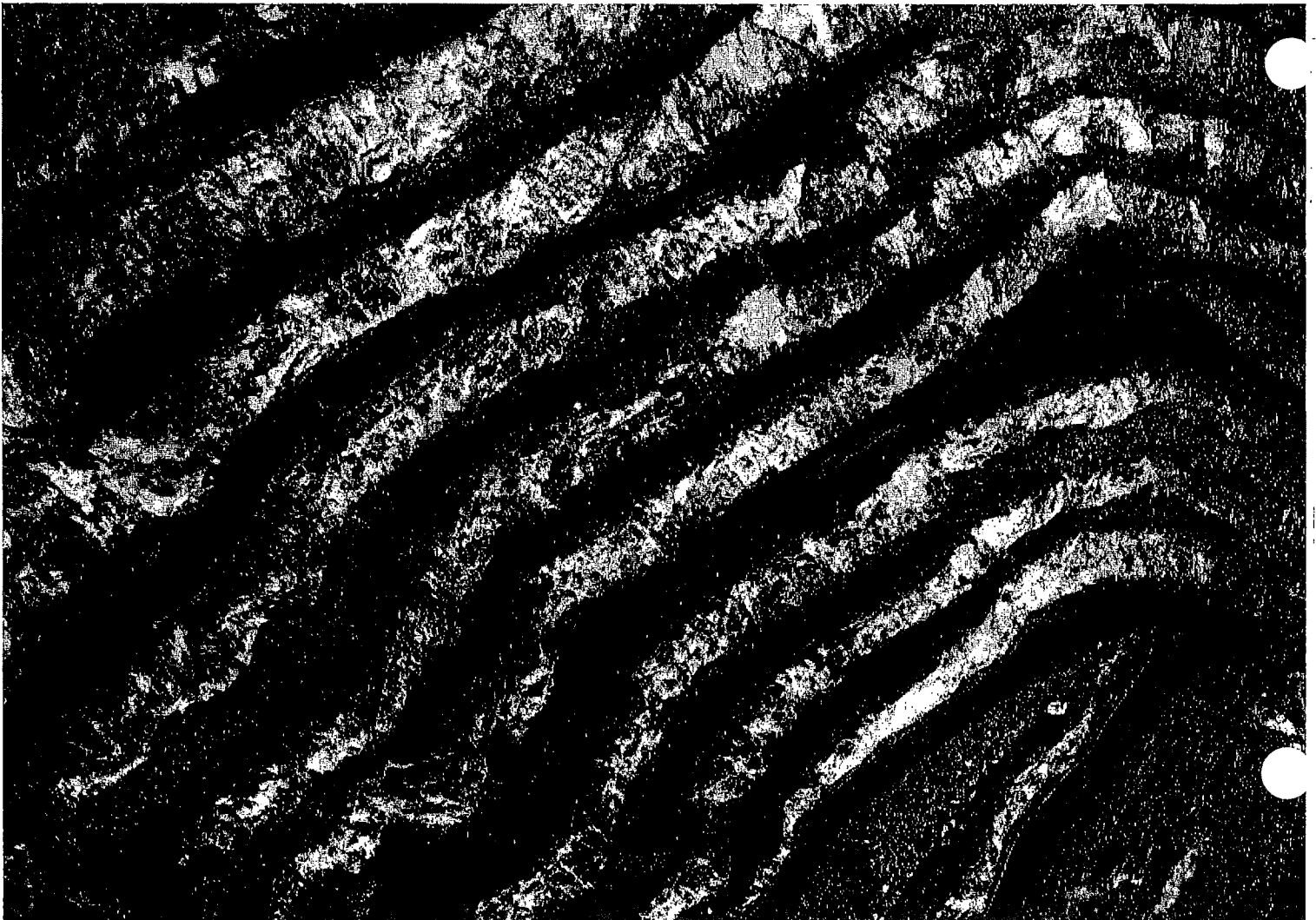




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Executive Summary

An actuarial valuation has been prepared for the Nyrstar Myra Falls Ltd., Myra Falls Operations Hourly-Paid Employees' Pension Plan (the "Plan") as at December 31, 2022 for the primary purpose of establishing a funding range in accordance with legislative requirements for the Plan until the next actuarial valuation is performed. This section provides an overview of the important results and the key valuation assumptions which have had a bearing on these results. The next actuarial valuation for the purposes of developing funding requirements should be performed no later than as at December 31, 2025.

Summary of Principal Results

Financial Position

	December 31, 2022	December 31, 2019
Going Concern		
Assets ¹	\$ 68,164,600	\$ 65,237,900
Liabilities	57,154,900	55,752,500
Financial Position	\$ 11,009,700	\$ 9,485,400
Provision for Adverse Deviation (PfAD)	(3,126,400)	(4,655,300)
Excess Assets/(Unfunded Liability)	\$ 7,883,300	\$ 4,830,100
Solvency		
Assets ¹	\$ 62,070,600	\$ 66,507,900
Liabilities	58,032,500	76,439,100
Solvency Excess/(Deficit)	\$ 4,038,100	\$ (9,931,200)

Normal Cost

	December 31, 2022	December 31, 2019
Company normal cost	\$ 450,200	\$ 448,400
Cost per member per month ²	\$ 416.85	\$ 319.37

Legislative Ratios

	December 31, 2022	December 31, 2019
Funded ratio ³	119.3%	117.0%
Solvency ratio	107.0%	87.0%

¹ Net of asset smoothing and estimated wind up expenses, where applicable.

² Cost per member per month is calculated as the total normal cost divided by the number of active members, excluding members with a disability.

³ Before application of the PfAD



Minimum Contribution Requirements

Considering the funding and solvency status of the Plan, the minimum Company contributions for the period from December 31, 2022 to December 31, 2025 in accordance with legislative requirements, are as follows:

	2023	2024	2025
Company normal cost	\$ 450,200	\$ 450,200	\$ 450,200
Permitted use of actuarial excess	(450,200)	(450,200)	(450,200)
Minimum Required Company Contribution	\$ 0	\$ 0	\$ 0

The Company is permitted to use actuarial excess to reduce contributions to the Plan in 2023. In subsequent years, annual testing may be performed to confirm that there continues to be sufficient surplus to continue the contribution holiday.

Membership Data

	December 31, 2022	December 31, 2019
Active members ¹	95	118
Transferred members	3	3
Deferred vested members	54	62
Pensioners and Beneficiaries	273	278

¹ Includes members with a disability.



Key Assumptions

The principal assumptions to which the valuation results are most sensitive are outlined in the following table.

	December 31, 2022	December 31, 2019
Going Concern		
Discount rate	4.80% per year	5.40% per year
Provision for adverse deviation	5.47% of liabilities	8.35% of liabilities
Inflation rate	2.00% per year	Same
Mortality table	108% of 2014 Combined generational (scale MI-2017)	108% of 2014 Combined generational (scale CPM-B)
Retirement rates		
Active members	Variable by age and service	Same
Deferred vested members	Age 65	Same

	December 31, 2022	December 31, 2019
Solvency		
Discount rate	Annuity purchases: 4.90% per year Transfers: 4.10% per year for 10 years, 4.50% per year thereafter	Annuity purchases: 3.00% per year Transfers: 2.40% per year for 10 years, 2.50% per year thereafter
Mortality table	CPM2014 Combined generational (scale CPM-B)	Same
Retirement rates	Immediate if eligible to retire Otherwise, 50% at age which produces the highest commuted value and 50% at earliest unreduced age	Age that produces the highest commuted value



Section 1: Introduction

Purpose and Terms of Engagement

We have been engaged by Nyrstar Myra Falls Ltd., and hereafter referred to as the Company, to conduct an actuarial valuation of the Plan, registered in British Columbia, as at December 31, 2022 for the general purpose of determining the minimum and maximum funding contributions required by pension standards, based on the actuarial assumptions and methods summarized herein. Specifically, the purposes of the valuation are to:

- Determine the financial position of the Plan on a going concern basis as at December 31, 2022;
- Determine the financial position of the Plan as at December 31, 2022 on a solvency basis;
- Determine the funding requirements of the Plan as at December 31, 2022; and
- Provide the necessary actuarial certification required under the British Columbia *Pension Benefits Standards Act* (the "Act") and the *Income Tax Act*.

The results of this report may not be appropriate for accounting purposes or any other purposes not listed above.

The next required valuation will be as at December 31, 2025.

Summary of Changes Since the Last Valuation

The last such actuarial valuation in respect of the Plan was performed as at December 31, 2019. Since the time of the last valuation, we note that the following events have occurred:

- The Plan's Statement of Investment Policies and Procedures effective in May 2023.
- The discount rate on the going concern basis has decreased to 4.80% per year from 5.40% per year.
- In March 2020, the World Health Organization (WHO) declared a state of global pandemic linked to the 2019 coronavirus disease (COVID-19). In May 2023, WHO declared an end to the coronavirus crisis as a public health emergency of international concern, but the pandemic hasn't come to an end. So far, the COVID-19 pandemic in Canada has been accompanied by several waves of disease-related deaths. The net effect on short- and long-term mortality from COVID-19 remains unknown at this time depending on the level of efficiency of containment measures, vaccination campaigns, potential treatments and variant outbreaks. Faced with this uncertainty, our view of basic mortality as well as the impact on the future progression of life expectancy remains unchanged for the moment and the mortality assumption has therefore not been revised. The impact of COVID-19 will however affect the results of future valuations, as the experience from actual deaths will differ from that expected.
- The Canadian Institute of Actuaries has amended the Standards of Practice related to the determination of commuted values effective December 1, 2020. Among other things, the changes impact the interest rates and the retirement age assumption used in the determination of commuted values. These changes are reflected in this report.



- On September 14, 2021, the Canadian Institute of Actuaries released new changes to the Standards of Practice related to the determination of commuted values. These changes are reflected in this report where applicable.
- The Canadian Institute of Actuaries Practice Specific Standards for Pension Plans were amended effective December 1, 2022. The most significant changes relate to the discount rate, plausible adverse scenarios, hypothetical wind-up valuations, and target benefit plans. The changes to the standards have been reflected in this report where applicable.

Company Information and Inputs

In order to prepare our valuation, we have relied upon the following information:

- A copy of the previous valuation report as at December 31, 2019;
- A copy of the Statement of Investment Policies and Procedures ("SIPP") for the Plan;
- A copy of the funding policy for the Company;
- Membership data compiled as at December 31, 2022 by the Company and the administrative files of Aon;
- Asset data taken from the Plan's audited financial statements; and
- A copy of the latest Plan text and amendments up to and including December 31, 2022.

Furthermore, our actuarial assumptions and methods have been chosen to reflect our understanding of the Company's desired funding objectives with due respect to accepted actuarial practice and regulatory constraints and similarly plausible adverse scenarios have been selected based on a discussion with the Company.

Subsequent Events

As of the date of this report, we have not been made aware of any subsequent events which would have an effect on the results of this valuation. However, the following points should be noted in this regard:

- Actual experience deviating from expected after December 31, 2022 will result in gains or losses which will be reflected in the next actuarial valuation report.
- To the best of our knowledge, the results contained in this report are based on the regulatory and legal environment in effect at the date of this report and do not take into consideration any potential changes that may be currently under review. To the extent that actual changes in the regulatory and legal environment transpire, any financial impact on the Plan as a result of such changes will be reflected in future valuations.



Section 2: Going Concern Valuation Results

Going Concern Financial Position of the Plan

The going concern valuation provides an assessment of the Plan's financial position at the valuation date on the premise that the Plan continues on into the future indefinitely.

The selection of the applicable actuarial assumptions and methods reflect the Plan's funding objectives, as communicated by the Company, actuarial standards of practice, and pension standards.

On the basis of the Plan provisions, membership data, going concern assumptions and methods, and asset information described in the Appendices, the going concern financial position of the Plan as at December 31, 2022 is shown in the following table. The results as at December 31, 2019 are also shown for comparison purposes.

Going Concern Financial Position

	December 31, 2022	December 31, 2019
Actuarial Value of Assets	\$ 68,164,600	\$ 65,237,900
Going Concern Liabilities		
Active members ¹	\$ 8,437,200	\$ 7,934,500
Transferred members	133,300	35,000
Deferred vested members	2,277,600	1,561,500
Pensioners and beneficiaries	46,306,800	46,221,500
Total Liabilities	\$ 57,154,900	\$ 55,752,500
Going Concern Position	\$ 11,009,700	\$ 9,485,400
Additional liabilities due to PfAD	3,126,400	4,655,300
Actuarial Excess/(Unfunded Liability) after PfAD	\$ 7,883,300	\$ 4,830,100
Funded Ratio (before PfAD)	119.3%	117.0%
Funded Ratio (after PfAD)	113.1%	108.0%

¹ Includes members with a disability.



Provision for Adverse Deviation (PfAD)

The calculation of the PfAD is prescribed by the Regulations and is calculated as the greater of 5%, or five times the long-term bond rate, which is defined as CANSIM Series V122544 as published by the Bank of Canada.

PfAD is Determined as Follows:	
(a) 5%	5.00%
(b) 5 x CANSIM Series V122544 x minimum of (non-fixed income allocation ¹ and 30%)/ 30%	5.47%
Greater of (a) and (b)	5.47%

The PfAD for this valuation is 5.47%.

Accessible Going Concern Excess

The Plan's Accessible Going Concern Excess is calculated below as prescribed in the Act and Regulation:

(A) Going concern assets	\$	68,164,600
(B) Going concern liabilities		57,154,900
(C) Additional liabilities due to PfAD		3,126,400
Total Excess (A - [B + C] x 1.05)	\$	4,869,200

The Plan has Accessible Going Concern Excess of \$4,869,200 as at December 31, 2022.

Going Concern Normal Cost

On the basis of the Plan provisions, membership data, going concern assumptions and methods, asset information and legislative requirement described in the Appendices, the going concern normal cost of the Plan as at December 31, 2022 is shown in the following table. The normal cost as at December 31, 2019 is also shown for comparison purposes.

	December 31, 2022	December 31, 2019
Company Normal Cost	\$ 450,200	\$ 448,400
Number of active members	90	117
Cost per member per month	\$ 416.85	\$ 319.37

¹ Non fixed-income allocation as per the Statement of Investment Policies and Procedures effective May 2023.



Change in Financial Position

The major components of the change in the Actuarial Excess/(Unfunded Liability) after PfAD for the period from December 31, 2019 to December 31, 2022 are summarized in the following table.

Actuarial Excess/(Unfunded Liability) after PfAD as at December 31, 2019	\$ 4,830,100
Expected interest on Actuarial Excess/(Unfunded Liability) after PfAD	825,500
Company special payments in inter-valuation period with interest	139,700
Actuarial Excess/(Unfunded Liability) after PfAD as at December 31, 2022	\$ 5,795,300
Change in Financial Position due to Experience Gains/(Losses)	
Gain/(loss) from investment earnings greater/lower than expected	\$ 2,889,200
Gain/(loss) due to retirement experience	207,400
Gain/(loss) due to mortality experience	303,300
Gain/(loss) due to termination experience	(184,800)
Gain/(loss) on contributions	(34,300)
Gain/(loss) on data corrections	46,000
Net gain/(loss) due to other experience and miscellaneous items	1,200
Actuarial Excess/(Unfunded Liability) After Experience Gains/(Losses) as at December 31, 2022	\$ 9,023,300
Change due to Provision for Adverse Deviation	\$ 2,324,500
Change due to mortality scale	(206,000)
Change due to discount rate	(3,258,500)
Actuarial Excess/(Unfunded Liability) as at December 31, 2022	\$ 7,883,300

Change in Normal Cost

The major components of the change in the normal cost for the period from December 31, 2019 to December 31, 2022 are summarized in the following table.

Normal Cost as at December 31, 2019	\$ 448,400
Change due to experience	(44,800)
Change due to assumptions	46,600
Normal Cost as at December 31, 2022	\$ 450,200



Discussion of Experience

Investment Earnings

The annualized rate of return earned by the pension fund based on the Actuarial Value of Assets for the valuation period from December 31, 2019 to December 31, 2022 was 6.90% per year. The assumed rate of return for Going Concern Valuation purposes is 5.40% per year. The actual rate of return being greater than the assumed rate resulted in a net actuarial gain of \$2,889,200.

Retirement

Over the inter-valuation period, the Plan experienced an actuarial gain of \$207,400. This is primarily attributable to members retiring later than expected and not taking advantage of the early retirement subsidies.

Mortality

Over the inter-valuation period, the Plan experienced an actuarial gain of \$303,300. This gain was primarily due to fewer deaths than expected.

Termination

Over the inter-valuation period, the Plan experienced an actuarial loss of \$184,800 due to terminations. This is primarily due to the prescribed transfer value basis which produced a lump sum payout greater than the liability held on a going concern basis.

Company Contributions

Since the number of disabled members increased during the inter-valuation period, the actual Company contributions made to the Plan were less the cost of benefits earned resulting in an actuarial loss of \$34,300.

Discussion of Changes in Assumptions

Economic Assumptions

The PfAD decreased from 8.35% to 5.47%. The net impact to the Plan's financial position (inclusive of PfAD) was an increase of \$2,324,500.

Discount Rate Assumption

The discount rate changed from 5.40% per year to 4.80% per year. This change in the assumed rate increased the going concern liabilities by \$3,258,500.

Mortality Assumption

The mortality scale changed from CPM-B to MI-2017. This resulted in a loss of \$206,000.



Going Concern Valuation Sensitivity Results

In accordance with the CIA Standards of Practice specific to pension plans, the table below presents the sensitivity of the going concern liabilities and the total normal cost of using a discount rate 1% lower than that used for the going concern valuation.

December 31, 2022	Effect		
		\$	%
Going concern liabilities	\$	57,154,900	
Going concern liabilities (discount rate - 1%)	\$	64,255,100	7,100,200 12.4%
Normal cost	\$	450,200	
Normal cost (discount rate - 1%)	\$	558,900	108,700 24.1%

Note that using a discount rate 1% higher than that assumed would result in a comparable reduction in the Plan's going concern liabilities and normal cost.



Plausible Adverse Scenarios

In accordance with the Canadian Institute of Actuaries Standards of Practice specific to pension plans, below is summarized scenarios of adverse but plausible assumptions, relative to the best estimate assumptions otherwise selected for the valuation. In consultation with the Company, we have chosen to present these scenarios under the Going Concern basis.

Interest Rate Sensitivity

The table below presents the sensitivity of the going concern position of using interest rates 1% lower than the current level. In order to calculate the impact on the Actuarial Value of Assets, the decrease in interest rates only impacts fixed income assets (44.2% of total assets¹) and a duration of 7.3 years (based on relevant fixed income benchmarks) was considered. We have applied the asset smoothing methodology in this scenario.

	Base Scenario	Adverse Scenario	Impact (\$)
Actuarial value of assets	\$ 68,164,600	\$ 68,667,600	\$ 503,000
Going concern liabilities	<u>57,154,900</u>	<u>64,255,100</u>	<u>7,100,200</u>
Going Concern Position	\$ 11,009,700	\$ 4,412,500	\$ (6,597,200)
Additional liabilities due to PfAD	3,126,400	3,212,800	86,400
Actuarial Excess/ (Unfunded Liability) after PfAD	\$ 7,883,300	\$ 1,199,700	\$ (6,683,600)
Total Normal Cost			
2023	\$ 450,200	\$ 558,900	\$ 108,700
2024	\$ 450,200	\$ 558,900	\$ 108,700
2025	\$ 450,200	\$ 558,900	\$ 108,700

¹ Effective May 2023, the Plan's asset mix has changed and the Plan's fixed income allocation has increased. As such, the Impact on the Actuarial Value of Assets is subject to change. Additional analysis can be performed upon request.



Deterioration in Asset Value

In assessing the risk related to the deterioration in asset value we have chosen an adverse scenario equal to a 15% reduction in the non-fixed income asset values (52.2% of total assets) and assume no change in future return expectations.

The table below presents the sensitivity of the going concern position of using the assets with a 15% reduction in non-fixed income asset values.

	Base Scenario	Adverse Scenario	Impact (\$)
Actuarial value of assets	\$ 68,164,600	\$ 66,947,500	\$ (1,217,000)
Going concern liabilities	<u>57,154,900</u>	<u>57,154,900</u>	<u>0</u>
Going Concern Position	\$ 11,009,700	\$ 9,792,600	\$ (1,217,000)
Additional liabilities due to PfAD	3,126,400	3,126,400	0
Actuarial Excess/ (Unfunded Liability) after PfAD	\$ 7,883,300	\$ 6,666,200	\$ (1,217,000)
Total Normal Cost			
2023	\$ 450,200	\$ 450,200	\$ 0
2024	\$ 450,200	\$ 450,200	\$ 0
2025	\$ 450,200	\$ 450,200	\$ 0

Mortality Sensitivity

The table below presents the sensitivity of the going concern position of the Plan to using a mortality assumption with a 10% improvement to the base mortality rates. For the purposes of this analysis, we have used 90% of the base table used in the going concern valuation.

	Base Scenario	Adverse Scenario	Impact (\$)
Actuarial value of assets	\$ 68,164,600	\$ 68,164,600	\$ 0
Going concern liabilities	<u>57,154,900</u>	<u>58,700,900</u>	<u>1,546,000</u>
Going Concern Position	\$ 11,009,700	\$ 9,463,700	\$ (1,546,000)
Additional liabilities due to PfAD	3,126,400	3,210,900	84,500
Actuarial Excess/ (Unfunded Liability) after PfAD	\$ 7,883,300	\$ 6,252,800	\$ (1,630,500)
Total Normal Cost			
2023	\$ 450,200	\$ 457,200	\$ 7,000
2024	\$ 450,200	\$ 457,200	\$ 7,000
2025	\$ 450,200	\$ 457,200	\$ 7,000



Section 3: Solvency Valuation Results

Solvency Financial Position of the Plan

The solvency valuation is a financial assessment of the Plan that is required by the *Act* and is performed in accordance with requirements prescribed by that legislation. It is intended to provide an assessment of the Plan's financial position at the valuation date on the premise that certain obligations as prescribed by the *Act* are settled on the valuation date for all members. All assumptions for the solvency valuation are listed in Appendix D.

On the basis of the Plan provisions, membership data, solvency assumptions and methods and asset information described in the Appendices, as well as the requirements of the *Act*, the solvency financial position of the Plan as at December 31, 2022 is shown in the following table. The solvency financial position of the Plan as at December 31, 2019 is shown for comparison purposes.

Solvency Financial Position

	December 31, 2022	December 31, 2019
Assets		
Adjusted Market Value of Assets	\$ 62,245,600	\$ 66,682,900
Estimated wind up expenses	(175,000)	(175,000)
Solvency Assets	\$ 62,070,600	\$ 66,507,900
Solvency Liabilities		
Active members ¹	\$ 8,134,400	\$ 12,517,400
Transferred members	143,400	63,800
Deferred vested members	2,384,200	2,696,200
Pensioners and beneficiaries	47,370,500	61,161,700
Total Liabilities	\$ 58,032,500	\$ 76,439,100
Solvency Position	\$ 4,038,100	\$ (9,931,200)
Solvency asset adjustment	0	0
Solvency Excess/(Deficiency)	\$ 4,038,100	\$ (9,931,200)
Solvency Ratio	107.0%	87.0%

¹ Includes members with a disability.



Solvency Asset Adjustment

The Solvency Asset Adjustment is an adjustment that may be made to the solvency assets to reflect:

- The sum of any going concern special payments that are scheduled to be paid within five years of the valuation date; plus
- The face amount of any letter of credit.

For the purposes of this valuation, the adjustment is \$0.

Solvency Valuation Sensitivity Results

In accordance with the CIA Standards of Practice specific to pension plans, the table below presents the sensitivity of the solvency liabilities to using a discount rate of 1% lower than that used for the solvency valuation.

December 31, 2022	Effect		
		\$	%
Solvency liabilities	\$ 58,032,500		
Solvency liabilities (discount rate - 1%)	\$ 65,017,500	\$ 6,985,000	12.0%

Note that using a discount rate 1% higher than that assumed would result in a comparable reduction in the solvency liabilities.

Incremental Cost on a Solvency Basis

The incremental cost on a solvency basis represents the present value at December 31, 2022 of the expected aggregate change in the solvency liabilities between December 31, 2022 and the next calculation date, that is December 31, 2025. Appendix D gives more details on the calculation methodology and on assumptions.

Based on this methodology and on these assumptions, the incremental cost on a solvency basis can be found in the following table.

	2023	2024	2025
Incremental cost on a solvency basis	\$ 290,900	\$ 278,000	\$ 245,600



Section 4: Contribution Requirements

Contribution Requirements in Respect of the Normal Cost

The annual going concern cost of benefits in respect of service accruing after the valuation date is known as the normal cost. The following table sets out:

- The development of the rule to determine the normal cost; and
- An estimate of the normal cost for the three year(s) following the valuation date.

	2023	2024	2025
Company Normal Cost	\$ 450,200	\$ 450,200	\$ 450,200
Number of active members ¹	90	90	90
Cost per member per month	\$ 416.85	\$ 416.85	\$ 416.85

In the event an updated funding range in accordance with legislative requirements is not certified before December 31, 2025, the rule for determining the company normal cost contributions outlined in the above table will continue to be appropriate for the plan year commencing on the next valuation date of December 31, 2025. Adjustment to the company contributions may be required once the next actuarial funding range in accordance with legislative requirements is certified.

Provision for Adverse Deviation (PfAD)

If the Plan does not have Accessible Going Concern Excess, the Act and Regulation requires additional contributions over and above the normal cost. As the Plan has Accessible Going Concern Excess, no additional contributions are required.

Development of Special Payments

As the Plan is fully funded on both a going concern and solvency basis, there are no special payments.

Excess Surplus

The *Income Tax Act* requires that any excess surplus first be applied to reduce or eliminate the company contribution requirements. Excess surplus is defined in Section 147.2(2)(d) of the *Income Tax Act*, as the portion of surplus (if any) that exceeds 25% of the going concern liabilities.

Since the surplus is less than 25% of the going concern liabilities, there is no excess surplus and therefore it does not impact the development of the company contribution requirements.

¹ Excludes members with a disability for purposes of calculating the normal cost as a per member per month cost.



Development of Minimum Required Company Contribution

The table below presents the development of the minimum required company contribution for each of the plan years covered by this report.

While we have shown a fixed company normal cost in the table below, the Company may actually fund the normal cost as \$416.85 per member per month.

	2023	2024	2025
Company normal cost	\$ 450,200	\$ 450,200	\$ 450,200
Permitted application of surplus	(450,200)	(450,200)	(450,200)
Minimum Required Company Contribution	\$ 0	\$ 0	\$ 0

If the Company wishes to use the permitted application of surplus in 2024 and 2025, it is advisable to contact the Plan's actuary before reducing Company normal cost contributions to ensure it is not anticipated to result in a solvency deficiency.

Development of Maximum Deductible Company Contribution

The table below presents the development of the maximum deductible company contribution for each of the plan years covered by this report.

The maximum deductible company contribution presented in the table below for a given plan year is calculated assuming that the Company makes the maximum deductible company contribution in the first plan year covered by this report.

While we have shown a fixed company normal cost in the table below, the Company may actually fund the normal cost as \$416.85 per member per month.

	2023	2024	2025
Company normal cost	\$ 450,200	\$ 450,200	\$ 450,200
Required application of excess surplus	0	0	0
Maximum Deductible Company Contribution	\$ 450,200	\$ 422,900	\$ 423,400

If the Company wishes to make the maximum deductible company contribution, it is advisable to contact the Plan's actuary before making such contribution to ensure that the contribution will be permissible and deductible and that any regulatory requirements are considered.



Section 5: Actuarial Certificate

Actuarial Opinion, Advice and Certification for The Nyrstar Myra Falls Ltd., Myra Falls Operations Hourly-Paid Employees' Pension Plan

Canada Revenue Agency Registration Number: 0566455

British Columbia Registration Number: P085887

Opinion

This actuarial certification forms an integral part of the actuarial valuation report for the Plan as at December 31, 2022. I confirm that we have prepared an actuarial valuation of the Plan as at December 31, 2022 for the purposes outlined in the Introduction section to this report and consequently:

My advice on funding is the following:

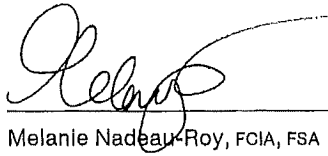
- The Company should contribute the amounts within the range of minimum and maximum contribution amounts as outlined in Section 4 of this report, in accordance with legislative requirements.
- The next actuarial valuation for the purpose of developing funding requirements should be performed no later than as at December 31, 2025.

I hereby certify that, in our opinion:

- The contribution range as outlined in this report is expected to be sufficient to satisfy the Plan's funding requirements.
- The company contribution range outlined in this report qualifies as eligible contributions under Section 147.2(2) of the *Income Tax Act*.
- The pre-1990 maximum pension restrictions in Subsection 8504(6) of the Regulations to the *Income Tax Act* do not apply to any members of the Plan.
- For the purposes of the valuation:
 - The data on which this valuation is based are sufficient and reliable;
 - The assumptions used are appropriate; and
 - The actuarial cost methods and the asset valuation methods used are appropriate.



- This report and its associated work have been prepared, and our opinion given, in accordance with accepted actuarial practice in Canada and in compliance with the requirements outlined in subparagraphs 147.2(2)(a)(iii) and (iv) of the *Income Tax Act*.
- Notwithstanding the above certifications, emerging experience differing from the assumptions will result in gains or losses that will be revealed in subsequent valuations.



Melanie Nadeau-Roy, FCIA, FSA
Associate Partner



Yuki Tsurumi Scott
Consultant

Aon
401 West Georgia Street, Suite 1200
Vancouver, British Columbia V6B 5A1

September 2023



Appendix A: Assets

Asset Data

The Plan's assets are held by The Canada Life Assurance Company and invested in the Mackenzie Strategic Income II Fund. The asset information presented in this report is based on the audited financial statements of the pension fund prepared by MNP LLP.

Tests of the sufficiency and reliability of the asset data were performed and the results were satisfactory. The tests included:

- A reconciliation of actual cash flow with expected cash flow from the previous actuarial report; and
- A reconciliation of any anticipated benefit payments (for retirees, terminated, or deceased members) against the financial statements of the pension fund for confirmation of payments.

Market Value of Assets

The following is a summary of the composition of the Plan's assets by asset type as reported by The Canada Life Assurance Company as at December 31, 2022. For comparison purposes, the composition at the previous valuation date of December 31, 2019 is also shown.

	December 31, 2022		December 31, 2019	
	\$	%	\$	%
Cash and short term	2,239,600	3.6%	0	0.0%
Fixed Income	27,496,800	44.2%	25,431,000	37.9%
Canadian equities	14,992,600	24.1%	18,873,800	28.1%
U.S. equities	10,513,500	16.9%	8,058,700	12.0%
International equities	5,536,700	8.9%	8,063,100	12.0%
Other Investments	1,430,800	2.3%	0	0.0%
Mortgages	0	0.0%	6,722,300	10.0%
Total Invested Assets	62,210,000	100.0%	67,148,900	100.0%

Target Asset Mix

The target asset mix of the Plan is contained in the Plan's Statement of Investment Policies and Procedures effective May 2023 is as follows:

	Minimum	Target	Maximum
Global equities	5%	10.0%	15.0%
Universe fixed income	32.0%	37.0%	42.0%
Long term fixed income	48.0%	53.0%	58.0%
		100.0%	



Reconciliation of Changes in Market Value of Assets

The table below reconciles changes in the market value of assets between December 31, 2019 and December 31, 2022.

	2020	2021	2022
Market Value of Assets, Beginning of Plan Year	\$ 67,148,800	\$ 68,887,400	\$ 73,199,500
Contributions During Plan Year			
Company normal cost	\$ 444,700	\$ 452,400	\$ 395,200
Company special payments	126,900	0	0
Company transfer deficiency payments	122,500	0	0
Total	\$ 694,100	\$ 452,400	\$ 395,200
Benefit Payments During Plan Year			
Non-retired members ¹	\$ 942,200	\$ 108,200	\$ 276,400
Retired members	3,753,000	3,683,400	3,646,600
Total	\$ 4,695,200	\$ 3,791,600	\$ 3,923,000
Fees/Expenses			
Investment fees/expenses	\$ 262,200	\$ 276,500	\$ 260,600
Non-investment fees/expenses	17,100	16,700	16,600
Total	\$ 279,300	\$ 293,200	\$ 277,200
Investment Income	\$ 6,019,000	\$ 7,944,500	\$ (7,184,400)
Market Value of Assets, End of Plan Year	\$ 68,887,400	\$ 73,199,500	\$ 62,210,100
Rate of Return, Net of Fees/Expenses	8.8%	-11.4%	(10.4%)

Development of Adjusted Market Value of Assets

The adjusted market value of assets is equal to the market value of assets adjusted to reflect any contributions, benefit payments, transfers and fees/expenses in-transit as of the valuation date. The development of the adjusted market value of assets is shown below.

	December 31, 2022	December 31, 2019
Market value of assets	\$ 62,210,100	\$ 67,148,800
Contributions receivable	36,300	165,100
Benefits payable	(800)	(631,000)
Adjusted Market Value of Assets	\$ 62,245,600	\$ 66,682,900

¹ Includes members who have terminated employment or died



Development of Actuarial Value of Assets

For purposes of determining the Plan's funded position, an asset valuation method is used which smooths the impact of short-term fluctuations in the market value of the assets. The method does this by recognizing the difference between the fund's actual and expected investment earnings gradually over a four-year period.

The fund's investment earnings (including realized and unrealized gains and losses) net of Plan expenses are compared below to the expected investment earnings (based on previous valuation assumptions):

Net Investment Earnings	2020		2021		2022	
Actual	\$ 5,739,700	8.81%	\$ 7,651,300	11.38%	\$(7,461,600)	(10.45%)
Expected	3,517,900	5.40%	3,621,800	5.40%	3,857,600	5.40%
Excess of Actual Over Expected	\$ 2,221,800		\$ 4,029,500		\$(11,319,200)	

A smoothed market value is then obtained by deducting from (adding to) the current market value the portion of the investment gains (losses) which the asset valuation method has not yet recognized.

After application of the smoothing method, the smoothed market value is restricted to between 90% and 110% of the market value. The development of the smoothed market value of assets at December 31, 2022 is shown below.

Market Value at December 31, 2022	\$ 62,210,100
Adjustment for investment gains and losses not yet fully recognized	
2020: 25% x \$ (2,221,800)	\$ (555,000)
2021: 50% x \$ (4,029,500)	(2,015,000)
2022: 75% x \$ 11,319,200	8,489,000
Total	\$ 5,919,000
Adjusted Smoothed Value of Assets	\$ 68,129,100
Smoothed Value at December 31, 2022 (within 90%/110% of Market Value)	\$ 68,129,100

Therefore \$5,919,000 of the past years' investment losses have not yet been recognized in the smoothed market value. These losses will be fully recognized in future years.



For this valuation, the Actuarial Value of Assets equals the smoothed market value of assets adjusted for amounts payable and receivable at the valuation date.

The calculation of the Actuarial Value of Assets is as follows:

Smoothed Market Value at December 31, 2022		\$ 68,129,100
Contributions receivable at the valuation date		36,300
Benefits payable at the valuation date		(800)
Actuarial Value of Assets at December 31, 2022		\$ 68,164,600



Appendix B: Membership Data

Source of Data

This valuation was based on member data provided by the Company as of December 31, 2022. Tests of the sufficiency and reliability of the member data were performed and the results were satisfactory. The tests included:

- A reconciliation of membership status against the membership status at the last valuation. This test was performed to ensure that all members were accounted for. A summary of this reconciliation follows on the next page;
- A reconciliation of birth, hire, and participation dates against the corresponding dates provided for the last valuation to ensure consistency of data;
- A reconciliation of credited service against the corresponding amount provided for the last valuation to ensure that no member accrued more than three years of credited service from December 31, 2019. This test also revealed any members who accrued less than three years of credited service;
- A reconciliation of accrued benefits against the corresponding amounts provided for the last valuation to identify any unusual benefit accruals;
- A reconciliation of any stated benefit payments since December 31, 2019 (for retired, terminated, or deceased members) against the financial statements of the pension fund for confirmation of the payments; and
- A reconciliation of inactive member benefit amounts against the corresponding amounts provided for the last valuation to ensure consistency of data.

There was no information missing from the data, so no assumptions were required with respect to such data.

A copy of the administrator certification certifying the accuracy and completeness of the member data (and the Plan provisions summarized in this report) is included in Appendix G of this report.



Membership Summary

The table below reconciles the number of members as of December 31, 2022 with the number of members as of December 31, 2019 and the changes due to experience in the period.

	Active Members ¹	Transferred Members	Deferred Vested Members	Retired and Beneficiary Members	Total
Members, December 31, 2019	118	3	62	278	461
Changes due to:					
New limited member			1	1	2
Termination					
• Deferred vested	(14)	(2)	16		-
• Lump sum	(2)		(5)		(7)
Death					
• No further benefits				(14)	(14)
• Lump sum				(2)	(2)
• Member with survivor				(7)	(7)
• Survivor entitled to pension				7	7
Retirement	(7)		(8)	15	-
Transfers	(2)	2			-
Data correction	2		(12)		(10)
Net change	(23)	-	(8)	-	(31)
Members, December 31, 2022	95	3	54	278	430

¹ Includes members with a disability.



Active Members and Members with a Disability

	December 31, 2022	December 31, 2019
Number ¹	95	118
Average age	49.7	47.6
Average credited service (years)	14.5	12.3
Percent female	1.1%	1.7%

Transferred Members

	December 31, 2022	December 31, 2019
Number	3	3
Average age	53.5	46.7
Average credited service (years)	8.4	2.5
Percent female	0.0%	0.0%

Deferred Vested Members

	December 31, 2022	December 31, 2019
Number	54	62
Average age	50.9	47.9
Average monthly lifetime pension	\$393	\$291
Percent female	3.7%	0.0%

Retirees and Beneficiaries

	December 31, 2022	December 31, 2019
Number	278	278
Average age	71.4	69.5
Average monthly lifetime pension	\$1,113	\$1,112
Percent female	12.9%	11.2%

¹ Includes five (5) members with a disability as at December 31, 2022 and one (1) member with a disability as at December 31, 2019.



Active Membership Distribution

The following table provides a detailed summary of the active membership, including members with a disability, at the valuation date by years of credited service and by age group. The value shown for each data item in each cell is an average for the members in that cell.

Age		Credited Service						Total
		5-10	10-15	15-20	20-25	25-30	>=30	
< 30	Count	1						1
	Credited Service	9.8						9.8
30-34	Count	4	5					9
	Credited Service	8.2	11.2					9.9
35-39	Count	4	5	2				11
	Credited Service	8.8	11.7	16.9				11.6
40-44	Count	6	2	2				10
	Credited Service	8.7	10.7	16.5				10.7
45-49	Count	8	2	2	3			15
	Credited Service	8.7	11.4	18.1	21.0			12.8
50-54	Count	6	2	6			1	15
	Credited Service	8.5	11.4	16.7			34.4	13.9
55-59	Count	3	3	2	5	3	2	18
	Credited Service	8.7	11.8	17.6	23.0	26.4	34.7	20.0
60-64	Count	1	4	4	1	2		12
	Credited Service	9.0	12.9	18.3	22.9	27.6		17.7
>65	Count		1	1	1	1		4
	Credited Service		10.2	16.3	22.7	26.9		19.0
Total	Count	33	24	19	10	6	3	95
	Credited Service	8.7	11.6	17.3	22.3	26.9	34.6	14.5



Transferred Membership Distribution

The following table provides a detailed summary of the transferred membership at the valuation date by years of credited service and by age group. The value shown for each data item in each cell is an average for the members in that cell.

Age	Number	Credited Service (years)
50-54	2	9.6
55-59	1	5.9
Total	3	8.4

Deferred Vested Membership Distribution

The following table provides a detailed summary of the deferred vested membership at the valuation date by age group. The values shown for each data item in each row is an average for the members in that row. For privacy reasons, average pensions are not shown for groups with two or less members.

Age	Number	Average Monthly Normal Retirement Pension (\$)
< 30	2	*
30-34	2	*
35-39	9	250.58
40-44	6	332.06
45-49	6	238.62
50-54	7	296.15
55-59	5	388.47
60-64	10	404.01
>65	7	875.03
Total	54	393.39



Retired and Beneficiary Membership Distribution

The following tables provides a detailed summary of the retired and beneficiary membership at the valuation date by age group. For privacy reasons, average pensions are not shown for groups with two or less members.

Age		Number	Average Monthly Pension (\$)	Average Monthly Pension to Spouse (\$)	Average Remaining Guarantee Period (years)
<55	Life only	1	*		
55-59	Guaranteed life	3	1,397		8.0
	Life only	3	1,692		
	Joint life	4	1,583	1,324	
60-64	Guaranteed life	6	1,074		6.8
	Life only	9	1,175		
	Joint life	30	1,398	1,240	
	Annulty certain	1	*		1.0
65-69	Guaranteed life	21	1,194		6.8
	Life only	15	1,018		
	Joint life	39	1,253	1,082	
70-74	Guaranteed life	4	811		6.0
	Life only	14	985		
	Joint life	38	1,152	960	
75-79	Guaranteed life	2	*		3.5
	Life only	16	920		
	Joint life	25	1,172	929	
80-84	Life only	18	1,022		
	Joint life	15	781	590	
>85	Life only	11	500		
	Joint life	3	741	627	
Total		278	1,113		



Appendix C: Going Concern Assumptions and Methods

Assumptions and Methods

A member's entitlements under a pension plan are generally funded during the period over which service is accrued by the member. The cost of each member's benefits is allocated in some fashion over the member's service. An actuarial valuation provides an assessment of the extent to which allocations relating to periods prior to a valuation date (often referred to as the actuarial liabilities) are covered by the plan's assets.

The going concern valuation provides an assessment of a pension plan on the premise that the plan continues on into the future indefinitely based on assumptions in respect of future events upon which a plan's benefits are contingent and methods that effectively determine the way in which a plan's costs will be allocated over the members' service. The true cost of a plan, however, will emerge only as experience develops, investment earnings are received, and benefit payments are made.

This appendix summarizes the going concern assumptions and methods that have been used for the going concern valuation of the Plan at the valuation date. The going concern assumptions and methods have been chosen to reflect our understanding of the Plan's funding objectives with due respect to accepted actuarial practice and regulatory constraints. For purposes of this valuation, the going concern methods and assumptions were reviewed and changes as indicated were made.



The actuarial assumptions and methods used in the current and previous valuations are summarized below and described on the following pages.

	December 31, 2022	December 31, 2019
Economic Assumptions		
Discount rate	4.80% per year	5.40% per year
Inflation rate	2.00% per year	Same
Provision for adverse deviation	5.47%	8.35%
Investment expenses	0.22% per year ¹	0.40% per year ¹
Non-investment expenses	0.03% per year ¹	Same
Demographic Assumptions		
Mortality table ²	108% CPM2014 Combined generational (scale MI-2017)	108% CPM2014 Combined generational (scale CPM-B)
Retirement rates		
Active and transferred members	50% at 30 years service if before age 55. Remainder at earlier of age 65 and 30 years service, but not before age 55.	Same
Deferred vested members	Age 65	Same
Termination rates	Variable by age (Table A following)	Same
Disability rates	None	Same
Proportion married		
Non-retired	Not applicable	Same
Retired members	Actual marital status and ages are used	Same
Methods		
Actuarial cost method	Unit credit	Same
Asset valuation method	Smoothed, limited to 90% - 110% of market value	Same

¹ Taken into account in the discount rate assumption.

² No pre-retirement mortality was applied for Deferred vested members.



Table A – Termination Rates

Sample rates used in this valuation are shown as rates per 100 lives in the following table:

Age	Rates
20	9.25%
25	7.70%
30	6.10%
35	5.15%
40	4.20%
45	3.45%
50	2.65%
55	1.95%
60	1.20%
65	0.00%



Justification of Actuarial Assumptions and Methods

Margins for Adverse Deviations

The actuary has reviewed the assumptions with the Company and discussed the implications of not incorporating margins for adverse deviations in the going concern assumptions. The Company is of the opinion that the use of the PfAD provides sufficient margins for adverse deviations, and given the going concern funded position, additional margins are not required. As such, the Company has advised the actuary not to incorporate additional margins for adverse deviations in the going concern assumptions.

Economic Assumptions

Discount Rate

We have used a discount rate of 4.80% per year.

The overall expected return was developed using best-estimate returns for each major asset class in which the pension fund is invested. A Monte Carlo simulation is performed over 30 years where the portfolio returns are projected assuming annual rebalancing. The results are used to develop an overall best-estimate rate of return for the entire pension fund. Gains from rebalancing and diversification are implicit to this return.

The above determined rate of return has been established based on the Company's investment policy and its funding policy (whether formal or informal) and objectives. There may be some barriers to achieving this return such as inflation higher than expected, asset returns lower than expected, and assets and liabilities that are mismatched. The following table lays out the adjustments that have been made to the overall expected rate of return in order to arrive at our going concern discount rate assumption:

Development of Discount Rate	
Overall expected return	5.03%
Non-investment expenses	(0.03)%
Investment expenses	(0.22)%
Discount Rate (Unrounded)	4.78%
Discount Rate (Rounded)	4.80%

Inflation Rate

The inflation rate is assumed to be 2.00% per year. The inflation rate assumption reflects our best estimate of future long-term inflation considering current economic and financial market conditions.

Expenses

Since the discount rate has been established net of all expenses typically paid out of the plan, and the majority of non-investment expenses are not paid with Plan assets but instead by the Company, no explicit assumption is required for all expenses.



Increases in Pensionable Earnings, YMPE, and Maximum Pension Limit

We have assumed no future earnings, YMPE, and maximum pension limit increases because the Plan is a flat benefit plan and therefore the assumptions are not applicable.

Demographic Assumptions

Mortality

In 2017, the CIA released a research paper introducing a new Mortality Improvement Scale (MI-2017) and subsequently published an Education Note stating that both the MI-2017 and CPM-B Scales "constitute broad and relevant mortality improvement studies for the Canadian population." While CPM-B was developed with reference to experience up to the end of 2007, the new scale is based on experience to 2015. The new scale incorporates ultimate rates of improvement that are slightly higher than CPM-B. MI-2017 projection scale has been adopted for the purposes of this valuation since this scale takes into account a broader thinking on mortality improvements.

We have not made any adjustments for pension size.

No allowance has been made for mortality prior to retirement for Deferred Vested members since including such an assumption would not have a material impact on the actuarial valuation results.

Retirement

The retirement rates were developed based on historical plan experience. We compare actual experience to current assumptions with each valuation to monitor its continued appropriateness. There have not been significant gains or losses demonstrated over the inter-valuation period, so in our view, the assumptions continues to be appropriate.

Termination of Employment

The termination rate were developed based on a prior review of Plan experience. Subsequent actuarial valuations indicate that these rates remain appropriate as the resulting actuarial gains and losses have been relatively small. Consequently, the termination rates are considered to be best estimate.

Deferred Vested Members

A single-point retirement age of 65 has been employed for Deferred vested members. The benefit payable on early retirement is subject to actuarial reduction. Therefore, benefits payable on retirement earlier than our assumption do not result in any gains or losses.

Disability

If an active Plan member becomes disabled, service continues to accrue until age 65. Since this benefit is substantially the same as the benefit that accrues to an active member, no disability assumption was used.



Other

Actuarial Cost Method

An actuarial cost method is a technique used to allocate in a systematic and consistent manner the expected cost of a pension plan over the years of service during which Plan members earn benefits under the Plan. By funding the cost of a pension plan in an orderly and rational manner, the security of benefits provided under the terms of the Plan in respect of service that has already been rendered is significantly enhanced.

The accrued benefit (or unit credit) actuarial cost method has been used for this valuation. Under this method, the accrued liability at the valuation date is determined as the lump sum required to provide the accrued pension benefit earned to that date. The normal cost for the Plan is the amount required to fund the benefits expected to accrue in the year following the valuation date.

The pattern of future contributions necessary to pre-fund future benefit accruals for any one particular individual will increase steadily as the individual approaches retirement. For a stable population (i.e., one where the average demographics of the group remain relatively constant from year to year), the normal cost will increase modestly over time. The accrued benefit actuarial cost method, therefore, allocates contributions among different periods in an orderly and rational manner for a stable population group.

In the event of future adverse experience, contributions in addition to the normal cost calculated under the accrued benefit actuarial cost method may be required to ensure that the Plan's assets are adequate to provide the benefits. Conversely, favourable experience may generate surplus which may serve to reduce future contribution requirements.

Asset Valuation Method

The actuarial value of assets is a smoothed market value. The method does this by recognizing the difference between the funds actual and assumed investment earnings gradually over a four-year period.

The actuarial value as at December 31, 2022 is equal to:

- the market value at December 31, 2022 net of outstanding contributions and payments;
- less 25% of the difference between the actual and assumed investment earnings net of expenses for 2020;
- less 50% of the difference between the actual and assumed investment earnings net of expenses for 2021;
- less 75% of the difference between the actual and assumed investment earnings net of expenses for 2022.

To ensure that the asset valuation method develops an asset value that appropriately tracks market value over time, the calculated actuarial value of assets is adjusted, if necessary, so that it falls within 10% of the market value of assets ("10% corridor").

Payments due or receivable at the valuation date are reflected after application of the 10% corridor.



Appendix D: Solvency Assumptions and Methods

Valuation Assumptions

	December 31, 2022	December 31, 2019
Economic Assumptions		
Discount rate		
Transfer value basis	4.10% per year for 10 years, 4.50% per year thereafter	2.40% per year for 10 years, 2.50% per year thereafter
Annuity purchase basis	4.90% per year	3.00% per year
Demographic Assumptions		
Mortality table	CPM2014 Combined generational (scale CPM-B) ¹	Same
Termination rates	All participants are assumed to terminate on the valuation date.	Same
Retirement age		
Deferred vested members	Age 65	Same
All other members	Immediate if eligible to retire Otherwise 50% at age which produces the highest commuted value and 50% at earliest unreduced age	Immediate if eligible to retire Otherwise age which produces the highest commuted value
Termination of employment	Terminate with full vesting	Same
Marital status		
Non-retired members	Not applicable	Same
Retired members	Actual marital status and ages are used	Same

¹ No preretirement mortality was applied



	December 31, 2022	December 31, 2019
Other		
Wind up expenses	\$175,000	Same
Actuarial cost method	Unit credit	Same
Asset valuation method	Market value of assets adjusted to reflect contributions, benefit payments, transfers and fees/expenses in transit as of the valuation date	
Incremental Cost		
The assumptions for the expected benefit payments and decrement probabilities, service accruals, and projected changes in benefits and/or pensionable earnings	Same as going concern	Same

Based on the CIA's Guidance and information such as pension legislation, Plan provisions and Plan experience, we have made the following assumptions regarding how the Plan's benefits would be settled on Plan wind up:

	Percent of Liability Assumed to be Settled By Purchase of Annuities	Percent of Liability Assumed to be Settled By Lump-Sum Transfer
Active, Transferred and Deferred Vested Members		
Not retirement eligible	10%	90%
Retirement eligible	100%	0%
Retired Members and Beneficiaries	100%	0%

Postulated Scenario

The postulated scenario is the assumption of immediate termination of employment for the active group at the valuation date. Therefore, no allowance for demographic experience are reflected.

¹ Includes members with a disability.



Benefits Valued

	Benefit
Vesting	We have treated all accrued benefits as vested on Plan wind up.
Consent Benefits	Company consent is not required for benefits.
Exclusions	No Plan benefits are excluded from the valuation
Post-valuation Date Benefit Increases	There are no scheduled post-valuation date benefit increases.
Indexing	There is no indexation of benefits.

Justification for Valuation Assumptions

Development of Discount Rate

The development of the solvency discount rates is shown below.

Solvency lump-sum discount rate for 10 years adjustment	$= V122542^1 + \text{Mid-term bond yield spread}$ $= 2.94\% + 1.13\%$ $= \mathbf{4.07\% \text{ (rounded to 4.10\%) per year}}$
Solvency lump-sum discount rate thereafter	$= V122544^1 + 0.5 \times (V122544^1 - V122542^1) +$ Long-term bond yield spread adjustment $= 3.03\% + 0.5 \times (3.03\% - 2.94\%) + 1.39\%$ $= \mathbf{4.47\% \text{ (rounded to 4.50\%) per year}}$
Solvency annuity purchase discount rate	$= V39062 + \text{Duration Adjustment}$ $= 3.31\% + 1.60\%$ $= \mathbf{4.91\% \text{ (rounded to 4.90\%) per year}}$

We have set the aforementioned assumptions based on guidance prepared by the CIA Committee on Pension Plan Financial Reporting ("PPFRC") in Educational Note - Assumptions for Hypothetical Wind-Up and Solvency Valuations with Effective Dates on or after December 31, 2022 and No Later Than June 29, 2024 ("CIA Guidance") issued in March 2023.

For benefit entitlements that are expected to be settled by lump-sum transfer, we based the assumptions on Section 3500 (Pension Commuted Values) of the CIA Standards of Practice, using rates corresponding to a valuation date of December 31, 2022.

For benefit entitlements that are expected to be settled by purchase of annuities, we based the assumptions on information compiled by the PPFRC from insurance companies active in the group annuity market as described in the educational note.

¹ CANSIM Series (annualized)



Mortality Table

In accordance with the CIA Guidance, the derivation of the discount rate above is in conjunction with the 2014 Canadian Pension Mortality Table with generational improvements using CPM Scale B.

Preretirement Mortality

We have made no allowance for preretirement mortality. The impact of including such an assumption would not have a material impact on the valuation, since the value of the death benefit is approximately equal to the value of the accrued pension.

Assumptions Not Needed

The following are not relevant to the solvency valuation:

- Increases in pensionable earnings;
- Termination of employment rates;
- Increases in CPP and OAS benefits;
- Increases in *Income Tax Act* maximum pension limit; and
- Disability rates.

Estimated Wind Up Expenses

Plan wind up expenses would normally include such items as fees related to preparation of the actuarial wind up report, fees imposed by a pension supervisory authority, legal fees, administration, custodial and investment management expenses. We have assumed these fees would be \$175,000. We have not made an allowance for expenses related to surplus or deficit resolution.

Actuarial Cost Methods

Unit credit (accrued benefit) cost method as prescribed.

Asset Valuation Method Considerations

Assets for solvency purposes have been determined using market value of assets adjusted for amounts in transit at the valuation date.



Incremental Cost

The incremental cost represents the present value, at the calculation date (time 0), of the expected aggregate change in the liabilities between time 0 and the next calculation date (time t), adjusted upwards for expected benefit payments between time 0 and time t.

An educational note was published in December 2010 by the CIA Committee on PPFRC to provide guidance for actuaries on the calculation of this information.

The calculation methodology can be summarized as follows:

- The present value at time 0 of expected benefit payments between time 0 and time t, discounted to time 0,
plus
- Projected liabilities at time t, discounted to time 0, allowing for, if applicable to the pension plan being valued:
 - expected decrements and related changes in membership status between time 0 and time t,
 - accrual of service to time t,
 - expected changes in benefits to time t,
 - a projection of pensionable earnings to time t,
 minus

- The liabilities at time 0.

The projection calculations take into account the following assumptions and additional considerations:

- The assumptions for the expected benefit payments and decrement probabilities, service accruals, and projected changes in benefits and/or pensionable earnings would be consistent with the assumptions used in the pension plan's going concern valuation.
- The assumptions used to calculate the projected liability at time t are consistent with the assumptions for the liabilities at time 0, assuming that interest rates remain at the levels applicable at time 0, that the select period is reset at time t for interest rate assumptions that are select and ultimate and that the Standards of Practice for the calculation of commuted values and the guidance for estimated annuity purchase costs in effect at time 0 remain in effect at time t.
 - Active and inactive Plan members as of time 0 are considered in calculating the incremental cost.



Appendix E: Summary of Plan Provisions

This funding valuation was based on Plan design information provided by the Company as of December 31, 2022. The following is a summary of the main provisions of the Plan. For a complete description of the Plan, reference should be made to the Plan Text.

Effective Date	December 15, 1979
Jurisdiction of Registration	British Columbia
Eligibility for Membership	<p>All full-time employees who belong to the union automatically become participants on their employment date.</p> <p>All part-time employees who belong to the union automatically become participants following two years of continuous service.</p> <p>The Plan is closed to new employees hired on and after August 1, 2017.</p>
Contributions	Members are not required or permitted to make contributions to the Plan. The Company pays for the entire cost of the Plan.
Credited Service	A Member's period of continuous service with the company subsequent to the member's latest seniority date, excluding unpaid leave of absence and lay-off apart from the period between October 22, 2015 and November 1, 2017.
Normal Retirement Eligibility	The earlier of age 65 and completion of 30 years of service.
Benefit	<p>For members who retire after April 1, 2008, the monthly pension payable at normal retirement is equal to \$55 multiplied by years of credited service.</p> <p>Effective October 1, 2013, the monthly pension payable at normal retirement was increased to \$56 multiplied by years of credited service.</p> <p>Retirements prior to April 1, 2008 are subject to benefit rates in effect at the date of retirement.</p>
Maximum benefit	The benefit is limited to the maximums as specified in the <i>Income Tax Act</i> .



Early Retirement

Eligibility

A Member may retire as early as the first of the month following age 55 or 30 years of service and receive an immediate pension.

Benefit

The early retirement pension is reduced to be actuarially equivalent to the pension that would be payable at normal retirement.

Postponed Retirement

Eligibility

A Member may retire any time after their Normal Retirement Date and before December 31 of the year in which the member attains age 71.

Benefit

Normal retirement benefit accrued to postponed retirement date.

Termination of Employment

Benefit

Normal retirement benefit accrued to termination date payable on an unreduced basis from normal retirement date or on a reduced basis any time after early retirement date. The reduction is an actuarial reduction from the normal retirement date.

In lieu of a deferred monthly pension, the Member may elect to transfer the lump-sum value of the deferred pension to an acceptable registered retirement income vehicle.

Disability

Eligibility

In receipt of benefits under Company-sponsored long-term disability plan.

Benefit accrual

A Disabled Member shall continue to accrue continuous and credited service without interruption from their Disability date to their Normal Retirement Date as though he/she have continued to be an employee with the Company.

Pre-Retirement Death

Benefit

For a Member who dies prior to the date on which he/she retires, there shall be payable a lump sum equal to 100% of the Commuted Value of the Member's accrued pension.

A Member who dies after the date on which a pension benefit commenced or was due to commence will receive a benefit determined according to the form of pension elected or deemed to be elected by the Member.

Post-Retirement Death

The death benefit, if any, will depend on the form of pension elected at retirement.



Normal Form of Payment

Member without spouse at retirement Life annuity with a guarantee of at least one hundred and twenty (120) monthly payments.

Member with spouse at retirement Joint and 60% survivor annuity actuarially equivalent to the pension payable to a member without a spouse at retirement.

Plan Termination

Upon termination of the Plan, all participants will be fully vested in their accrued benefits. If the assets of the Plan are insufficient to provide all the benefits under the Plan, benefits will be reduced in accordance with applicable legislation.

Transferred Members

Members who have transferred to a non-union position, salaried position, with the Company and retain their accrued benefit in the Plan but do not accrue future credited service.

A copy of the letter from the Company certifying the accuracy and completeness of the Plan provisions summarized in this report is included in Appendix G of this report.

Appendix F: Glossary of Terms

- The **actuarial excess/(unfunded liability) after PfAD** is the actuarial value of assets less going concern liabilities less PfAD.
- The **actuarial value of assets** is the asset value used for going concern valuation purposes. Smoothing methods are sometimes used to smooth investment gains and losses over a certain period.
- The **estimated wind up expenses** is an estimate of the administrative and other expenses expected to be charged against the pension fund if the Plan were to terminate on the valuation date.
- The **going concern liabilities** are the actuarial present value of benefits earned in respect of service prior to the valuation date. The going concern liabilities are calculated using the going concern assumptions and methods summarized in Appendix C of this report.
- The **going concern position** is the difference between the actuarial value of assets and the going concern liabilities.
- The **maximum deductible company contribution** refers to an eligible contribution pursuant to Section 147.2(2) of the *Income Tax Act*. Under Subsection 8502(b) of the Regulations to the *Income Tax Act*, each Company contribution made after January 1, 1991 in respect of a defined benefit provision of a registered pension plan must be such eligible contribution.
- In a company's fiscal year, the following contributions are eligible under Section 147.2(2) of the *Income Tax Act*.
 - The company normal cost, eligible under Section 147.2(2) subject to certification by the actuary and approval by the Canada Revenue Agency; plus
 - Special payments eligible under Section 147.2(2) up to the amount of the unfunded liability, or the solvency deficiency, whichever is greater, subject to certification by the actuary and approval by the Canada Revenue Agency; less
 - Required application of excess surplus.

The company normal cost and special payments for this Plan will be deductible under Section 147.2(2) of the *Income Tax Act*, subject to the approval of the Canada Revenue Agency.

Note that contributions to a plan are still permissible and deductible if there is an excess surplus, providing there is simultaneously a solvency deficiency in the Plan or the contributions are required as minimum contributions under provincial legislation, pursuant to Subsections 8516(2) and (3) of the Regulations to the *Income Tax Act*.

One restriction under the *Income Tax Act* is that if there is an excess surplus, and a solvency deficiency, the maximum deductible contribution is restricted to the full amount of the deficiency without allowance for interest or any other contributions such as company normal cost and/or transfer deficiency payments.

In order to be deductible in a given fiscal year, company contributions must be made not later than 120 days after the end of the fiscal year.



- The **minimum required company contribution** for each plan year is equal to:
 - The company normal cost; plus
 - PfAD; plus
 - Special payments towards any unfunded liability after PfAD over ten (10) years from the date on which the unfunded liability was established; plus
 - Special payments towards the solvency deficiency over five (5) years from the date on which the solvency deficiency was established; less
 - Required application of excess surplus; less
 - Permitted application of surplus.

In order to satisfy the requirements of the British Columbia *Pension Benefits Standards Act* and its Regulations, contributions to the fund must be made in accordance with the following rules:

- Required member contributions (if any) must be remitted to the pension fund within 30 days following the month in which the contributions were received from the member or deducted from his or her remuneration.
 - Company normal cost contributions must be remitted to the pension fund within 30 days after the end of the quarter for which the contributions are payable.
 - Special payments must be remitted to the pension fund within 30 days after the end of the quarter for which they are payable.
- **Solvency assets** are the market value of pension fund assets adjusted to reflect contributions, benefit payments, transfers and fees/expenses in-transit at the valuation date, less an allowance for estimated wind up expenses.
 - The **solvency asset adjustment** is an adjustment that may be made to the solvency assets to reflect:
 - The sum of any going concern payments that are scheduled for payment within five years after the valuation date; plus
 - The face amount of a conforming letter of credit.
 - The **solvency excess/(deficiency)** is the solvency position, increased by the solvency asset adjustment.
 - The **solvency liabilities** are the actuarial present value of benefits earned in respect of service prior to the valuation date determined as if the Plan were wound up on the valuation date.

The solvency liabilities are determined using benefit entitlements on the assumption that the Plan has neither a surplus nor a deficit. The solvency liabilities are calculated using the solvency valuation assumptions summarized in Appendix D of this report.
 - The **solvency position** is the difference between the solvency assets (net of estimated wind up expenses) and the solvency liabilities.
 - The **solvency ratio** compares the solvency assets to the solvency liabilities. If the solvency ratio is less than 1.00, lump-sum transfers from the pension fund under the British Columbia *Pension Benefits Standards Act* are limited to the commuted value of the member's pension multiplied by the solvency ratio. The administrator may transfer the entire commuted value if the administrator is satisfied that an amount equal to the transfer deficiency has been remitted to the pension fund or other certain conditions are met.



- The **special payments** are payments required to liquidate the unfunded liability and/or solvency deficiency:
 - The going concern special payments are equal monthly instalments over a period of ten (10) years beginning from the valuation date of the report in which the going concern unfunded liability plus PfAD was determined.
 - The solvency special payments are equal monthly instalments over a period of five years from the valuation date of the report in which the solvency deficiency was determined.
- The **total normal cost** is the actuarial present value of benefits expected to be earned in respect of service for each year starting on the valuation date. Required member contributions (if any) are deducted from the total normal cost to determine the company normal cost. The total normal cost is calculated using the going concern valuation assumptions and methods summarized in Appendix C of this report.



Appendix G: Administrator Certification

With respect to the Nyrstar Myra Falls Ltd., Myra Falls Operations Hourly-Paid Employees' Pension Plan, forming part of the actuarial report as at December 31, 2022, I hereby certify that, to the best of my knowledge and belief:

- The asset data provided or made available to the actuary is complete and accurate;
- The membership data and subsequent query answers provided or made available to the actuary are complete and accurate for all persons who are entitled to benefits under the terms of the Plan in respect of service up to the date of the valuation;
- The Plan provisions provided or made available to the actuary are complete and accurate up to and including all amendments submitted before December 31, 2022;
- The actuary has been notified of all relevant events subsequent to the valuation measurement date; and
- The terms of engagement contained in Section 1 of this report are accurate and reflect the plan administrator's direction.

Robert Byers
Name (print) of Authorized Signatory

Human Resources Manager
Title


Signature

September 26, 2023
Date



About


Aon plc (NYSE: AON) exists to shape decisions for the better—to protect and enrich the lives of people around the world. Our colleagues provide our clients in over 120 countries and sovereignties with advice and solutions that give them the clarity and confidence to make better decisions to protect and grow their business.

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This is Exhibit "H" referred to in the Affidavit #1
of HEIN FREY, sworn before me at Vancouver, BC, this
17 day of December, 2023.



A Commissioner for taking Affidavits in British Columbia

SEARCH SUMMARY

Myra Falls Mine Ltd. ("Myra")

British Columbia Personal Property Registry

A business debtor search of the British Columbia Personal Property Registry dated November 24, 2023 revealed the following registration against Myra:

Registration No.	967279M
Registration Type	SECURITY AGREEMENT
Registration Date	May 13, 2021
Expiry	May 13, 2025
Debtors	MYRA FALLS MINE LTD.
Secured Party	VERSATILE LEASING INCORPORATED.
Collateral: Serial Number Goods	Motor Vehicle (MV) Serial Number: 1FTFW1E57MFA80113
General Collateral:	NONE

Registration No.	967294M
Registration Type	SECURITY AGREEMENT
Registration Date	May 13, 2021
Expiry	May 13, 2025
Debtors	MYRA FALLS MINE LTD.
Secured Party	VERSATILE LEASING INCORPORATED.
Collateral: Serial Number Goods	Motor Vehicle (MV) Serial Number: 1FTFW1E55MFA80112
General Collateral:	NONE

Registration No.	967585M
Registration Type	SECURITY AGREEMENT

Registration Date	May 13, 2021
Expiry	May 13, 2025
Debtors	MYRA FALLS MINE LTD.
Secured Party	VERSATILE LEASING INCORPORATED.
Collateral: Serial Number Goods	Motor Vehicle (MV) Serial Number: 1FTFW1E50MKD63654
General Collateral:	NONE

Registration No.	967613M
Registration Type	SECURITY AGREEMENT
Registration Date	May 13, 2021
Expiry	May 13, 2025
Debtors	MYRA FALLS MINE LTD.
Secured Party	VERSATILE LEASING INCORPORATED.
Collateral: Serial Number Goods	Motor Vehicle (MV) Serial Number: 1FTFW1E54MFA80117
General Collateral:	NONE

Registration No.	979636M
Registration Type	SECURITY AGREEMENT
Registration Date	May 19, 2021
Expiry	May 19, 2024
Debtors	MYRA FALLS MINE LTD.
Secured Party	TOYOTA CREDIT CANADA INC.
Collateral: Serial Number Goods	Motor Vehicle (MV) Serial Number: 2T3B1RFV9MC198593
General Collateral:	NONE

Registration No.	979637M
Registration Type	SECURITY AGREEMENT
Registration Date	May 19, 2021
Expiry	May 19, 2024
Debtors	MYRA FALLS MINE LTD.
Secured Party	TOYOTA CREDIT CANADA INC.
Collateral: Serial Number Goods	Motor Vehicle (MV) Serial Number: 2T3B1RFVXMC198313
General Collateral:	NONE

Registration No.	981426M
Registration Type	SECURITY AGREEMENT
Registration Date	May 19, 2021
Expiry	May 19, 2025
Debtors	MYRA FALLS MINE LTD.
Secured Party	VERSATILE LEASING INCORPORATED.
Collateral: Serial Number Goods	Motor Vehicle (MV) Serial Number: 1FTFW1E58MKD77236
General Collateral:	NONE

Registration No.	006052N
Registration Type	SECURITY AGREEMENT
Registration Date	May 31, 2021
Expiry	May 31, 2024
Debtors	MYRA FALLS MINE LTD.
Secured Party	TRAVELERS LEASING LTD.

Collateral: Serial Number Goods	Motor Vehicle (MV) Serial Number: HE301
General Collateral:	ONE (1) NEW 2020 NORMET UTIMEC LF700 TRANSMIXER S/N HE301 TOGETHER WITH ALL ATTACHMENTS, ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS, AND IMPROVEMENTS THERETO, AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY SALE AND OR DEALINGS WITH THE COLLATERAL OR PROCEEDS OF THE COLLATERAL AND A RIGHT ,TO ANY INSURANCE PAYMENT OR OTHER PAYMENT THAT INDEMNIFIES OR COMPENSATES FOR LOSS OR DAMAGE TO THE COLLATERAL OR PROCEEDS OF THE COLLATERAL

Registration No.	017501N
Registration Type	SECURITY AGREEMENT
Registration Date	June 4, 2021
Expiry	June 4, 2026
Debtors	MYRA FALLS MINE LTD.
Secured Party	1. SANDVIK CANADA INC. 2. SANDVIK FINANCIAL SERVICES CANADA
Collateral: Serial Number Goods	Motor Vehicle (MV) Serial Number: 121A6747-1
General Collateral:	LESSOR HEREBY AGREES TO LEASE TO LESSEE AND LESSEE AGREES TO LEASE FROM LESSOR, EACH ITEM OF EQUIPMENT AND OTHER PERSONAL PROPERTY (EACH SUCH ITEM, COLLECTIVELY WITH ALL ATTACHMENTS, REPLACEMENTS, IMPROVEMENTS, PARTS, SUBSTITUTIONS, ADDITIONS, REPAIRS, ACCESSIONS AND ACCESSORIES INCORPORATED THEREIN AND/OR AFFIXED THERETO, AN ITEM OF ,EQUIPMENT\ AND ALL ITEMS OF EQUIPMENT SUBJECT TO THE LEASE, COLLECTIVELY, THE \EQUIPMENT\) DESCRIBED AS: SUPPLIER: SANDVIK MINING AND CONSTRUCTION CANADA, A DIVISION OF SANDVIK CANADA, INC., QTY.: ONE (1), EQUIPMENT DESCRIPTION: NEW SANDVIK DL432I, SERIAL # 121A6747-1. DURING THE TERM, LESSOR SHALL RETAIN TITLE TO THE EQUIPMENT UNLESS AND, UNTIL LESSEE ACQUIRES SUCH EQUIPMENT PURSUANT TO THE TERMS HEREOF. LESSEE AND LESSOR INTEND THAT TRANSACTIONS DOCUMENTED HEREUNDER SHALL CONSTITUTE A \TRUE LEASE\ UNDER APPLICABLE LAW OR GOVERNMENTAL RULE, REGULATION, OR ORDER (COLLECTIVELY, \LAW\)(INCLUDING UNDER THE PERSONAL PROPERTY SECURITY ACT (ONTARIO), THE CIVIL CODE OF QUEBEC OR ,ANY OTHER APPLICABLE CANADIAN FEDERAL OR PROVINCIAL STATUTE PERTAINING TO THE GRANTING, PERFECTING, PUBLICATION, PRIORITY OR RANKING OF

	<p>SECURITY INTERESTS, LIENS OR HYPOTHECS ON PROPERTY (PPSA)), BUT IF ANY COURT OR TRIBUNAL, HAVING POWER TO BIND LESSEE OR LESSOR SHOULD CONCLUDE THAT ALL OR PART OF THIS TRANSACTION IS NOT A TRUE LEASE, BUT IS IN THE NATURE OF A FINANCING LEASE, SALE CONSIGNMENT, OR OTHER TRANSACTION, LESSEE AND LESSOR INTEND AND LESSEE HEREBY GRANTS TO LESSOR A FIRST PRIORITY SECURITY INTEREST IN THE EQUIPMENT AND ALL PROCEEDS (CASH AND NON-CASH) THEREOF, INCLUDING THE PROCEEDS OF ALL INSURANCE POLICIES ON THE EQUIPMENT TO SECURE THE PAYMENT OF ALL, LESSEE'S INDEBTEDNESS TO LESSOR. LESSOR, AND ANY PARTY DESIGNATED BY LESSOR, IS AUTHORIZED IF PERMITTED BY APPLICABLE LAW TO FILE ONE OR MORE PPSA FINANCING STATEMENTS, PRECAUTIONARY OR OTHERWISE, AS APPROPRIATE, DISCLOSING LESSOR'S OWNERSHIP INTEREST IN THE EQUIPMENT, THE LEASE AND THE SUMS DUE UNDER THE LEASE, WITHOUT THE SIGNATURE OF LESSEE OR SIGNED BY LESSOR, OR ANY PARTY DESIGNATED BY LESSOR, AS ATTORNEY-IN-FACT FOR LESSEE. LESSEE HEREBY APPOINTS LESSOR (AND ANY OF LESSOR'S OFFICERS, EMPLOYEES, OR AGENTS DESIGNATED BY LESSOR) AS LESSEE'S ATTORNEY-IN-FACT, (WHICH APPOINTMENT SHALL BE COUPLED WITH AN INTEREST), TO DO ALL THINGS NECESSARY TO CARRY OUT THIS SECTION 5. LESSEE WILL PAY ALL COSTS OF FILING ANY FINANCING, CONTINUATION OR TERMINATION STATEMENTS WITH RESPECT TO THE LEASE. LESSEE MAY NOT DISPOSE OF ANY OF THE EQUIPMENT EXCEPT TO THE EXTENT EXPRESSLY PROVIDED HEREIN</p>
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Registration No.	053093N
Registration Type	SECURITY AGREEMENT
Registration Date	June 18, 2021
Expiry	June 18, 2025
Debtors	MYRA FALLS MINE LTD.
Secured Party	VERSATILE LEASING INCORPORATED.
Collateral: Serial Number Goods	Motor Vehicle (MV) Serial Number: 1FTFW1E52MKD63655
General Collateral:	NONE

Registration No.	112492N
Registration Type	SECURITY AGREEMENT
Registration Date	July 15, 2021

Expiry	July 15, 2024
Debtors	MYRA FALLS MINE LTD.
Secured Party	TOYOTA CREDIT CANADA INC.
Collateral: Serial Number Goods	Motor Vehicle (MV) Serial Number: 2T3B1RFV1MC209697
General Collateral:	NONE

Registration No.	129098N
Registration Type	SECURITY AGREEMENT
Registration Date	July 22, 2021
Expiry	July 22, 2025
Debtors	MYRA FALLS MINE LTD.
Secured Party	VERSATILE LEASING INCORPORATED.
Collateral: Serial Number Goods	Motor Vehicle (MV) Serial Number: 1FTFW1E53MFA96518
General Collateral:	NONE

Registration No.	129116N
Registration Type	SECURITY AGREEMENT
Registration Date	July 22, 2021
Expiry	July 22, 2025
Debtors	MYRA FALLS MINE LTD.
Secured Party	VERSATILE LEASING INCORPORATED.
Collateral: Serial Number Goods	Motor Vehicle (MV) Serial Number: 1FTFW1E52MKD77233
General Collateral:	NONE

Registration No.	167256N
Registration Type	SECURITY AGREEMENT
Registration Date	August 10, 2021
Expiry	August 10, 2025
Debtors	MYRA FALLS MINE LTD.
Secured Party	VALIANT FINANCIAL SERVICES INC.
Collateral: Serial Number Goods	Motor Vehicle (MV) Serial Number: 0160086358
General Collateral:	ALL TELEHANDLERS AND RELATED EQUIPMENT INCLUDING BUT NOT LIMITED TO ONE (1) 2018 SKYTRAK 10042 TELEHANDLER, SERIAL NUMBER: 0160086358 TOGETHER WITH ALL ATTACHMENTS ACCESSORIES ACCESSIONS REPLACEMENTS SUBSTITUTIONS ADDITIONS AND IMPROVEMENTS THERETO AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY SALE AND OR DEALINGS , WITH THE COLLATERAL AND A RIGHT TO AN INSURANCE PAYMENT OR OTHER PAYMENT THAT INDEMNIFIES OR COMPENSATES FOR LOSS OR DAMAGE TO THE COLLATERAL OR PROCEEDS OF THE COLLATERA

Registration No.	259980N
Registration Type	SECURITY AGREEMENT
Registration Date	September 23, 2021
Expiry	September 23, 2025
Debtors	MYRA FALLS MINE LTD.
Secured Party	VERSATILE LEASING INCORPORATED.
Collateral: Serial Number Goods	Motor Vehicle (MV) Serial Number: 1FTFW1E55MFA96519
General Collateral:	NONE

Registration No.	259986N
Registration Type	SECURITY AGREEMENT

Registration Date	September 23, 2021
Expiry	September 23, 2025
Debtors	MYRA FALLS MINE LTD.
Secured Party	VERSATILE LEASING INCORPORATED.
Collateral: Serial Number Goods	Motor Vehicle (MV) Serial Number: 1FTEW1EP7MKE09770
General Collateral:	NONE

Registration No.	259989N
Registration Type	SECURITY AGREEMENT
Registration Date	September 23, 2021
Expiry	September 23, 2025
Debtors	MYRA FALLS MINE LTD.
Secured Party	VERSATILE LEASING INCORPORATED.
Collateral: Serial Number Goods	Motor Vehicle (MV) Serial Number: 1FTEW1EP0MKE09772
General Collateral:	NONE

Registration No.	269503N
Registration Type	SECURITY AGREEMENT
Registration Date	September 28, 2021
Expiry	September 28, 2024
Debtors	MYRA FALLS MINE LTD.
Secured Party	TOYOTA CREDIT CANADA INC.
Collateral: Serial Number Goods	Motor Vehicle (MV) Serial Number: 2T3B1RFV3MW225172
General Collateral:	NONE

Registration No.	292305N
Registration Type	SECURITY AGREEMENT
Registration Date	October 7, 2021
Expiry	October 7, 2026
Debtors	MYRA FALLS MINE LTD.
Secured Party	AMALGAMATED MINING & TUNNELLING INC.
Collateral: Serial Number Goods	Motor Vehicle (MV) Serial Number: IFIUT99D7404
General Collateral:	NONE

Registration No.	292324N
Registration Type	SECURITY AGREEMENT
Registration Date	October 7, 2021
Expiry	October 7, 2026
Debtors	MYRA FALLS MINE LTD.
Secured Party	AMALGAMATED MINING & TUNNELLING INC.
Collateral: Serial Number Goods	Motor Vehicle (MV) Serial Number: IFIUT99D7741
General Collateral:	NONE

Registration No.	313607N
Registration Type	SECURITY AGREEMENT
Registration Date	October 19, 2021
Expiry	October 19, 2026
Debtors	MYRA FALLS MINE LTD.
Secured Party	AMALGAMATED MINING & TUNNELLING INC.

Collateral: Serial Number Goods	Motor Vehicle (MV) Serial Number: 100-10101
General Collateral:	NONE

Registration No.	355714N
Registration Type	SECURITY AGREEMENT
Registration Date	November 8, 2021
Expiry	November 8, 2024
Debtors	MYRA FALLS MINE LTD.
Secured Party	TOYOTA CREDIT CANADA INC.
Collateral: Serial Number Goods	Motor Vehicle (MV) Serial Number: 2T3B1RFV4MW230655
General Collateral:	NONE

Registration No.	355716N
Registration Type	SECURITY AGREEMENT
Registration Date	November 8, 2021
Expiry	November 8, 2024
Debtors	MYRA FALLS MINE LTD.
Secured Party	TOYOTA CREDIT CANADA INC.
Collateral: Serial Number Goods	Motor Vehicle (MV) Serial Number: 2T3B1RFV7MW230570
General Collateral:	NONE

Registration No.	387770N
Registration Type	SECURITY AGREEMENT
Registration Date	November 24, 2021

Expiry	November 24, 2024
Debtors	MYRA FALLS MINE LTD.
Secured Party	TOYOTA CREDIT CANADA INC.
Collateral: Serial Number Goods	Motor Vehicle (MV) Serial Number: 2T3B1RFV4MC240474
General Collateral:	NONE

Registration No.	393147N
Registration Type	SECURITY AGREEMENT
Registration Date	November 26, 2021
Expiry	November 26, 2025
Debtors	MYRA FALLS MINE LTD.
Secured Party	VERSATILE LEASING INCORPORATED.
Collateral: Serial Number Goods	Motor Vehicle (MV) Serial Number: 1FTEW1EP9MKE09771
General Collateral:	NONE

Registration No.	403356N
Registration Type	SECURITY AGREEMENT
Registration Date	December 1, 2021
Expiry	December 1, 2024
Debtors	MYRA FALLS MINE LTD.
Secured Party	TOYOTA CREDIT CANADA INC.
Collateral: Serial Number Goods	Motor Vehicle (MV) Serial Number: 2T3B1RFV7MC242204
General Collateral:	NONE

Registration No.	450761N
Registration Type	SECURITY AGREEMENT
Registration Date	December 29, 2021
Expiry	December 29, 2024
Debtors	MYRA FALLS MINE LTD.
Secured Party	TOYOTA CREDIT CANADA INC.
Collateral: Serial Number Goods	Motor Vehicle (MV) Serial Number: 2T3B1RFV7MW239561
General Collateral:	NONE

Registration No.	471290N
Registration Type	SECURITY AGREEMENT
Registration Date	January 11, 2022
Expiry	January 11, 2025
Debtors	MYRA FALLS MINE LTD.
Secured Party	TOYOTA CREDIT CANADA INC.
Collateral: Serial Number Goods	Motor Vehicle (MV) Serial Number: 2T3B1RFV5MW242636
General Collateral:	NONE

Registration No.	483926N
Registration Type	SECURITY AGREEMENT
Registration Date	January 18, 2022
Expiry	January 18, 2027
Debtors	MYRA FALLS MINE LTD.
Secured Party	AMALGAMATED MINING & TUNNELLING INC.

Collateral: Serial Number Goods	Motor Vehicle (MV) Serial Number: T545DEMA0A0125
General Collateral:	NONE

Registration No.	572746N
Registration Type	SECURITY AGREEMENT
Registration Date	March 3, 2022
Expiry	March 3, 2025
Debtors	MYRA FALLS MINE LTD.
Secured Party	TOYOTA CREDIT CANADA INC.
Collateral: Serial Number Goods	Motor Vehicle (MV) Serial Number: 2T3B1RFVXNW252273
General Collateral:	NONE

Registration No.	615796N
Registration Type	SECURITY AGREEMENT
Registration Date	March 23, 2022
Expiry	March 23, 2026
Debtors	MYRA FALLS MINE LTD.
Secured Party	EPIROC CANADA INC.
Collateral: Serial Number Goods	NONE
General Collateral:	EPIROC BRAND, SIMBA M6C, SERIAL NUMBER TMG21URE0514, AND ALL ATTACHMENTS, ADDITIONS, ACCRETIONS AND ACCESSORIES THERETO, AND ANY REPLACEMENTS THEREOF OR SUBSTITUTIONS THEREFORE AND ANY ACCESSIONS OR REPAIRS MADE TO ANY OF THE FOREGOING AND ALL PROCEEDS OF THE FOREGOING, INCLUDING BUT NOT LIMITED TO, ACCOUNTS, RECEIVABLES, RENTS, CONTRACT RIGHTS, CHATTEL PAPER, GENERAL INTANGIBLES, INSURANCE PROCEEDS, INSTRUMENTS OR DOCUMENTS OF TITLE, MONEY AND SECURITIES ARISING OUT OF THE SALE, LEASE OR OTHER DISPOSITION OF THE FOREGOING COLLATERAL

Registration No.	634506N
Registration Type	SECURITY AGREEMENT
Registration Date	March 31, 2022
Expiry	March 31, 2025
Debtors	MYRA FALLS MINE LTD.
Secured Party	TOYOTA CREDIT CANADA INC.
Collateral: Serial Number Goods	Motor Vehicle (MV) Serial Number: 2T3B1RFV2NW255748
General Collateral:	NONE

Registration No.	653012N
Registration Type	SECURITY AGREEMENT
Registration Date	April 8, 2022
Expiry	April 8, 2026
Debtors	MYRA FALLS MINE LTD.
Secured Party	EPIROC CANADA INC.
Collateral: Serial Number Goods	Motor Vehicle (MV) Serial Number: TMG21URE0514
General Collateral:	EPIROC BRAND, MODEL SIMBA M6C, SERIAL NUMBER TMG21URE0514 AND ALL ATTACHMENTS, ADDITIONS, ACCRETIONS AND ACCESSORIES THERETO, AND ANY REPLACEMENTS THEREOF OR SUBSTITUTIONS THEREFORE AND ANY ACCESSIONS OR REPAIRS MADE TO ANY OF THE FOREGOING AND ALL PROCEEDS OF THE FOREGOING, INCLUDING BUT NOT LIMITED TO, ACCOUNTS, RECEIVABLES, RENTS, CONTRACT RIGHTS, CHATTEL PAPER, GENERAL INTANGIBLES, INSURANCE PROCEEDS, INSTRUMENTS OR DOCUMENTS OF TITLE, MONEY AND SECURITIES ARISING OUT OF THE SALE, LEASE OR OTHER DISPOSITION OF THE FOREGOING COLLATERAL

Registration No.	735438N
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Registration Type	SECURITY AGREEMENT
Registration Date	May 17, 2022
Expiry	May 17, 2027
Debtors	MYRA FALLS MINE LTD.
Secured Party	<ol style="list-style-type: none"> 1. SANDVIK CANADA INC. 2. SANDVIK FINANCIAL SERVICES CANADA
Collateral: Serial Number Goods	<p>Motor Vehicle (MV)</p> <p>Serial Number: T545DHNA0A0187</p>
General Collateral:	<p>Lessor hereby agrees to lease to Lessee and Lessee agrees to lease from Lessor, each item of equipment and other personal property (each such item, collectively with all attachments, replacements, improvements, parts, substitutions, additions, repairs, accessions and accessories incorporated therein and/or affixed thereto, an "Item of Equipment" and all Items of Equipment subject to the Lease, collectively, the "Equipment") described as: Supplier: Sandvik Mining and Construction Canada, a division of Sandvik Canada, Inc., Qty.: One (1), Equipment Description: New Sandvik TH545i, Serial Number: T545DHNA0A0187. During the Term, Lessor shall retain title to the Equipment unless and until Lessee acquires such Equipment pursuant to the terms hereof. Lessee and Lessor intend that transactions documented hereunder shall constitute a "true lease" under applicable law or governmental rule, regulation, or order (collectively, "Law")(including under the Personal Property Security Act.(Ontario), the Civil Code of Quebec or any other applicable Canadian federal or provincial statute pertaining to the granting, perfecting, publication, priority or ranking of security interests, liens or hypothecs on property ("PPSA")), but if any court or tribunal, having power to bind Lessee or Lessor should conclude that all or part of this transaction is not a "true lease" but is in the nature of a financing lease, sale consignment, or other transaction, Lessee and Lessor intend and Lessee hereby grants to Lessor a first priority security interest in the Equipment and all proceeds (cash and non-cash) thereof, including the proceeds of all insurance policies on the Equipment to secure the payment of all Lessee's indebtedness to Lessor. Lessor, and any party designated by Lessor, is authorized if permitted by applicable Law to file one or more PPSA financing statements, precautionary or otherwise, as appropriate, disclosing Lessor's ownership interest in the Equipment, the Lease and the sums due under the Lease, without the signature of Lessee or signed by Lessor, or any party designated by Lessor, as attorney-in-fact for Lessee. Lessee hereby appoints Lessor (and any of Lessor's officers, employees, or agents designated by Lessor) as Lessee's attorney-in-fact, (which appointment shall be coupled with an interest), to do all things necessary to carry out this Section 5. Lessee will pay all costs of filing any financing, continuation or termination statements with respect to the Lease. Lessee may not dispose of any of the Equipment except to the extent expressly provided herein.</p>
Registration No.	817678N

Registration Type	SECURITY AGREEMENT
Registration Date	June 23, 2022
Expiry	June 23, 2027
Debtors	MYRA FALLS MINE LTD.
Secured Party	AMALGAMATED MINING & TUNNELLING INC.
Collateral: Serial Number Goods	Motor Vehicle (MV) Serial Number: L614D818
General Collateral:	NONE

Registration No.	964581N
Registration Type	SECURITY AGREEMENT
Registration Date	September 7, 2022
Expiry	September 7, 2025
Debtors	MYRA FALLS MINE LTD.
Secured Party	TOYOTA CREDIT CANADA INC.
Collateral: Serial Number Goods	Motor Vehicle (MV) Serial Number: 5TFLA5DA9NX036911
General Collateral:	NONE

Registration No.	143008P
Registration Type	SECURITY AGREEMENT
Registration Date	October 15, 2022
Expiry	October 15, 2025
Debtors	MYRA FALLS MINE LTD.
Secured Party	VERSATILE LEASING INCORPORATED.
Collateral: Serial Number Goods	Motor Vehicle (MV) Serial Number: 1FTFW1E52MFA80116

General Collateral:	NONE
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Registration No.	143009P
Registration Type	SECURITY AGREEMENT
Registration Date	October 15, 2022
Expiry	October 15, 2025
Debtors	MYRA FALLS MINE LTD.
Secured Party	VERSATILE LEASING INCORPORATED.
Collateral: Serial Number Goods	Motor Vehicle (MV) Serial Number: 1FTFW1E50MFA80115
General Collateral:	NONE

Registration No.	143012P
Registration Type	SECURITY AGREEMENT
Registration Date	October 15, 2022
Expiry	October 15, 2025
Debtors	MYRA FALLS MINE LTD.
Secured Party	VERSATILE LEASING INCORPORATED.
Collateral: Serial Number Goods	Motor Vehicle (MV) Serial Number: 1FTFW1E59MFA80114
General Collateral:	NONE

Registration No.	619435P
Registration Type	SECURITY AGREEMENT
Registration Date	June 22, 2023
Expiry	June 22, 2028
Debtors	MYRA FALLS MINE LTD.

Secured Party	AMALGAMATED MINING & TUNNELLING INC.
Collateral: Serial Number Goods	Motor Vehicle (MV) Serial Number: T545DCPAOA0249
General Collateral:	NONE

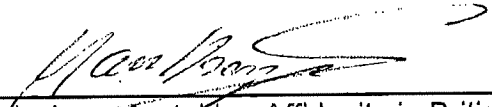
Registration No.	675351P
Registration Type	REPAIRERS LIEN pursuant to REPAIRERS LIEN ACT
Registration Date	July 19, 2023
Expiry	January 15, 2024
Surrender date	June 29, 2023
Lien Amount	\$13,125.01
Debtors	MYRA FALLS MINE LTD.
Secured Party	GREAT WEST EQUIPMENT LTD.
Collateral: Serial Number Goods	Motor Vehicle (MV) Serial Number: L8070778
General Collateral:	NONE

Registration No.	695020P
Registration Type	SECURITY AGREEMENT
Registration Date	July 28, 2023
Expiry	July 28, 2028
Debtors	MYRA FALLS MINE LTD.
Secured Party	AMALGAMATED MINING & TUNNELLING INC.
Collateral: Serial Number Goods	Motor Vehicle (MV) Serial Number: SLHL514DKNA0A1038
General Collateral:	NONE

Registration No.	709382P
Registration Type	SECURITY AGREEMENT
Registration Date	August 4, 2023
Expiry	August 4, 2029
Debtors	MYRA FALLS MINE LTD.
Secured Party	LINDE CANADA INC.
Collateral: Serial Number Goods	NONE
General Collateral:	EQUIPMENT SUPPLIED BY THE SECURED PARTY, CONSISTING OF BULK CRYOGENIC STORAGE TANKS USED FOR THE STORAGE, FILLING AND DELIVERY OF INDUSTRIAL AND MEDICAL GASES INCLUDING, WITHOUT LIMITATION, ARGON, HYDROGEN, CARBON DIOXIDE, NITROGEN, NITROUS OXIDE AND OXYGEN, AND CRYOGENIC FREEZERS, TOGETHER WITH ALL RELATED ACCESSORIES, PARTS, COMPONENTS AND ATTACHMENTS AND ALL PROCEEDS OF OR RELATING TO ANY OF THE FOREGOING AS WELL AS ALL PRESENT OR AFTER-ACQUIRED PROPERTY THAT MAY BE DERIVED FROM THE SALE OR OTHER DISPOSITION OF THE COLLATERAL DESCRIBED HEREIN.

Registration No.	743864P
Registration Type	SECURITY AGREEMENT
Registration Date	August 23, 2023
Expiry	August 23, 2028
Debtors	MYRA FALLS MINE LTD.
Secured Party	XEROX CANADA LTD
Collateral: Serial Number Goods	NONE
General Collateral:	ALL PRESENT AND FUTURE OFFICE EQUIPMENT AND SOFTWARE SUPPLIED OR FINANCED FROM TIME TO TIME BY THE SECURED PARTY (WHETHER BY LEASE, CONDITIONAL SALE OR OTHERWISE), WHETHER OR NOT MANUFACTURED BY THE SECURED PARTY OR ANY AFFILIATE THEREOF, AND ALL PROCEEDS THEREOF

This is Exhibit "I" referred to in the Affidavit #1 of **HEIN FREY**, sworn before me at Vancouver, BC, this 17 day of December, 2023.



A Commissioner for taking Affidavits in British Columbia

No. _____
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

CONSENT TO ACT AS MONITOR

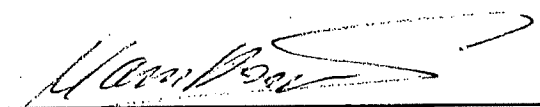
FTI CONSULTING CANADA INC., a Licensed Insolvency Trustee, **HEREBY CONSENTS** to act as court-appointed monitor in the within proceedings, if so appointed by this Honourable Court.

DATED this 13 day of December, 2023.

FTI CONSULTING CANADA INC.

Per: 
Tom Powell, Senior Managing Director

This is Exhibit "3" referred to in the Affidavit #1
of **HEIN FREY**, sworn before me at Vancouver, BC, this
17 day of December, 2023.



A Commissioner for taking Affidavits in British Columbia

DIP FACILITY TERM SHEET

Dated: December 17, 2023

WHEREAS Myra Falls Mines Ltd. ("**MFM**" or the "**Borrower**") has requested that Trafigura US Inc. (the "**DIP Lender**") provide funding in order to assist MFM with restructuring proceedings under the *Companies' Creditors Arrangement Act* (Canada) (the "**CCAA**") (the "**CCAA Proceedings**") under the jurisdiction of the Supreme Court of British Columbia (the "**Court**");

WHEREAS, subject to the terms and conditions contained herein (this "**Agreement**"), the DIP Lender is prepared to establish the DIP Facility (as defined below) in favour of the Borrower on the terms and conditions set out below;

NOW THEREFORE, the parties, in consideration of the foregoing and the mutual agreements contained herein (the receipt and sufficiency of which are hereby acknowledged), agree as follows:

DEFINITIONS Capitalized terms not otherwise defined herein shall have the meanings given to them on **Schedule "A"** hereto.

BORROWER	Myra Falls Mines Ltd.
DIP LENDER	Trafigura US Inc.
DIP FACILITY	A non-revolving loan (the " DIP Facility ") up to the maximum principal amount of CDN\$21 million (the " Maximum Amount ") including an initial advance in an amount of CDN\$4 million (the " Initial Advance ").
MATURITY DATE	<p>Unless accelerated by an Event of Default, the DIP Facility shall be paid in full in cash on the date (the "Maturity Date") which is the earliest of:</p> <ul style="list-style-type: none"> (a) May 31, 2024 (or such later date as the DIP Lender in its sole discretion may agree to in writing with the Borrower); (b) the date on which (i) the stay of proceedings under the CCAA Proceedings is lifted without the consent of the DIP Lender, or (ii) the CCAA Proceedings are terminated for any reason; (c) the closing of a sale for all or substantially all of the assets and business, or similar transaction in respect, of the Borrower pursuant to the SISP (as defined below) within the CCAA Proceedings which has been approved by an order entered by the Court; (d) the implementation of a plan of compromise or arrangement within the CCAA Proceedings (a "Plan") which has been approved by the requisite majorities of

the Borrowers' creditors and by an order entered by the Court; or

- (e) the conversion of the CCAA Proceedings into a proceeding under the *Bankruptcy and Insolvency Act* (Canada).

The Maturity Date shall be accelerated upon the occurrence of an Event of Default.

The DIP Lender's commitment in respect of the DIP Facility shall expire on the Maturity Date and all amounts outstanding under the DIP Facility including accrued Interest and Legal Fees (collectively, the "**Obligations**") shall be repaid in full on the Maturity Date without the DIP Lender being required to make demand upon the Borrower or to give notice that the DIP Facility has expired and the Obligations are due and payable.

AVAILABILITY

Subject to the terms and conditions set forth in this Agreement, the Initial Order and the Restated Initial Order (each as defined below), the DIP Lender will make loans (the "**DIP Advances**") to the Borrower under the DIP Facility in an aggregate principal amount not to exceed the Maximum Amount, as follows:

- (a) Initial Advance: subject to the provisions hereunder under the heading **CONDITIONS PRECEDENT TO THE DISBURSEMENT OF INITIAL ADVANCE**, upon the issuance of the Initial Order (as defined below) by the Court, the amount of the Initial Advance, or such other lesser amount as may be approved by the Initial Order (as defined below), will be available to the Borrower to finance the Borrower's operating requirements in accordance with the Initial Cash Flow Projections (as defined below).
- (b) Subsequent Advances: subject to the provisions hereunder under the heading **CONDITIONS PRECEDENT TO THE DISBURSEMENT OF DIP ADVANCES (OTHER THAN THE INITIAL ADVANCE)**; and except as may be otherwise approved in writing by the DIP Lender, any further DIP Advances under the DIP Facility (the "**Additional Advances**", and together with the Initial Advance, the "**DIP Advances**") shall be available until the Maturity Date in accordance with the then applicable Cash Flow Projections (as defined below) approved by the DIP Lender in its sole discretion, from time to time, subject to duly issued orders of the Court.

Unless otherwise rejected by the DIP Lender in its sole direction, each Additional Advance shall be made by the DIP Lender to the Borrower as soon as practicable (and in any event within five (5) Business Days) after delivery to the DIP Lender of a drawdown certificate executed by the Borrower

certifying, *inter alia*, that (i) the advance corresponds with the then applicable Updated Cash Flow Projections for the one week period commencing the Monday following the date of the drawdown certificate, (ii) that there is no Default or Event of Default that has occurred and is continuing, and (iii) that the Borrower is in compliance with the DIP Credit Documentation and the Restated Initial Order.

Notwithstanding the foregoing, the Borrower shall not be required to submit a drawdown certificate to obtain the Initial Advance, the full amount of which shall be made available immediately upon the satisfaction of the conditions precedent listed under the heading **CONDITIONS PRECEDENT TO THE DISBURSEMENT OF INITIAL ADVANCE** hereunder being satisfied by the Borrower or otherwise waived by the DIP Lender in its sole discretion.

ACCOUNT

All DIP Advances shall be deposited into an account acceptable to the Borrower, the Monitor and the DIP Lender and withdrawn to pay expenses contemplated under the then applicable Cash Flow Projections (as defined below) and otherwise in accordance with the terms hereof.

USE OF PROCEEDS AND CASH FLOW PROJECTIONS

The Initial Advance under the DIP Facility shall be used in accordance with the cash flow projections attached herewith as **Schedule "B"** (the "**Initial Cash Flow Projections**"). Any Additional Advances shall be used in accordance with the Updated Cash Flow Projections (as defined below and collectively with the Initial Cash Flow Projections, the "**Cash Flow Projections**").

No proceeds of the DIP Advances may be used for any purpose other than in accordance with the Cash Flow Projections except with the prior written consent of the DIP Lender.

INTEREST RATE

Interest ("**Interest**") on the principal outstanding amount of the DIP Advances (including the compounded interest referenced below) from the date each such DIP Advance is made (or, in the case of the compounded interest referenced below, the date that such interest is compounded), is payable both before and after maturity upon, demand, default, or judgment and shall accrue until payment in full at a rate of 11.00% per annum, compounded and calculated weekly shall accrue and be added to the principal amount of the DIP Advances on the first day of each month.

All interest shall be calculated on the basis of a 365-day (or 366 day, as applicable) year, in each case for the actual number of days elapsed in the period during which it accrues.

All payments under or in respect of the DIP Facility shall be made free and clear of any withholding, set-off or other deduction.

FEES

The Borrower shall pay a fee in the amount of \$210,000 (the "**Fee**"), representing 1.00% of the total amount available under the DIP Facility, which shall be fully earned upon the execution of this Agreement and shall be satisfied on the date of issuance of the Initial Order (as defined below) by the Court by crediting it against the Maximum Amount available hereunder. For certainty, the Fee shall be secured by the DIP Lender's Charge (as defined below).

COSTS AND EXPENSES

The Borrower shall pay all reasonable and documented costs and expenses of the DIP Lender, and all reasonable and documented fees, expenses and disbursements of outside counsel, appraisers, field auditors, and any financial consultant, related to or in connection with the CCAA Proceedings, including, without limitation, reasonable and documented costs and expenses incurred by the DIP Lender in connection with the enforcement of any of the rights and remedies available hereunder.

DIP SECURITY

All Obligations of the Borrower under or in connection with the DIP Facility and any of the DIP Credit Documentation shall be secured by a Court Ordered Charge on all present and after-acquired personal and real, tangible or intangible property of the Borrower, in each case of any kind or nature whatsoever and wheresoever situated (the "**DIP Lender's Charge**") without the need for any further loan or security documentation or any filings or registrations in any public register or system.

CONDITIONS PRECEDENT TO THE DISBURSEMENT OF INITIAL ADVANCE

The DIP Lender's obligation to make the Initial Advance hereunder is subject to, and conditional upon, the satisfaction of all of the following conditions precedent:

1. The Borrower's application materials in connection with its petition for the issuance of an initial order under the CCAA (in form and substance satisfactory to the DIP Lender, the "**Initial Order**") shall be satisfactory to the DIP Lender and such application shall be brought before the Court no later than December 18, 2023, on notice to such parties as are acceptable to the DIP Lender, acting reasonably;
2. FTI Consulting Canada Inc. shall be appointed as the Monitor pursuant to the Initial Order;
3. The Initial Order (i) shall have been executed by the Court authorizing and approving the Initial Advance under the DIP Facility and granting the DIP Lender's Charge in respect of the Initial Advance, and (ii) shall be in full force and effect and shall have not been stayed, reversed, vacated, rescinded, modified or

amended in any respect adversely affecting the DIP Lender, unless otherwise agreed by the DIP Lender;

4. As permitted by the CCAA, the DIP Lender's Charge shall have priority over all Liens granted by the Borrower against any of its undertaking, property or assets subject in priority only to:
 - a. an administrative charge on the collateral of the Borrower in an aggregate amount not to exceed \$350,000;
 - b. a D&O Charge on the collateral of the Borrower in an aggregate amount not to exceed \$650,000; and
 - c. validly registered purchase money security interests.
5. The Initial Cash Flow Projections shall be acceptable to the DIP Lender, in its discretion.

**CONDITIONS PRECEDENT TO
THE DISBURSEMENT OF DIP
ADVANCES (OTHER THAN THE
INITIAL ADVANCE)**

The DIP Lender's obligation to make any Additional Advances hereunder is subject to, and conditional upon, the satisfaction of all of the following conditions precedent:

1. The Borrower' application materials in connection with its petition for the extension of the Initial Order shall be satisfactory to the DIP Lender, acting reasonably, and such application shall be brought before the Court no later than December 28, 2023, on notice to such parties as are acceptable to the DIP Lender, acting reasonably;
2. An order amending and restating the Initial Order, in form and substance acceptable to the DIP Lender, acting reasonably, shall have been executed by the Court authorizing and approving the DIP Facility and granting the DIP Lender's Charge (in form and substance satisfactory to the DIP Lender, the "**Restated Initial Order**") shall be in full force and effect and shall have not been stayed, reversed, vacated, rescinded, modified or amended in any respect adversely affecting the DIP Lender, unless otherwise agreed by the DIP Lender;
3. The DIP Lender's Charge shall have priority over all Liens granted by the Borrower against any of the undertaking, property or assets of the Borrower subject in priority only to:

- a. an administrative charge on the collateral of the Borrower in an aggregate amount not to exceed \$800,000; and
 - b. a D&O charge on the collateral of the Borrower in an aggregate amount not to exceed \$1,200,000.
4. All amounts requested for a particular Additional Advance shall be consistent with the Updated Cash Flow Projections for the applicable period, or otherwise expressly agreed by the DIP Lender in advance;
5. No later than February 15, 2024 (or such later date as shall be acceptable to the DIP Lender in its sole discretion), the Borrower and the DIP Lender shall have agreed on the terms and conditions of a mutually acceptable Sale and Investment Solicitation Process (the "**SISP**"), including the various relevant milestones of such SISP and an outside date for the completion of the SISP (the "**SISP Milestones**");
6. The representations and warranties contained herein shall be true and correct; and
7. No Default or Event of Default shall have occurred and be continuing.

The Borrower agrees to indemnify and hold harmless the DIP Lender, its officers, directors, employees, representatives, advisors, solicitors and agents (collectively, the "**Indemnified Persons**") from and against any and all actions, lawsuits, proceedings (including any investigations or inquiries), claims, losses, damages, liabilities or expenses of any kind or nature whatsoever which may be incurred by or suited against or involve any of the Indemnified Persons as a result of, in connection with or in any way related to the DIP Facility, this Agreement, or the DIP Credit Documentation, except to the extent that such actions, lawsuits, proceedings, claims, losses, damages, liabilities or expenses result from the gross negligence or willful misconduct of such Indemnified Persons.

REPRESENTATIONS AND WARRANTIES

The Borrower represents and warrants to the DIP Lender, upon which the DIP Lender relies in entering into this Agreement and the other DIP Credit Documentation, that:

1. The transactions contemplated by this Agreement and the other DIP Credit Documentation:
 - a. upon the granting of either the Initial Order or the Restated Initial Order, are within the powers of the Borrower;

- b. have been duly authorized, executed and delivered by, or on behalf of, the Borrower;
 - c. upon the granting of either the Initial Order or the Restated Initial Order, constitute legal, valid and binding obligations of the Borrower;
 - d. upon the granting of either the Initial Order or the Restated Initial Order, do not require the consent or approval of, registration or filing with, or any other action by, any governmental authority, other than filings which may be made to register or otherwise record the DIP Lender's Charge or any DIP Security granted pursuant to the DIP Credit Documentation;
2. The business operations of the Borrower have been and will continue to be conducted in compliance with all Applicable Laws of each jurisdiction in which each such business has been or is being carried on;
3. The Borrower obtained all licenses and permits required for the operation of its business, which licenses and permits remain, and after the date of the Initial Advance will remain in full force and effect. No proceedings have been commenced to revoke or amend any of such licenses or permits and no notices advising of a breach or potential breach of the conditions of such licenses has been received;
4. The Borrower has paid where due its obligations for payroll, employee source deductions, sales taxes, value added taxes and are not in arrears in respect of these obligations; and
5. All factual information provided by or on behalf of the Borrower to the DIP Lender for the purposes of, or in connection with, this Agreement or any transaction contemplated herein is, to the best of the Borrower's knowledge, true and accurate in all material respects on the date as of which such information is dated or certified and is not incomplete by omitting to state any fact necessary to make such information (taken as a whole) not materially misleading at such time in light of the circumstances under which such information was provided. In particular, and without limiting the generality of the foregoing, to the best of the Borrower's knowledge, all information regarding the Borrower's corporate structure is true and complete, all public filings and financial reports are complete and true in all material respects as of the date thereof.

AFFIRMATIVE COVENANTS

The Borrower covenants and agrees to do the following:

1. Comply with the Cash Flow Projections including making timely payment as detailed in the Cash Flow Projections;
2. Allow the DIP Lender, its designated representatives and financial advisors full access to the books and records of the Borrower and cause management thereof to fully cooperate with any advisors to the DIP Lender;
3. Use the proceeds of the DIP Facility only for the purposes set out herein;
4. Comply with the provisions of the Court orders made in the CCAA Proceedings;
5. Provide the DIP Lender with draft copies of all motions, applications, petitions, proposed orders or other material or documents that any of them intends to file within the CCAA Proceedings at least three (3) days prior to any service of such materials or, where it is not practically possible to do so at least three days prior to any such service, as soon as possible;
6. Maintain all licenses required for the operation of their business in good standing;
7. The Initial Order, the Restated Initial Order and any other Court orders which are being sought by the Borrower shall be submitted to the Court in a form confirmed in advance to be satisfactory to the DIP Lender, acting reasonably, subject to any amendments that are required by the Court or otherwise acceptable to the DIP Lender, acting reasonably;
8. Keep the DIP Lender apprised on a timely basis of all developments with respect to the business and affairs of the Borrower;
9. Deliver to the DIP Lender by no later than 5:00 p.m. (Toronto time) every other Thursday (or, if Thursday is not a Business Day, the following Business Day) commencing on Thursday January 4, 2024, updated 13-week cash flow projections, in form and substance satisfactory to the DIP Lender, in its discretion, reflecting the projected cash requirements of the Borrower on a rolling-basis (the "**Updated Cash Flow Projections**");
10. Concurrently with the bi-weekly delivery of Updated Cash Flow Projections, provide a comparison to the previously delivered Updated Cash Flow Projections

(or to the Initial Cash Flow Projections, if applicable) including applicable bank reconciliations (the "**Cash Flow Variance Report**");

11. Maintain all insurance with respect to the Collateral in existence as of the date hereof;
12. Forthwith notify the DIP Lender of any event or circumstance that, with the passage of time, may constitute an Event of Default;
13. Forthwith notify the DIP Lender of the occurrence of any Event of Default, or of any event or circumstance that may constitute a material adverse change from the Cash Flow Projections;
14. Duly and punctually pay or cause to be paid to the DIP Lender all principal and interest payable by it under this Agreement and under any other DIP Credit Documentation on the dates, at the places and in the amounts and manner set forth herein;
15. No later than February 15, 2024 (or such later date as shall be acceptable to the DIP Lender in its sole discretion), the Borrower and the DIP Lender shall have agreed on the terms and conditions of a mutually acceptable Sale and Investment Solicitation Process (the "**SISP**"), including the various relevant milestones of such SISP and an outside date for the completion of the SISP (the "**SISP Milestones**");
16. Comply with the SISP and the SISP Milestones;
17. Comply in all respects with all Applicable Laws; and
18. Comply in all material respects with all of their obligations under all other agreements with the DIP Lender and its Affiliates.

NEGATIVE COVENANTS

The Borrower covenants and agrees not to do the following, other than with the prior written consent of the DIP Lender, which consent shall not be unreasonably withheld:

1. Sell, assign, transfer, lease or otherwise dispose of all or any part of its assets, tangible or intangible, outside the ordinary course of business, except for (i) the disposition of any obsolete equipment or other assets; and (ii) sale of assets not exceeding \$25,000 individually, or \$75,000, in the aggregate;
2. Make any payment of principal or interest in respect of existing (pre-filing date) indebtedness except as

- contemplated by the Cash Flow Projections, or declare or pay any dividends;
3. Create or permit to exist indebtedness for borrowed money other than existing (pre-filing date) debt and debt contemplated by this DIP Facility;
 4. Create or permit to exist any Liens on any of its properties or assets other than Permitted Liens;
 5. Enter into or agree to enter into any investments other than cash equivalents or acquisitions of any kind, direct or indirect, in any business;
 6. Incur, assume or otherwise agree to be bound by any contingent liabilities or provide any guarantee or financial assistance to any Person;
 7. Other than in compliance with the SISP, enter into any amalgamation, reorganization, liquidation, dissolution, winding-up, merger or other transaction or series of transactions whereby, directly or indirectly, all or any significant portion of the undertaking, property or assets of the Borrower would become the property of any other Person or Persons;
 8. Seek or support a motion by another party to provide to a third party a charge upon the Borrower's assets (including, without limitation, a critical supplier's charge) without the prior consent of the DIP Lender;
 9. Amend or seek to amend the Initial Order or Restated Initial Order, the SISP or the SISP Milestones;
 10. Terminate or repudiate any agreement with the DIP Lender, solely in its capacity as lender under the DIP Facility;
 11. Seek or obtain any order from the Court that materially adversely affects the DIP Lender, except with the prior written consent of the DIP Lender; and
 12. Deliver any lease disclaimer notice pursuant to section 32 CCAA, except with the prior written consent of the DIP Lender, which consent shall not be unreasonably withheld, and provided that upon the Borrower providing a copy of any such proposed lease disclaimer notice, the DIP Lender promptly (and in any event within two (2) Business Days) advises the Borrower if it has any objections to the proposed disclaimer.

EVENTS OF DEFAULT

The occurrence of any one or more of the following events shall constitute an event of default ("**Event of Default**") under this Agreement:

1. failure of the Borrower to pay principal or interest when due under this Agreement or any other DIP Credit Documentation;
2. any other breach by the Borrower in the observance or performance of any provision, covenant (affirmative or negative) or agreement contained in this Agreement, provided, that, in the case of a breach of any affirmative covenant, such breach remains unremedied for longer than three (3) Business Days;
3. failure of the Borrower to comply with the Cash Flow Projections further to which there is an occurrence of more than a 10% (unless otherwise waived or increased by the DIP Lender) negative cumulative variance (the "**Permitted Threshold**"), tested on a bi-weekly basis, in either the total receipts or total disbursements shown in the Cash Flow Variance Report, which testing shall begin two weeks following the issuance of the Initial Order, provided however, that no Event of Default will be deemed to have occurred when such negative cumulative variance is offset by a positive cumulative variance, such that the net effect on the net cash flow would be within the Permitted Threshold;
4. any order shall be entered reversing, amending, varying, supplementing, staying, vacating or otherwise modifying in any respect in a manner materially affecting the DIP Lender without the prior written consent of the DIP Lender, which consent shall not be unreasonably withheld, (ii) either the Initial Order or the Restated Initial Order shall cease to be in full force and effect in a manner that has a material adverse effect on the interests of the DIP Lender, or (iii) Borrower shall fail to comply in any material respect that has an adverse effect on the interests of the DIP Lender with any Order granted by the Court in the CCAA Proceedings;
5. this Agreement or any other DIP Credit Documentation shall cease to be effective or shall be contested by the Borrower;
6. any order is issued by the Court (or any other court of competent jurisdiction) that materially adversely affects the DIP Lender;
7. the CCAA Proceedings are terminated or converted to bankruptcy proceeding or any order is granted by the

Court (or any court of competent jurisdiction) granting relief from the stay of proceedings during the CCAA Proceedings (as extended from time to time until the Maturity Date), unless agreed by the DIP Lender, acting reasonably;

8. any Plan is filed or sanctioned by the Court in a form and in substance that is not acceptable to the DIP Lender;
9. the Borrower makes any material payments of any kind not permitted by this Agreement, the Cash Flow Projections or any order of the Court;
10. borrowings under the DIP Facility exceed the Maximum Amount.

REMEDIES

Upon the occurrence and continuance of an Event of Default, the DIP Lender may, upon written notice to the Borrower and the Monitor:

1. terminate the DIP Facility;
2. on prior notice to the Borrower and the service list of no less than three (3) Business Days, apply to the Court for the appointment of an interim receiver or a receiver and manager of the undertaking, property and assets of the Borrower or for the appointment of a trustee in bankruptcy of the Borrower;
3. exercise the powers and rights of a secured party under any legislation; and
4. exercise all such other rights and remedies under the DIP Credit Documentation and Orders of the Court in the CCAA Proceedings.

DIP LENDER APPROVALS

All consents of the DIP Lender hereunder shall be in writing. Any consent, approval, instruction or other expression of the DIP Lender to be delivered in writing may be delivered by any written instrument, including by way of electronic mail.

FURTHER ASSURANCES

The Borrower shall at its expense, from time to time do, execute and deliver, or will cause to be done, executed and delivered, all such further acts, documents (including, without limitation, certificates, declarations, affidavits, reports and opinions) and things as the DIP Lender may reasonably request for the purpose of giving effect to this Agreement and the DIP Lender's Charge, perfecting, protecting and maintaining the Liens created by the DIP Lender's Charge or establishing compliance with the representations, warranties and conditions of this Agreement or any other DIP Credit Documentation.

ENTIRE AGREEMENT

This Agreement, including the Schedules hereto and the DIP Credit Documentation, constitutes the entire agreement between the parties relating to the subject matter hereof. To the extent that there is any inconsistency between this Agreement and any of the other DIP Credit Documentation, this Agreement shall govern.

AMENDMENTS, WAIVERS, ETC.

No waiver or delay on the part of the DIP Lender in exercising any right or privilege hereunder or under any other DIP Credit Documentation will operate as a waiver hereof or thereof unless made in writing and signed by an authorized officer of the DIP Lender. Any consent to be provided by the DIP Lender shall be granted or withheld solely in its capacity as and having regard to its interests as DIP Lender.

ASSIGNMENT

This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns. The Borrower may not assign its rights and obligations under this Agreement without the written consent of the DIP Lender. The DIP Lender's rights and obligations under this Agreement are fully assignable, to an affiliate of the DIP Lender without the consent of the Borrower, acting reasonably, before an Event of Default to any other entity and are freely assignable after an Event of Default has occurred and is continuing. The Borrower hereby consents to the disclosure of any confidential information in respect of the Borrower to any potential assignee provided such potential assignee agrees in writing to keep such information confidential.

SEVERABILITY

Any provision in any DIP Credit Documentation which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.

PRESS RELEASES

The Borrower shall not issue any press releases or other public disclosure, other than Court documents approved in the manner set out herein, naming the DIP Lender without its prior approval, acting reasonably unless the Borrower is required to do so by applicable securities laws or other applicable law.

**COUNTERPARTS AND
FACSIMILE SIGNATURES**

This Agreement may be executed in any number of counterparts and by facsimile or e-mail transmission, each of which when executed and delivered shall be deemed to be an original, and all of which when taken together shall constitute one and the same instrument. Any party may execute this Agreement by signing any counterpart of it.

NOTICES

Any notice, request or other communication hereunder to any of the parties shall be in writing and be well and sufficiently

given if delivered personally or sent by electronic mail to the attention of the person as set forth below:

In the case of the DIP Lender:

845 Texas Ave. Ste 3600
Houston, Texas, USA 77002
Attention: Houston Lawyers
Email: HoustonLawyers@trafigura.com

In the case of the Borrower:

Westmin Rd, Comox-Strathcona D,
BC V0P 1G0
Attention: Hein Frey
Email: Hein.Frey@myrafallsmine.com

In either case, with a copy to the Monitor:

Attention: Tom Powell
Email: tom.powell@fficonsulting.com

In either case, with a copy to the Monitor's counsel:

Attention: Peter Rubin
Email : peter.rubin@blakes.com

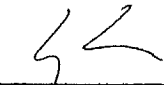
**GOVERNING LAW AND
JURISDICTION**

This Agreement shall be governed by, and construed in accordance with, the laws of the Province of British Columbia and the federal laws of Canada applicable therein. The Borrower irrevocably submits to the non-exclusive courts of the Province of British Columbia, waives any objections on the ground of venue or *forum non conveniens* or any similar grounds, and consents to service of process by mail or in any other manner permitted by relevant law.

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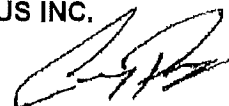
IN WITNESS HEREOF, the parties hereby execute this Agreement as of the date first written above.

MYRA FALLS MINES LTD.

By: 

Name: Maciej Sciazko
Title: Director

TRAFIGURA US INC.

By: 

Name: Corey Prologo
Title: Director


Robert Kreider
Director

SCHEDULE "A"

Additional Definitions

"Affiliate" means, in respect of any Person at any date, (a) any corporation, company, limited liability company, association, joint venture or other business entity of which securities, membership interests or other ownership interests representing fifty percent (50%) or more of the voting power of all equity interests are owned or held, directly or indirectly, by such Person, (b) any partnership, limited liability company or joint venture wherein the general partner, managing partner or operator is, directly or indirectly, such Person, or (c) any other Person that is otherwise directly or indirectly controlled by such Person.

"Applicable Laws" means all federal, provincial, municipal and local laws, statutes, regulations, codes, acts, permits, licenses, ordinances, orders, by-laws, guidelines, notices, protocols, policies, directions and rules and regulations, including those of any governmental or other public authority, which may now, or at any time hereafter, govern, be applicable to or enforceable against or in respect of the Borrower, the operation of its business or its property, as the case maybe.

"Business Day" means a day on which banks in Vancouver, British Columbia are open for business.

"Court Ordered Charges" means the charges granted by the Court over the assets, properties and undertakings of the Borrower in the CCAA Proceedings, which shall include, without limitation, an administration charge, a D&O Charge and the DIP Lender's Charge.

"Default" means any Event of Default or any condition or event, which, after notice or lapse of time or both, would constitute an Event of Default.

"DIP Credit Documentation" means this Agreement, the Order of the Court approving it and any other definitive documentation in respect of the DIP Facility that are in form and substance satisfactory to the DIP Lender.

"DIP Security" means the contractual security and contractual hypothecary documents granted by the Borrower providing for a security interest/hypothec in and lien on all now- owned and hereafter-acquired assets and property of the Borrower, real and personal, tangible or intangible and all proceeds therefrom (the **"Collateral"**), but excluding (i) such assets, if any, as the DIP lender in its discretion determines to be immaterial or to be assets for which the cost and other burdens of establishing and perfecting a security interest outweigh the benefits of establishing and perfecting a security interest, and (ii) other exceptions to be mutually agreed.

"Legal Fees" means all reasonable and documented legal fees that the DIP Lender will have to pay to its legal counsel in connection with any, and all tasks related to this Agreement, the Order, the DIP Facility or the DIP Credit.

"Liens" means all mortgages, pledges, charges, encumbrances, hypothecs, liens and security interests of any kind or nature whatsoever.

"Monitor" means FTI Consulting Canada Inc.

"Permitted Liens" means (i) the Court Ordered Charges; (ii) the liens registered against the Borrower in the Province of British Columbia as more particularly described in the search

summaries attached as an Exhibit to the Affidavit of Hein Frey sworn on December 17, 2023 in connection with the CCAA Proceedings, and (iii) liens in respect of amounts payable by the Borrower for wages, vacation pay, deductions, sales tax, excise tax, income tax and workers compensation claims.

"Person" means an individual, partnership, corporation (including a business trust), joint venture, limited liability company or other entity, or governmental authority.

"Plan" means the implementation of a plan of compromise or arrangement within the CCAA proceedings which has been approved by the requisite majorities of the Borrower's creditors and by order entered by the Court and by the DIP Lender.

SCHEDULE "B"

Initial Cash Flow Projections

(see attached)

Myra Falls Mine Ltd.
Cash Flow Statement
For the 13-week period ending March 15, 2024

Week Ending UC:MM:YYYY	Notes	Week 1 29-Dec-23 Forecast	Week 2 29-Jan-24 Forecast	Week 3 30-Jan-24 Forecast	Week 4 02-Feb-24 Forecast	Week 5 09-Feb-24 Forecast	Week 6 26-Feb-24 Forecast	Week 7 2-Feb-24 Forecast	Week 8 9-Feb-24 Forecast	Week 9 16-Feb-24 Forecast	Week 10 23-Feb-24 Forecast	Week 11 1-Mar-24 Forecast	Week 12 8-Mar-24 Forecast	Week 13 15-Mar-24 Forecast	Total
Operating Receipts															
Sales	[1]	\$ -	\$ 812	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 223	\$ 1,376	\$ -	\$ -	\$ 695	\$ 3,107
Other receipts	[2]	-	-	-	-	-	550	-	-	-	-	550	-	-	1,100
Total Operating Receipts			812				550			223	1,376			695	4,207
Operating Disbursements															
Payroll and Benefits	[3]	-	(3,534)	-	(1,081)	-	(2,216)	(6)	(265)	-	(632)	(9)	-	(270)	(8,014)
Consultants and Contractors	[4]	(234)	(234)	(374)	(374)	(374)	(374)	(297)	(297)	(297)	(297)	(99)	(99)	(99)	(3,448)
Pension Fund Contributions	[5]	-	(272)	-	-	-	-	-	-	-	-	-	-	-	(272)
Fuel	[6]	(112)	(112)	(37)	(37)	(37)	(37)	(23)	(23)	(23)	(23)	(18)	(18)	(18)	(510)
Materials and Supplies	[7]	(219)	(219)	(81)	(81)	(81)	(81)	(59)	(59)	(59)	(59)	(29)	(29)	(29)	(1,085)
Leases	[8]	(72)	(147)	(44)	(44)	(44)	(119)	(35)	(7)	(7)	(82)	(7)	(7)	(7)	(618)
Reclamation	[9]	(30)	(30)	(54)	(54)	(54)	(54)	(26)	(26)	(26)	(26)	(16)	(16)	(16)	(427)
Other operating disbursements	[10]	(51)	(51)	(83)	(83)	(83)	(83)	(38)	(38)	(38)	(38)	(23)	(23)	(23)	(654)
Total Operating Disbursements		(718)	(4,599)	(673)	(1,754)	(673)	(2,964)	(484)	(714)	(216)	220	349	(191)	233	(18,831)
Net Change in Cash from Operations		(718)	(3,786)	(673)	(1,754)	(673)	(2,414)	(484)	(714)	(216)	220	349	(191)	233	(18,831)
Non-Operating Items															
Capital Expenditures	[11]	-	-	-	-	-	-	-	-	-	(33)	-	-	-	(33)
Impact Benefit Agreement	[12]	-	-	-	-	-	-	-	-	-	-	-	-	(204)	(204)
Restructuring Professional Fees	[13]	(479)	-	(331)	-	-	-	(538)	-	-	-	(464)	-	-	(1,812)
Net Change in Cash from Non-Operating Items		(479)	-	(331)	-	-	-	(538)	-	-	(33)	(464)	-	(204)	(2,049)
Financing															
Interim Financing	[14]	-	4,000	-	2,500	-	3,000	-	1,000	-	-	-	-	-	10,500
Net Change in Cash from Financing		-	4,000	-	2,500	-	3,000	-	1,000	-	-	-	-	-	10,500
Effect of Foreign Exchange Translation															
		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Change in Cash		(1,196)	214	(1,004)	746	(673)	586	(1,022)	286	(226)	187	(115)	(192)	29	(2,380)
Opening Cash		2,866	1,670	1,884	879	1,625	952	1,538	516	802	577	763	649	457	2,866
Ending Cash		\$ 1,670	\$ 1,884	\$ 879	\$ 1,625	\$ 952	\$ 1,538	\$ 516	\$ 802	\$ 577	\$ 763	\$ 649	\$ 457	\$ 486	\$ 486

Notes:

Management has prepared this Cash Flow Statement solely for the purposes of determining the liquidity requirements of Myra Falls Mine Ltd. during the CCAA Proceedings. The Cash Flow Statement is based on the probable and hypothetical assumptions detailed below. Actual results will likely vary from performance projected and such variations may be material.

- [1] Sales relate to both receipts from finalizations of shipments made prior to the Filing Date, with one additional sale of gold concentrate. All receipts are assumed to be collected under normal course trade settlement terms for shipments.
- [2] Other receipts relate to GST refunds.
- [3] All employees as at the Filing Date are assumed to be paid for the full month of December, with payroll decreasing thereafter in line with the headcount reduction associated with the transition to care and maintenance.
- [4] Consultants and contractors includes supporting safety and environmental services, demobilization and asset maintenance.
- [5] Early retirement payments are forecast to be remitted as they fall due.
- [6] Fuel payments are forecast to reduce in line with the associated reduced activity of transitioning to care and maintenance.
- [7] Materials and supplies relates to various consumable items required for care and maintenance activities, including certain items required to comply with environmental regulations.
- [8] The forecast includes payments for certain leased machinery and equipment that will continue to be used during and after the transition to care and maintenance.
- [9] Reclamation disbursements relate to activities at both Myra Falls Mine and other legacy assets owned by Myra Falls Mine Ltd.
- [10] Other operating disbursements includes other overhead costs, such as information technology and human resources.
- [11] The pre-existing project to raise the height of the walls of the milling disposal facility is forecast to be seen through to completion.
- [12] The next payment due under the Impact Benefit Agreement at March month end is shown in the last week of the forecast for amortization.
- [13] Restructuring professional fees include the fees and disbursements of the Peiffer's legal counsel, the Monitor, the Monitor's legal counsel and a contingency for other advisors.
- [14] Interim financing of \$10.5 million is forecast to be extended over the forecast period, with any and all applicable interest and fees being paid by kind.