

**Court File No. CV-21-00673304-00CL**

**Harte Gold Corp.**

**FIRST REPORT OF THE MONITOR**

**December 15, 2021**

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF  
HARTE GOLD CORP.

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

**INTRODUCTION**

1. On December 7, 2021, Harte Gold Corp. (the “**Applicant**”) sought and obtained an initial order (the “**Initial Order**”) under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”) providing for, *inter alia*, a stay of proceedings in favour of the Applicant until December 17, 2021 (the “**Stay Period**”) and appointing FTI Consulting Canada Inc. (“**FTI**”) as monitor (in such capacity, the “**Monitor**”). The proceedings commenced by the Applicant under the CCAA will be referred to herein as the “**CCAA Proceedings**”.
2. As described in the affidavit of Mr. Frazer Bouchier, President and Chief Executive Officer of the Applicant, dated December 6, 2021, and sworn in support of the application for the Initial Order (the “**Bouchier Initial Affidavit**”), prior to the commencement of the CCAA Proceedings, the Applicant undertook an extensive strategic review process that resulted in the negotiation and execution of the subscription agreement dated December 6, 2021, between the Applicant, 1000025833 Ontario Inc. (“**833**”), as Investor, and Silver Lake Resources Limited (“**Silver Lake**”), as Guarantor (the “**Initial Stalking Horse Agreement**”).

3. On December 15, 2021, the Initial Stalking Horse Agreement was amended, with the consent of the Monitor (as amended, the “**Stalking Horse Agreement**”).
4. The Initial Order, *inter alia*, also approved the DIP Facility Loan Agreement (the “**DIP Financing Agreement**”) dated December 6, 2021, between the Applicant, as Borrower, and 833, as DIP Lender, and an initial advance thereunder of up to \$400,000. Pursuant to the DIP Financing Agreement, the DIP Lender has agreed to advance a total of up to \$10.8 million (the “**DIP Facility**”) to the Applicant, subject to the terms and conditions of the DIP Financing Agreement.
5. The purpose of this Report is to provide information and the Monitor’s recommendations to the Court on the following:
  - (a) The Applicant’s request for approval to increase the amount it may borrow under the DIP Financing Agreement to \$10.8 million;
  - (b) The Applicant’s request for an Order (the “**SISP Order**”), among other things, approving a sale and investor solicitation process (the “**SISP**”) in which the Applicant will use the Stalking Horse Agreement as the “stalking horse bid” and seek Superior Offers by the Bid Deadline, and, if one or more Superior Offers is received, conduct an auction to determine the highest and best offer available, all in order to maximize recoveries for the benefit of the stakeholders of the Applicant; and
  - (c) The Applicant’s request for an extension of the Stay Period to January 31, 2022.

## **TERMS OF REFERENCE**

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

7. Except as described in this Report:
  - (a) The Monitor has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Generally Accepted Assurance Standards pursuant to the Chartered Professional Accountants of Canada Handbook; and
  - (b) The Monitor has not examined or reviewed financial forecasts and projections referred to in this Report in a manner that would comply with the procedures described in the Chartered Professional Accountants of Canada Handbook.
8. The Monitor has prepared this Report in connection with the Applicant's motion for approval to increase the amount that may be borrowed under the DIP Financing Agreement, approval of the SISP, authorization to use the Stalking Horse Agreement as the "stalking horse bid" in the SISP and an extension of the Stay Period to January 31, 2022, scheduled to be heard on December 16, 2021 (the "**Comeback Hearing**"), and should not be relied on for any other purposes.
9. Future oriented financial information reported or relied on in preparing this Report is based on the assumptions of the management of the Applicant regarding future events; actual results may vary from forecast and such variations may be material.
10. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian Dollars. Capitalized terms not otherwise defined herein have the meanings given to them in the Initial Order, the Pre-Filing Report of the Proposed Monitor dated December 6, 2021 (the "**Pre-Filing Report**") filed in connection with the application for the Initial Order or the SISP Procedures (as defined below).

## **EXECUTIVE SUMMARY**

### **THE DIP FINANCING AGREEMENT**

11. The Monitor is of the view that:
- (a) The DIP Facility, in the full amount of \$10.8 million, is necessary for the Applicant to maintain operations as a going concern, conduct the SISP and maximize recoveries for the benefit of all stakeholders, including creditors, suppliers and employees;
  - (b) The terms of the DIP Financing Agreement are reasonable and within market parameters;
  - (c) The cost of the DIP Facility is at the very low end of market parameters in respect of interest and fees for interim financings of similar size or duration;
  - (d) No better interim financing facility is available; and
  - (e) No creditor will be materially prejudiced by the increase to the amount that may be borrowed under the DIP Financing Agreement or the resulting increase to the DIP Lender's Charge.
12. Accordingly, in the Monitor's view, approval of the increase in the amount that may be borrowed under the DIP Financing Agreement to \$10.8 million is appropriate in the circumstances. The Monitor therefore respectfully recommends that the Court grant the Applicant's request for approval to increase the amount which it may borrow under the DIP Financing Agreement.

### **THE SISP AND STALKING HORSE BID**

13. The Monitor is of the view that, in the circumstances:
- (a) The SISP provides for a broad, open, fair and transparent process with an appropriate level of independent oversight;

- (b) The SISP should encourage and facilitate bidding by interested parties and that no aspect of the SISP should discourage parties from submitting Superior Offers;
- (c) The SISP provides a reasonable opportunity for other bidders to submit Superior Offers;
- (d) The Auction process will provide the opportunity for all Auction Bidders, including the Stalking Horse Bidder, to further increase their offers, thereby ensuring that realizations are maximized for all stakeholders of the Applicant;
- (e) Given the strategic review process undertaken prior to the commencement of the CCAA Proceedings and the liquidity issues faced by the Applicant, the timelines of the SISP are reasonable; and
- (f) The provisions of the SISP, including the potential Auction, are reasonable, appropriate and reasonably consistent with both market practice and with sales and investor solicitation processes approved by the Court in other CCAA cases.

14. The Monitor is further of the view that:

- (a) Undertaking a short additional SISP is necessary, reasonable and justified in the circumstances;
- (b) The use of a stalking horse bid and an auction process in the SISP is beneficial for the business and operations and will enable the Applicant to maximize recoveries for its stakeholders;
- (c) There would be no prejudice to any stakeholder from the use of the Stalking Horse Agreement as the Stalking Horse Bid in the SISP; and
- (d) The Stalking Horse Agreement would be a reasonable and appropriate stalking horse in the SISP.

15. Accordingly, the Monitor respectfully recommends that the Applicant's request for approval of the SISP and authorization to use the Stalking Horse Agreement as the Stalking Horse Bid in the SISP be granted.

#### **THE STAY EXTENSION**

16. The Monitor is of the view that the Applicant has acted, and is acting, in good faith and with due diligence, and that circumstances exist that make an extension of the Stay Period to January 31, 2022, appropriate, including because it will allow for the SISP to be conducted. Furthermore, the Monitor is of the view that creditors would not be materially prejudiced by an extension of the Stay Period to January 31, 2022.
17. Accordingly, the Monitor respectfully recommends that the Court grant the Applicant's request for an extension of the Stay Period to January 31, 2022.

#### **THE DIP AGREEMENT**

18. Details in respect of the DIP Financing Agreement were provided to the Court in the Pre-Filing Report. For ease of reference, a copy of the Pre-Filing Report is attached hereto as **Appendix A**.
19. The Pre-Filing Report also sets out the comments and recommendations of the Proposed Monitor, as FTI then was, in respect of the DIP Financing Agreement and the DIP Lender's Charge. The Monitor reiterates those comments and recommendations.
20. The Initial Order authorized and empowered the Applicant to execute, enter into and deliver the DIP Financing Agreement and to borrow, in accordance with the terms and conditions of the DIP Financing Agreement, interim financing of up to \$400,000. The Initial Order also granted the DIP Lender's Charge. Approval of the additional \$10.4 million provided for in the DIP Financing Agreement was deferred to the Comeback Hearing.

21. There is no question that additional interim financing is required by the Applicant to maintain operations and conduct the SISP. The December 6 Forecast shows that without the additional financing, the Applicant will run out of money before year-end and would be unable to pay the wages and salaries of its employees on December 31, 2021, for the period December 16 to that date. As it would be untenable for the Applicant to bring employees to work knowing that they may not be paid, if additional financing is not authorized at the Comeback Hearing, an immediate shut-down of operations will be required. Such a shut-down would likely have disastrous consequences on potential realizations and for employees, suppliers and other stakeholders.
  
22. In summary, for the reasons set out above, including the reasons set out in the Pre-Filing Report, the Monitor is of the view that:
  - (a) As shown by the December 6 Forecast, the DIP Facility is necessary to maintain operations as a going concern, conduct the SISP and maximize recoveries for the benefit of all stakeholders, including creditors, suppliers and employees;
  - (b) The terms of the DIP Financing Agreement are reasonable and within market parameters;
  - (c) The cost of the DIP Facility is at the very low end of market parameters in respect of interest and fees for interim financings of similar size or duration;
  - (d) No better interim financing facility is available;
  - (e) No creditor will be materially prejudiced by approval of the increase in the interim financing available under the DIP Financing Agreement to \$10.8 million or the resulting increase in the DIP Lender's Charge; and
  - (f) Approval of the proposed increase to the DIP Facility is appropriate in the circumstances.



23. Accordingly, the Monitor respectfully recommends that the Court grant the Applicant's request for approval of the increase to the DIP Facility.

## **THE SISP AND STALKING HORSE AGREEMENT**

### **BACKGROUND**

24. As described in the Bouchier Initial Affidavit, prior to the commencement of the CCAA Proceedings, the Applicant had been negotiating with both 833 and Appian with a view to obtaining interim financing and a stalking horse bid. Both parties provided and negotiated proposals and, ultimately, the Initial Stalking Horse Agreement was determined by the Applicant, in consultation with the Proposed Monitor, to be the better of the two. Thereafter, the DIP Financing Agreement and the Initial Stalking Horse Agreement were executed.
25. Following the granting of the Initial Order, Appian submitted a revised proposed form of subscription agreement (the "**Revised Appian Proposal**") and, on December 13, 2021, filed a cross-motion seeking to have the Revised Appian Proposal approved as the stalking horse bid under an amended proposed sale and investor solicitation process.
26. On December 14, 2021, the Investor advised the Applicant and the Monitor that it was proposing certain amendments to the Initial Stalking Horse Agreement and on December 15, 2021, 833 and the Applicant executed the Stalking Horse Agreement. The key amendments to the Initial Stalking Horse Agreement that are reflected in the Stalking Horse Agreement are summarized as follows:
- (a) The properly perfected and secured obligations owing under the Appian Facility Agreement being payable in cash, rather than such amounts being paid in shares of Silver Lake;
  - (b) The inclusion of all royalty agreements and offtake agreements of the Applicant as Retained Contracts; and

- (c) An increase from \$7.5 million to \$10 million in the limit on the aggregate amount of cure costs and trade amounts to be assumed at closing.
- 27. The Monitor informed counsel to Appian of the amendments to the Initial Stalking Horse Agreement. Counsel to Appian subsequently informed the Monitor that Appian would withdraw its cross-motion and would take no position on the Applicant's request for the SISP Order.
- 28. The Monitor has been informed that BNPP and Silver Lake have entered into a support agreement in accordance with which it is expected that BNPP will support the approval of the Stalking Horse Agreement.

#### **THE SISP**

- 29. The proposed procedures for the SISP (the "**SISP Procedures**") are attached hereto as **Appendix B**. Capitalized terms used in this section of this Report and not otherwise defined are as defined in the SISP Procedures.
- 30. The Monitor was involved in the development of the SISP, which development was undertaken in light of the principles of section 36 of the CCAA and the leading decisions dealing with the sale of assets in court-supervised proceedings. In summary, the key elements of the SISP Procedures are as follows:
  - (a) The Applicant will undertake the SISP with the assistance, and under the supervision of, the Monitor;
  - (b) Any interested party that executes and delivers to the Monitor an NDA, a Participation Letter and a Required Acknowledgement will be permitted to participate in the SISP, as will any interested party that is deemed by the Applicant, with the consent of the Monitor, to have adequately satisfied the requirements for the NDA and the Participation Letter during the Pre-Filing Strategic Process;

- (c) Solicitation Materials will be distributed to Known Potential Bidders by no later than the day following the granting of the SISP Order. Known Potential Bidders will be any party identified as a potential bidder by the Applicant, in consultation with the Monitor, whether or not such party participated in the Pre-Filing Strategic Process, and for greater certainty shall include each party that has submitted a bid in the Pre-Filing Strategic Process. As at the date of this Report, 46 parties have been designated as Known Potential Bidders;
- (d) Qualified Bidders will be provided access to the Data Room to conduct due diligence;
- (e) The Bid Deadline is January 14, 2022. The Monitor and the Applicant shall review each Bid to determine whether it is a Qualified Bid, including whether it is a Superior Offer;
- (f) A Superior Offer means a credible, reasonably certain and financially viable offer made by a Qualified Bidder that:
  - (i) Provides for consideration in excess of the aggregate of the “Subscription Price” as defined in and contemplated by the Stalking Horse Bid plus the Initial Overbid Amount of \$500,000, including cash consideration sufficient to pay in cash the Cash Consideration (as defined in the Stalking Horse Bid) and amounts owing to the Stalking Horse Bidder under the BNPP Credit Agreement and under the DIP Financing Agreement; and
  - (ii) The Applicant and the Monitor, each with the assistance of their legal advisors, consider to be better than the Stalking Horse Transaction;
- (g) If no Qualified Bid other than the Stalking Horse Bid is received, the Stalking Horse Bid will be deemed to be the Successful Bid;

- (h) If one or more Qualified Bids other than the Stalking Horse Bid is received, the Auction will be conducted by no later than January 20, 2022, to determine the Successful Bid;
- (i) If conducted, the Auction will be conducted in rounds. Any bidder that does not submit an Overbid in a round, other than the Auction Bidder that had submitted the Opening Bid for that round, will be eliminated from the Auction. Each Overbid must provide for consideration of not less than that of the Opening Bid for that round, plus the Overbid Amount of not less than \$500,000;
- (j) The Applicant will seek approval and authority to consummate the Successful Bid and the transactions provided for therein at the Approval Hearing which will be scheduled for a date not more than seven days after the determination of the Successful Bid; and
- (k) The Applicant, in consultation with the Monitor, may also designate a Back-Up Bid, which may become the Successful Bid in the event that the original Successful Bid does not close by the outside date provided for therein.

#### **THE STALKING HORSE AGREEMENT**

31. Capitalized terms in this section of this Report not otherwise defined have the meanings ascribed to them in the Stalking Horse Agreement, a copy of which is attached hereto as **Appendix C**. A summary of the Stalking Horse Agreement follows. Reference should be made directly to the Stalking Horse Agreement for a complete understanding of its terms.

32. The Investor under the Stalking Horse Agreement is 833, a wholly-owned indirect subsidiary of Silver Lake, a public company listed on the Australian Stock Exchange. As described in further detail in the Bouchier Initial Affidavit, 833 acquired all of BNPP's rights and obligations under the BNPP Credit Agreement relating to the BNPP Debt Facilities and thus holds senior secured debt of the Applicant in the approximate amount of US\$65 million. As explained in the Bouchier Initial Affidavit, the gold hedging agreements between BNPP and the Applicant under the BNPP Credit Agreement were not assigned to 833. BNPP also remains the Administrative Agent and the Collateral Agent in respect of the BNPP Credit Agreement.
33. The Stalking Horse Agreement is a "credit bid" which contemplates 833 becoming the sole shareholder of the Applicant on closing through a "reverse vesting order" structure. The Subscription Price for the Subscribed Shares to be issued to the Investor on Closing is an amount equal to the aggregate of: (i) the Cash Consideration; (ii) the Credit Bid Consideration; and (iii) the Assumed Liabilities, and the Stalking Horse Agreement contemplates the following:
- (a) Payment of cash in an amount required to pay all claims ranking in priority to, or *pari passu* with, the amounts owing under the BNPP Credit Agreement (excluding the DIP Term Sheet) and necessary to fund the completion of the CCAA Proceedings and the bankruptcy of ResidualCo. 1 and ResidualCo. 2 upon completion of the Transactions. The Investor will provide a Cash Deposit of \$100,000 within two (2) days of the granting of the SISP Order by the Court;

- (b) Issuance by Silver Lake of Silver Lake Shares in the name of the Applicant on the date that the Stalking Horse Agreement is determined or deemed to be the Successful Bid in accordance with the SISP Procedures in a number equal to the amount of the Appian Indebtedness, divided by the VWAP of the Silver Lake Shares for the five (5) trading days prior to the Determination Date (the “**Share Deposit**”), with such Silver Lake Shares to be held in escrow by the Monitor (or its designee) and sold for and on behalf of the Applicant by no later than three (3) days prior to the Target Closing Date to generate Share Proceeds;
  - (c) If the Share Proceeds from the sale of the entire Share Deposit are not sufficient to pay the Appian Indebtedness in full, the Investor shall pay to the Monitor as a deposit for the payment of the Subscription Price, a cash amount equal to the difference between the Share Proceeds and the amount of the Appian Indebtedness (the “**Shortfall Deposit**”), such Shortfall Deposit to be paid on or prior to the Closing Date. To the extent that the amount of the Share Proceeds is greater than the amount of the Appian Indebtedness, any such excess shall be released to the Guarantor in accordance with the Closing Sequence;
  - (d) The Investor causing the release of the obligations of the Applicant under the BNPP Credit Agreement and the DIP Term Sheet at Closing; and
  - (e) The Applicant retaining the Assumed Liabilities, which includes Cure Costs in relation to Retained Contracts and Trade Amounts, up to a maximum aggregate amount of \$10 million, on closing.
34. Pursuant to the Stalking Horse Agreement, all contracts and agreements would be retained other than the Excluded Contracts. Excluded Contracts include all financing agreements other than the BNPP Credit Agreement, any and all employment agreements with terminated employees, the lease for the Applicant’s head office in Toronto, engagement agreements of professional advisors and investment bankers, and all subscription agreements.

35. Excluded Liabilities under the Stalking Horse Agreement include liabilities relating to Retained Contracts, prior to the commencement of the CCAA Proceedings, which are not royalties, Cure Costs or otherwise Trade Amounts payable under the Retained Contracts (where such royalties, Cure Costs or Trade Amounts shall be subject to the Cure Costs and Trade Amount Cap of \$10 million), liabilities relating to any litigation or other legal proceedings brought or initiated, or which could be brought or initiated, against the Applicant relating to or arising from any circumstance existing at or before the Closing Date (excluding, solely, any regulatory or environmental liabilities owed to any Governmental Authority), liabilities relating to the Appian Facility Agreement, and all liabilities relating to the Financing Agreement dated July 13, 2020 between ANR Investments 2 B.V. and the Applicant.
36. The Stalking Horse Agreement does not provide for any “break-fee” or similar fee, nor does it contemplate any expense reimbursement beyond the expenses recoverable by 833 Ontario in its capacity as lender under the BNPP Credit Agreement, in accordance with the terms thereof.
37. The Investor’s obligations under the Stalking Horse Agreement are guaranteed by Silver Lake.
38. The Applicant will retain the Retained Assets and Assumed Liabilities. On Closing, the Excluded Assets and the Excluded Contracts will be transferred to ResidualCo. 1 and the Excluded Liabilities will be transferred to ResidualCo. 2 pursuant to the Approval and Reverse Vesting Order.

39. The Closing will take place in accordance with the Closing Sequence, including by the Applicant issuing the Excluded Assets and Contracts Promissory Note and the Excluded Liability Promissory Note to ResidualCo. 1 and ResidualCo. 2, respectively, and the amounts owing under such notes being satisfied using the Cash Consideration in accordance with the Closing Sequence, although the Monitor shall continue to hold the amounts payable to ResidualCo. 1 and ResidualCo. 2 on behalf of those entities. The Investor, with the prior consent of the Applicant and the Monitor, acting reasonably, may amend the Closing Sequence provided that such amendment to the Closing Sequence does not materially alter or impact the Transactions or the consideration which the Applicant and/or its applicable stakeholders will benefit from as part of the Transactions.
40. The Stalking Horse Agreement contains typical representations and warranties for a transaction of this nature.
41. The Target Closing Date is February 18, 2022, or such other date as the Applicant, with the consent of the Monitor and the DIP Lender, and the Investor may agree.
42. The obligation of the Applicant to complete the transactions contemplated by the Stalking Horse Agreement is subject to the satisfaction or waiver of the following conditions:
  - (a) The Stalking Horse Agreement shall have been declared the “Successful Bid” in accordance with the SISP Procedures;
  - (b) The SISP Order and the Approval and Reverse Vesting Order shall have been issued by the Court and shall not have been vacated, set aside or stayed, and at least two clear Business Days shall have elapsed since the Approval and Reverse Vesting Order was issued by the Court;
  - (c) The Investor and the Guarantor shall have executed and delivered or caused to have been executed and delivered to the Applicant (with a copy to the Monitor) at the Closing all the documents and payments contemplated in Section 6.3 of the Stalking Horse Agreement;



- (d) During the Interim Period, no Governmental Authority shall have enacted, issued or promulgated any final or non-appealable Order or Law which has the effect of:
    - (i) Making any of the Transactions contemplated by the Stalking Horse Agreement illegal; or
    - (ii) Otherwise prohibiting, preventing or restraining the consummation of any of the Transactions contemplated by the Stalking Horse Agreement;
  - (e) Except as such representations and warranties may be affected by the occurrence of events or transactions specifically contemplated by the Stalking Horse Agreement, each of the representations and warranties of the Investor and the Guarantor shall be true and correct in all material respects:
    - (i) As of the Closing Date as if made on and as of such date; or
    - (ii) If made as of another date specified, as of such date; and
  - (f) The Investor and the Guarantor shall have performed in all material respects all covenants, obligations and agreements contained in the Stalking Horse Agreement required to be performed by the Investor on or before the Closing.
43. The obligation of the Investor to complete the transactions contemplated by the Stalking Horse Agreement is subject to the satisfaction or waiver of the following conditions:
- (a) The Stalking Horse Agreement shall have been declared the “Successful Bid” in accordance with the SISP Procedures;
  - (b) The SISP Order and the Approval and Reverse Vesting Order shall have been issued by the Court and shall not have been vacated, set aside or stayed, and at least two clear Business Days shall have elapsed since the Approval and Reverse Vesting Order was issued by the Court and become a Final Order;

- (c) The Applicant shall have executed and delivered or caused to have been executed and delivered to the Investor at the Closing all the documents contemplated in Section 6.4 of the Stalking Horse Agreement;
- (d) During the Interim Period, no Governmental Authority shall have enacted, issued or promulgated any final or non-appealable Order or Law which has the effect of:
  - (i) Making any of the Transactions contemplated by the Stalking Horse Agreement illegal; or
  - (ii) Otherwise prohibiting, preventing or restraining the consummation of any of the Transactions contemplated by the Stalking Horse Agreement;
- (e) Except as such representations and warranties may be affected by the occurrence of events or transactions specifically contemplated by the Stalking Horse Agreement, each of the representations and warranties of the Applicant shall be true and correct in all material respects:
  - (i) As of the Closing Date as if made on and as of such date; or
  - (ii) If made as of another date specified, as of such date;
- (f) The Applicant shall have performed in all material respects (unless qualified by materiality, in which case the foregoing qualification shall not apply) all covenants, obligations and agreements contained in the Stalking Horse Agreement required to be performed by the Applicant on or before the Closing; and

- (g) The Company shall have terminated the employment of the Terminated Employees, as requested by the Investor in its sole discretion, and all liabilities owing to any such Terminated Employees in respect of such terminations, including all amounts owing on account of statutory notice, termination payments, severance, vacation pay, benefits, bonuses or other compensation or entitlements, shall be Excluded Liabilities which, pursuant the Approval and Reverse Vesting Order and the Closing Sequence, shall be Discharged as against the Company and transferred to ResidualCo. 2.
44. The Stalking Horse Agreement may be terminated on or prior to the Closing Date:
- (a) By the mutual agreement of the Applicant, with the prior consent of the Monitor, and the Investor;
  - (b) By the Investor, on the one hand, or the Applicant, on the other hand, upon notice to the other Party if the Court declines at any time to grant the SISP Order or the Approval and Reverse Vesting Order, provided that the reason for the SISP Order or the Approval and Reverse Vesting Order not being approved by the Court is not due to any act, omission or breach of this Agreement by the Party proposing to terminate the Stalking Horse Agreement;
  - (c) By the Applicant or the Investor, if the Stalking Horse Agreement is determined not to be the “Successful Bid”, as defined in and in accordance with the SISP Procedures;
  - (d) By the Investor or the Applicant at any time following the Outside Date, if Closing has not occurred on or prior to 11:59 p.m. (Eastern time) on the Outside Date, provided that the reason for the Closing not having occurred is not due to any act or omission, or breach of the Stalking Horse Agreement by the Party proposing to terminate the Stalking Horse Agreement;

- (e) By the Applicant if there has been a material violation or breach by the Investor or the Guarantor of any agreement, covenant, representation or warranty of the Investor in the Stalking Horse Agreement which would prevent the satisfaction of, or compliance with, any condition set forth in Section 7.2 by the Outside Date and such violation or breach has not been waived by the Applicant or cured by the Investor or the Guarantor within five (5) Business Days of the Applicant providing notice to the Investor or the Guarantor of such breach, unless the Applicant is itself in material breach of its own obligations under the Stalking Horse Agreement at such time; or
  - (f) By the Investor, if there has been a material violation or breach by the Applicant of any agreement, covenant, representation or warranty of the Applicant in the Stalking Horse Agreement which would prevent the satisfaction of, or compliance with, any condition set forth in Section 7.1 by the Outside Date and such violation or breach has not been waived by the Investor or cured by the Applicant within five (5) Business Days of the Investor providing notice to the Applicant of such breach, unless the Investor is itself in material breach of its own obligations under the Stalking Horse Agreement at such time.
45. If the Closing does not occur for any reason and the Stalking Horse Agreement is terminated other than it having been terminated by the Applicant pursuant to Section 8.1(a)(v) (*i.e.* material breach), the Cash Deposit will be forthwith refunded in full to the Investor (without interest, offset or deduction). If the Agreement is terminated by the Applicant pursuant to Section 8.1(a)(v), the Cash Deposit shall become the property of, and shall be transferred to, the Applicant as liquidated damages (and not as a penalty) to compensate the Applicant for the expenses incurred and opportunities foregone as a result of the failure to close the Transactions.

46. If the Closing does not occur for any reason or the Agreement is terminated, any remaining portion of the Share Deposit shall be sold pursuant to the Escrow Agreement and thereafter the Share Proceeds will be forthwith returned to the Guarantor (without interest, offset or deduction, except that the Company shall be authorized to withhold or otherwise offset or deduct any Tax Liability which may be applicable in connection with the sale of the Share Deposit in accordance with the Escrow Agreement or the return of the Share Deposit and/or Share Proceeds by the Company to the Guarantor, and the Guarantor hereby agrees to fully indemnify the Company in connection with any such Tax Liability).

## **THE MONITOR'S COMMENTS AND RECOMMENDATIONS**

### ***Stalking Horse Processes***

47. As described in the Initial Bouchier Affidavit, the Applicant conducted an extensive strategic review process prior to the commencement of the CCAA Proceedings. The sale and investor solicitation process undertaken as part of the strategic review process yielded no binding offers. In the Stalking Horse Agreement and the Revised Appian Proposal, the Applicant has now received two binding offers for the business, both of which are from parties that declined to participate in the pre-filing sale and investor solicitation process. Accordingly, there remains a possibility that there may be additional parties that may also have an interest in submitting a Superior Offer.
48. The SISP Procedures contemplate a short, additional marketing process to provide any additional parties an opportunity to submit a Superior Offer. The financing available under the DIP Financing Agreement permits the Applicant to undertake a short additional marketing process within the CCAA Proceedings.

49. The Monitor is of the view that it is reasonable and justified to undertake the SISP to allow any interested parties to submit Superior Offers. Furthermore, given the extensive process already undertaken and the Stalking Horse Agreement, it is reasonable that the period to do so be relatively short. Known Potential Bidders were contacted on December 8, 2021, to inform them of the potential opportunity and that Court approval for the SISP was being sought on December 16, 2021. Accordingly, the Bid Deadline of January 14, 2022, provides some 37 days for potentially interested parties to come forward; recognizing of course that it does encompass the holiday season.
50. The concept of conducting an auction following the Bid Deadline and the benefits of having a stalking horse bid are well recognized by CCAA courts. Those benefits include:
- (a) Setting a “floor price” for the business and assets, enabling interested parties to understand from the start of a SISP the value that they must be able to beat in order to become the successful bidder;
  - (b) Providing certainty of a going-concern solution for the operations through a transaction that can be closed if there are no superior offers, thereby helping maintain stability and operations during the proceedings; and
  - (c) Streamlining the bidding process as the stalking horse agreement provides a template for competing bidders to use for the submission of competing offers.
51. Studies show that stalking horse processes with an auction succeed at maximizing recoveries. An article published in the Journal of the Insolvency Institute of Canada, *An Analysis of Stalking Horse Processes in Canadian Insolvency Proceedings*, compared the stalking horse bid consideration in stalking horse sale processes between 2004 and 2012 against the eventual winning bid consideration in such cases.<sup>1</sup> The article concludes that:

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<sup>1</sup> By Ashley Taylor and Yannick Katirai (IIC-ART Vol. 2-5).

“In proceedings where one or more superior bids were received, the successful bid was, approximately, between 1.4 and two times the amount of the stalking horse bid, and was on average 1.73 times the amount of the stalking horse bid.”

52. The 2016 article “*Cashing Out: The Rise of M&A in Bankruptcy*” studied U.S. Chapter 11 proceedings and stated:

“For all transactions overall, a stalking horse bidder wins the auction 59.4% of the time. Still, we observe competing bidders in over half of the transactions (52%). When the assets attract competing bids, the stalking horse bidder wins the auction just 27.2% of the time and often pays a significant premium to their initial bid. Based on 114 transactions with information on all bidders, the final price increases over the initial bid in 56.1% of sales and increases by over 25 percent of the initial bid in 22.8% of sales.” [Emphasis added.]<sup>2</sup>

53. The Monitor and its counsel have also reviewed 36 stalking horse processes approved in more recent CCAA and *Bankruptcy and Insolvency Act* proceedings from January 2017 to September 2021. Of the 36 stalking horse processes approved by the courts in that period and reviewed by the Monitor and its counsel, six resulted in superior offers being submitted, with the average increase in value achieved for stakeholders after the auctions being approximately 27.5%.
54. The Monitor is of the view that, in the circumstances:
- (a) The SISP provides for a broad, open, fair and transparent process with an appropriate level of independent oversight;

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<sup>2</sup> By Stuart Gilson, Edith Hotchkiss, and Matthew Osborne.

- (b) The SISP should encourage and facilitate bidding by interested parties and that no aspect of the SISP should discourage parties from submitting Superior Offers;
- (c) The SISP provides a reasonable opportunity for other bidders to submit Superior Offers;
- (d) If applicable, the Auction process will provide the opportunity for all Auction Bidders, including the Stalking Horse Bidder, to further increase their offers, thereby ensuring that realizations are maximized for all stakeholders of the Applicant;
- (e) Given the strategic review process undertaken prior to the commencement of the CCAA Proceedings, including the efforts described at paragraph 94 *et seq* of the Bouchier Initial Affidavit, and the liquidity issues faced by the Applicant, the timelines of the SISP are reasonable; and
- (f) The provisions of the SISP, including the potential Auction, are reasonable, appropriate and reasonably consistent with both market practice and with sales and investor solicitation processes approved by the Court in other CCAA cases.

55. The Monitor is further of the view that:

- (a) Undertaking a short additional SISP is necessary, reasonable and justified in the circumstances;
- (b) The use of a stalking horse bid and an auction process in the SISP is beneficial for the business and operations and will enable the Applicant to maximize recoveries for its stakeholders;
- (c) There would be no prejudice to any stakeholder from the use of the Stalking Horse Agreement as the Stalking Horse Bid in the SISP; and



(d) The Stalking Horse Agreement would be a reasonable and appropriate stalking horse in the SISP.

56. Accordingly, the Monitor respectfully recommends that the Applicant's request for approval of the SISP and authorization to use the Stalking Horse Agreement as the Stalking Horse Bid in the SISP be granted.

#### **EXTENSION OF THE STAY PERIOD**

57. The Stay Period currently expires on December 16, 2021. Additional time is required for the Applicant to undertake the SISP, if approved by the Court, or to determine the appropriate next steps if the Court declines to approve the SISP. An extension of the Stay Period is necessary to provide the stability needed during that time. Accordingly, the Applicant now seeks an extension of the Stay Period to January 31, 2022.

58. The December 6 Forecast demonstrates that, subject to the approval of the requested additional interim financing under the DIP Financing Agreement, the CCAA Parties will have sufficient liquidity to fund the CCAA Proceedings during the requested extension of the Stay Period.

59. Based on the information currently available, the Monitor believes that creditors of the CCAA Parties would not be materially prejudiced by the proposed extension of the Stay Period.

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

61. The Monitor therefore respectfully recommends that this Honourable Court grant the Applicant's request for an extension of the Stay Period to January 31, 2022.

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

Dated this 15<sup>th</sup> day of December, 2021.

FTI Consulting Canada Inc.  
In its capacity as Monitor of  
Harte Gold Corp.



Nigel D. Meakin  
Senior Managing Director



Jeff Rosenberg  
Senior Managing Director

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# Appendix A

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## The Pre-Filing Report

Court File No. \_\_\_\_\_

**Harte Gold Corp.**

**PRE-FILING REPORT OF THE PROPOSED MONITOR**

**December 6, 2021**

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF  
HARTE GOLD CORP.

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

**INTRODUCTION**

1. FTI Consulting Canada Inc. (“**FTI**” or the “**Proposed Monitor**”) has been informed that Harte Gold Corp. (the “**Applicant**”) intends to make an application under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”) for an initial order (the “**Proposed Initial Order**”) granting, *inter alia*, a stay of proceedings in favour of the Applicant until December 17, 2021, (the “**Stay Period**”) and appointing FTI as monitor (in such capacity, the “**Monitor**”). The proceedings to be commenced by the Applicant under the CCAA will be referred to herein as the “**CCAA Proceedings**”.
2. This pre-filing report of the Proposed Monitor (the “**Report**”) has been prepared to provide information to this Court for its consideration in respect of the relief sought by the Applicant in the Proposed Initial Order.

3. The Proposed Monitor understands that the Applicant will be seeking a further order (the “**Proposed Amended and Restated Initial Order**”) at a subsequent hearing, to be scheduled with the supervising judge prior to the expiry of the Stay Period, granting certain broader relief. If appointed, the Monitor intends to file a further report in advance of that hearing to provide information on the relief sought in the Proposed Amended and Restated Initial Order.
  
4. The purpose of this Report is to inform the Court on the following:
  - (a) The qualifications of FTI to act as Monitor and an overview of the involvement of FTI and its affiliates with the Applicant to date;
  - (b) The state of the business and affairs of the Applicant and the causes of its financial difficulty and insolvency;
  - (c) The proposed conduct of the CCAA Proceedings;
  - (d) The independent opinions prepared by counsel to the Proposed Monitor (collectively, the “**Security Opinions**”) on the validity and enforceability of the various security interests granted by the Applicant in connection with:
    - (i) The Amended and Restated Credit Agreement dated as of August 28, 2020, among, among others, the Applicant, as borrower, BNP Paribas (“**BNPP**”), as administrative agent, and 1000025833 Ontario Inc. (“**833 Ontario**”), a wholly owned subsidiary of Silver Lake Resources Limited (“**Silver Lake**”), as lender (as amended, the “**BNPP Credit Agreement**”); and
    - (ii) The Facility Agreement dated as of August 28, 2020, between the Applicant, as borrower, and AHG (Jersey) Limited (“**AHG**”), as lender (the “**Appian Facility Agreement**”);

- (e) The Applicant's weekly cash flow forecast for the period December 4, 2021, to April 1, 2022 (the "**December 6 Forecast**");
- (f) The Applicant's request, and the Proposed Monitor's recommendation thereon, for:
  - (i) Approval of the DIP Facility Loan Agreement (the "**DIP Financing Agreement**") dated December 6, 2021, between the Applicant, as borrower, and 833 Ontario (in such capacity, the "**DIP Lender**"), pursuant to which the DIP Lender has agreed to advance up to \$10.8 million (the "**DIP Facility**") to the Applicant, subject to the terms and conditions of the DIP Financing Agreement; and
  - (ii) A priority charge in favour of the DIP Lender on the assets, property and undertakings of the Applicant in order to secure the obligations under the DIP Financing Agreement (the "**DIP Lender's Charge**");
- (g) The Applicant's request for approval of a charge in the amount of \$2.4 million (the "**Directors' Charge**") securing the indemnification by the Applicant of its directors and officers against obligations and liabilities that they may incur as directors or officers of the Applicant after the commencement of the CCAA Proceedings, except to the extent that, with respect to any individual, the obligation or liability was incurred as a result of the individual's gross negligence or wilful misconduct, and the Proposed Monitor's recommendation thereon; and
- (h) The Applicant's request for approval of a charge in the amount of \$0.5 million (the "**Administration Charge**") securing the fees and expenses of the Monitor and legal counsel to the Monitor (the "**Monitor's Counsel**"), legal counsel of the Applicant (the "**Applicant's Counsel**") and legal counsel to the Applicant's directors and officers, and the Proposed Monitor's recommendation thereon.

## TERMS OF REFERENCE

5. In preparing this Report, the Proposed Monitor has relied upon unaudited financial information of the Applicant, the Applicant's books and records, certain financial information prepared by the Applicant and discussions with various parties (the "**Information**").
6. Except as otherwise described in this Report:
  - (a) The Proposed Monitor has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Generally Accepted Assurance Standards pursuant to the Chartered Professional Accountants of Canada Handbook; and
  - (b) The Proposed Monitor has not examined or reviewed financial forecasts and projections referred to in this Report in a manner that would comply with the procedures described in the Chartered Professional Accountants of Canada Handbook.
7. The Proposed Monitor has prepared this Report in connection with the application for the Proposed Initial Order filed, or to be filed, by the Applicant (the "**Initial Application**") and should not be relied on for any other purpose.
8. Future oriented financial information reported or relied on in preparing this Report is based on the assumptions of the management of the Applicant ("**Management**") regarding future events; actual results may vary from forecast and such variations may be material.
9. Unless otherwise stated, all monetary amounts contained herein are expressed in **Canadian Dollars**. Capitalized terms not otherwise defined herein have the meanings given to them in affidavit of Frazer Bouchier, President and Chief Executive Officer of the Applicant, sworn December 6, 2021, sworn in support of the Initial Application (the "**Bouchier Initial Affidavit**").



## EXECUTIVE SUMMARY

10. The Proposed Monitor is of the view that:
- (a) Granting the relief requested in the Proposed Initial Order will provide the Applicant with the best opportunity to preserve and maximize value for its stakeholders;
  - (b) The DIP Facility is necessary, the terms of the DIP Financing Agreement are reasonable and within market parameters, no better interim financing facility is available and no creditor will be materially prejudiced by the approval of the DIP Financing Agreement or the granting of the DIP Lender's Charge;
  - (c) The quantum of the proposed Directors' Charge is reasonable in relation to the quantum of the estimated potential liability;
  - (d) The quantum of the proposed Administration Charge is reasonable in the circumstances; and
  - (e) The relief requested by the Applicant, including the approval of the DIP Financing Agreement and the granting of the DIP Lender's Charge, the Directors' Charge and the Administration Charge, is necessary, reasonable and justified.
11. Accordingly, the Proposed Monitor respectfully recommends that the Applicant's request for the Proposed Initial Order be granted by this Honourable Court.

## FTI AND ITS AFFILIATES

### QUALIFICATIONS TO ACT

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

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

#### **INVOLVEMENT TO DATE OF FTI**

14. FTI was originally engaged as financial advisor to the Applicant pursuant to an engagement letter between FTI and the Applicant’s legal counsel, Stikeman Elliott LLP, executed June 3, 2021 (the “**FTI Engagement Letter**”), and has been active in providing assistance and advice to the Applicant from that time. FTI’s role as financial advisor was to provide financial, strategic and restructuring advice and, if necessary, to assist the Applicant in preparing for a filing under the CCAA.
15. The FTI Engagement Letter was amended on June 25, 2021, to expand FTI’s role to include assisting the Applicant with the conduct of a sale and investor solicitation process designed to seek and complete, if possible and if duly approved by the Applicant’s board of directors:
  - (a) A sale of the Applicant, its business or its assets;
  - (b) A recapitalization of the Applicant;
  - (c) A restructuring of the Applicant’s debt, encumbrances and/or equity; or
  - (d) Any combination of the foregoing
16. FTI has provided no accounting or auditing advice to the Applicant. Fees payable to FTI pursuant to the FTI Engagement Letter are based on hours worked multiplied by normal hourly rates. FTI is not entitled to any success-based or other contingency-based fee.

## THE APPLICANT'S BUSINESS & AFFAIRS AND CAUSES OF INSOLVENCY

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

## THE PROPOSED CONDUCT OF THE CCAA PROCEEDINGS

18. As described in the Bouchier Initial Affidavit, prior to the commencement of the CCAA Proceedings, the Applicant undertook an extensive strategic review process that culminated in the negotiation and execution of the subscription agreement dated December 6, 2021, between the Applicant, 833 Ontario, as investor, and Silver Lake, as guarantor (the “**Stalking Horse Agreement**”).
19. 833 Ontario is a wholly-owned indirect subsidiary of Silver Lake, a public company listed on the Australian Stock Exchange. As noted above and described in further detail in the Bouchier Initial Affidavit, 833 Ontario acquired all of BNPP's rights and obligations under the BNPP Credit Agreement relating to the BNPP Debt Facilities and thus holds senior secured debt of the Applicant in the approximate amount of US\$65 million<sup>1</sup>.
20. The Stalking Horse Agreement is a “credit bid” which provides for payment in full of all claims ranking in priority to, or *pari passu* with, the amounts owing to under the BNPP Credit Agreement and of the properly perfected and secured obligations owing to AHG (Jersey) Limited under the Facility Agreement dated August 28, 2020. The Stalking Horse Agreement also provides for the assumption of cure costs related to retained contracts and pre-filing trade accounts payable to an aggregate maximum amount of \$7.5 million on closing.

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<sup>1</sup> As explained in the Bouchier Initial Affidavit, the gold hedging agreements between BNPP and the Applicant under the BNPP Credit Agreement were not assigned to 833 Ontario. BNPP also remains the Administrative Agent and the Collateral Agent in respect of the BNPP Credit Agreement.

21. Pursuant to the DIP Financing Agreement, 833 Ontario is the DIP Lender and has agreed to make available the DIP Facility of up to \$10.8 million. The DIP Lender was not willing to execute the DIP Financing Agreement unless the Applicant also agreed to execute the Stalking Horse Agreement.
22. As also described in the Bouchier Initial Affidavit, at the “comeback” hearing to be scheduled prior to the expiry of the Stay Period, the Applicant intends to seek, *inter alia*:
  - (a) Authority to use the Stalking Horse Agreement as a “stalking horse bid” in a sale and investor solicitation process (the “**SISP**”) to be conducted in the CCAA Proceedings (the “**Stalking Horse Bid**”); and
  - (b) Approval of the SISP, pursuant to which the Applicant will seek Superior Offers (as defined in the SISP) by January 14, 2022 (the “**Bid Deadline**”) and, if one or more Superior Offers is received, conduct an auction to determine the highest or otherwise best offer available, all in order to maximize recoveries for the benefit of the stakeholders of the Applicant.
23. If one or more Superior Offers is received by the Bid Deadline, an auction will be held to determine the Successful Bidder. If no Superior Offer is received by the Bid Deadline, the Stalking Horse Agreement will be the Successful Bid.
24. The Stalking Horse Agreement does not provide for any “break-fee”, nor does it contemplate any expense reimbursement beyond the expenses recoverable by 833 Ontario in its capacity as lender under the BNPP Credit Agreement, in accordance with the terms thereof.
25. The Monitor will provide a full report and its recommendations on the proposed SISP and on the request for authorization to use the Stalking Horse Agreement as the Stalking Horse Bid prior to the comeback hearing.

## THE SECURITY OPINIONS

26. The Proposed Monitor requested that its counsel conduct a review of the security documentation relating to the BNPP Credit Agreement and the Appian Facility Agreement and provide opinions regarding the perfection of the security and the registration of mortgages granted by the Applicant in respect thereof.
27. Subject to the assumptions, qualifications and limitations customary in rendering security opinions of this nature, the Security Opinions conclude that:
- (a) with respect to the BNPP Credit Agreement:
    - (i) the security granted by the Applicant in respect of the BNPP Credit Agreement constitutes valid and enforceable security and creates a valid security interest in favour of BNPP in the personal property of the Applicant located in Ontario, which has been properly perfected by registration pursuant to the *Personal Property Security Act* (Ontario) (the “PPSA”); and
    - (ii) the charges granted by the Applicant in respect of the BNPP Credit Agreement create a good and valid fixed charge of the interest of the Applicant in the real property secured thereby; and
  - (b) with respect to the Appian Facility Agreement:
    - (i) the security granted by the Applicant in respect of the Appian Facility Agreement constitutes valid and enforceable security and creates a valid security interest in favour of AHG in the personal property of the Applicant located in Ontario, which has been properly perfected by registration pursuant to the PPSA; and
    - (ii) the charges granted by the Applicant in respect of the Appian Facility Agreement create a good and valid fixed charge of the interest of the Applicant in the real property secured thereby.

28. The Security Opinions also note that there are only two PPSA registrations made prior in time to that of BNPP, both of which appear to relate to specific equipment, and if so limited, would result in BNPP, as agent under the BNPP Credit Agreement, having the first in time PPSA registration applicable to all of the Applicant's present and after-acquired personal property.
29. In addition, regarding the Applicant's real property, there are no charges registered against the Applicant's leasehold real property in priority to the charge registered in favour of BNPP, and while each of the Applicant's three freehold real properties have one charge registered in priority to the charge registered in favour of BNPP, these three charges together secure the principal amount of only \$815,000 in the aggregate.
30. Counsel to the Proposed Monitor also performed searches of Ontario's Mining Lands Administration System and confirmed in the Security Opinions that BNPP has registered notice of its security interest in respect of all of the Applicant's 433 mining claims to which its security applies. AHG has not registered its security interest as against the Applicant's mining claims in the Mining Lands Administration System.

#### **THE DECEMBER 6 FORECAST**

31. The December 6 Forecast, together with Management's report on the cash-flow statement as required by section 10(2)(b) of the CCAA, is attached hereto as **Appendix A**. The December 6 Forecast shows a net cash outflow of approximately \$14.3 million for the period December 4, 2021, to April 1, 2022, excluding advances under the DIP Financing Agreement and is summarized below:

	<b>\$000</b>
<b>Receipts</b>	<b>33.5</b>
<b>Disbursements:</b>	
Mine, mill and site costs	(35.3)
Corporate G&A	(1.6)
Leases	(3.2)
Capital development	(1.2)
Regional exploration	(1.1)
Restructuring disbursements	(5.4)
<b>Net Cash Inflow/(Outflow)</b>	<b>(14.3)</b>
<b>Beginning Cash Balance</b>	<b>4.5</b>
Net Cash Inflow/(Outflow)	(14.3)
DIP advances	10.8
<b>Ending Cash Balance</b>	<b>1.0</b>

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

“review the company’s cash-flow statement as to its reasonableness and file a report with the court on the monitor’s findings;”

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

- (a) The December 6 Forecast has been prepared by Management of the Applicant for the purpose described in Note 1, using the probable assumptions and the hypothetical assumptions set out in Notes 2 to 7 thereof;
- (b) The Proposed Monitor’s review consisted of inquiries, analytical procedures and discussion related to information supplied by certain of Management and employees of the Applicant. Since hypothetical assumptions need not be supported, the Proposed Monitor’s procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the December 6 Forecast. The Proposed Monitor has also reviewed the support provided by Management for the probable assumptions, and the preparation and presentation of the December 6 Forecast;

- (c) Based on its review, nothing has come to the attention of the Proposed Monitor that causes it to believe that, in all material respects:
  - (i) The hypothetical assumptions are not consistent with the purpose of the December 6 Forecast;
  - (ii) As at the date of this report, the probable assumptions developed by Management are not suitably supported and consistent with the plans of the Applicant or do not provide a reasonable basis for the December 6 Forecast, given the hypothetical assumptions; or
  - (iii) The December 6 Forecast does not reflect the probable and hypothetical assumptions;
- (d) Since the December 6 Forecast is based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and the variations may be material. Accordingly, the Proposed Monitor expresses no assurance as to whether the December 6 Forecast will be achieved. The Proposed Monitor expresses no opinion or other form of assurance with respect to the accuracy of any financial information presented in this Report, or relied upon by the Proposed Monitor in preparing this Report; and
- (e) The December 6 Forecast has been prepared solely for the purpose described in Note 1 on the face of the December 6 Forecast and readers are cautioned that it may not be appropriate for other purposes.



## THE DIP FINANCING AGREEMENT AND PROPOSED DIP LENDER'S CHARGE

### THE DIP FINANCING AGREEMENT

34. Unless otherwise defined, capitalized terms used in this section of this Report are as defined in the DIP Financing Agreement, a copy of which is attached as Exhibit X to the Bouchier Initial Affidavit.
35. As described earlier in this Report, the DIP Lender, is the senior secured creditor of the Applicant, together with BNPP in respect of BNPP's continued interest in the gold hedging agreements under the BNPP Credit Agreement and is the "Investor" under the Stalking Horse Agreement. The DIP Lender was not willing to execute the DIP Financing Agreement unless the Applicant also agreed to execute the Stalking Horse Agreement.
36. Subject to the terms and conditions of the DIP Financing Agreement, the DIP Lender has agreed to lend up to \$10.8 million (the "**Loan Amount**") to the Applicant to:
- (a) Fund the ordinary course working capital and other general corporate purposes of the Borrower;
  - (b) Fund the CCAA Proceedings, including, without limitation to pay the reasonable and documented fees and expenses of the Monitor, counsel to the Monitor, counsel to the Borrower and independent counsel to the board of directors of the Borrower;
  - (c) Pay Permitted Fees and Expenses;
  - (d) Pay the reasonable legal and professional costs of the Lender, the Administrative Agent and the Qualified Risk Management Lender pursuant to the Existing Lender Credit Agreement; and
  - (e) Pay amounts owing by the Borrower under the KERF<sup>2</sup>.

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<sup>2</sup> While the DIP Facility provides for a KERF to be implemented with Court approval, as at the date of this Report no determination has been made as to whether the Applicant will seek approval of a KERF.

37. The Proposed Monitor has been informed by counsel to the DIP Lender that the Loan Amount has been wired to its trust account.
38. The Loan Amount consists of two tranches:
  - (a) The Initial Advance of up to a maximum principal amount of \$400,000 to be available during the period from the date of the Initial Order to the date of the issuance of the Amended and Restated Initial Order; and
  - (b) An incremental amount, up to a maximum aggregate principal amount of \$10.8 million following the issuance of the Amended and Restated Initial Order.
39. Subject to satisfaction of the conditions precedent, the Initial Advance would be made directly to the Borrower. The balance of the Loan Amount will be funded to the Monitor's Account within two Banking Days following the satisfaction or waiver of the conditions precedent. Draws from the Monitor's Account may be made by the Borrower on a weekly basis and must be used in accordance with the DIP Budget.
40. The Borrower is required on a weekly basis to provide the Cash Flow Variance Report comparing the actual receipts and disbursements against the budgeted receipts and disbursements and providing an explanation for all material variances. An event of default occurs under the DIP Financing Agreement if there is a cumulative aggregate negative variance from the DIP Budget of more than fifteen percent in respect of cumulative net cashflow, excluding the fees and expenses of the DIP Lender and the Existing Credit Expenses.
41. The Loan Amount will bear interest, calculated monthly and payable in cash on the Maturity Date, at the following rates:
  - (a) 2% per annum on the balance in the Monitor's Account from time to time; and
  - (b) 5% per annum on the amount advanced to the Borrower.

42. The DIP Financing Agreement requires that the DIP Obligations be secured by the DIP Lender's Charge, with priority to all other Encumbrances, other than Permitted Priority Liens. The Permitted Priority Liens include the Administration Charge.
43. The DIP Obligations are repayable in full on the Maturity Date, being the earliest of:
- (a) Six months after the date of issuance of the Initial Order or such later date as agreed to in writing by the DIP Lender;
  - (b) The completion of a sale or sales of all or substantially all of the Borrower's assets, property and undertaking, or of all or substantially all of the shares of the Borrower or of all or substantially all of the Borrower's business;
  - (c) The implementation of a plan of compromise or arrangement pursuant to the CCAA Proceedings;
  - (d) The date on which the stay in the Initial Order or the Amended and Restated Initial Order expires without being extended or on which the CCAA Proceedings is terminated or dismissed; and
  - (e) An Event of Default which has not been waived by the DIP Lender and in respect of which the DIP Lender has elected, in its sole discretion, to accelerate the DIP Obligations.
44. The DIP Financing Agreement provides for the mandatory repayment of the DIP Obligations and a permanent reduction of the Loan Amount, from, *inter alia*, proceeds of the sale of assets of the Borrower outside the normal course of business, subject to the prior payment of any amount secured by the Permitted Priority Liens and the establishment of appropriate reserves, in each case as determined by the Monitor and the DIP Lender, acting reasonably, or as otherwise ordered by the Court.

45. Subject to the establishment of appropriate reserves for, *inter alia*, payment of any amount secured by the Permitted Priority Liens, as determined by the Monitor and the DIP Lender, acting reasonably, or as otherwise ordered by the Court, the Borrower may also make voluntary prepayments of the DIP Obligations at any time without premium or penalty.
46. The DIP Financing Agreement contains a broad indemnity in favour of the DIP Lender and each of its Affiliates, and their directors, officers, employees, partners, agents, trustees, administrators, managers, advisors and representatives from and against any and all actions, suits, proceedings, claims, losses, damages, liabilities (including the reasonable fees, disbursements and other charges of counsel of any Indemnified Party), incurred in connection with the financing contemplated thereby or the use of proceeds of the DIP Facility and, upon demand, to pay and reimburse for any reasonable legal or other out-of-pocket expenses incurred in connection with investigating, defending or preparing to defend any such action, suit, proceeding or claim, except to the extent they result from an Indemnified Party's bad faith, gross negligence or wilful misconduct as determined by a court of competent jurisdiction.
47. The DIP Financing Agreement contains terms, conditions, affirmative covenants, negative covenants and events of default which are, in the Proposed Monitor's view, customary for this type of financing, including the granting of the DIP Lender's Charge.

#### **THE PROPOSED MONITOR'S COMMENTS AND RECOMMENDATION**

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

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

49. As discussed earlier in this Report, the Applicant will seek approval of the SISF at the "comeback hearing" to be held prior to the expiry of the Stay Period.

50. As noted earlier in this Report, if the SISP is approved in the form proposed, the Bid Deadline would be January 14, 2022. If one or more Superior Offers are received by the Bid Deadline, an auction will be held to determine the Successful Bidder. If no Superior Offer is received by the Bid Deadline, the Stalking Horse Agreement will be the Successful Bid. Court approval of the Successful Bid would be sought not more than seven days after determination of the Successful Bid. It is currently expected that closing of a transaction would occur by no later than the end of March 2022 and perhaps earlier.
51. Based on the December 6 Forecast, and subject to its underlying assumptions, and the timing provided for in the SISP, it is believed that the DIP Financing Agreement provides sufficient liquidity to fund operations and the costs of the CCAA Proceedings to the closing of a transaction.

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

52. The Proposed Monitor understands that provided that the Director's Charge is granted, the Applicant's senior personnel, the Applicant's board of directors, including the independent directors on the Special Committee, will remain in place to manage the business and affairs of the Applicant during the CCAA Proceedings. The aforementioned parties will also have the benefit of the expertise and experience of their legal counsel and the Monitor throughout the CCAA Proceedings.

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

53. The largest creditors of the Applicant are BNPP<sup>3</sup>, 833 Ontario and Appian. Neither 833 Ontario nor Appian has to date stated to the Proposed Monitor that changes in management are required for the purposes of the CCAA Proceedings.

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<sup>3</sup> BNPP's claims arise under the gold hedge agreements under the BNPP Credit Agreement.

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

54. While section 11.2(4) of the CCAA refers to a “compromise or arrangement”, given the variety of ways in which successful going-concern outcomes are now structured in proceedings under the CCAA, including asset sales and “reverse vesting order” transactions, the Monitor is respectfully of the view that it is appropriate for the Court to take a broader view of this factor and expand it to consider these other approaches.
55. Without the DIP Facility, the Applicant would, in the very near future, exhaust its available liquidity resources and be unable to pay its obligations as they become due, continue operations, maintain its assets, undertake the SISP or complete any transaction. The Proposed Monitor is of the view that approval of the DIP Financing Agreement will enhance the prospects of the business and operations of the Applicant being preserved and a successful going-concern outcome being achieved.

***The nature and value of the company’s property***

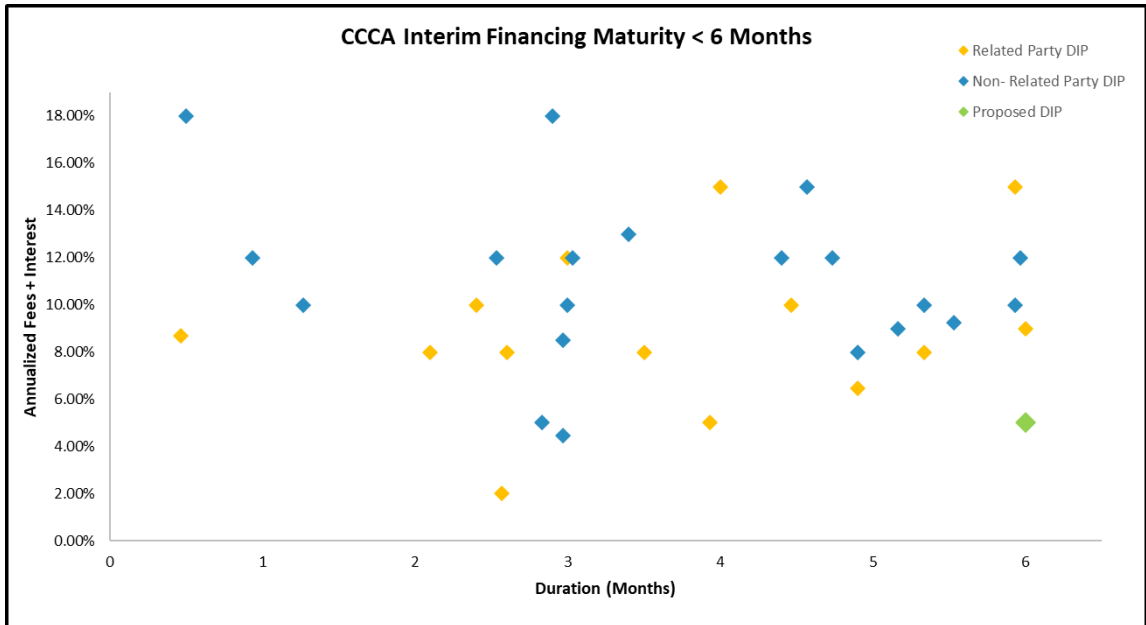
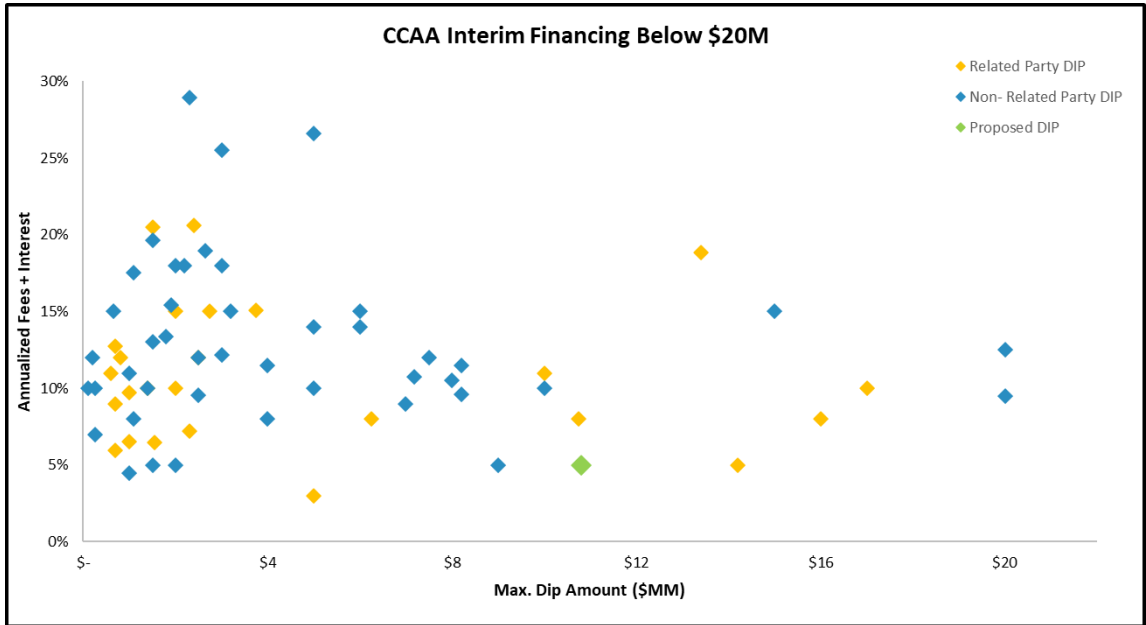
56. The Applicant’s assets are described in Bouchier Initial Affidavit and consist primarily of the Sugar Zone Mining Operation. The Stalking Horse Agreement sets minimum value for the Applicant’s property as the aggregate value of the assumed liabilities, the amounts owing to 833 Ontario under the BNPP Credit Agreement and the DIP Financing Agreement, plus an amount of cash sufficient to satisfy any other amounts owing under the BNPP Credit Agreement or in ranking in priority thereto and to fund wind-down expenses related to the CCAA Proceedings. The market value of the Applicant’s property will be finally determined through the SISP.
57. Nothing has come to the attention of the Proposed Monitor in respect of the nature of the Applicant’s property that, in the Proposed Monitor’s view, requires particular consideration in connection with the DIP Lender’s Charge.

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

58. The proposed DIP Facility would provide the Applicant the opportunity to undertake the SISP and to complete a transaction with the Successful Bidder. Borrowings under the DIP Financing Agreement are limited to a maximum of \$10.8 million and will be discharged as part of 833 Ontario's credit bid if the Stalking Horse Agreement is the Successful Bid. The DIP Lender's Charge secures only the obligations under the DIP Financing Agreement. The DIP Financing Agreement is conditional on the DIP Lender's Charge being granted and the Applicant has no alternative funding options that would not require such a charge.
59. The Proposed Monitor is of the view that, in the circumstances of this case, no creditor would be materially prejudiced as a result of the proposed charge and that any potential detriment caused to the Applicant's creditors by the DIP Lender's Charge should be outweighed by the benefits that it creates.

***Other potential considerations – Terms and Pricing***

60. The Proposed Monitor has reviewed data on the terms of interim financings approved in proceedings under the CCAA based on information publicly available. A summary of such data in respect of interim financings approved from January 1, 2019, to November 10, 2021, is attached hereto as **Appendix C**.



61. Based on the information available, the Proposed Monitor has compared the cost of the DIP Facility to that of other approved interim financings. As illustrated in the charts below, the cost of the DIP Facility appears to be at the very low end of market parameters in respect of interest and fees for interim financings of similar size or duration:



62. Based on the foregoing, the Proposed Monitor is of the view that the terms of the DIP Financing Agreement are in line with market and at the very low end of market in respect of interest and fees. The Proposed Monitor is of the view that the DIP Financing Agreement represents the best alternative available in the circumstances that would provide access to financing within the necessary timeframe.

***Other potential considerations – Alternatives Available***

63. Negotiations in respect of interim financing were also held with Appian. In the business judgment of the Applicant and the Proposed Monitor, the DIP Financing Agreement is superior to the proposed interim financing from Appian (the “**Appian Proposed DIP**”) in a number of respects, including:
- (a) The DIP Financing Agreement has a reduced interest rate of 2% on funds in the hands of the Monitor but undrawn by the Applicant whereas the Appian Proposed DIP has the same higher interest rate for undrawn and drawn funds, resulting in a higher overall weighted average rate;
  - (b) The interest rate of 5% on amounts drawn by the Applicant under the DIP Financing Agreement is lower than the interest rate in the Appian Proposed DIP;
  - (c) The Appian Proposed DIP included a “structuring fee” based on a percentage of the facility. The DIP Financing Agreement has no such fee or any similar fee;
  - (d) The Appian Proposed DIP is conditional upon Appian being the stalking horse in the SISP, which the DIP Financing Agreement is not.

64. The Proposed Monitor and the Applicant considered whether it would be worthwhile to approach potential third-party lenders to enquire whether there would be any interest in providing interim financing, but determined, in their business judgement, that it was highly unlikely that a third-party would be prepared to provide interim financing in this case and, even if a third-party was prepared to do so, it would be highly unlikely that terms more favourable than those provided for in the DIP Financing Agreement could be negotiated.
65. Accordingly, the Proposed Monitor is of the view that there is no better alternative to the DIP Financing Agreement at this time.

***The Proposed Monitor's Recommendation***

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

**THE PROPOSED DIRECTORS' CHARGE**

67. The Applicant is seeking the granting of the Directors' Charge in the amount of \$2.4 million with priority over all claims against the property of the Applicant other than:
- (a) The Administration Charge;
  - (b) The DIP Lender's Charge; and
  - (c) Any person who is a "secured creditor" as defined in the CCAA that has not been served with notice of the Initial Application (provided that pursuant to the Proposed Initial Order, the Applicant is permitted to seek an Order at the "comeback hearing" or any other subsequent motion in the CCAA Proceedings granting priority to the Directors' Charge and the other court-ordered charges ahead of secured creditors (if any) who did not receive notice of the Initial Application).

68. The beneficiaries of the Directors’ Charge, if granted, would be the directors and officers of the Applicant. It is the Proposed Monitor’s view that the continued support and service of the directors and officers during the CCAA Proceedings would be beneficial to the Applicant’s efforts to preserve value and maximize recoveries for stakeholders. The Proposed Monitor has been informed that the directors and officers will not continue to serve unless the Directors’ Charge is granted.
69. The quantum of the proposed Directors’ Charge is based on estimated amounts for which directors could potentially have statutory personal liability that could be outstanding during the CCAA Proceedings:
- (a) Wages, salaries and applicable withholdings, including accrued “underground bonuses”, which are a component of wages, but which are paid a month in arrears, and directors’ compensation; and
  - (b) Accrued vacation pay.
70. The quantum of the proposed Directors’ Charge has been calculated in two parts:
- (a) For the initial Stay Period under the Initial Order, if granted; and
  - (b) Following the Amended and Restated Initial Order, if granted at the comeback hearing.
71. That calculation is summarized as follows:

	<b>Initial Order</b>	<b>ARIO</b>
	<b>\$M</b>	<b>\$M</b>
Wages and Salaries	1.6	2.2
Vacation Pay	0.8	0.2
<b>Total</b>	<b>2.4</b>	<b>2.4</b>

72. The amount for wages and salaries increases in the Amended and Restated Initial Order calculation primarily as a result of including a full payroll period, rather than only ten days under the Initial Order calculation. The vacation pay amount decreases as the Initial Order calculation includes the accrued amount for 2021 which, as discussed in the Bouchier Initial Affidavit, will be paid out December 15, 2021, whereas the Amended and Restated Initial Order calculation includes an estimate of three months' accrual during the course of the CCAA Proceedings.
73. The Proposed Monitor notes that the directors and officers will only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any existing insurance policy, or to the extent that such coverage is insufficient to pay amounts for which the directors and officers are entitled to be indemnified pursuant to the provisions of the Proposed Initial Order. As noted in the Bouchier Initial Affidavit, the Applicant was unable to renew its directors' and officers' insurance policy that expired in early November and, accordingly, there is no such insurance in place for the CCAA Proceedings.
74. Accordingly, the Proposed Monitor respectfully recommends that the Applicant's request for the Directors' Charge be granted by this honourable Court.

#### **THE ADMINISTRATION CHARGE**

75. The Applicant is seeking the granting of an Administration Charge in the amount of \$0.5 million in the Initial Order, with priority over all claims against the property of the Applicant other than any person who is a "secured creditor" as defined in the CCAA that has not been served with notice of the Initial Application. It is proposed that the Administration Charge be increased to \$1.5 million in the Amended and Restated Initial Order.

76. The beneficiaries of the Administration Charge, if granted, would be the Monitor, the Monitor's Counsel, the Applicant's Counsel and counsel to the Applicant's directors and officers. The Proposed Monitor believes that it is appropriate that the proposed beneficiaries of the Administration Charge be afforded the benefit of a charge as they will be undertaking a necessary and integral role in the CCAA Proceedings.
77. The Proposed Monitor has reviewed and considered the underlying assumptions upon which the Applicant has based the quantum of the proposed Administration Charge, the complexities of the CCAA Proceedings and the services to be provided by the beneficiaries of the Administration Charge and is of the view that the proposed quantum of the Administration Charge in the Initial Order is reasonable and appropriate in the circumstances for the initial Stay Period and that the proposed increased quantum of the Administration in the Amended and Restated Initial Order is reasonable and appropriate in the circumstances thereafter.
78. Accordingly, the Proposed Monitor respectfully recommends that the Applicant's request for the Administration Charge be granted by this honourable Court.

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

Dated this 6<sup>th</sup> day of December, 2021.

FTI Consulting Canada Inc.  
In its capacity as Proposed Monitor of  
Harte Gold Corp.



Nigel D. Meakin  
Senior Managing Director



Jeff Rosenberg  
Senior Managing Director

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# Appendix A

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## The December 6 Forecast

Harte Gold Corporation  
CCAA CFF

In thousands \$CAD

<b>Cash Flows</b> [1]																			
Periodicity	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	Total	
Forecast Week Ending	12/10/2021	12/17/2021	12/24/2021	12/31/2021	1/7/2022	1/14/2022	1/21/2022	1/28/2022	2/4/2022	2/11/2022	2/18/2022	2/25/2022	3/4/2022	3/11/2022	3/18/2022	3/25/2022	4/1/2022	4/1/2022	
<b>Total Receipts</b>	[2]	<b>1,878</b>	<b>1,761</b>	<b>2,391</b>	<b>1,622</b>	<b>1,334</b>	<b>2,921</b>	<b>1,524</b>	<b>1,403</b>	<b>2,280</b>	<b>2,968</b>	<b>1,199</b>	<b>1,392</b>	<b>2,791</b>	<b>2,942</b>	<b>1,578</b>	<b>1,375</b>	<b>2,190</b>	<b>33,548</b>
<b>Operating Costs</b>	[3]																		
Mine, Mill and Site Costs		(4,242)	(1,129)	(1,129)	(2,742)	(1,151)	(2,767)	(1,154)	(2,767)	(1,207)	(3,006)	(1,278)	(2,775)	(1,238)	(2,799)	(1,186)	(1,926)	(2,799)	(35,295)
Corporate G&A		(165)	(63)	(63)	(192)	(28)	(150)	(22)	(150)	(23)	(162)	(24)	(143)	(30)	(166)	(38)	(38)	(166)	(1,623)
Leases		(4)	(4)	(153)	(899)	(680)	(4)	(108)	(45)	(100)	(4)	-	(253)	(100)	(4)	-	(153)	(680)	(3,192)
<b>Total Operating Cash Flows</b>		<b>(2,533)</b>	<b>564</b>	<b>1,046</b>	<b>(2,211)</b>	<b>(524)</b>	<b>(1)</b>	<b>240</b>	<b>(1,559)</b>	<b>950</b>	<b>(203)</b>	<b>(103)</b>	<b>(1,780)</b>	<b>1,423</b>	<b>(27)</b>	<b>354</b>	<b>(743)</b>	<b>(1,455)</b>	<b>(6,562)</b>
Capital Development	[4]	(220)	(20)	(20)	(20)	(77)	(86)	(86)	(66)	(39)	(39)	(39)	(59)	(86)	(86)	(86)	(86)	(86)	(1,198)
Regional Exploration	[5]	(136)	(238)	(238)	(238)	(78)	(51)	(51)	(29)	-	-	-	-	-	-	-	-	-	(1,110)
Restructuring Disbursements	[6]	(571)	(571)	(249)	(249)	(435)	(435)	(418)	(227)	(227)	(227)	(227)	(227)	(227)	(227)	(227)	(227)	(227)	(5,401)
<b>Net Cash Inflows / (Outflows)</b>		<b>(3,459)</b>	<b>(265)</b>	<b>539</b>	<b>(2,717)</b>	<b>(1,113)</b>	<b>(573)</b>	<b>(332)</b>	<b>(2,114)</b>	<b>628</b>	<b>(469)</b>	<b>(369)</b>	<b>(2,045)</b>	<b>1,137</b>	<b>(340)</b>	<b>41</b>	<b>(1,055)</b>	<b>(1,767)</b>	<b>(14,272)</b>
<b>Cash</b>																			
Beginning Balance		4,501	1,442	1,177	3,817	2,199	1,586	1,413	3,181	1,067	1,695	1,226	3,058	1,012	2,149	1,810	1,851	2,796	4,501
Net Cash Inflows / (Outflows)		(3,459)	(265)	539	(2,717)	(1,113)	(573)	(332)	(2,114)	628	(469)	(369)	(2,045)	1,137	(340)	41	(1,055)	(1,767)	(14,272)
DIP Advances	[7]	400	-	2,100	1,100	500	400	2,100	-	-	-	2,200	-	-	-	-	2,000	-	10,800
<b>Ending Balance</b>		<b>1,442</b>	<b>1,177</b>	<b>3,817</b>	<b>2,199</b>	<b>1,586</b>	<b>1,413</b>	<b>3,181</b>	<b>1,067</b>	<b>1,695</b>	<b>1,226</b>	<b>3,058</b>	<b>1,012</b>	<b>2,149</b>	<b>1,810</b>	<b>1,851</b>	<b>2,796</b>	<b>1,029</b>	<b>1,029</b>

Notes

[1] The purpose of the CFF is to estimate the liquidity requirements of Harte Gold Corp. ("Harte Gold" or the "Company") during the forecast period.

[2] Forecast Total Receipts are based on management's expectations of periodic shipments of Doré, concentrates and slag and are net of certain offsetting payments, including treatment/refining costs, silver credit, royalties, transport costs and hedge payments. Gold price is estimated at \$1,750/oz and exchange rate is forecast at a rate of CAD \$0.83- USD \$1.00.

[3] Forecast Operating Costs primarily include site costs based on forecast activity levels and known commitments and corporate G&A based on forecast head office operation costs.

[4] Forecast Capital Developments costs include costs to upgrade and expand mine production.

[5] Forecast Regional Exploration costs includes drilling and other costs for exploration purposes.

[6] Forecast Restructuring Disbursements include legal and financial advisors associated with CCAA proceedings and are based on estimates provided by the advisors.

[7] Forecast DIP Advances are based on funding requirements and maintaining a minimum \$1 million cash balance throughout the period.

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# Appendix B

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## Interim Financing Data



## CCAA DIP Financing Tracking Sheet

Updated through November 10, 2021

Company	Filing Date	DIP Structure (\$M)	Maturity Date	Interest Rate	Fee(s)
Medifocus Inc. (TSX-v:MFS)	7-Oct-21	\$0.70	4/5/2022	9%	Borrower responsible for DIP lender's expenses
CannTrust	6-May-21	\$22.50	5/6/2022	Confidential	Confidential
Spartan Bioscience Inc.	4-May-21	\$0.60	7/15/2021	10%	Facility fee of \$6,000. The Borrower is responsible for the Lender's reasonable expenses incurred in connection with the interim financing.
Coalspur Mines (Operations) Ltd.	26-Apr-21	\$26.00	6/30/2022	12%	Closing fee of US\$50,000. Undrawn amount fee of 2% on any undrawn amounts. The Borrower must also pay for the Lender and Monitor's reasonable expenses in connection with the loan.
Just Energy Group Inc. (TSX:JE)	9-Mar-21	\$125.00		13%	Commitment fee of \$1.25 million and origination fee of \$1.25 million. The Borrower will be responsible for all of the DIP Lenders' reasonable legal fees incurred in respect of the DIP Financing.
Ardenton Capital Corporation	5-Mar-21	\$5.00		10%	n/a
Atis Group	24-Feb-21	\$6.25		Prime plus 3.75%	Facility fee of \$112,500
TGF Acquisition Parent Ltd., Sun Rich Fresh Foods Inc. and Tiffany Gate Foods Inc.	17-Feb-21	\$13.40	6/17/2021	Either 15% or 12.5%, pursuant to the terms of the Term Sheet	Commitment fee of \$516,000.
Laurentian University	1-Feb-21	\$25.00	5/1/2021	Floating at the greater of 8.50% Per Annum or the TD Canada Trust Posted Bank Prime Rate of Interest from time to time plus 6.05% Per Annum	Commitment fee of \$500,000. The Borrower will be responsible for all of the DIP Lender's reasonable legal fees incurred in respect of the DIP Financing.
Yatsen Group of Companies	25-Jan-21	\$5.00	7/31/2021	3%	The Borrower and Guarantors must pay the Lender's fees and expenses incurred in connection with the DIP loan and the CCAA proceedings.
FIGR Brands, Inc.	21-Jan-21	\$16.00	6/30/2021	8%	The Borrower and Guarantors must pay the Lender's fees and expenses incurred in connection with the DIP loan and the CCAA proceedings.
King Street Restaurant Group	6-Nov-20	\$3.20	2/5/2021	12%	3% closing fee
Creditloans Canada Financing Inc. (o/a Progressa) and Creditloans Canada Capital Inc.	30-Sep-20	\$2.50	3/28/2021	12%	
Hematite Group	18-Sep-20	\$6.00	9/30/2022	15%	The Borrowers must pay the Lender's reasonable fees and expenses in connection with the CCAA proceedings.
PharmHouse Inc.	15-Sep-20	\$10.74	12/29/2020	8%	The Borrower must pay the Lender's reasonable costs and expenses (including legal) incurred by or on behalf of the Lender in respect of the Facility or any loan documents and in connection with the enforcement of the Lender's rights thereunder.
Mountain Equipment Co-operative	14-Sep-20	\$100.00	11/30/2020	Interest is payable on the outstanding principal amount at the applicable rate per annum for the Prime Rate, BA Rate and LIBO Rate Loans, any unused line fee, and the Default Rate for past due payments (all as defined in the Updated Credit Agreement), plus a rate of 2% per annum, payable on the Maturity Date	The Interim Lenders also provided the petitioners' pre-filing credit facilities, so an "amendment fee" of \$250,000 is payable on the execution of the Interim Financing Credit Agreement. The petitioners are also required to reimburse the Interim Lenders for all reasonable and documented expenses in connection with the Interim Financing Facility and Interim Financing Credit Agreement.
UrtheCast Corp.	4-Sep-20	USD \$3mm term loan facility and USD \$2mm revolving credit facility.	11/30/2020	18%	1) The Borrowers must pay the Lender's reasonable fees and expenses in connection with the CCAA proceedings. 2) Standby fee of 2% on any undrawn portion; 3% commitment fee; exit fee of \$160,000-\$400,000, calculated on the basis of how much is drawn down. The Borrower must also pay the Lender's reasonable expenses in connection with the DIP loan.
Groupe Dynamite	4-Sep-20	\$10.00		11%	
Korite International	30-Jun-20	\$0.70	12/31/2020	Prime plus 3.5% per annum	The Borrower shall pay all of the Interim Lender's legal fees and out of pocket disbursements and any costs of realization or enforcement, in each case in connection with or otherwise related to the Interim Facility, the Interim Lender Charge, the other Interim Financing Credit Documentation or the CCAA Proceedings
Northern Pulp Nova Scotia Corporation	19-Jun-20	\$21.00		10%	Commitment fee of 2.5% on any advance and standby fee of 2.5% on any unadvanced portion. Agency fee of \$5,000 per annum.
Peraso Technologies Inc.	3-Jun-20	Confidential		6% per annum and 8% per annum on overdue amounts	
Bow River Energy Ltd.	1-Jun-20	\$1.10	12/31/2020	8%	The Borrower shall pay all of the Interim Lender's legal fees and out of pocket disbursements and any costs of realization or enforcement, in each case in connection with or otherwise related to the Interim Facility, the Interim Lender Charge, the other Interim Financing Credit Documentation or the CCAA Proceedings.

## CCAA DIP Financing Tracking Sheet

Updated through November 10, 2021

Company	Filing Date	DIP Structure (\$M)	Maturity Date	Interest Rate	Fee(s)
Port Capital Development (EV) Inc.	29-May-20	\$1.80	10/8/2020	The higher of (a) the prime rate posted by the Fédération des caisses Desjardins du Québec plus 9.55% per annum, or (b) 12% per annum, accruing daily in arrears on the outstanding amount of the DIP Facility from time to time	Commitment fee of \$25k. The Borrower will be responsible for all of the Interim Lender's reasonable legal fees incurred in respect of the Interim Financing and CCAA proceedings.
Cequence Energy Ltd.	29-May-20	\$7.00	10/31/2020	9% per annum on drawn funds and 1% per annum on undrawn funds. Default interest is an additional 3% on all amounts outstanding.	
Green Growth Brands Inc.	20-May-20	US\$14.2	9/15/2020	5% per annum	
Reitmans (Canada) Limited	19-May-20	\$60.00		Prime + 5%	The interim financing provides for: 1) a standby charge of 0.6% on amounts committed and not drawn; 2) a commitment fee of \$360k payable on court approval of the interim facility; and 3) reimbursement of the reasonable out-of-pocket expenses.
Entrec Corporation	14-May-20	\$30.00	7/31/2020	8%	Amendment fee of \$250,000 (interim facility is provided as amendment to existing credit facilities)
Redrock Camps Inc.	13-May-20	\$2.50	11/30/2020	10%	Commitment fee of \$50,000
Aldo Group	7-May-20	\$60.00	5/1/2021	LIBOR + 5.5% for the first 9 months and LIBOR + 6.5% thereafter. An additional 2% applies where there is a default.	Standby charge of 1.25% on amounts committed and not drawn and commitment fee of \$600,000
JMB Crushing Systems	1-May-20	0.9 / 0.5	4/25/2021	10%	
Dominion Diamond Mines	23-Apr-20	\$60.00	10/31/2020	5.25% per annum, payable monthly, and increases to 7.25% in the event of a default	DMI shall pay all outstanding fees and expenses to date of the Existing Credit Facility Lenders, including legal and financial advisory expenses, via the initial draw under the Interim Facility
Green Relief	8-Apr-20	1) 0.25 / 0.5; 2) 1.5		1) 5%; 2) 5%	2) The Company must pay the DIP Lender's reasonable costs and expenses to a maximum of \$100,000
James E. Wagner Cultivation Corporation	1-Apr-20	\$8.20	6/30/2020	10%	Commitment fee of \$120,000
Pure Global Cannabis Inc. et al.	19-Mar-20	\$4.00	9/1/2020	9%	2.25% of DIP facility
2607380 Ontario Inc.	26-Feb-20	\$7.18	10/25/2020	9%	Commitment fee of \$107,000, availability fee of \$2,000 per month.
Invictus MD Strategies	13-Feb-20	\$3.00		10%	\$60,000 upfront fee (2% of total commitment, \$500/mo. monitoring fee.
Ontario Graphite	12-Feb-20	\$2.75	8/8/2020	15%	
Rebuts Solides Canadiens inc. et al	3-Feb-20	\$9.00		5%	
Quest University Canada	16-Jan-20	\$8.20	11/30/2020	9% until the maturity rate; 15% thereafter	Commitment fee of \$35,000; structuring fee of 4% on each drawdown
Fortress Global Enterprises Inc.	16-Dec-19	\$17.00		10%	
Wayland Group Corp. et al	2-Dec-19	\$1.10	3/13/2020	13%	\$50,000 initial commitment fee, subsequent commitment fee equal to the greater of \$125,000 and 54% of the difference between the maximum DIP availability and the amount of the initial advance.
AgMedica Bioscience Inc.	2-Dec-19	\$7.50	8/25/2020	10%	2.25% commitment fee
North American Fur Auctions Inc.	31-Oct-19	USD \$5.0	1/15/2020	12%	2% closing fee
DEL Equipment Inc.	22-Oct-19	\$1.00		7%	
Bellatrix Exploration Ltd.	2-Oct-19	USD \$15.0	3/28/2020	10%	USD \$0.75MM, earned as follows: i) USD \$0.25MM on the date of initial advance, ii) USD \$0.25MM if not repaid within 30 days, and iii) USD \$0.25MM if not repaid within 60 days.
Energold Drilling Corp.	13-Sep-19	\$3.75	11/15/2019	8% for the first 45 days post-filings, 12% for the next 30 days, 18% thereafter	\$90.0M closing fee, \$90.0M agent fee and \$90.0M exit fee
Stornaway Diamond Corporation	9-Sep-19	\$20.00	12 months after the initial draw date	13%	
Miniso Canada	11-Jul-19	\$2.00	12/1/2019	10%	N/A
ILTA Grain Inc.	7-Jul-19	\$8.00	12/1/2019	8%	2.5% commitment fee
Bondfield Construction Company Limited	3-Apr-19	\$27.50	3/12/2020	6%	

## CCAA DIP Financing Tracking Sheet

Updated through November 10, 2021

Company	Filing Date	DIP Structure (\$M)	Maturity Date	Interest Rate	Fee(s)
Bondfield Construction Company Limited	3-Apr-19	\$27.50		14%	
Divestco Inc.	4-Mar-19	\$1.50	3/19/2019	18%	\$25,000 facility fee, professional costs of lender.
Ascent Industries Corp.	1-Mar-19	\$2.00		15%	3% structuring fee, monthly monitoring fee of \$750 and due diligence fee of \$6,250.
Nautilus Minerals Inc.	21-Feb-19	\$4.00		8%	Professional costs of the lender
Vari-Form	8-Jan-19	\$22.80	4/8/2019	5%	

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# Appendix B

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## The SISP Procedures

## PROCEDURES FOR THE SALE AND INVESTMENT SOLICITATION PROCESS

### Introduction

- A. Since May 2021, Harte Gold Corp. ("**Harte Gold**"), with the assistance of, *inter alia*, FTI Consulting Canada Inc. ("**FTI**"), has been conducting a strategic review process (the "**Pre-Filing Strategic Process**") with a view to finding an investor or a purchaser who would allow Harte Gold to pursue its operations as a going concern and maximize value for stakeholders (the "**Opportunity**");
- B. During the Pre-Filing Strategic Process, 1000025833 Ontario Inc. (the "**Stalking Horse Bidder**") expressed interest in the Opportunity, which culminated with the execution on December 6, 2021 of a Subscription Agreement (as amended and restated on December 15, 2021, the "**Stalking Horse Bid**") between Harte Gold and the Stalking Horse Bidder, pursuant to which the Stalking Horse Bidder agreed, among other things, to: (i) act as a "stalking horse bidder" in the context of a sale and investment solicitation process (the "**SISP**") to be undertaken within court-supervised proceedings to be commenced by Harte Gold under the *Companies' Creditors Arrangement Act* ("**CCAA**" and the proceedings commenced thereby, the "**CCAA Proceedings**"), and (ii) if the Stalking Horse Bidder is determined to be the Successful Bidder (as defined herein), to subscribe for and purchase from Harte Gold, the Subscribed Shares (as defined in the Stalking Horse Bid), on the terms and conditions set out in the Stalking Horse Bid, with the existing equity interests being cancelled on closing such that Stalking Horse Bidder would become the sole shareholder of Harte Gold (the "**Stalking Horse Transaction**");
- C. On December 7, 2021 (the "**Filing Date**"), Harte Gold sought and obtained an initial order (as amended, supplemented or amended and restated from time to time, the "**Initial Order**") under the CCAA from the Ontario Superior Court of Justice (Commercial List) (the "**CCAA Court**"), pursuant to which, among other things, FTI was appointed as monitor in the CCAA Proceedings (in such capacity, the "**Monitor**");
- D. On December 16, 2021 the CCAA Court granted an order (the "**SISP Order**"), among other things, approving the Stalking Horse Bid and the procedures set out herein (the "**SISP Procedures**");
- E. The purpose of these SISP Procedures is to set out terms and procedures for a transparent, fair and efficient solicitation process to obtain the highest or otherwise best offer for Harte Gold's equity, assets, rights, undertakings and properties (collectively, the "**Property**"); and
- F. Accordingly, these SISP Procedures describe, among other things: (a) the manner in which prospective bidders may gain access to or continue to have access to due diligence materials concerning the Property and the Business, (b) the manner in which bidders and bids become Qualified Bidders, Qualified Bids, and Auction Bidders, as applicable, (c) the evaluation of bids received, (d) the guidelines for the ultimate selection of the Successful Bid and/or Back-up Bid, and (e) the process for obtaining such approvals (including the approval of the CCAA Court) as may be necessary or appropriate in respect of a Successful Bid.

## **Defined Terms**

1. Capitalized terms used in these SISP Procedures and not otherwise defined have the meanings given to them below:
  - (a) “**Approval Hearing**” is defined in paragraph 2.
  - (b) “**Approval Motion**” is defined in paragraph 25.
  - (c) “**Auction**” is defined in paragraph 22.
  - (d) “**Auction Bidders**” is defined in paragraph 23.
  - (e) “**Auction Date**” is defined in paragraph 2.
  - (f) “**Back-Up Bid**” is defined in paragraph 24(i).
  - (g) “**Back-Up Bidder**” is defined in paragraph 24(i).
  - (h) “**Bid**” is defined in paragraph 18.
  - (i) “**Bid Deadline**” is defined in paragraph 2.
  - (j) “**Business**” means Harte Gold’s business and activities as at Filing Date.
  - (k) “**Business Day**” means a day (other than Saturday or Sunday) on which banks are generally open for business in Toronto, Ontario.
  - (l) “**CA**” means the *Competition Act*, R.S.C., 1985, c. C-34, as amended.
  - (m) “**CCAA**” is defined in the introduction.
  - (n) “**CCAA Court**” is defined in the introduction.
  - (o) “**CCAA Proceedings**” is defined in the introduction.
  - (p) “**Closing**” means the completion of the transaction contemplated by the Successful Bid.
  - (q) “**Data Room**” is defined in paragraph 11.
  - (r) “**Deposit**” is defined in paragraph 18(h)(x).
  - (s) “**Filing Date**” is defined in the introduction.
  - (t) “**FTI**” is defined in the introduction.
  - (u) “**Harte Gold**” is defined in the introduction.
  - (v) “**ICA**” means the *Investment Canada Act*, R.S.C., 1985, c. 28 (1st Supp.), as amended.
  - (w) “**Initial Order**” is defined in the introduction.
  - (x) “**Initial Overbid Amount**” means \$500,000.

- (y) **“Known Potential Bidder”** means any party identified as a potential bidder by Harte Gold, in consultation with the Monitor, whether or not such party participated in the Pre-Filing Strategic Process, and for greater certainty shall include each party that has submitted a bid in the Pre-Filing Strategic Process.
- (z) **“Monitor”** is defined in the introduction.
- (aa) **“Monitor’s Website”** means <http://cfcanada.fticonsulting.com/harte>.
- (bb) **“NDA”** means a non-disclosure agreement in form and substance satisfactory to Harte Gold, in consultation with the Monitor.
- (cc) **“Opening Bid”** is defined in paragraph 24(b).
- (dd) **“Overbid”** is defined in paragraph 24(e).
- (ee) **“Overbid Amount”** means \$500,000 or such higher amount as Harte Gold, in consultation with the Monitor, may determine in advance of any round of bidding in the Auction to be applicable for that round of the Auction.
- (ff) **“Participation Letter”** is defined in paragraph 7(a).
- (gg) **“Potential Bidder”** is defined in paragraph 4.
- (hh) **“Pre-Filing Strategic Process”** is defined in the introduction.
- (ii) **“Property”** is defined in the introduction.
- (jj) **“Qualified Bid”** is defined in paragraph 18.
- (kk) **“Qualified Bidder”** is defined in paragraph 9.
- (ll) **“Required Acknowledgement”** means the written acknowledgement in the form attached hereto as Schedule “[B]” to be executed by a party wishing to participate in the SISP.
- (mm) **“SISP”** is defined in the introduction.
- (nn) **“SISP Order”** is defined in the introduction.
- (oo) **“SISP Press Release”** means a press release to be issued by Harte Gold substantially in the form attached hereto as Schedule “[C]”.
- (pp) **“SISP Procedures”** is defined in the introduction.
- (qq) **“Solicitation Materials Distribution Date”** is defined in paragraph 2.
- (rr) **“Solicitation Notice”** means a notice describing the opportunity to participate in the SISP.
- (ss) **“Stalking Horse Bid”** is defined in the introduction.
- (tt) **“Stalking Horse Bidder”** is defined in the introduction.
- (uu) **“Stalking Horse Transaction”** is defined in the introduction.

- (vv) **“Subscription Agreement”** means the template subscription agreement, in a form substantially similar to the Stalking Horse Bid, to be placed in the Data Room.
- (ww) **“Successful Bid”** is defined in paragraph 24(i).
- (xx) **“Successful Bidder”** is defined in paragraph 24(i).
- (yy) **“Superior Offer”** means a credible, reasonably certain and financially viable offer made by a Qualified Bidder that (i) provides for consideration in excess of the aggregate of the “Subscription Price” as defined in and contemplated by the Stalking Horse Transaction plus the Initial Overbid Amount, including cash consideration sufficient to pay in cash the Cash Consideration (as defined in the Stalking Horse Bid) and amounts owing to the Stalking Horse Bidder under the BNPP Credit Agreement and under the DIP Term Sheet, and (ii) Harte Gold and the Monitor, each with the assistance of their legal advisors, consider to be better than the Stalking Horse Transaction.

**Key Dates**

2. The key dates for the SISP are as follows:

<b>DATE</b>	<b>MILESTONE</b>
By no later than 1 day following the issuance by the Court of the SISP Order  <b>(“Solicitation Materials Distribution Date”)</b>	Distribution by the Monitor of the Solicitation Notice and the Required Acknowledgment to the Known Potential Bidders
January 14, 2022 at 5:00 p.m. (prevailing Eastern Time)  <b>(“Bid Deadline”)</b>	The deadline for the receipt by the Monitor of Bids and Deposits
By no later than January 20, 2022  <b>(“Auction Date”)</b>	Date of the Auction (if any)
Subject to the availability of the Court, no later than seven (7) calendar days following either the conclusion of the Auction or the date on which a determination is made by Harte Gold, with the consent of the Monitor, not to proceed with an Auction in accordance with paragraph 21  <b>(“Approval Hearing”)</b>	Hearing of the Approval Motion



### **Supervision of the SISP**

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

### **Solicitation of Interest**

4. For all purposes of this SISP, the following persons shall be considered as potential bidders (each, a "**Potential Bidder**"): (i) the Known Potential Bidders, and (ii) any other party that executes a Required Acknowledgement and is permitted by Harte Gold, with the consent of the Monitor, to participate in the SISP.
5. As soon as reasonably practicable after the granting of the SISP Order:
  - (a) the Monitor will post the SISP Order and the SISP Procedures on the Monitor's Website; and
  - (b) Harte Gold will issue the SISP Press Release with Canada Newswire designating dissemination in Canada and internationally.
6. By no later than the Solicitation Materials Distribution Date, the Monitor, on behalf of Harte Gold, shall distribute the Solicitation Notice and form of Required Acknowledgement to Known Potential Bidders inviting the Known Potential Bidders to submit a bid pursuant to these SISP Procedures.

### **Participation Requirements**

7. Subject to paragraph 8, in order to participate in the SISP, each Potential Bidder must deliver the following information and executed documents to the Monitor, on behalf of Harte Gold, at the email addresses specified in **Schedule A** hereto:
  - (a) a letter (a "**Participation Letter**") setting forth (i) the identity, the type and the jurisdiction of organization of the Potential Bidder, (ii) the contact information for such Potential Bidder, (iii) full disclosure of the direct and indirect owners and principals of the Potential Bidder, and (iv) such financial disclosure and credit quality support or enhancement that allows Harte Gold, in consultation with the Monitor, to make a reasonable determination as to the Potential Bidder's financial and other capabilities to consummate a transaction pursuant to a Superior Offer;
  - (b) an executed NDA; and
  - (c) a copy of the Required Acknowledgment executed by the Potential Bidder.
8. Harte Gold, with the consent of the Monitor may waive compliance with paragraphs 7(a) and 7(b) of these SISP Procedures for any Potential Bidder that is deemed by Harte Gold, with the consent of the Monitor, to have adequately satisfied the requirements set forth in paragraphs 7(a) and 7(b), as applicable, during the Pre-Filing Strategic Process.

9. A Potential Bidder that has delivered the necessary documents and information in accordance with paragraphs 7 and 8 and that Harte Gold, in its reasonable business judgment, in consultation with the Monitor, determines is likely, based on the availability of financing, experience and other considerations, to be able to submit a Superior Offer by the Bid Deadline will be deemed to be a “**Qualified Bidder**”.
10. Notwithstanding paragraphs 7 to 9, the Stalking Horse Bidder shall be deemed to be a Qualified Bidder for all purposes under, and at all times in connection with, this SISP.

### **Access to Data Room**

11. Harte Gold, with the assistance of the Monitor, shall provide each Qualified Bidder with access to a secure online electronic data room (the “**Data Room**”) containing due diligence information.
12. The Monitor shall coordinate all reasonable requests from Qualified Bidders for additional information and due diligence access; provided that the Monitor and Harte Gold may decline to provide (or elect to withdraw access to) due diligence information to any Qualified Bidder (other than the Stalking Horse Bidder) who, at such time and in the reasonable business judgment of Harte Gold, after consultation with the Monitor, has not established (or there is otherwise a reasonable basis to doubt), that such Qualified Bidder intends in good faith to, or has the capacity to, consummate a transaction.
13. Harte Gold also reserves its right, in consultation with the Monitor, to withhold any diligence materials that Harte Gold determines are sensitive or otherwise not appropriate for disclosure to a Qualified Bidder that Harte Gold determines is (or is affiliated with) a competitor or is otherwise an entity to which the disclosure of sensitive or competitive information, in Harte Gold’s exercise of its reasonable business judgment (in consultation with the Monitor), may risk unduly placing Harte Gold at a competitive disadvantage or make it subject to regulatory scrutiny.
14. All due diligence and information requests must be directed to the Monitor at the email addresses specified in **Schedule A** hereto.
15. Harte Gold, the Monitor and their respective employees, officers, directors, agents, advisors and other representatives make no promise, representation, warranty, condition or guarantee of any kind, nature or description as to the information (a) contained in the Data Room, or (b) otherwise made available in connection with this SISP, except, in the case of Harte Gold only, to the extent expressly contemplated in any executed definitive sale or investment agreement with a Successful Bidder.
16. Without limiting the generality of any term or condition of any NDA between Harte Gold and any Potential Bidder or Qualified Bidder, unless otherwise agreed by Harte Gold or ordered by the CCAA Court, no Potential Bidder or Qualified Bidder shall be permitted to have any discussions with (a) any counterparty to any contract with Harte Gold, any current or former director, manager, shareholder, officer, member or employee of Harte Gold, other than in the normal course of business and wholly unrelated to Harte Gold, the potential transaction, the Confidential Information (as defined in the NDA), the SISP or the CCAA Proceedings, and (b) any other Potential Bidder or Qualified Bidder regarding the SISP or any bids submitted or contemplated to be submitted pursuant thereto. Notwithstanding the foregoing, nothing herein shall prohibit secured creditors of Harte Gold, and their respective affiliates and their legal and financial advisors, from communicating with each other, solely to discuss their secured interests in Harte Gold in their capacities as secured creditors, unless such secured creditors have been advised by

the Company or the Monitor that their secured indebtedness is proposed to be paid or otherwise satisfied in full by a Qualified Bidder, in which case, such communications and discussions from that point on shall be made in the presence of the Monitor. At no time shall such secured creditors be entitled to communicate or discuss with one another or with any other Potential Bidder, Qualified Bidder or Auction Bidder regarding the SISP or any bids submitted or contemplated to be submitted pursuant thereto.

### **Qualified Bids**

17. A Qualified Bidder that wishes to make a bid must deliver their bid to the Monitor, on behalf of Harte Gold, at the email addresses specified in **Schedule A** hereto so as to be actually received by the Monitor not later than the Bid Deadline.
18. All offers submitted to the Monitor ("**Bids**") for consideration in accordance with paragraph 17, other than the Stalking Horse Bid which is deemed a Qualified Bid, must comply with all of the following requirements (any such complying Bid, a "**Qualified Bid**"):
  - (a) Subscription/Purchase Price: Each Bid must clearly set forth the subscription/purchase price in Canadian dollars, stated on a total enterprise value basis, (including the cash and non-cash components thereof, the sources of such capital, evidence of the availability of such capital and the steps necessary and associated timing to obtain the capital and consummate the proposed transaction and any related contingencies, as applicable);
  - (b) Executed Subscription Agreement or other Transaction Agreement: Each bid must be made by way of the submission of (a) a Subscription Agreement or (b) or such other form of transaction document as the Qualified Bidder may choose, in each case executed by the Qualified Bidder;
  - (c) Mark-up: Each Bid must include a full mark-up comparison of their executed Subscription Agreement or other form of transaction document against the form of Subscription Agreement (including all schedules and exhibits thereto) included in the Data Room, as well as any proposed forms of Orders to be sought from the CCAA Court.
  - (d) Bid Deadline: Each Bid must be received by the Bid Deadline as set forth herein;
  - (e) Superior Offer: Each Bid must represent a Superior Offer;
  - (f) Capital Structure: Each Bid must include information to enable Harte Gold and the Monitor to review and assess the financing/cash available post-closing to fund the business, and implement post-closing measures and transactions.
  - (g) Irrevocable Offer: Each Bid must be irrevocable until the earlier of (A) the approval by the CCAA Court of a Successful Bid (and the Back-Up Bid) and (B) 45 days following the Bid Deadline, provided that if such bidder is selected as the Successful Bidder, its offer will remain irrevocable until the Closing (or the outside date as set forth therein);
  - (h) Executed Documents: Each Bid must be accompanied by a duly authorized and executed Subscription Agreement or other form of transaction document and an electronic copy of such agreement, as well as duly authorized and executed transaction documents necessary to effectuate the transactions contemplated thereby;

- (i) Financial Wherewithal: Each Bid must include (A) written evidence of a firm, irrevocable commitment for financing, or other evidence of ability to consummate the proposed transaction, that will allow Harte Gold, in consultation with the Monitor, to make a reasonable determination as to the Qualified Bidder's financial and other capabilities to consummate the transaction, and (B) the identification of any person or entity who may provide debt or equity financing for the Bid and any material conditions to be satisfied in connection with such financing;
- (ii) Authorization: Each Bid must include evidence, in form and substance reasonably satisfactory to Harte Gold, in consultation with the Monitor, of authorization and approval from the bidder's board of directors (or comparable governing body) with respect to the submission, execution, delivery and closing of the transaction contemplated by the Bid;
- (iii) No Other Authorization, Diligence, Financing Conditions: Each Bid must not be conditional upon the following:
  - A. any internal approval(s);
  - B. the outcome of unperformed due diligence by the Qualified Bidder; or
  - C. obtaining financing;
- (iv) Identity: Each Bid must fully disclose the identity of each entity that will be sponsoring or participating in the bid, and the complete terms of such participation;
- (v) Contact Information: Each Bid must contain contact information for any business, financial or legal advisors retained or to be retained in connection with the proposed transaction;
- (vi) Regulatory Approvals: Each Bid must outline any anticipated regulatory and other approvals required to close the transaction, including any approvals under the CA and ICA, and the anticipated time frame and any anticipated impediments for obtaining such approvals and confirms that the Qualified Bidder will make and submit all necessary and applicable regulatory filings and pay all fees associated therewith;
- (vii) Disclaimer of Fees: Each Bid must disclaim any right to receive a fee analogous to a break-up fee, expense reimbursement, termination fee, or any other similar form of compensation;
- (viii) Treatment of Employees: Each Bid must include full details of the Qualified Bidder's intention towards offering continued employment to Harte Gold's employees and by providing details on the terms and conditions of employment that will be offered to any continuing employees. For greater certainty, each Bid must include the proposed number of employees of Harte Gold who will become employees of the bidder or remain employees of the Business. Each Bid must also include details on how the Qualified Bidder intends to address Harte Gold's contemplated actions towards its employee population in the context of the restructuring process;

- (ix) Timeline: Each Bid must provide a timeline to closing with critical milestones;
  - (x) Deposit: Each Bid, including the Stalking Horse Bid, must be accompanied by a refundable deposit (the “**Deposit**”) in the form of a wire transfer to an account specified by the Monitor, payable to the order of the Monitor, on behalf of Harte Gold, in trust, in an amount equal to five percent (5%) of the cash consideration contemplated by the Bid (including the Stalking Horse Bid), to be held and dealt with in accordance with the terms of this SISP;
  - (xi) Terms of Court Order(s): Each Bid must describe the key terms and provisions to be included in any order of the CCAA Court approving the contemplated transaction;
  - (xii) Precedent Investments in the Mining Industry: Each Bid must provide any relevant details of the previous investments or acquisitions, or any other experience a Qualified Bidder has and deemed relevant by such Qualified Bidder, in the mining industry, including the date, nature of the investment, amount invested, geography and any other relevant information related to such investment;
  - (xiii) Prospective Plans: Each Bid should include the Qualified Bidder’s proposed plans for Harte Gold following consummation of a potential transaction, including intentions for Harte Gold’s operations as well as for management, employees and facilities;
  - (xiv) Confirmation of no Collusion. Each Auction Bid should include confirmation by the Qualified Bidder that it has not engaged in any discussions or any other collusive behaviour with any other Potential Bidder or Qualified Bidder regarding the SISP or any bids submitted or contemplated to be submitted in the SISP; and
  - (xv) Other Information: Each Bid must contain such other information as may be reasonably requested by Harte Gold or the Monitor from time to time.
19. Notwithstanding anything herein to the contrary, Harte Gold, in consultation with the Monitor, will review and assess each Bid to determine whether such Bid is a Qualified Bid. In performing such review and assessment, Harte Gold, in consultation with the Monitor, may evaluate the following non-exhaustive list of considerations: (a) the subscription/purchase price and net value (including assumed liabilities and other obligations to be performed by the bidder); (b) the firm, irrevocable commitment for financing of the transaction; (c) the claims likely to be created by such Bid in relation to other Bids; (d) the counterparties to the transaction; (e) the terms of transaction documents, including, if applicable, the proposed revisions to the Stalking Horse Bid; (f) the closing conditions and other factors affecting the speed, certainty and value of the transaction (including any regulatory approvals required to close the transaction); (g) planned treatment of stakeholders; (h) the assets included or excluded from the Bid; (i) any restructuring costs that would arise from the Bid; (j) the likelihood and timing of consummating the transaction, (k) the financing or cash pro forma available post-closing to fund Harte Gold’s Business; (l) the capital sufficient to implement post-closing measures and transactions; and (m) proposed treatment of the employees.
20. Harte Gold, in consultation with the Monitor, may reject any Bid that is (i) inadequate or insufficient; (ii) not in conformity with the requirements pursuant to these SISP Procedures;

(iii) contrary to the best interest of Harte Gold; or (iv) not a Qualified Bid; provided that Harte Gold may, in consultation with the Monitor, waive strict compliance with any one or more of the requirements specified in paragraph 18 above and deem a non-compliant Bid to be a Qualified Bid.

### **Auction; Successful Bid**

21. In the event that no Qualified Bid other than the Stalking Horse Bid is received, then (a) there will be no auction, (b) the Stalking Horse Bid will be deemed to be the Successful Bid, and (c) Harte Gold shall seek approval and authority to consummate the Stalking Horse Bid and the transactions provided for therein at the Approval Hearing.
22. If one or more Qualified Bids other than the Stalking Horse Bid are received, then Harte Gold, in consultation with the Monitor, shall conduct an auction to determine the highest or otherwise best Qualified Bid (the "**Auction**").
23. If the Auction is to take place, then as soon as practicable prior to the Auction, Harte Gold shall provide the Stalking Horse Bidder and all Qualified Bidders having submitted a Qualified Bid (the Stalking Horse Bidder and all Qualified Bidders, together, "**Auction Bidders**") with details of the time and place for the Auction and a copy of the Opening Bid for the Auction.
24. The Auction shall commence on the Auction Date and shall be held at the Toronto office of Stikeman Elliott LLP or by videoconference or such other arrangement acceptable to the Monitor. If the Auction is held at the Toronto office of Stikeman Elliott LLP and any Auction Bidder requests to participate by videoconference, Harte and the Monitor shall facilitate participation by videoconference. The Auction shall be conducted according to the following procedures:
  - (a) Participation: Harte Gold, in consultation with the Monitor, shall direct and preside over the Auction. Only Auction Bidders are eligible to participate in the Auction. Each Auction Bidder must have, present or available, the individual or individuals with the necessary decision-making authority to submit Overbids and to make such necessary and ancillary decisions as may be required during the Auction. Only the authorized representatives, including counsel and other advisors, of Harte Gold, the Monitor, and each of the Auction Bidders shall be permitted to attend the Auction.
  - (b) Rounds. Bidding at the Auction shall be conducted in rounds. The Qualified Bid determined by Harte Gold and the Monitor to have the highest and/or best value shall constitute the "**Opening Bid**" for the first round of bidding. The highest and/or best Overbid at the end of each round shall constitute the "**Opening Bid**" for the following round. Harte Gold, in consultation with the Monitor, shall determine what constitutes the Opening Bid for each round in accordance with the assessment criteria set out in paragraph 24(d) below. In each round, an Auction Bidder may submit no more than one Overbid. Harte Gold, in consultation with the Monitor, may impose such time limits for the submission of Overbids as it deems reasonable. For clarity, the Stalking Horse Bidder may submit an Overbid.
  - (c) Failure to Submit an Overbid. If, at the end of any round of bidding, an Auction Bidder (other than the Auction Bidder that submitted the Opening Bid for such round) fails to submit an Overbid, then such Auction Bidder may not participate in any future round of bidding at the Auction. Any Auction Bidder that submits an Overbid during a round (including the Auction Bidder that submitted the Opening

Bid for such round) shall be entitled to participate in the next round of bidding at the Auction. Any Auction Bidder that fails to submit an Overbid in a round (other than the Auction Bidder that submitted the Opening Bid for such round) may be required by Harte Gold and the Monitor to leave the Auction.

- (d) Bid Assessment Criteria. Harte Gold, in consultation with the Monitor, shall determine which Qualified Bid constitutes the Opening Bid for the first round of bidding and the determination of which Overbid constitutes the Opening Bid for each subsequent round of bidding, taking into account all factors that Harte Gold and the Monitor, with the assistance of their advisors, reasonably deem relevant to the value of such bid, including, among other things, those considerations listed in paragraph 19, above.
- (e) Overbids. All bids made during the Auction must be Overbids and shall be submitted in a form to be determined by Harte Gold, in consultation with the Monitor. The identity of each Auction Bidder and all material terms of each Overbid may be fully disclosed by Harte Gold to all other Auction Bidders participating in the Auction. The Monitor shall maintain a record of the Opening Bid and all Overbids made and announced at the Auction, including the Successful Bid (as defined below) and the Back-Up Bid. To be considered an “**Overbid**”, a bid made during the Auction must satisfy the following criteria:
  - (i) Minimum Consideration. The overall amount of consideration of any Overbid shall not be less than the value of the Opening Bid of the applicable round of bidding, plus the Overbid Amount; and
  - (ii) Remaining terms are the same as for Qualified Bids. Except as modified herein, an Overbid must comply with the conditions for a Bid set forth in paragraph 18 above (provided, for greater certainty, that the Bid Deadline shall not apply and Overbids need not be accompanied by additional cash deposits (subject to subsection (h) hereof)). To the extent not previously provided (which shall be determined by Harte Gold in consultation with the Monitor), an Auction Bidder submitting an Overbid must submit, as part of its Overbid, evidence acceptable to Harte Gold, in consultation with the Monitor, demonstrating such Auction Bidder’s ability (including financial ability) to close the transaction contemplated by its Overbid;
- (f) Overbid Alterations: An applicable Overbid may contain alterations, modifications, additions, or deletions of any terms of the prior Overbid so long as, after giving effect to the same, the terms of the new Overbid are no less favorable than any prior Overbid of such Auction Bidder, as determined by Harte Gold in consultation with the Monitor.
- (g) Announcing Highest Overbids. At the end of each round of bidding, Harte Gold, in consultation with the Monitor, shall (i) review each Overbid made in such round; (ii) identify the highest and/or best Overbid; and (iii) announce the terms of such highest and/or best Overbid to all Auction Bidders entitled to participate in the next round of bidding. Such highest and/or best Overbid shall be the Opening Bid for the next round of the Auction.
- (h) Adjournments. Harte Gold, in consultation with the Monitor, may, in its reasonable business judgment, make one or more adjournments in the Auction to, among other things: (i) facilitate discussions with individual Auction Bidders, including any discussion, negotiation or clarification of any Overbid; (ii) allow individual Auction

Bidders to consider how they wish to proceed; (iii) consider and determine the current highest and/or best Overbid at any given time during the Auction; (iv) give Auction Bidders the opportunity to provide such additional evidence as Harte Gold may require, in its reasonable business judgment, that the Auction Bidder has sufficient internal resources or has received sufficient non-contingent debt and/or equity funding commitments to consummate the proposed transaction at the Overbid amount; and (v) subject to such rules and guidelines as Harte Gold, in consultation with the Monitor, may consider appropriate, facilitate any appropriate consultation by Harte Gold and/or Auction Bidders with third party stakeholders.

- (i) Closing the Auction. If, in any round of bidding, no Overbid is made, the Auction shall be closed and Harte Gold, in consultation with the Monitor and legal advisors: (i) declare the last Opening Bid as the successful Bid (the “**Successful Bid**” and the party submitting such Successful Bid, the “**Successful Bidder**”); (ii) immediately review the other Overbids made in the previous round (or the Qualified Bid if no Overbids were made at the Auction) and identify and record the next highest and/or best Overbid (or Qualified Bid) (the “**Back-Up Bid**” and the party submitting such Back-Up Bid, the “**Back-Up Bidder**”); and (iii) advise the Successful Bidder and the Back-Up Bidder of such determinations and all other Auction Bidders that they are not a Successful Bidder or a Back-Up Bidder. If a Back-up Bid is identified in accordance with this SISF, then such Back-up Bid shall remain open until the closing of the transaction contemplated by the Successful Bid.
- (j) Executed Documentation: The Successful Bidder and the Back-up Bidder (if any) shall, within two (2) Business Days after the conclusion of the Auction, or such longer delay acceptable to Harte Gold, in consultation with the Monitor, submit to Harte Gold executed revised documentation memorializing the terms of the Successful Bid and the Back-up Bid (if any). The Successful Bid and the Back-up Bid may not be assigned to any party without the consent of Harte Gold.
- (k) Reservation of Rights.
  - (i) Notwithstanding anything herein to the contrary, Harte Gold shall be under no obligation to accept the highest or the best Overbid or any Qualified Bid (other than the Stalking Horse Bid if no higher or better Qualified Bid is accepted) or to pursue or hold an Auction or to select any Successful Bid and/or Back-up Bid.
  - (ii) Harte Gold reserves its rights to modify the conduct of the Auction at any time, acting reasonably, in consultation with the Monitor, in any manner that would best promote the goals of the Auction process, including to select the Successful Bid and/or Back-up Bid prior to the completion of the Auction.
- (l) No Collusion. Each Auction Bidder shall be required to confirm that it has not engaged in any discussions or any other collusive behaviour with respect to the submissions of Overbids. Harte Gold, in consultation with the Monitor, may permit discussions between Auction Bidders at the Auction, subject to such rules and guidelines as Harte Gold, in consultation with the Monitor, considers appropriate. The parties agree that discussions between secured creditors of Harte Gold, including their affiliates, and their legal or financial advisors, regarding their secured interests in Harte Gold, shall not constitute collusive behaviour provided that such secured creditors comply with the requirements of paragraph 16 hereof.



### **Approval Motion**

25. Harte Gold shall apply to the CCAA Court (the “**Approval Motion**”) for an order approving the Successful Bid and authorizing Harte Gold to enter into any and all necessary agreements with respect to the Successful Bid and to undertake such other actions as may be necessary or appropriate to give effect to the Successful Bid. Such order shall also approve the Back-Up Bid, if any, in the event that the Successful Bid does not close for any reason.
26. The hearing of the Approval Motion will be held on the date of the Approval Hearing. The Approval Motion may be adjourned or rescheduled by Harte Gold or the Monitor, in consultation with the Successful Bidder, without further notice by an announcement of the adjourned date at the Approval Motion, or by notice to the service list in the CCAA Proceedings.
27. All Qualified Bids (other than the Successful Bid and the Back-Up Bid) will be deemed rejected on the date of approval of the Successful Bid by the CCAA Court.

### **Closing the Successful Bid**

28. Harte Gold and the Successful Bidder shall take all reasonable steps to complete the transaction contemplated by the Successful Bid as soon as possible after the Successful Bid is approved by the CCAA Court. If the transaction contemplated by the Successful Bid has not closed by the outside date provided for in the Successful Bid or the Successful Bid is terminated for any reason prior to the outside date provided for in the Successful Bid, Harte Gold may elect, with the consent of the Monitor, to seek to complete the transaction contemplated by the Back-Up Bid, and will promptly seek to close the transaction contemplated by the Back-Up Bid. The Back-Up Bid will be deemed to be the Successful Bid and Harte Gold will be deemed to have accepted the Back-Up Bid only when Harte Gold has made such election and provided written notice of such determination to the Successful Bidder and the Back-Up Bidder.

### **General**

29. All Deposits will be retained by the Monitor and deposited in a trust account. The Deposit (without interest thereon) paid by the Successful Bidder and Back-Up Bidder whose bid(s) is/are approved at the Approval Motion will be applied to the subscription/purchase price to be paid or investment amount to be made by the Successful Bidder and/or Back-Up Bidder, as applicable upon closing of the approved transaction and will be non-refundable, other than in the circumstances set out in the Successful Bid or the Back-Up Bid, as applicable. The Deposits (without interest) of Qualified Bidders and Auction Bidders not selected as the Successful Bidder and Back-Up Bidder will be returned to such bidders within five (5) Business Days after the selection of the Successful Bidder and Back-Up Bidder or any earlier date as may be determined by Harte Gold, in consultation with the Monitor. The Deposit of the Back-Up Bidder, if any, shall be returned to such Back-Up Bidder no later than five (5) Business Days after Closing.
30. If a Successful Bidder breaches its obligations under the terms of the SISF, its Deposit shall be forfeited as liquidated damages and not as a penalty.
31. All bidders (including Auction Bidders and Qualified Bidders) shall be deemed to have consented to the exclusive jurisdiction of the CCAA Court and waived any right to apply to another jurisdiction in connection with any disputes relating to the SISF, including the qualification of bids, the Auction, if any, the construction and enforcement of the SISF, the

transaction documents and the Closing, as applicable.

32. For the avoidance of doubt, the approvals required pursuant to the terms hereof are in addition to, and not in substitution for, any other approvals required by the CCAA or any other statute or as otherwise required at law in order to implement a Successful Bid.
33. There will be no amendments to this SISP without the consent of the Monitor and Harte Gold and, if such modification or amendment materially deviates from the key dates contemplated in Section 2 hereof, with the written consent of the Stalking Horse Bidder, or with the approval of the CCAA Court.
34. This SISP does not, and will not be interpreted to, create any contractual or other legal relationship between Harte Gold and any Qualified Bidder or Auction Bidder, or any obligation to enter into any contractual or other legal relationship between Harte Gold and any Qualified Bidder or Auction Bidder, other than as specifically set forth in a definitive agreement that may be signed with Harte Gold.
35. Neither Harte Gold nor the Monitor shall be liable for any claim for a brokerage commission, finder's fee or like payment in respect of the consummation of any of the transactions contemplated under the SISP arising out of any agreement or arrangement entered into by the parties that submitted the Successful Bid and Back-Up Bid.

## SCHEDULE A

### Contact Information

#### Monitor

**FTI CONSULTING CANADA INC.**

TD South Tower,  
79 Wellington Street West  
Toronto Dominion Centre, Suite 2010  
P.O. Box 104,  
Toronto, ON  
Canada, M5K 1G8

**Attention of:**

**Nigel Meakin**

Tel: (416) 649-8065  
Email: nigel.meakin@fticonsulting.com

**Jeffrey Rosenberg**

Tel: (416) 649-8073  
Email: jeffrey.rosenberg@fticonsulting.com

**Dean Mullett**

Tel: (416) 816-0733  
Email: dean.mullett@fticonsulting.com

**SCHEDULE B**

**Required Acknowledgement**

**Acknowledgement of the Sale and Investment Solicitation Process**

**TO:** Harte Gold Corp. (“**Harte Gold**”)

**AND TO:** FTI Consulting Canada Inc., as monitor in the CCAA proceedings (the “**Monitor**”)

**RE:** Sale and Investment Solicitation Process in respect of Harte Gold

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On December 7, 2021, the Ontario Superior Court of Justice [Commercial List] (the “**CCAA Court**”), presided by the Honourable Justice Pattillo, granted an initial order in respect of Harte Gold pursuant to the *Companies’ Creditors Arrangement Act*, and FTI Consulting Canada Inc. was appointed as Monitor of Harte Gold.

On December 16, 2021, the CCAA Court granted an order (the “**SISP Order**”) approving the conduct of a sale and solicitation process (the “**SISP**”) by Harte Gold, with the assistance of the Monitor, in accordance with the procedures attached to the SISP Order (the “**SISP Procedures**”).

The undersigned hereby acknowledges having received a copy of the SISP Order and of the SISP Procedures, and that in order to participate in the SISP and submit a Bid (as defined in the SISP Procedures) that will be considered by Harte Gold, in consultation with the Monitor and their respective advisors, the undersigned must comply with the terms and provisions of the SISP Order and the SISP Procedures, which the undersigned hereby agrees to do.

This \_\_\_\_ day of \_\_\_\_\_, 2021.

**[Insert Interested Party name]**

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By:  
Title:

**SCHEDULE C**

**SISP Press Release**

## Harte Gold Announces Extension of Stay Period, Approval of Increased DIP Financing and Approval of Sale and Investment Solicitation Process

**Toronto – December 16, 2021** – As previously announced, on December 7, 2021, HARTE GOLD CORP. (“**Harte Gold**” or the “**Company**”) (TSX: HRT / OTC: HRTFF / Frankfurt: H4O) was granted creditor protection pursuant to an order (the “**Initial Order**”) granted by the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”). Pursuant to the Initial Order, the Company obtained protection from its creditors for an initial period of ten (10) days (the “**Stay Period**”) and FTI Consulting Canada Inc. was appointed as monitor of the Company (in such capacity, the “**Monitor**”)

On December 16, 2021, the Court granted an Amended and Restated Initial Order (the “**ARIO**”) pursuant to which, *inter alia*, the Stay Period was extended until January 31, 2022 and the amount authorized for borrowing under the DIP Financing Agreement approved by the Court in the Initial Order was increased to \$10.8 million.

The Court also granted an order (the “**SISP Order**”) authorizing the Company to conduct, with the assistance of the Monitor, a sale and investment solicitation process (the “**SISP**”) in accordance with certain terms and conditions relating thereto (the “**SISP Procedures**”). As part of the SISP Order, the Court approved the Company’s execution of a subscription agreement (the “**Subscription Agreement**”) with 1000025833 Ontario Inc. (the “**Investor**”), a wholly-owned indirect subsidiary of Silver Lake Resources Limited (“**Silver Lake**”) (ASX: SLR) and the use of the Subscription Agreement as a “stalking horse bid” (the “**Stalking Horse Bid**”) in the context of the SISP, in order to establish the baseline consideration for the Company’s business and assets. Interested parties are invited to participate in the SISP and submit a superior proposal (each a “**Superior Proposal**”) to the Stalking Horse Bid. If no Superior Proposal is submitted to the Company and the Monitor as part of the SISP, the Investor shall be declared the successful bidder at the conclusion of the SISP and, if the transaction contemplated in the Subscription Agreement is subsequently approved by the Court, the Investor will become the sole shareholder of Company, which will continue its business and operations as a going concern. The SISP is intended to secure the highest or otherwise best offer for the Company’s business and assets, for the benefit of all stakeholders.

In order to participate in the SISP and obtain access to a virtual data room, all interested parties must comply with the terms and conditions set forth in the SISP Procedures, a copy of which is attached to the SISP Order and is also available on the Monitor’s website at <http://cfcanada.fticonsulting.com/harte>. Parties interested in participating in the SISP, should contact the Monitor at [hartegold@fticonsulting.com](mailto:hartegold@fticonsulting.com).

All bids must be submitted to the Monitor by no later than January 14, 2022 at 5:00 p.m. (prevailing Eastern Time).

### **Additional Information**

Further updates will be provided as appropriate. A copy of the Initial Order, the ARIO, the SISP Order, the SISP Procedures and all materials related thereto, as well as any other information regarding the CCAA proceedings, are available on the Monitor’s website at <http://cfcanada.fticonsulting.com/harte>.

## About Harte Gold Corp.

Harte Gold holds a 100% interest in the Sugar Zone mine located in White River, Canada. The Sugar Zone Mine entered commercial production in 2019. The Company has further potential through exploration at the Sugar Zone Property, which encompasses 81,287 hectares covering a significant greenstone belt. Harte Gold trades on the TSX under the symbol “HRT”, on the OTC under the symbol “HRTFF” and on the Frankfurt Exchange under the symbol “H4O”.

For further information, please visit [www.hartegold.com](http://www.hartegold.com) or contact:

Shawn Howarth  
Vice President, Corporate Development and Investor Relations  
Tel: 416-368-0999  
E-mail: [sh@hartegold.com](mailto:sh@hartegold.com)

### Cautionary note regarding forward-looking information:

*This news release includes “forward-looking statements”, within the meaning of applicable securities legislation, which are based on the opinions and estimates of management and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as “seek”, “anticipate”, “budget”, “plan”, “continue”, “estimate”, “expect”, “forecast”, “may”, “will”, “project”, “predict”, “potential”, “targeting”, “intend”, “could”, “might”, “should”, “believe” and similar words suggesting future outcomes or statements regarding an outlook. Specific forward-looking statements in this press release include, but are not limited to, the Stay Period expiring on January 31, 2022; the Investor, if it is the successful bidder at the conclusion of the SISP and is approved by the Court, becoming the sole shareholder of Company in a transaction which provides for the continuation of its business and operations as a going concern; the DIP Financing providing Harte Gold with the liquidity required to continue the operations of Sugar Zone Mine until closing of a transaction; there being no recovery for holders of existing equity interests in the Company unless the successful bid at the conclusion of the SISP provides for significantly higher value than the Subscription Agreement; further updates being provided as appropriate; and the Company having further potential through exploration at the Sugar Zone Property. Forward-looking statements are necessarily based upon a number of estimates and assumptions including material estimates and assumptions related to the factors set forth below that, while considered reasonable by the Company as at the date of this press release in light of management’s experience and perception of current conditions and expected developments, are inherently subject to significant business, economic, and competitive uncertainties and contingencies. Known and unknown factors could cause actual results to differ materially from those projected in the forward-looking statements, and undue reliance should not be placed on such statements and information. Such risks and uncertainties include, but are not limited to, the Strategic Review Process failing to result in a transaction that provides value to the Company’s stakeholders; the Company being unable to secure sufficient financing to complete the Strategic Review Process; the Company being unable to continue as a going concern; the risk that the Company will not have adequate sources of funding to finance the Company’s operations in the near future; the risk that the Company will not be able to obtain sufficient financing for working capital, capital expenditures, debt service requirements, and general corporate or other purposes; the risk that the Company has insufficient assets to meet its liabilities or satisfy its creditors; the Company being able to attract and retain qualified candidates to join the Company’s management team and board of directors, risks associated with the mining industry, including operational risks in exploration, development and production; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of reserve estimates; the uncertainty of estimates and projections in relation to production, costs and expenses; the uncertainty surrounding the ability of the Company to obtain all permits, agreements, consents or authorizations required for its operations and activities; and health, safety and environmental risks, the risk of commodity price and foreign exchange rate fluctuations, the ability of Harte Gold to fund the capital and operating expenses necessary to achieve the business objectives of Harte Gold, the uncertainty associated with commercial negotiations and negotiating with contractors and other parties and risks associated with international business activities, as well as other risks and uncertainties which are more fully described in the Company’s Annual Information Form dated March 30, 2021, and in other filings of the Company with securities and regulatory authorities which are available on SEDAR at [www.sedar.com](http://www.sedar.com). Due to the risks, uncertainties and assumptions inherent in forward-looking statements, prospective investors in securities of the Company should not place undue reliance on these forward-looking statements. Readers are cautioned that the foregoing list of risks, uncertainties and other factors are not exhaustive. The forward-looking statements contained in this news release are made as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking statements or in any other documents filed with Canadian securities regulatory authorities, whether as a result of new information, future events or otherwise, except in accordance with applicable securities laws. The forward-looking statements are expressly qualified by this cautionary statement. The Toronto Stock Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this news release.*



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# Appendix C

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## The Stalking Horse Agreement

**1000025833 ONTARIO INC.**

**- AND -**

**SILVER LAKE RESOURCES LIMITED**

**- AND -**

**HARTE GOLD CORP.**

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**AMENDED AND RESTATED SUBSCRIPTION AGREEMENT**

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**DATED DECEMBER 15, 2021**

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## AMENDED AND RESTATED SUBSCRIPTION AGREEMENT

**THIS AMENDED AND RESTATED SUBSCRIPTION AGREEMENT** executed on December 15, 2021 is made by and between:

**1000025833 ONTARIO INC.**, a corporation incorporated under the laws of Ontario

(hereinafter, the "**Investor**")

-and-

**SILVER LAKE RESOURCES LIMITED**, a corporation incorporated under the laws of Australia

(hereinafter, the "**Guarantor**")

-and-

**HARTE GOLD CORP.**, a corporation incorporated under the laws of Ontario

(hereinafter, the "**Company**")

### RECITALS:

**WHEREAS** the Company is a public company based in Toronto, Ontario, whose business mainly consists of operating a gold mining operation commonly known as the "Sugar Zone Mining Operation", located on the Dayohessarah Greenstone Belt in northern Ontario, within the Sault Ste. Marie Mining Division;

**WHEREAS** the Company has commenced CCAA Proceedings in order to, *inter alia*, seek creditor protection and pursue the SISP with a view to implementing a transaction which will allow the continuation of its Business and operations, as a going concern;

**WHEREAS** on December 6, 2021, the Company and the Investor entered into a Subscription Agreement (the "**Original Subscription Agreement**") pursuant to which the Investor agreed to: (i) act as a "stalking horse bidder" in the context of the SISP and, (ii) if the Original Subscription Agreement and SISP Procedures were approved by the Court and the Original Subscription Agreement was subsequently determined to be the "Successful Bid" in accordance with the SISP Procedures, to subscribe for and purchase from the Company, the Subscribed Shares, on the terms and conditions set out in the Original Subscription Agreement and in accordance with the Closing Sequence set out therein, in order to become the sole shareholder of the Company upon Closing;

**WHEREAS** pursuant to the Original Subscription Agreement, the Guarantor agreed to guarantee and be responsible for all of the obligations of the Investor pursuant to such agreement;

**WHEREAS** the Company, the Investor and the Guarantor have agreed to amend and restate the terms of the Original Subscription Agreement in accordance with the terms and conditions set out herein;

**NOW THEREFORE** in consideration of the covenants and mutual promises set forth in this Agreement (including the recitals hereof) and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

## ARTICLE 1 INTERPRETATION

### 1.1 Definitions.

In this Agreement.

**"Action"** means any claim, action, demand, lawsuit, arbitration, inquiry, audit, notice of violation, proceeding, litigation, citation, summons, subpoena or investigation of any nature, civil, criminal, administrative, regulatory or otherwise, whether at law or in equity and by or before a Governmental Authority.

**"Administration Charge"** has the meaning given to it in the Initial Order.

**"Affiliate"** means, with respect to any Person, any other Person who directly or indirectly controls, is controlled by, or is under direct or indirect common control with, such Person, and includes any Person in like relation to an Affiliate. A Person shall be deemed to **"control"** another Person if such Person possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of such other Person, whether through the ownership of voting securities, by contract or otherwise; and the term **"controlled"** shall have a similar meaning.

**"Agreement"** means this Subscription Agreement between the Investor and the Company, as may be amended, supplemented, restated or otherwise modified in accordance with the terms hereof.

**"AHG"** means AHG (Jersey) Limited.

**"Appian Indebtedness"** means all properly perfected and secured amounts and obligations owing by the Company to AHG under the Appian Facility Agreement as of the Closing Date.

**"Appian Facility Agreement"** means the Facility Agreement entered into between the Company, as borrower, and AHG, as lender, on August 28, 2020.

**"Applicable Law"** means, with respect to any Person, property, transaction, event or other matter, any foreign or domestic constitution, treaty, law, statute, regulation, code, ordinance, principle of common law or equity, rule, municipal by-law, Order (including any securities laws or requirements of stock exchanges and any consent decree or administrative Order) or other requirement having the force of law ("**Law**"), in each case relating or applicable to such Person, property, transaction, event or other matter and also includes, where appropriate, any interpretation of Law (or any part thereof) by any Person having jurisdiction over it, or charged with its administration or interpretation.

**"Approval and Reverse Vesting Order"** means an order issued by the Court substantially in the form attached hereto as **Schedule "A"** and otherwise acceptable to the Investor, the Company and the Monitor, each acting reasonably: (i) approving the Transactions; (ii) vesting out of the Company all Excluded Assets, Excluded Contracts and Excluded Liabilities and discharging all Encumbrances against the Company, except only the Permitted Encumbrances; (iii) authorizing and directing the Company to file the Articles of Reorganization; (iv) terminating and cancelling all Existing Shares as well as any agreement, contract, plan, indenture, deed, certificate, subscription rights, conversion rights, pre-emptive rights, options (including stock option or share purchase or equivalent plans), or other documents or instruments governing and/or having been created or granted in connection with the share capital of the Company, if any (other than the rights of the Investor under this Agreement), for no consideration (v) authorizing and directing the Company to issue the Subscribed Shares, and vesting in the Investor (or as it may direct) all right, title and interest in and to the Subscribed Shares, free and clear of any Encumbrances

**“Articles of Reorganization”** means articles of reorganization to change the conditions in respect of the Company’s authorized and issued share capital to provide for a redemption right in favour of the Company, which shall be in form and substance satisfactory to the Investor, as confirmed in writing in advance of the filing thereof.

**“Assumed Liabilities”** means (a) Liabilities specifically and expressly designated by the Investor as assumed Liabilities in **Schedule “H”** (b) Liabilities which relate to the Business under any Retained Contracts, Permits and Licenses or Permitted Encumbrances (in each case, to the extent forming part of the Retained Assets) arising out of events or circumstances that occur after the Closing; (c) Cure Costs in relation to Retained Contracts and Trade Amounts, up to a maximum aggregate amount of \$10,000,000 for such Cure Costs and such Trade Amounts (the **“Cure Costs and Trade Amounts Cap”**); and (d) the Excluded Liability Promissory Note. For greater certainty, the royalties payable under the Retained Contracts, as applicable, shall be subject to the Cure Costs and Trade Amounts Cap.

**“ASX”** means ASX Limited ABN 98 008 624 691 and, where the context permits, the Australian Securities Exchange operated by that entity.

**“Authorization”** means any authorization, approval, consent, concession, exemption, license, lease, grant, permit, franchise, right, privilege or no-action letter from any Governmental Authority having jurisdiction with respect to any specified Person, property, transaction or event, or with respect to any of such Person's property or business and affairs (including any zoning approval, mining permit, development permit or building permit) or from any Person in connection with any easements, contractual rights or other matters.

**“Bid Deadline”** means the deadline for the receipt by the Monitor of bids and deposits in accordance with the SISP Procedures.

**“BNPP Credit Agreement”** means the Amended and Restated Credit Agreement entered into between the Company, as borrower, and BNP Paribas, as lender, on August 28, 2020, as amended by a first amending agreement dated December 11, 2020, a second amending agreement dated June 8, 2021 and a third amending agreement dated November 17, 2021, and under which the rights and obligations of BNP Paribas as lender have been assigned to the Investor.

**“Books and Records”** means all books, records, files, papers, books of account and other financial data including Tax Returns related to the Retained Assets in the possession, custody or control of the Company, including sales and advertising materials, sales and purchase data, trade association files, research and development records, lists of present and former customers and suppliers, personnel, employment and other records, and all records, data and information stored electronically, digitally or on computer-related media.

**“Business”** means the business and operations carried on by the Company as at the date of this Agreement and as at the date of Closing.

**“Business Day”** means any day except Saturday, Sunday or any day on which banks are generally not open for business in the Province of Ontario, Canada or the state of Western Australia, Australia.

**“Cash Consideration”** means a cash payment in an amount required to pay: (i) all claims ranking in priority to, or *pari passu* with, the amounts owing to the lenders under the BNPP Credit Agreement (including, for greater certainty, all professional fees, costs and expenses secured by the Administration Charge, but excluding the amounts owing under the DIP Term Sheet), plus (ii) the value of the Appian Indebtedness, plus (iii) the amounts necessary to fund the completion of the CCAA Proceedings and the bankruptcy of ResidualCo. 1 and ResidualCo. 2 upon completion of the

Transactions, as determined by the Monitor, the Company and the Investor each acting reasonably, or as determined by the Court, which Cash Consideration shall be satisfied in accordance with Section 2.2(a).

"**CCAA**" means the *Companies' Creditors Arrangement Act*, R.S.C., 1985, c. C-36.

"**CCAA Proceedings**" means the proceedings commenced by the Company under the CCAA.

"**Closing**" means the completion of the Transactions in accordance with the Closing Sequence and the other provisions of this Agreement.

"**Closing Date**" means the date on which Closing occurs.

"**Closing Sequence**" has the meaning set out in Section 6.2.

"**Closing Time**" means the time on the Closing Date at which Closing occurs, as evidenced by the Monitor's Certificate.

"**Company**" means Harte Gold Corp.

"**Company Share Proceeds**" has the meaning set out in Section 2.2(a).

"**Competition Act**" means the Competition Act, R.S.C., 1985, c. C-34.

"**Conditions Certificates**" has the meaning set out in Section 7.3.

"**Contracts**" means all contracts, agreements, deeds, licenses, leases, obligations, commitments, promises, undertakings, engagements, understandings and arrangements to which the Company is a party to or by which the Company is bound or under which the Company has, or will have at Closing, any right or liability or contingent right or liability (in each case, whether written or oral, express or implied) relating to the Business, including any Personal Property Leases and any Contracts in respect of Employees.

"**Court**" means the Ontario Superior Court of Justice (Commercial List).

"**Credit Bid Consideration**" has the meaning set out in Section 2.2(b).

"**Cure Costs**" means all monetary defaults in relation to the Retained Contracts as at the date of Closing, other than those arising by reason only of the Company's insolvency, the commencement of the CCAA Proceedings by the Company or the Company's failure to perform a non-monetary obligation.

"**Cash Deposit**" has the meaning set out in Section 2.1(a).

"**Determination Date**" means the date on which this Agreement is determined or deemed to be the "Successful Bid" in accordance with the SISP Procedures, if applicable.

"**DIP Lender**" means 1000025833 Ontario Inc.

"**DIP Term Sheet**" means the DIP Facility Loan Agreement dated as of December 6, 2021 between the Company and the DIP Lender, as may be amended from time to time in accordance with its terms.



**"Discharged"** means, in relation to any Encumbrance against any Person or upon any asset, undertaking or property, including all proceeds thereof, the full, final, complete and permanent waiver, release, discharge, cancellation, termination and extinguishment of such Encumbrance against such Person or upon such asset, undertaking or property and all proceeds thereof.

**"Employees"** means all individuals who, as of Closing Time, are employed by the Company, whether on a full-time or part-time basis, including all individuals who are on an approved and unexpired leave of absence and all individuals who have been placed on temporary lay-off which has not expired, but, for certainty, excludes any Terminated Employees, and **"Employee"** means any one of them.

**"Encumbrances"** means all claims, Liabilities (direct, indirect, absolute or contingent), obligations, prior claims, right of retention, liens, security interests, charges, hypothecs, trusts, deemed trusts (statutory or otherwise), judgments, writs of seizure or execution, notices of sale, contractual rights (including purchase options, rights of first refusal, rights of first offer or any other pre-emptive contractual rights) and encumbrances, whether or not they have been registered, published or filed and whether secured, unsecured or otherwise.

**"Encumbrances to Be Discharged"** means all Encumbrances on the Retained Assets, including without limitation the Encumbrances listed in **Schedule "F"**, and excluding only the Permitted Encumbrances.

**"Escrow Agreement"** means an escrow agreement (or such other agreement(s) as may be required to implement the matters described in clauses (i) and (ii) of this definition) to be entered into on or prior to the Determination Date (in a form to be agreed to by no later than January 12, 2021) among the Monitor, as escrow agent, the Company and the Investor, each acting reasonably, pursuant to which, among other things: (i) the Monitor (or its designee) shall hold the Share Deposit in escrow and (ii) (A) if this Agreement is declared or deemed the "Successful Bid" pursuant to the SISP Procedures, the Share Deposit shall be sold in the market for and on behalf of the Company by no later than three (3) days prior to the Target Closing Date with the Share Proceeds being held in escrow and released on Closing in accordance with the Closing Sequence, and (B) if Closing does not occur for any reason or this Agreement is terminated, the Share Deposit and any Share Proceeds shall be dealt with in accordance with Section 2.1.

**"Excluded Assets"** means: (i) all rights, covenants, obligations and benefits in favour of the Company under this Agreement that survive Closing; and (ii) those assets listed in **Schedule "C"**, an amended list of which may be delivered by the Investor no later than two (2) Business Days before the Closing Date.

**"Excluded Assets and Contracts Promissory Note"** has the meaning set out in Section 3.2,

**"Excluded Contracts"** means all Contracts that are not Retained Contracts, including those Contracts listed in **Schedule "D"**.

**"Excluded Liabilities"** means all debts, obligations, Liabilities, Encumbrances (other than Permitted Encumbrances), indebtedness, contracts, leases, agreements, undertakings, claims, rights and entitlements of any kind or nature whatsoever (whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured or due or not yet due, in law or in equity and whether based in statute or otherwise) of or against the Company or relating to any Excluded Assets and Excluded Contracts as at the Closing Time, other than Assumed Liabilities, including, *inter alia*, the non-exhaustive list of those certain Liabilities set forth in **Schedule "E"**, any and all Liability relating to any change of control provision that may arise in connection with the change of control contemplated by the Transactions and to which the

Company may be bound as at the Closing Time, all Liabilities relating to or under the Excluded Contracts and Excluded Assets, Liabilities for Employees whose employment with the Company or its Affiliates is terminated on or before Closing and all Liabilities to or in respect of the Company's Affiliates. For avoidance of doubt, Excluded Liabilities shall not include any debts, obligations, Liabilities or Encumbrances that are or are deemed to be an interest in land and, to the extent that any of the Excluded Liabilities listed in Schedule "E" hereof is determined by the Court to be an interest in land ("**Interest in Land**"), such determination by the Court shall not constitute nor give rise to a breach under this Agreement and the Investor and the Guarantor shall remain bound by the terms of this Agreement, including the obligation to pay the Subscription Price, and any Interest in Land shall be deemed to be Assumed Liabilities hereunder.

"**Excluded Liability Price**" has the meaning set out in Section 3.1.

"**Excluded Liability Promissory Note**" has the meaning set out in Section 3.1.

"**Existing Shares**" means all issued and outstanding shares of the Company prior to Closing.

"**Final Order**" means, in respect of any Court Order, that such Court Order shall not have been vacated, set aside, or stayed, and that the time within which an appeal or request for leave to appeal must be initiated has passed with no appeal or leave to appeal having been initiated.

"**Governmental Authority**" means the government of Canada, or any other nation, or of any political subdivision thereof, whether state, provincial (including the government of Ontario), territorial, municipal or local, and any agency, authority, instrumentality, regulatory body, court, arbitrator or arbitrators, tribunal, central bank or other entity exercising executive, legislative, judicial or arbitral, taxing, regulatory or administrative powers or functions (including any applicable stock exchange).

"**Guarantor**" means Silver Lake Resources Limited.

"**HST**" means the goods and services tax and harmonized sales tax imposed under Part IX of the *Excise Tax Act* (Canada).

"**Initial Order**" means the Initial Order granted by the Court on December 7, 2021 in the context of the CCAA Proceedings, as such order may be amended, restated or varied from time to time.

"**Interim Period**" means the period from the date that the SISP Order is granted, to the earlier of the date that the offer submitted by the Investor pursuant to this Agreement is declared to not be the "Successful Bid" pursuant to the SISP Procedures or the Closing Time, as applicable.

"**Investment Canada Act**" means the Investment Canada Act, R.S.C., 1985, c. 28.

"**Investor**" means 1000025833 Ontario Inc.

"**Law**" has the meaning set out in the definition of "**Applicable Law**".

"**Legal Proceeding**" means any litigation, Action, application, suit, investigation, hearing, claim, complaint, deemed complaint, grievance, civil, administrative, regulatory or criminal, arbitration proceeding or other similar proceeding, before or by any court or other tribunal or Governmental Authority and includes any appeal or review thereof and any application for leave for appeal or review.

"**Liability**" means, with respect to any Person, any liability or obligation of such Person of any kind, character or description, whether known or unknown, absolute or contingent, accrued or unaccrued,

disputed or undisputed, liquidated or unliquidated, secured or unsecured, joint or several, due or to become due, vested or unvested, executory, determined, determinable or otherwise, and whether or not the same is required to be accrued on the financial statements of such Person.

**"Material Permits, Mineral Tenures, Licenses and Contracts"** means those Permits, Licenses and Contracts listed in Schedule "L" and the Mineral Tenures.

**"Mineral Tenures"** means the mining claims, leases and other property rights of the Company listed in Schedule "K".

**"Monitor"** means FTI Consulting Canada Inc. in its capacity as monitor of the Company in the CCAA Proceedings, to the extent appointed by the Court, and shall include, as the context so requires, FTI Consulting Canada Inc., in its capacity as monitor or trustee in bankruptcy of ResidualCo. 1 or ResidualCo. 2 to the extent subsequently appointed as such.

**"Monitor's Certificate"** means the certificate, substantially in the form attached as Schedule "A" to the Approval and Reverse Vesting Order, to be delivered by the Monitor in accordance with Section 7.3, and thereafter filed by the Monitor with the Court.

**"Order"** means any order, directive, judgment, decree, injunction, decision, ruling, award or writ of any Governmental Authority.

**"Organizational Documents"** means any trust document, charter, certificate or articles of incorporation or amalgamation, articles of amendment, articles of association, articles of organization, articles of continuance, bylaws, as amended, partnership agreement or similar formation or governing documents of a Person (excluding individuals).

**"Original Subscription Agreement"** has the meaning set out in the Recitals.

**"Outside Date"** means March 31, 2022, or such other date as the Company (with the consent of the Monitor) and the Investor may agree to in writing.

**"Party"** means a party to this Agreement and any reference to a Party includes its successors and permitted assigns and **"Parties"** means more than one of them.

**"Permits and Licenses"** means the permits, licenses, Authorizations, approvals or other evidence of authority Related to the Business or issued to, granted to, conferred upon, or otherwise created for, the Company, including, without limitation, as listed in Schedule "J".

**"Permitted Encumbrances"** means the Encumbrances related to the Retained Assets listed in Schedule "I", an amended list of which may be agreed to by the Investor, the Company and Monitor prior to the granting of the Approval and Reverse Vesting Order.

**"Person"** is to be broadly interpreted and includes an individual, a corporation, a partnership, a trust, an unincorporated organization, a Governmental Authority, and the executors, administrators or other legal representatives of an individual in such capacity.

**"Personal Property"** means all machinery, equipment, furniture, motor vehicles and other personal property that is Related to the Business, wherever located (including those in possession of suppliers, customers and other third parties).

**"Personal Property Lease"** means a lease, equipment lease, financing lease, conditional sales contract and other similar agreement relating to Personal Property to which the Company is a party or under which it has rights to use Personal Property.

**"Purchase and Sale Transactions"** means the transactions contemplated by this Agreement which provide for, among other things, (a) the issuance by the Company of the Subscribed Shares to the Investor in consideration for the Subscription Price, (b) the assignment by the Company to ResidualCo1 of the Excluded Assets and Excluded Contracts in consideration for the Excluded Assets and Contracts Promissory Note, and (c) the assignment by the Company to ResidualCo2 of the Excluded Liabilities in consideration for the Excluded Liability Promissory Note, each on and subject to the terms set forth herein.

**"RBC Commission"** means the brokerage commission owing by the Investor to Royal Bank of Canada in connection with the Transactions.

**"Related to the Business"** means primarily (i) used in; (ii) arising from; or (iii) otherwise related to the Business or any part thereof.

**"Representative"** when used with respect to a Person means each director, officer, employee, consultant, financial adviser, legal counsel, accountant and other agent, adviser or representative of that Person.

**"ResidualCo. 1"** means a corporation to be incorporated by the Company in advance of Closing, to which the Excluded Assets and Excluded Contracts will be transferred to as part of the Closing Sequence, which shall have no issued and outstanding shares.

**"ResidualCo. 2"** means a corporation to be incorporated in advance of Closing, to which the Excluded Liabilities will be transferred to as part of the Closing Sequence, which shall have no issued and outstanding shares.

**"Retained Assets"** has the meaning set out in Section 3.2.

**"Retained Contracts"** means those Contracts listed in **Schedule "G"**.

**"Share Deposit"** has the meaning set out in Section 2.1(b).

**"Share Proceeds"** means the gross proceeds from the sale of the Share Deposit pursuant to and in accordance with the Escrow Agreement, less any transaction costs and any fees and expenses payable pursuant to the Escrow Agreement, including an indemnity payable to the Company by the Investor in connection with any Tax Liability which may result from the sale of the Share Deposit in accordance with the Escrow Agreement or the Company being required for any reason to return any portion of the Share Proceeds to the Guarantor.

**"Shortfall Deposit"** has the meaning set out in Section 2.1(c).

**"Silver Lake Parties"** means 1000025833 Ontario Inc., Cue Minerals Pty Ltd. and Silver Lake Resources Limited.

**"Silver Lake Shares"** means fully paid ordinary shares of the Guarantor, which shall be freely transferrable under applicable Australian securities laws and in Canada.

**"SISP"** means the Sale and Investment Solicitation Process to be conducted by the Company in the context of the CCAA Proceedings in accordance with the SISP Procedures;

**“SISP Order”** means an order issued by the Court substantially in the form attached hereto as **Schedule “B”** and otherwise acceptable to the Investor, the Company and the Monitor, each acting reasonably, approving, among other things, the SISP, the SISP Procedures and the use of this Agreement as the Stalking Horse Bid;

**“SISP Procedures”** means the procedures governing the SISP, substantially in the form appended as Schedule A to the SISP Order;

**“Stalking Horse Bid”** means the stalking horse offer submitted by the Investor pursuant to this Agreement.

**“Subscribed Shares”** means 100 Common Shares in the capital of the Company, to be subscribed for by the Investor and issued by the Company, in accordance with the terms of this Agreement.

**“Subscription Price”** has the meaning set out in Section 2.2.

**“Target Closing Date”** means February 18, 2022, or such other date as the Company (with the consent of the Monitor and the DIP Lender) and the Investor may agree to in writing.

**“Tax Act”** means the *Income Tax Act* (Canada).

**“Tax Returns”** means all returns, reports, declarations, designations, forms, elections, notices, filings, information returns, and statements in respect of Taxes that are filed or required to be filed with any applicable Governmental Authority, including all amendments, schedules, attachments or supplements thereto and whether in tangible or electronic form.

**“Taxes”** or **“Tax”** means, with respect to any Person, all supranational, national, federal, provincial, state, local or other taxes, including income taxes, mining taxes, branch taxes, profits taxes, capital gains taxes, gross receipts taxes, windfall profits taxes, value added taxes, severance taxes, ad valorem taxes, property taxes, capital taxes, net worth taxes, production taxes, sales taxes, use taxes, license taxes, excise taxes, franchise taxes, environmental taxes, transfer taxes, withholding or similar taxes, payroll taxes, employment taxes, employer health taxes, governmental pension plan premiums and contributions, social security premiums, workers’ compensation premiums, employment insurance or compensation premiums, stamp taxes, occupation taxes, premium taxes, alternative or add- on minimum taxes, HST, customs duties or other taxes of any kind whatsoever imposed or charged by any Governmental Authority, together with any interest, penalties, or additions with respect thereto and any interest in respect of such additions or penalties and any liability for the payment of any amounts of the type described in this paragraph as a result any express or implied obligation to indemnify any other Person or as a result of being a transferee or successor in interest to any Person.

**“Terminated Employees”** means those individuals employed by the Company whose employment will be terminated by the Company prior to Closing, as per a list to be provided by the Investor to the Company by no later than the Bid Deadline.

**“Trade Amounts”** means any accrued and unpaid trade payables of the Company to third parties in connection with the Business that are unpaid as of the Closing.

**“Transaction Taxes”** means all documentary, stamp, transfer, sales and transfer taxes, registration charges and transfer fees, including HST, use, value added, and excise taxes and all filing and recording fees (and any penalties and interest associated with such taxes and fees) or any other Tax consequences arising from, or relating to, or in respect of the consummation of the Transactions.

**“Transactions”** means all of the transactions contemplated by this Agreement, including the Purchase and Sale Transactions.

**“VWAP”** means the volume weighted average trading price of Silver Lake Shares for the applicable period on the ASX (or if the Silver Lake Shares are no longer traded on the ASX, on such other exchange as the Silver Lake Shares are then traded) or if not such prices are available for such applicable period, “VWAP” shall be the fair value per Silver Lake Share as reasonably determined by the board of directors of the Guarantor.

## **1.2 Actions on Non-Business Days**

If any payment is required to be made or other action (including the giving of notice) is required to be taken pursuant to this Agreement on a day which is not a Business Day, then such payment or action shall be considered to have been made or taken in compliance with this Agreement if made or taken on the next succeeding Business Day.

## **1.3 Currency and Payment Obligations**

Except as otherwise expressly provided in this Agreement, all dollar amounts referred to in this Agreement are stated in the lawful currency of Canada.

## **1.4 Calculation of Time**

In this Agreement, a period of days shall be deemed to begin on the first day after the event which began the period and to end at 5:00 p.m. Eastern time on the last day of the period. If any period of time is to expire hereunder on any day that is not a Business Day, the period shall be deemed to expire at 5:00 p.m. Eastern time on the next succeeding Business Day.

## **1.5 Additional Rules of Interpretation**

- (a) *Consents, Agreements, Approval, Confirmations and Notice to be Written.* Any consent, agreement, approval or confirmations from, or notice to, any party permitted or required by this Agreement shall be written consent, agreement, approval, confirmation, or notice, and email shall be sufficient.
- (b) *Gender and Number.* In this Agreement, unless the context requires otherwise, words in one gender include all genders and words in the singular include the plural and vice versa.
- (c) *Headings and Table of Contents.* The inclusion in this Agreement of headings of Articles and Sections and the provision of a table of contents are for convenience of reference only and are not intended to be full or precise descriptions of the text to which they refer.
- (d) *Section References.* Unless the context requires otherwise, references in this Agreement to Articles, Sections or Schedules are to Articles or Sections of this Agreement, and Schedules to this Agreement.
- (e) *Words of Inclusion.* Wherever the words “include”, “includes” or “including” are used in this Agreement, they shall be deemed to be followed by the words “without limitation” and the words following “include”, “includes” or “including” shall not be considered to set forth an exhaustive list.

- (f) *References to this Agreement.* The words “hereof”, “herein”, “hereto”, “hereunder”, “hereby” and similar expressions shall be construed as referring to this Agreement in its entirety and not to any particular Section or portion of it.
- (g) *Statute References.* Unless otherwise indicated, all references in this Agreement to any statute include the regulations thereunder, in each case as amended, re-enacted, consolidated or replaced from time to time and in the case of any such amendment, re-enactment, consolidation or replacement, reference herein to a particular provision shall be read as referring to such amended, re-enacted, consolidated or replaced provision and also include, unless the context otherwise requires, all applicable guidelines, bulletins or policies made in connection therewith.
- (h) *Document References.* All references herein to any agreement (including this Agreement), document or instrument mean such agreement, document or instrument as amended, supplemented, modified, varied, restated or replaced from time to time in accordance with the terms thereof and, unless otherwise specified therein, includes all schedules attached thereto.

**1.6 Exhibits and Schedules**

- (a) The following are the Exhibits and Schedules attached to and incorporated in this Agreement by reference and deemed to be a part hereof:

**SCHEDULES**

Schedule “A”	-	Form of Approval and Reverse Vesting Order
Schedule “B”		Form of SISP Order
Schedule “C”	-	Excluded Assets
Schedule “D”	-	Excluded Contracts
Schedule “E”	-	Excluded Liabilities
Schedule “F”	-	Encumbrances to be Discharged
Schedule “G”		Retained Contracts
Schedule “H”		Assumed Liabilities
Schedule “I”	-	Permitted Encumbrances
Schedule “J”		Permits and Licenses
Schedule “K”		Mineral Tenures
Schedule “L”		Material Permits, Licenses and Contracts

- (b) Unless the context otherwise requires, words and expressions defined in this Agreement will have the same meanings in the Exhibits and Schedules and the interpretation provisions set out in this Agreement apply to the Exhibits and Schedules. Unless the context otherwise requires, or a contrary intention appears, references in the Exhibits and Schedules to a designated Article, Section, or other subdivision refer to the Article, Section, or other subdivision, respectively, of this Agreement.

**ARTICLE 2**  
**SUBSCRIPTION FOR SUBSCRIBED SHARES AND ASSUMPTION OF LIABILITIES**

**2.1 Deposit**

- (a) Cash Deposit: As a deposit for the Subscription Price, the Investor shall pay to the Monitor, by wire transfer of immediately available funds, an amount of \$100,000 (the "**Cash Deposit**"), within two (2) days of the granting of the SISP Order by the Court, which Cash Deposit shall be held in escrow by the Monitor in a non-interest bearing account on behalf of the Company. If the Closing does not occur for any reason and the Agreement is terminated other than the Agreement having been terminated by the Company pursuant to Section 8.1(a)(v), the Cash Deposit will be forthwith refunded in full to the Investor (without interest, offset or deduction). If the Agreement is terminated by the Company pursuant to Section 8.1(a)(v), the Cash Deposit shall become the property of, and shall be transferred to, the Company as liquidated damages (and not as a penalty) to compensate the Company for the expenses incurred and opportunities foregone as a result of the failure to close the Transactions;
- (b) Share Deposit: As a deposit for the Subscription Price, the Guarantor shall issue the Silver Lake Shares in the name of the Company, in a number equal to the amount of the Appian Indebtedness, divided by the VWAP of the Silver Lake Shares for the five (5) trading days prior to the Determination Date (the "**Share Deposit**"). The Share Deposit shall be provided to the Monitor (or its designee), subject to and in accordance with the Escrow Agreement, as soon as practicable after the Determination Date but no later than five (5) days after the Determination Date. If the Closing does not occur for any reason or the Agreement is terminated, any remaining portion of the Share Deposit shall be sold pursuant to the Escrow Agreement and thereafter the Share Proceeds will be forthwith returned to the Guarantor (without interest, offset or deduction, except that the Company shall be authorized to withhold or otherwise offset or deduct any Tax Liability which may be applicable in connection with the sale of the Share Deposit in accordance with the Escrow Agreement or the return of the Share Deposit and/or Share Proceeds by the Company to the Guarantor, and the Guarantor hereby agrees to fully indemnify the Company in connection with any such Tax Liability).
- (c) Shortfall Deposit: If the Share Proceeds from the sale of the entire Share Deposit are not sufficient to pay the Appian Indebtedness in full, the Investor shall pay to the Monitor as a deposit for the payment of the Subscription Price, a cash amount equal to the difference between the Share Proceeds and the amount of the Appian Indebtedness (the "**Shortfall Deposit**"), such Shortfall Deposit to be paid on or prior to the Closing Date.

**2.2 Subscription Price**

The subscription price for the Subscribed Shares shall be an amount equal to the aggregate of the following (the "**Subscription Price**"):

- (a) Cash Consideration: The Cash Consideration, which shall be satisfied as follows: (i) by the release of the Cash Deposit by the Monitor to the Company, (ii) by the release of the Share Proceeds up to a maximum of the amount of the Appian Indebtedness (the "**Company Share Proceeds**") pursuant to and in accordance with the terms of the Escrow Agreement; (iii) by the release of the Shortfall Deposit (if any) by the



Monitor to the Company and (iv) by wire transfer to the Monitor of immediately available funds in the amount of the balance of the Cash Consideration. The Cash Consideration will be subsequently transferred to ResidualCo. 1 and ResidualCo. 2, in payment of the Excluded Assets and Contracts Promissory Note and Excluded Liability Promissory Note, on the Closing Date and in accordance with the Closing Sequence;

- (b) Credit Bid Consideration: An amount equivalent to all amounts and obligations owing by the Company to the Investor under: (i) the BNPP Credit Agreement (and any other ancillary agreement or document thereto), including the principal amount of indebtedness outstanding thereunder and interest accrued thereon as of the Closing Date, plus any other fees owing by the Borrower under the BNPP Credit Agreement or any other ancillary agreement or document thereto, and (ii) the DIP Term Sheet including the principal amount of indebtedness outstanding thereunder and interest accrued thereon as of the Closing Date, plus any other fees owing by the Borrower under the DIP Term Sheet, which the Investor shall cause the release thereof in favour of the Company at Closing (the "**Credit Bid Consideration**"); and
- (c) Assumption of Assumed Liabilities: An amount equivalent to the Assumed Liabilities which the Investor shall cause the Company to retain, on the Closing Date and in accordance with the Closing Sequence.

The Guarantor agrees to guarantee and be responsible for all of the Investor's obligations contemplated in this Agreement, including, without limitation, the Investor's obligation to pay the Cash Consideration. The Guarantor also agrees to deliver the Share Deposit in accordance with 2.1(b).

### **ARTICLE 3 TRANSFER OF EXCLUDED ASSETS AND EXCLUDED LIABILITIES**

#### **3.1 Transfer of Excluded Liabilities to ResidualCo. 2**

On the Closing Date and in accordance with the Closing Sequence and pursuant to the Approval and Reverse Vesting Order, the Excluded Liabilities shall be transferred to and assumed by ResidualCo. 2 and the Company shall issue to ResidualCo. 2 an interest-free promissory note (the "**Excluded Liability Promissory Note**") in an amount equal to a portion, to be agreed upon between the Parties, of the Cash Consideration (the "**Excluded Liability Price**") in consideration for ResidualCo. 2 assuming the Excluded Liabilities. The Excluded Liabilities shall be transferred to and assumed by ResidualCo. 2 in accordance with the Closing Sequence, pursuant to the Approval and Reverse Vesting Order. Notwithstanding any other provision of this Agreement, neither the Investor nor the Company shall assume or have any Liability for any of the Excluded Liabilities and the Company and its assets, undertaking, business and properties shall be fully and finally Discharged from all Excluded Liabilities as at and from and after the Closing Time, pursuant to the Approval and Reverse Vesting Order. For greater certainty, the Company shall be solely liable for all Tax Liabilities and Transaction Taxes, if any, arising in connection with or as a result of the transfer of the Excluded Liabilities to ResidualCo. 2 and the assumption of the Excluded Liabilities by ResidualCo. 2.

#### **3.2 Transfer of Excluded Assets and Excluded Contracts to ResidualCo. 1**

On the Closing Date, the Company shall retain, free and clear of any and all Encumbrances other than Permitted Encumbrances, all of the assets owned by it on the date of this Agreement and any assets acquired by it up to and including Closing, including the Mineral Tenures, Retained Contracts, Permits and Licenses and Books and Records (the "**Retained Assets**"), except, however, any

assets sold in the ordinary course of business during the Interim Period. For greater certainty, the Retained Assets shall not include the Excluded Assets or the Excluded Contracts, which the Company shall transfer to ResidualCo. 1, in accordance with the Closing Sequence, on the Closing Date and same shall be vested in ResidualCo. 1 pursuant to the Approval and Reverse Vesting Order, all in consideration of an interest-free promissory note (“the **Excluded Assets and Contracts Promissory Note**”) in an amount equal to the portion of the Cash Consideration in excess of the Excluded Liability Promissory Note. For greater certainty, the Company shall be solely liable for all Tax Liabilities and Transaction Taxes, if any, arising in connection with or as a result of the transfer of the Excluded Assets and Excluded Contracts to ResidualCo. 1.

## **ARTICLE 4 REPRESENTATIONS AND WARRANTIES**

### **4.1 Representations and Warranties as to the Company**

Subject to the issuance of the Approval and Reverse Vesting Order, the Company represents and warrants to the Investor as follows and acknowledge and agree that the Investor is relying upon such representations and warranties in connection with the subscription by the Investor of the Subscribed Shares:

- (a) Incorporation and Status. The Company is a corporation incorporated and existing under the laws of the Province of Ontario, in good standing under such act and has the power and authority to enter into, deliver and perform its obligations under this Agreement.
- (b) Corporate Authorization. The execution, delivery and performance by the Company of this Agreement has been authorized by all necessary corporate action on the part of the Company.
- (c) No Conflict. The execution, delivery and performance by the Company of this Agreement does not or would not with the giving of notice, the lapse of time, or both, or the happening of any other event or condition result in a breach or a violation of, or conflict with, or allow any other Person to exercise any rights under, any terms or provisions of the Organizational Documents of the Company or Applicable Law.
- (d) Execution and Binding Obligation. This Agreement has been duly executed and delivered by the Company and constitutes a legal, valid and binding obligation of the Company, enforceable against it in accordance with its terms subject only to the Approval and Reverse Vesting Order.
- (e) Proceedings. There are no Legal Proceedings pending against the Company with respect to, or in any manner affecting, title to the Retained Assets or which would reasonably be expected to enjoin, delay, restrict or prohibit the transfer of all or any part of the Retained Assets or the Closing of the Transactions, as contemplated by this Agreement, or which would reasonably be expected to delay, restrict or prevent or the Company from fulfilling any of its obligations set forth in this Agreement.
- (f) Competition Act. The aggregate book value of assets in Canada, and the annual gross revenues from sales in, from or into Canada, of the Company and its affiliates, are in each case less than \$300 million, calculated in accordance with the Competition Act and the regulations enacted thereunder.

- (g) Material Permits, Mineral Tenures, Licenses and Contracts. The Material Permits, Mineral Tenures, Licenses and Contracts are in full force and effect.

#### **4.2 Representations and Warranties as to the Investor and the Guarantor**

The Investor and the Guarantor, as applicable, each represents and warrants to and in favour of the Company as follows and acknowledges and agrees that the Company is relying upon such representations and warranties in connection with the issuance by the Company of the Subscribed Shares.

- (a) Incorporation and Status. Each of the Investor and the Guarantor is incorporated and existing under the Laws of its jurisdiction of incorporation and has the corporate power and authority to enter into, deliver and perform its obligations under, this Agreement.
- (b) Corporate Authorization. The execution, delivery and performance by each of the Investor and the Guarantor of this Agreement has been authorized by all necessary corporate action.
- (c) No Conflict. The execution, delivery and performance by the Investor and by the Guarantor of this Agreement and the completion of the Transactions contemplated by this Agreement does not (or would not with the giving of notice, the lapse of time, or both, or the happening of any other event or condition) result in a breach or a violation of, or conflict with, or allow any other Person to exercise any rights under, any terms or provisions of the Organizational Documents of the Investor or of the Guarantor, or Applicable Law.
- (d) Execution and Binding Obligation. This Agreement has been duly executed and delivered by the Investor and by the Guarantor, and constitutes a legal, valid and binding obligation of the Investor and of the Guarantor, enforceable against each of them in accordance with its terms subject only to the Approval and Reverse Vesting Order.
- (e) No Commissions. Other than with respect to the RBC Commission which shall be satisfied by the Investor, there are no claims for brokerage commissions, finders' fees or similar compensation in connection with the transactions contemplated by this Agreement based on any arrangement or agreement.
- (f) Litigation. There are no Legal Proceedings pending, or to the knowledge of the Investor or of the Guarantor, threatened against the Investor and/or the Guarantor before any Governmental Authority, which would: (i) prevent the Investor or the Guarantor from paying the Subscription Price to the Company; (ii) prohibit or seek to enjoin, restrict or prohibit the Transactions contemplated by this Agreement or (iii) which would reasonably be expected to delay, restrict or prevent the Investor from fulfilling any of its obligations set forth in this Agreement.
- (g) Investment Canada Act. The Investor is a "Canadian" or a "WTO Investor" or a "Trade Agreement Investor" within the meaning of the Investment Canada Act.
- (h) Consents. Except for: (i) the issuance of the Approval and Reverse Vesting Order; and (ii) any regulatory approvals required to be obtained pursuant to this Agreement, no Authorization, consent or approval of, or filing with or notice to, any Governmental Authority, court or other Person is required in connection with the Investor's and the

Guarantor's execution, delivery or performance of this Agreement and each of the agreements to be executed and delivered by the Investor hereunder, including the subscription of the Subscribed Shares hereunder.

- (i) Financial Ability. The Investor has cash on hand and/or firm financing commitments from lenders in amounts sufficient to allow it to pay the Cash Deposit, the balance of the Cash Consideration and all other costs and expenses in connection with the consummation of the Transactions and the Investor will have, as of the Closing Date, sufficient funds available for purposes of paying the Cash Consideration and paying any other amount due hereunder or in respect thereof.
- (j) Competition Act. The aggregate book value of assets in Canada, and the annual gross revenues from sales in, from or into Canada, of the Investor and its affiliates, are in each case less than \$100 million, calculated in accordance with the Competition Act and the regulations enacted thereunder
- (k) Residence of Investor. The Investor is not a non-resident of Canada within the meaning of the Tax Act.
- (l) Silver Lake Shares. The issuance of the Silver Lake Shares has been duly authorized by the Guarantor. The Silver Lake Shares will be validly issued as fully paid shares in compliance with, and will be freely transferrable under, all applicable Australian securities laws. The Silver Lake Shares will be quoted by the Australian Securities Exchange under security code "SLR".

#### **4.3 As is, Where is**

The Subscribed Shares shall be issued, sold and delivered to the Investor subject only to the representations and warranties contained herein. Other than those representations and warranties contained herein, no representation, warranty or condition is expressed or can be implied as to the either the Subscribed Shares or the Retained Assets (including title, encumbrances, description, fitness for purpose, merchantability, condition or quality or in respect of any other matter or thing whatsoever, with respect to same). For greater certainty, the Retained Assets shall be retained by the Company in the context of the Transaction on an "*as is where is*" basis.

Without limiting the generality of the foregoing, except as may be expressly set out in this Agreement, no representations or warranties have been given by any Party with respect to the Liability any Party has with respect to Taxes in connection with entering into this Agreement, the issuance of the Approval and Reverse Vesting Order, the consummation of the Transactions or for any other reason. Each Party is to rely on its own investigations in respect of any Liability for Taxes payable, collectible or required to be remitted by the Company or any other Party on or after Closing and the quantum of such Liability, if any, and the Investor acknowledges that it has been provided adequate access to the personnel, properties, assets, premises, books and records, and other documents and data of the Company in order to make an independent analysis of same.

### **ARTICLE 5 COVENANTS**

#### **5.1 Target Closing Date**

The Parties shall cooperate with each other and shall use their commercially reasonable efforts to effect the Closing by the Target Closing Date.

## **5.2 Application for SISP Order and Motion for Approval and Reverse Vesting Order**

As soon as practicable after the execution of this Agreement, the Company shall (a) serve and file a motion seeking the issuance of the SISP Order and, (b) following the conduct of the SISP and if this Agreement is determined to be the “Successful Bid” in accordance with the SISP Procedures, serve and file a motion seeking the issuance of the Approval and Reverse Vesting Order.

The Company shall diligently use its commercially reasonable efforts to seek the issuance and entry of the SISP Order and, if applicable, the Approval and Reverse Vesting Order and the Investor shall cooperate with the Company in its efforts to obtain the issuance and entry of such orders. The Company’s application and motion materials seeking (i) the SISP Order and (ii) the Approval and Reverse Vesting Order (if this Agreement is determined to be the “Successful Bid” in accordance with the SISP Procedures) shall be in form and substance satisfactory to the Investor, acting reasonably. The Company will provide to the Investor a reasonable opportunity to review a draft of the application and motion materials to be served and filed with the Court, it being acknowledged that such application and motion materials should be served as promptly as reasonably possible following the execution of this Agreement, and will serve such materials on the service list prepared by the Company and reviewed by the Monitor, and on such other interested parties, and in such manner, as the Investor may reasonably require. The Company will promptly inform counsel for the Investor of any and all threatened or actual objections to the motion for the issuance of the SISP Order and, if applicable, the motion for the issuance of the Approval and Reverse Vesting Order, of which it becomes aware, and will promptly provide to the Investor a copy of all written objections received. However, and notwithstanding the foregoing, the Company will have no obligation to provide the Investor with any motion materials or draft motion materials for the issuance of the Approval and Reverse Vesting Order if this Agreement is not determined to be the “Successful Bid” pursuant to the SISP Procedures.

## **5.3 Interim Period**

- (a) During the Interim Period, except: (i) as contemplated or permitted by this Agreement (ii) as necessary in connection with the CCAA Proceedings; (iii) as otherwise provided in the Initial Order and any other Court orders, prior to the Closing Time; or (iv) as consented to by the Investor and the Company, such consent not to be unreasonably withheld, conditioned or delayed: (A) the Company shall continue to maintain its Business and operations in substantially the same manner as conducted on the date of this Agreement, including preserving, renewing and keeping in full force its corporate existence as well as the Material Permits, Mineral Tenures, Licenses and Contracts; (B) the Company shall not transport, remove or dispose of, any of its assets out of its current locations outside of its ordinary course of Business;
- (b) During the Interim Period, except as contemplated or permitted by this Agreement or any Court order, the Company shall not enter into any non-arms’ length transactions involving the Company or its assets or the Business without the prior approval of the Investor.
- (c) During the Interim Period, the Investor shall furnish to the Company such information concerning the Investor as shall be reasonably requested, including all such information as shall be necessary to enable the Company to verify that the representations and warranties and covenants of the Investor contained in this Agreement have been complied with.

#### **5.4 Access During Interim Period**

During the Interim Period, the Company shall give, or cause to be given, to the Investor, and its Representatives, reasonable access during normal business hours to the Retained Assets, including the Books and Records, to conduct such non-intrusive and non-destructive investigations of the financial and legal condition of the Business and the Retained Assets as the Investor reasonably deems reasonably necessary or desirable to further familiarize itself with the Business and the Retained Assets, provided that neither the Investor or the Guarantor shall be entitled to any confidential or otherwise sensitive information regarding the conduct of the SISP, as determined by the Company and the Monitor, each acting reasonably. Without limiting the generality of the foregoing: (a) the Investor and its Representatives shall be permitted reasonable access during normal business hours to all documents relating to information scheduled or required to be disclosed under this Agreement and to the Employees; and (b) subject to the ongoing reasonable oversight and participation of the Company and the Monitor, and with prior notice to the Monitor, the Investor and its Representatives shall be permitted to contact and discuss the transactions contemplated herein with Governmental Authorities and, solely in the event this Agreement is declared the "Successful Bid" in accordance with the SISP Procedures, the Company's customers and contractual counterparties. Such investigations shall be carried out at the Investor's sole and exclusive risk and cost, during normal business hours, and without undue interference with the Company's operations and the Company shall co-operate reasonably in facilitating such investigations and shall furnish copies of all such documents and materials relating to such matters as may be reasonably requested by or on behalf of the Investor.

#### **5.5 Regulatory Approvals and Consents**

If this Agreement and SISP Procedures are approved by the Court and this Agreement is subsequently determined to be the "Successful Bid" in accordance with the SISP Procedures:

- (a) Each of the Parties shall use its commercially reasonable efforts to: (i) take, or cause to be taken, all appropriate action, and do, or cause to be done, all things necessary, proper or advisable under any Applicable Law or otherwise to consummate and make effective the Transactions; (ii) obtain any consents, approvals or orders required to be obtained or made in connection with the authorization, execution and delivery of this Agreement and the consummation of the Transactions; and (iii) make all filings and give any notice, and thereafter make any other submissions either required or reasonably deemed appropriate by each of the Parties, with respect to this Agreement and the Transactions required under any Applicable Law;
- (b) The Parties shall use reasonable efforts to cooperate and consult with each other in connection with the making of any such filings and notices, including providing copies of all such documents to the non-filing Party and its advisors within a reasonable period of time prior to filing or the giving of notice. Each Party shall pay for its own filing fees and other charges arising out of the actions taken under this Section 5.5; and
- (c) The Parties shall, and shall cause their respective affiliates to, promptly provide all information, documents and data to Governmental Authorities as may be requested, required or ordered pursuant to statutory and non-statutory requests for information, supplemental information requests and any court orders in connection with the approvals and consents outlined in this Section 5.5.

## **5.6 Insurance Matters**

During the Interim Period, the Company shall use commercially reasonable efforts to keep in full force and effect all of its existing insurance policies and give any notice or present any claim under any such insurance policies consistent with past practices of the Company in the ordinary course of business.

## **5.7 Books and Records**

The Investor shall cause the Company to preserve and keep the Books and Records for a period of six (6) years after Closing, or for any longer periods as may be required by any Laws applicable to such Books and Records. The Investor shall cause the Company to make such Books and Records, as well as electronic copies of such books and records (to the extent such electronic copies exist), available to the Monitor and shall permit the Monitor to take copies of such Books and Records as it may reasonably require.

# **ARTICLE 6 CLOSING ARRANGEMENTS**

## **6.1 Closing**

The Closing shall take place virtually by exchange of documents in PDF format on the Closing Date, in accordance with the Closing Sequence, and shall be subject to such escrow document release arrangements as the Parties may agree.

## **6.2 Closing Sequence**

On the Closing Date, Closing shall take place in the following sequence (the "**Closing Sequence**"):

- (a) First, the Investor shall pay the unpaid balance of the Cash Consideration and the Shortfall Deposit, if any, to be held in escrow by the Monitor, on behalf of the Company, and the entire Cash Consideration, Shortfall Deposit and Share Proceeds shall be dealt with in accordance with this Closing Sequence;
- (b) Second, the Investor shall cause the Company to be released from all amounts and obligations owing to the Investor by the Company under: (i) the BNPP Credit Agreement (and any other ancillary agreement or document thereto), including the principal amount of indebtedness outstanding thereunder and interest accrued thereon as of the Closing Date, plus any other fees owing by the Borrower under the BNPP Credit Agreement or any other ancillary agreement or document thereto, and (ii) the DIP Term Sheet including the principal amount of indebtedness outstanding thereunder and interest accrued thereon as of the Closing Date, plus any other fees owing by the Borrower under the DIP Term Sheet;
- (c) Third, the Company shall be deemed to: (i) transfer to ResidualCo. 1 the Excluded Assets and the Excluded Contracts, and (ii) transfer to ResidualCo. 2 the Excluded Liabilities, all pursuant to the Approval and Reverse Vesting Order, and the Company shall issue the Excluded Assets and Contracts Promissory Note to ResidualCo. 1 and the Excluded Liability Promissory Note to ResidualCo. 2;
- (d) Fourth, all Existing Shares as well as any agreement, contract, plan, indenture, deed, certificate, subscription rights, conversion rights, pre-emptive rights, options (including stock option or share purchase or equivalent plans), or other documents or

instruments governing and/or having been created or granted in connection with the share capital of the Company shall be deemed terminated and cancelled for no consideration in accordance with and pursuant to the Approval and Reverse Vesting Order;

- (e) Fifth, the Company shall issue the Subscribed Shares and the Investor shall subscribe for and purchase the Subscribed Shares, and the Cash Consideration (including the Cash Deposit and the Company Share Proceeds) shall be released from escrow for the benefit of the Company, but shall continue to be held by the Monitor in escrow on the Company's behalf;
- (f) Sixth, to the extent that the amount of the Share Proceeds is greater than the amount of the Appian Indebtedness, any such excess shall be released to the Guarantor; and
- (g) Seventh, the Company shall satisfy the amount owing under the Excluded Assets and Contracts Promissory note and the Excluded Liability Promissory Note using the Cash Consideration (including the Cash Deposit and the Company Share Proceeds), and hereby irrevocably directs the Monitor to cause such payment to be made from the Cash Consideration (including the Cash Deposit and the Company Share Proceeds) held by the Monitor, subject to the completion of all other steps in the Closing Sequence, although such amounts shall continue to be held by the Monitor on behalf of, respectively, ResidualCo. 1 and ResidualCo. 2.

The Investor, with the prior consent of the Company and the Monitor, acting reasonably, may amend the Closing Sequence provided that such amendment to the Closing Sequence does not materially alter or impact the Transactions or the consideration which the Company and/or its applicable stakeholders will benefit from as part of the Transactions.

### **6.3 The Investor's Closing Deliveries**

At or before the Closing (as applicable), the Investor shall deliver or cause to be delivered to the Company (or to the Monitor, if so indicated below), the following:

- (a) a certificate dated as of the Closing Date and executed by an executive officer of the each of the Investor and the Guarantor confirming and certifying that each the conditions in Sections 7.2(e) and 7.2(f) have been satisfied;
- (b) the unpaid balance of the Cash Consideration and the Shortfall Deposit, if any, in accordance with Section 6.2(a), and an irrevocable direction pursuant to the Escrow Agreement to release the Company Share Proceeds in accordance with Section 6.2(a);
- (c) an irrevocable release by the Silver Lake Parties in favour of (i) the Company's current and former directors, officers, employees, agents, representatives and all of their respective advisors, including financial advisors and legal counsel and (ii) the Monitor and its current and former affiliates, directors, officers and employees and all of their respective advisors, legal counsel and agents (such Persons in (i) and (ii) above being collectively referred to herein as the "**Released Parties**") from any and all rights, actions, causes of action, suits, demands, debts, covenants, or claims of any nature whatsoever, whether contractual, extra-contractual, in law or in equity or otherwise, past, present or future, direct or indirect, whether known or unknown against any of the Released Parties, including, where applicable, in their capacity as



equity holders of the Company; provided, however, that nothing shall release the Released Parties from any claims arising from willful misconduct and fraud; and

- (d) such other agreements, documents and instruments as may be reasonably required by the Company to complete the Transactions provided for in this Agreement, all of which shall be in form and substance satisfactory to the Parties, acting reasonably.

#### **6.4 The Company's Closing Deliveries**

At or before the Closing (as applicable), the Company shall deliver or cause to be delivered to the Investor, the following:

- (a) a certificate dated as of the Closing Date and executed by an executive officer of the Company confirming and certifying that each the conditions in Sections 7.1(e) a have been satisfied;
- (b) the Excluded Liability Promissory Note;
- (c) evidence satisfactory to the Investor, acting reasonably, of the filing of the Articles of Reorganization; and
- (d) share certificates representing the Subscribed Shares.

### **ARTICLE 7 CONDITIONS OF CLOSING**

#### **7.1 The Investor's Conditions**

The Investor shall not be obligated to complete the Transactions contemplated by this Agreement, unless each of the conditions listed below in this Section 7.1 have been satisfied, it being understood that the said conditions are included for the exclusive benefit of the Investor, and may be waived by the Investor in whole or in part, without prejudice to any of its rights of termination in the event of non- fulfillment of any other condition in whole or in part. Any such waiver shall be binding on the Investor only if made in writing, provided that if the Investor does not waive a condition(s) and completes the Closing, such condition(s) shall be deemed to have been waived by the Investor. The Company shall take all such commercially reasonable actions, steps and proceedings as are reasonably within its control to ensure that the conditions listed below in this Section 7.1 are fulfilled at or before the commencement of the first step in the Closing Sequence.

- (a) Successful Bid. This Agreement shall have been declared the "Successful Bid" in accordance with the SISP Procedures.
- (b) Court Approval. The following conditions have been met: (i) the SISP Order and the Approval and Reverse Vesting Order shall have been issued by the Court; (ii) the Initial Order, the SISP Order and the Approval and Reverse Vesting Order shall not have been vacated, set aside or stayed; and (iii) at least two clear Business Days have elapsed since the Approval and Reverse Vesting Order was issued by the Court and become a Final Order.
- (c) The Company's Deliverables. The Company shall have executed and delivered or caused to have been executed and delivered to the Investor at the Closing all the documents contemplated in Section 6.4.

- (d) No Violation of Orders or Law. During the Interim Period, no Governmental Authority shall have enacted, issued or promulgated any final or non-appealable Order or Law which has: (i) the effect of making any of the Transactions illegal, or (ii) the effect of otherwise prohibiting, preventing or restraining the consummation of any of the Transactions contemplated by this Agreement.
- (e) No Breach of Representations and Warranties. Except as such representations and warranties may be affected by the occurrence of events or transactions specifically contemplated by this Agreement (including the Approval and Reverse Vesting Order), each of the representations and warranties contained in Section 4.1 shall be true and correct in all material respects (unless qualified by materiality, in which case the foregoing qualification shall not apply): (i) as of the Closing Date as if made on and as of such date; or (ii) if made as of a date specified therein, as of such date.
- (f) No Breach of Covenants. The Company shall have performed in all material respects (unless qualified by materiality, in which case the foregoing qualification shall not apply) all covenants, obligations and agreements contained in this Agreement required to be performed by the Company on or before the Closing.
- (g) Terminated Employees. The Company shall have terminated the employment of the Terminated Employees, as requested by the Investor in its sole discretion, and all liabilities owing to any such Terminated Employees in respect of such terminations, including all amounts owing on account of statutory notice, termination payments, severance, vacation pay, benefits, bonuses or other compensation or entitlements, shall be Excluded Liabilities which, pursuant the Approval and Reverse Vesting Order and the Closing Sequence, shall be Discharged as against the Company and transferred to ResidualCo 2.

The Investor acknowledges and agrees that (i) its obligations to consummate the Transactions contemplated by this Agreement are not conditioned or contingent in any way upon receipt of financing from a third party, and (ii) failure to consummate the Transactions contemplated herein as a result of the failure to obtain financing shall constitute a breach of this Agreement by the Investor which will give rise, *inter alia*, to the Company's recourses for breach.

## **7.2 The Company's Conditions**

The Company shall not be obligated to complete the Transactions contemplated by this Agreement unless each of the conditions listed below in this Section 7.2 have been satisfied, it being understood that the said conditions are included for the exclusive benefit of the Company, and may be waived by the Company in whole or in part, without prejudice to any of their rights of termination in the event of nonfulfillment of any other condition in whole or in part. Any such waiver shall be binding on the Company only if made in writing, provided that if the Company does not waive a condition(s) and completes the Closing, such condition(s) shall be deemed to have been waived by the Company. The Investor shall take all such actions, steps and proceedings as are reasonably within the Investor's control as may be necessary to ensure that the conditions listed below in this Section 7.2 are fulfilled at or before the commencement of the first step in the Closing Sequence.

- (a) Successful Bid. This Agreement shall have been declared the "Successful Bid" in accordance with the SISP Procedures.
- (b) Court Approval. The following conditions have been met: (i) the SISP Order and the Approval and Reverse Vesting Order shall have been issued by the Court; (ii) the Initial Order, the SISP Order and the Approval and Reverse Vesting Order shall not

have been vacated, set aside or stayed; and (iii) at least two clear Business Days have elapsed since the Approval and Reverse Vesting Order was issued by the Court.

- (c) Investor's and Guarantor's Deliverables. The Investor and the Guarantor shall have executed and delivered or caused to have been executed and delivered to the Company (with a copy to the Monitor) at the Closing all the documents and payments contemplated in Section 6.3.
- (d) No Violation of Orders or Law. During the Interim Period, no Governmental Authority shall have enacted, issued or promulgated any final or non-appealable Order or Law which has the effect of: (i) making any of the Transactions contemplated by this Agreement illegal; or (ii) otherwise prohibiting, preventing or restraining the consummation of any of the Transactions contemplated by this Agreement.
- (e) No Breach of Representations and Warranties. Except as such representations and warranties may be affected by the occurrence of events or transactions specifically contemplated by this Agreement (including the Approval and Reverse Vesting Order), each of the representations and warranties contained in Section 4.2 shall be true and correct in all material respects: (i) as of the Closing Date as if made on and as of such date; or (ii) if made as of a date specified therein, as of such date.
- (f) No Breach of Covenants. Each of the Investor and the Guarantor shall have performed in all material respects all covenants, obligations and agreements contained in this Agreement required to be performed by the Investor on or before the Closing.

### **7.3 Monitor's Certificate**

When the conditions to Closing set out in Section 7.1 and Section 7.2 have been satisfied and/or waived by the Company or the Investor, as applicable, the Company, the Investor or their respective counsel will each deliver to the Monitor confirmation in writing that such conditions of Closing, as applicable, have been satisfied and/or waived and that the Parties are prepared for the Closing Sequence to commence (the "**Conditions Certificates**"). Upon receipt of the Conditions Certificates and the receipt of the entire Cash Consideration, the Monitor shall: (i) issue forthwith its Monitor's Certificate concurrently to the Company and the Investor, at which time the Closing Sequence will be deemed to commence and be completed in the order set out in the Closing Sequence, and Closing will be deemed to have occurred; and (ii) file as soon as practicable a copy of the Monitor's Certificate with the Court (and shall provide a true copy of such filed certificate to the Company and the Investor). In the case of: (i) and (ii) above, the Monitor will be relying exclusively on the Conditions Certificates without any obligation whatsoever to verify or inquire into the satisfaction or waiver of the applicable conditions, and the Monitor will have no liability to the Company or the Investor as a result of filing the Monitor's Certificate.

## **ARTICLE 8 TERMINATION**

### **8.1 Grounds for Termination**

- (a) Subject to Section 8.1(b), this Agreement may be terminated on or prior to the Closing Date:
  - (i) by the mutual agreement of the Company and the Investor;

- (ii) by the Investor, on the one hand, or the Company, on the other hand, upon notice to the other Party if: (A) the Court declines at any time to grant the SISP Order; or (B) the Court declines at any time to grant the Approval and Reverse Vesting Order, provided that the reason for the SISP Order or the Approval and Reverse Vesting Order not being approved by the Court is not due to any act, omission or breach of this Agreement by the Party proposing to terminate this Agreement;
  - (iii) by the Company or the Investor, if this Agreement and the Stalking Horse Bid set out herein is determined *not* to be the “Successful Bid”, as defined in and in accordance with the SISP Procedures;
  - (iv) by the Investor, on the one hand, or the Company, on the other hand, at any time following the Outside Date, if Closing has not occurred on or prior to 11:59 p.m. (Eastern time) on the Outside Date, provided that the reason for the Closing not having occurred is not due to any act or omission, or breach of this Agreement, by the Party proposing to terminate this Agreement;
  - (v) by the Company, if there has been a material violation or breach by the Investor or the Guarantor of any agreement, covenant, representation or warranty of the Investor or the Guarantor in this Agreement which would prevent the satisfaction of, or compliance with, any condition set forth in Section 7.2, as applicable, by the Outside Date and such violation or breach has not been waived by the Company or cured by the Investor or the Guarantor, as the case may be, within five (5) Business Days of the Company providing notice to the Investor or the Guarantor of such breach, unless the Company is itself in material breach of its own obligations under this Agreement at such time; or
  - (vi) by the Investor, if there has been a material violation or breach by the Company of any agreement, covenant, representation or warranty of the Company in this Agreement which would prevent the satisfaction of, or compliance with, any condition set forth in Section 7.1, as applicable, by the Outside Date and such violation or breach has not been waived by the Investor or cured by the Company within five (5) Business Days of the Investor providing notice to the Company of such breach, unless the Investor is itself in material breach of its own obligations under this Agreement at such time.
- (b) Prior to the Company agreeing or electing to any termination pursuant to Section 8.1(a), the Company shall first obtain the prior written consent of the Monitor.

## **8.2 Effect of Termination.**

If this Agreement is terminated pursuant to Section 8.1, all further obligations of the Parties under this Agreement will terminate and no Party will have any Liability or further obligations hereunder, except as contemplated in Sections 2.1(a) (*Cash Deposit*), 2.1(b) (*Share Deposit*), 9.3 (*Expenses*), 9.4 (*Public Announcements*), 9.5 (*Notices*), 9.9 (*Waiver and Amendment*), 9.12 (*Governing Law*), 9.13 (*Dispute Resolution*), 9.14 (*Attornment*), 9.15 (*Successors and Assigns*), 9.16 (*Assignment*), 9.17 (*No Liability; Monitor Holding or Disposing Funds*), and 9.18 (*Third Party Beneficiaries*), which shall survive such termination. For the avoidance of doubt, any Liability incurred by a Party prior to the termination of this Agreement shall survive such termination.

## **ARTICLE 9 GENERAL**

### **9.1 Tax Returns.**

The Investor shall: (a) prepare or cause to be prepared and file or cause to be filed all Tax Returns for the Company for all Tax periods ending on or prior to the Closing Date and for which Tax Returns have not been filed as of such date; and (b) cause the Company to duly and timely make or prepare all Tax Returns required to be made or prepared by them to duly and timely file all Tax Returns required to be filed by them for periods beginning before and ending after the Closing Date.

### **9.2 Survival.**

All representations, warranties, covenants and agreements of the Company, the Investor or the Guarantor made in this Agreement or any other agreement, certificate or instrument delivered pursuant to this Agreement shall not survive the Closing except where, and only to the extent that, the terms of any such covenant or agreement expressly provide for rights, duties or obligations extending after the Closing, or as otherwise expressly provided in this Agreement.

### **9.3 Expenses.**

Except if otherwise agreed upon amongst the Parties, and subject to the terms of the DIP Term Sheet and the BNPP Credit Agreement, each Party shall be responsible for its own costs and expenses (including any Taxes imposed on such expenses) incurred in connection with the negotiation, preparation, execution, delivery and performance of this Agreement and the Transactions (including the fees and disbursements of legal counsel, bankers, agents, investment bankers, accountants, brokers and other advisers). The Company acknowledges and agrees that: (i) the reasonable costs and expenses of the Investor and the Guarantor incurred in connection with the negotiation, preparation, execution, delivery and performance of this Agreement constitute costs, charges and expenses incurred in connection with a "Default" or "Event of Default" or the enforcement of "Finance Documents", as such terms are defined in the BNPP Credit Agreement, and (ii) the reasonable costs and expenses of the Investor and the Guarantor incurred in connection with the implementation of the Transactions constitute costs, charges and expenses incurred in connection with a "Default" or "Event of Default" or the enforcement of "Finance Documents", as such terms are defined in the BNPP Credit Agreement.

### **9.4 Public Announcements.**

The Company shall be entitled to disclose this Agreement to the Court and parties in interest in the CCAA Proceedings and issue a press release announcing the execution of this Agreement and, if applicable, the approval by the Court of this Agreement as a Stalking Horse Bid in the context of the SISP. In addition, this Agreement may be posted on the Monitor's website maintained in connection with the CCAA Proceedings.

### **9.5 Notices.**

- (a) **Mode of Giving Notice.** Any notice, direction, certificate, consent, determination or other communication required or permitted to be given or made under this Agreement shall be in writing and shall be effectively given and made if: (i) delivered personally; (ii) sent by prepaid courier service; or (iii) sent by e-mail, in each case, to the applicable address set out below:

if to the Company to:

**Harte Gold Corp.**

TD Canada Trust Tower  
161 Bay St. Suite 2400,  
Toronto, ON M5J 2S1

Attention: Frazer Bouchier / Graham du Preez  
E-mail: fbouchier@hartegold.com / gdupreez@hartegold.com

*with a copy to:*

**Stikeman Elliott LLP**

5300 Commerce Court West,  
199 Bay St.,  
Toronto, ON M5L 1B9

Attention: Guy P. Martel/Claire Zikovsky/Danny Vu  
E-mail: gmartel@stikeman.com / czikovsky@stikeman.com /  
ddvu@stikeman.com

If to the Monitor to:

**FTI Consulting Canada Inc.**

79 Wellington Street West  
Toronto Dominion Centre, Suite 2010, P.O. Box 104  
Toronto, ON M5K 1G8

Attention: Nigel Meakin / Jeffrey Rosenberg  
E-mail: nigel.meakin@fticonsulting.com /  
Jeffrey.rosenberg@fticonsulting.com

*With a copy to:*

**Goodmans LLP**

Bay Adelaide Centre  
333 Bay St. #3400,  
Toronto,  
ON M5H 2S7

Attention: Joseph Pasquariello/Christopher Armstrong  
E-mail: jpasquariello@goodmans.ca / carmstrong@goodmans.ca

If to the Investor or the Guarantor:

**1000025833 Ontario Inc. / Silver Lake Resources Limited**

Attention: Len Eldridge  
E-mail: leldridge@slrltd.com.au

*with a copy to:*

**Osler, Hoskin & Harcourt LLP**  
First Canadian Place  
100 King St. W Suite 6200  
M5X 1B8

Attention: Marc Wasserman/Kathryn Esaw/Dave Rosenblat  
E-mail: [mwasserman@osler.com](mailto:mwasserman@osler.com)/[kesaw@osler.com](mailto:kesaw@osler.com)/[drosenblat@osler.com](mailto:drosenblat@osler.com)

- (b) Deemed Delivery of Notice. Any such communication so given or made shall be deemed to have been given or made and to have been received on the day of delivery if delivered, or on the day of e-mailing, provided that such day in either event is a Business Day and the communication is so delivered, e-mailed or sent before 5:00 p.m. Eastern time on such day. Otherwise, such communication shall be deemed to have been given and made and to have been received on the next following Business Day.
- (c) Change of Address. Any Party may from time to time change its address under this Section 9.5 by notice to the other Parties given in the manner provided by this Section 9.5.

#### **9.6 Time of Essence.**

Time shall be of the essence of this Agreement in all respects.

#### **9.7 Further Assurances.**

The Company on the one hand, and the Investor and the Guarantor on the other hand, shall, at the sole expense of the requesting Party, from time to time promptly execute and deliver or cause to be executed and delivered all such further documents and instruments and shall do or cause to be done all such further acts and things in connection with this Agreement that the other Parties may reasonably require as being necessary or desirable in order to effectively carry out or better evidence or perfect the full intent and meaning of this Agreement or any provision hereof.

#### **9.8 Entire Agreement.**

This Agreement and the deliverables delivered by the Parties in connection with the Transactions contemplated herein constitute the entire agreement between the Parties or any of them pertaining to the subject matter of this Agreement and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, with respect to the subject matter herein, including the Original Subscription Agreement. There are no conditions, representations, warranties, obligations or other agreements between the Parties with respect to the subject matter of this Agreement (whether oral or written, express or implied, statutory or otherwise) except as explicitly set out in this Agreement.

#### **9.9 Waiver and Amendment.**

Except as expressly provided in this Agreement, no amendment or waiver of this Agreement shall be binding unless: (a) executed in writing by the Company, the Investor and the Guarantor (including by way of email); and (b) the Monitor shall have provided its prior consent. No waiver of any provision of

this Agreement shall constitute a waiver of any other provision nor shall any waiver of any provision of this Agreement constitute a continuing waiver unless otherwise expressly provided.

#### **9.10 Severability.**

Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction will, as to that jurisdiction, be ineffective to the extent of such prohibition or unenforceability and will be severed from the balance of this Agreement, all without affecting the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction.

#### **9.11 Remedies Cumulative.**

The rights, remedies, powers and privileges herein provided to a Party are cumulative and in addition to and not exclusive of or in substitution for any rights, remedies, powers and privileges otherwise available to that Party. For the avoidance of doubt, nothing in this Agreement shall prejudice or limit the rights of the Investor, the Guarantor or their respective Affiliates under the provisions of the DIP Term Sheet, the BNPP Credit Agreement or any other ancillary agreement or document thereto.

#### **9.12 Governing Law.**

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

#### **9.13 Dispute Resolution.**

If any dispute arises with respect to the interpretation or enforcement of this Agreement, including as to what constitutes a breach or material breach of this Agreement for the purposes of Article 8 hereof, such dispute shall be determined by the Court within the CCAA Proceedings, or by such other Person or in such other manner as the Court may direct. The Parties irrevocably submit and attorn to the exclusive jurisdiction of the Court.

#### **9.14 Attornment.**

Each Party agrees: (a) that any Legal Proceeding relating to this Agreement shall be brought in the Court, and for that purpose now irrevocably and unconditionally attorns and submits to the jurisdiction of the Court; (b) that it irrevocably waives any right to, and shall not, oppose any such Legal Proceeding in the Court on any jurisdictional basis, including *forum non conveniens*; and (c) not to oppose the enforcement against it in any other jurisdiction of any Order duly obtained from the Court as contemplated by this Section 9.14. Each Party agrees that service of process on such Party as provided in this Section 9.14 shall be deemed effective service of process on such Party.

#### **9.15 Successors and Assigns.**

This Agreement shall enure to the benefit of, and be binding on, the Parties and their respective successors and permitted assigns.

#### **9.16 Assignment**

Neither the Company nor the Guarantor may assign any of its rights or delegate any of its obligations under this Agreement without the prior written consent of the other Parties. Prior to Closing, the Investor may assign, upon written notice to the Company, all or any portion of its rights and obligations under this Agreement to an Affiliate provided that such Affiliate is capable of making



the same representations and warranties herein and completing the Transactions by the Outside Date. Any purported assignment or delegation in violation of this Section 9.16 is null and void. No assignment or delegation shall relieve the assigning or delegating party of any of its obligations hereunder.

### **9.17 No Liability; Monitor Holding or Disposing Funds**

The Investor, the Guarantor and the Company acknowledge and agree that the Monitor, acting in its capacity as the Monitor of the Company in the CCAA Proceedings, and the Monitor's Affiliates and their respective former and current directors, officers, employees, agents, advisors, lawyers and successors and assigns will have no Liability under or in connection with this Agreement whatsoever (including, without limitation, in connection with the receipt, holding or distribution of the Cash Consideration (including the Cash Deposit and the Company Share Proceeds), the Share Deposit, the Share Proceeds or any portion of any of the foregoing, whether in its capacity as Monitor, in its personal capacity or otherwise. If, at any time, there shall exist, in the sole and absolute discretion of the Monitor, any dispute between the Company on the one hand, and the Investor or the Guarantor on the other hand, with respect to the holding or disposition of any portion of the Cash Consideration (including the Cash Deposit and the Company Share Proceeds), the Share Deposit, the Share Proceeds or any other obligation of the Monitor hereunder in respect of the Cash Consideration (including the Cash Deposit and the Company Share Proceeds), the Share Deposit or the Share Proceeds, or if at any time the Monitor is unable to determine the proper disposition of any portion of the Cash Consideration (including the Cash Deposit and the Company Share Proceeds), the Share Deposit or the Share Proceeds or its proper actions with respect to its obligations hereunder in respect of the Cash Consideration (including the Cash Deposit and the Company Share Proceeds), the Share Deposit or the Share Proceeds, then the Monitor may (i) make a motion to the Court for direction with respect to such dispute or uncertainty and, to the extent required by law or otherwise at the sole and absolute discretion of the Monitor, pay the Cash Consideration (including the Cash Deposit and the Company Share Proceeds), the Share Deposit, the Share Proceeds or any portion of any of the foregoing into the Court for holding and disposition in accordance with the instructions of the Court, or (ii) hold the Cash Consideration (including the Cash Deposit and the Company Share Proceeds), the Share Deposit, the Share Proceeds or any portion thereof and not make any disbursement thereof until: (a) the Monitor receives a written direction signed by both the Company and the Investor and the Guarantor directing the Monitor to disburse, as the case may be, the Cash Consideration (including the Cash Deposit and the Company Share Proceeds), the Share Deposit, the Share Proceeds or any portion of any of the foregoing in the manner provided for in such direction, or (b) the Monitor receives an order from the Court, which is not stayed or subject to appeal and for which the applicable appeal period has expired, instructing it to disburse, as the case may be, the Cash Consideration (including the Cash Deposit and the Company Share Proceeds), the Share Deposit, the Share Proceeds or any portion of any of the foregoing in the manner provided for in the order.

### **9.18 Third Party Beneficiaries.**

Except with respect to: (i) the Monitor as expressly set forth in this Agreement (including Section 9.17), and (ii) ResidualCo. 1 as relates to all rights, covenants, obligations and benefits in favour of the Company under this Agreement that survive Closing and are transferred to ResidualCo. 1 as an Excluded Asset at the Closing, this Agreement is for the sole benefit of the Parties, and nothing in this Agreement, express or implied, is intended to or shall confer upon any other Person any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

**9.19 Counterparts.**

This Agreement may be executed in counterparts, each of which shall be deemed to be an original and both of which taken together shall be deemed to constitute one and the same instrument. To evidence its execution of an original counterpart of this Agreement, a Party may send a copy of its original signature on the execution page hereof to the other Parties by e-mail in pdf format or by other electronic transmission and such transmission shall constitute delivery of an executed copy of this Agreement to the receiving Party.

*[Remainder of page intentionally left blank. Signature page follows.]*

**IN WITNESS WHEREOF** the Parties have executed this Agreement as of the date first above written.

**HARTE GOLD CORP.**

By: Frazer Bouchier  
Name: Frazer Bouchier  
Title: Chief Executive Officer

**1000025833 ONTARIO INC..**

By: \_\_\_\_\_  
Name:  
Title:

**SILVER LAKE RESOURCES LIMITED,  
as Guarantor**


By: \_\_\_\_\_  
Name:  
Title:

**IN WITNESS WHEREOF** the Parties have executed this Agreement as of the date first above written.


**HARTE GOLD CORP.**

By: \_\_\_\_\_  
Name:  
Title:

**1000025833 ONTARIO INC..**

By:  \_\_\_\_\_  
Name: **Luke Tonkin**  
Title: **DIRECTOR**

**SILVER LAKE RESOURCES LIMITED,**  
as Guarantor

By:  \_\_\_\_\_  
Name: **Luke Tonkin**  
Title: **DIRECTOR.**

**SCHEDULE "A" FORM OF APPROVAL AND REVERSE VESTING ORDER**

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**

THE HONOURABLE ) [●], THE [●]<sup>th</sup>  
MR. JUSTICE PATTILLO )  
DAY OF JANUARY, 2022

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

**APPROVAL AND REVERSE VESTING ORDER**

**THIS MOTION**, made by Harte Gold Corp. (the "**Company**"), pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") for an order, *inter alia*: (a) approving the Subscription Agreement (the "**Subscription Agreement**") entered into by and between the Company, as issuer, and [●], as investor (the "**Investor**"), dated [●], 2021, a copy of which was attached as Exhibit [●] to the Bouchier Affidavit (as defined below, as well as all the Transactions, as defined in the Subscription Agreement (the "**Transactions**"); (b) adding [●] ("**ResidualCo. 1**") and [●] ("**ResidualCo. 2**") as applicants to these proceedings (the "**CCAA Proceedings**"); (c) vesting out of the Company all Excluded Assets, Excluded Contracts and Excluded Liabilities and discharging Encumbrances against the Company and the Retained Assets, except only the Permitted Encumbrances; (d) authorizing and directing the Company to file the Articles of Reorganization; (e) terminating and cancelling the Subject Interests for no consideration; (e) authorizing and directing the Company to issue the Subscribed Shares, and vesting in the Investor all right, title and interest in and to the Subscribed Shares, free and clear of any Encumbrances; and (f) granting certain ancillary relief, was heard this day via videoconference due to the COVID-10 pandemic;

**ON READING** the Motion Record of the Company, including the affidavit of Frazer Bouchier sworn [●], 2022 (the "**Bouchier Affidavit**") and the Exhibits thereto, the [●] Report

(the "[●] Report") of FTI Consulting Canada Inc. ("FTI"), in its capacity as the Court-appointed Monitor of the Company (the "Monitor"), and on being advised that the secured creditors who are likely to be affected by this Order herein were given notice;

**ON HEARING** the submissions of counsel for the Company, counsel for the Monitor, counsel for BNP Paribas, counsel for 1000025833 Ontario Inc. (a wholly owned subsidiary of Silver Lake Resources Limited), and counsel for the Appian Parties (as defined in the Bouchier Affidavit), and such other counsel that were present, no one else appearing for any party although duly served as appears from the affidavit of service of [●] dated [●], 2022;

## **SERVICE**

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

## **DEFINITIONS**

2. **THIS COURT ORDERS** that, unless otherwise indicated or defined herein, capitalized terms used in this Order shall have the meanings given to them in the Subscription Agreement.

## **APPROVAL AND VESTING**

3. **THIS COURT ORDERS AND DECLARES** that the Subscription Agreement and the Transactions are hereby approved and the execution of the Subscription Agreement by the Company is hereby authorized and approved, with such minor amendments as the Company and the Investor may deem necessary or otherwise agree to, with the approval of the Monitor. The Company is hereby authorized and directed to perform its obligations under the Subscription Agreement and to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transactions, including the filing of the Articles of Reorganization, the cancellation of the Subject Interests and the issuance of the Subscribed Shares to the Investor, including any such additional documents contemplated in the Subscription Agreement.

4. **THIS COURT ORDERS AND DECLARES** that this Order shall constitute the only authorization required by the Company to proceed with the Transactions and that no shareholder or other approval shall be required in connection therewith.

5. **THIS COURT ORDERS AND DECLARES** that, upon the delivery of the Monitor's certificate (the "**Monitor's Certificate**") to the Company and the Investor (the "**Effective Time**"), substantially in the form attached as Schedule "A" hereto, the following shall occur and shall be deemed to have occurred at the Effective Time, all in accordance with the Closing Sequence set out in the Subscription Agreement and the steps contemplated thereunder:

- (a) the Company shall be released, from all amounts and obligations owing to the Investor by the Company under: (i) the BNPP Credit Agreement (and any other ancillary agreement or document thereto), including the principal amount of indebtedness outstanding thereunder and interest accrued thereon as of the Closing Date, plus any other fees owing by the Borrower under the BNPP Credit Agreement or any other ancillary agreement or document thereto, and (ii) the DIP Term Sheet including the principal amount of indebtedness outstanding thereunder and interest accrued thereon as of the Closing Date, plus any other fees owing by the Borrower under the DIP Term Sheet;
- (b) the Company shall be deemed to have: (i) transferred to ResidualCo. 1 the Excluded Assets and the Excluded Contracts Liabilities in consideration of the Excluded Assets and Contracts Promissory Note to ResidualCo. 1, and (ii) transferred to ResidualCo. 2 the Excluded Liabilities in consideration of the Excluded Liability Promissory Note to ResidualCo. 2;
- (c) all Existing Shares as well as any agreement, contract, plan, indenture, deed, certificate, subscription rights, conversion rights, pre-emptive rights, options (including stock option or share purchase or equivalent plans), or other documents or instruments governing and/or having been created or granted in connection with the share capital of the Company (the "**Subject Interest**") shall be deemed terminated and cancelled for no consideration; and



(d) all of the right, title and interest in and to the Subscribed Shares issued by the Company to the Investor shall vest absolutely in the Investor, and the Retained Assets will be retained by the Company, in each case free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the “**Claims**”) including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Initial Order or any other Order of the Court; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario), or any other personal property registry system or pursuant to the *Lands Title Act* (Ontario) or the *Mining Act* (Ontario) (all of which are collectively referred to as the “**Encumbrances**”, which term shall not include the permitted encumbrances, easements and restrictive covenants listed on Schedule “B” hereto (the “**Permitted Encumbrances**”)) and, for greater certainty, all of the Encumbrances affecting or relating to the Subscribed Shares and/or the Retained Assets are hereby expunged and discharged as against the Subscribed Shares and Retained Assets, as applicable.

6. **THIS COURT ORDERS AND DIRECTS** the Monitor to file with the Court a copy of the Monitor’s Certificate, forthwith after delivery thereof in connection with the Transactions.

7. **THIS COURT ORDERS** that the Monitor may rely on written notice from the Company and the Investor regarding the satisfaction of the Subscription Price and satisfaction or waiver of conditions to closing under the Subscription Agreement and shall have no liability with respect to delivery of the Monitor’s Certificate.

8. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, from and after the delivery of the Monitor's Certificate, all Claims and Encumbrances shall attach to the Cash Consideration, with the same priority as they had with respect to the Retained Assets immediately prior to the sale, as if the Excluded Contracts and Excluded Liabilities had not been transferred to ResidualCo. 1 and ResidualCo. 2, as applicable, and remained liabilities of the Company immediately prior to the foregoing transfer.

9. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Company or the Monitor, as the case may be, is authorized, permitted and directed to, at the Effective Time, disclose to the Investor all human resources and payroll information in the Company records pertaining to past and current employees of the Company. The Investor shall maintain and cause the Company, after Closing, to maintain and protect the privacy of such information in accordance with applicable law and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by Company prior to Closing.

10. **THIS COURT ORDERS AND DECLARES** that, at the Effective Time and without limiting the provisions of paragraph 5 hereof, the Company and the Investor shall be deemed released from any and all claims, liabilities (direct, indirect, absolute or contingent) or obligations with respect to any Taxes (including penalties and interest thereon) of, or that relate to, the Company, including without limiting the generality of the foregoing all taxes that could be assessed against the Company or the Investor (including its affiliates and any predecessor corporations) pursuant to section 160 of the *Income Tax Act* (Canada), or any provincial equivalent, in connection with the Company (provided, as it relates to the Company, such release shall not apply to (i) Transaction Taxes, or (ii) Taxes in respect of the business and operations conducted by the Company after the Effective Time).

11. **THIS COURT ORDERS** that except to the extent expressly contemplated by the Subscription Agreement, all Contracts (excluding the Excluded Contracts) to which the Company is a party upon delivery of the Monitor's Certificate will be and remain in full force and effect upon and following delivery of the Monitor's Certificate and no individual, firm, corporation, governmental body or agency, or any other entity (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") who is a party to any such arrangement may accelerate, terminate, rescind, refuse to perform or otherwise repudiate its obligations thereunder, or enforce or exercise any right (including any right of set-off, dilution or other remedy) or make

any demand under or in respect of any such arrangement and no automatic termination will have any validity or effect, by reason of:

- (e) any event that occurred on or prior to the delivery of the Monitor's Certificate and is not continuing that would have entitled such Person to enforce those rights or remedies (including defaults or events of default arising as a result of the insolvency of the Company);
- (f) the insolvency of the Company or the fact that the Company sought or obtained relief under the CCAA;
- (g) any compromises, releases, discharges, cancellations, transactions, arrangements, reorganizations or other steps taken or effected pursuant to the Subscription Agreement, the Transactions or the provisions of this Order, or any other Order of the Court in these proceedings; or
- (h) any change of control of the Company arising from the implementation of the Subscription Agreement, the Transactions or the provisions of this Order.

12. **THIS COURT ORDERS**, for greater certainty, that: (a) nothing in paragraph 11 hereof shall waive, compromise or discharge any obligations of the Company in respect of any Assumed Liabilities, and (b) the designation of any Claim as an Assumed Liability is without prejudice to the Company's right to dispute the existence, validity or quantum of any such Assumed Liability, and (c) nothing in this Order or the Subscription Agreement shall affect or waive the Company's rights and defences, both legal and equitable, with respect to any Assumed Liability, including, but not limited to, all rights with respect to entitlements to set-offs or recoupments against such Assumed Liability.

13. **THIS COURT ORDERS** that from and after the Effective Time, all Persons shall be deemed to have waived any and all defaults of the Company then existing or previously committed by the Company, or caused by the Company, directly or indirectly, or non-compliance with any covenant, warranty, representation, undertaking, positive or negative

pledge, term, provision, condition or obligation, expressed or implied, in any Contract, existing between such Person and the Company arising directly or indirectly from the filing by the Company under the CCAA and the implementation of the Transactions, including without limitation any of the matters or events listed in paragraph 11 hereof, and any and all notices of default and demands for payment or any step or proceeding taken or commenced in connection therewith under a Contract shall be deemed to have been rescinded and of no further force or effect, provided that nothing herein shall be deemed to excuse the Company or the Investor from performing its obligations under the Subscription Agreement or be a waiver of defaults by the Company under the Subscription Agreement and the related documents.

14. **THIS COURT ORDERS** that from and after the Effective Time, any and all Persons shall be and are hereby forever barred, estopped, stayed and enjoined from commencing, taking, applying for or issuing or continuing any and all steps or proceedings, whether directly, derivatively or otherwise, and including without limitation, administrative hearings and orders, declarations and assessment, commenced, taken or proceeded with or that may be commenced, taken or proceeded with against the Company or the Retained Assets relating in any way to or in respect of any Excluded Assets, Excluded Contracts or Excluded Liabilities and any other claims, obligations and other matters which are waived, released, expunged or discharged pursuant to this Order.

15. **THIS COURT ORDERS** that, from and after the Effective Time:

- (i) the nature of the Assumed Liabilities retained by the Company, including, without limitation, their amount and their secured or unsecured status, shall not be affected or altered as a result of the Transactions or this Order;
- (j) the nature of the Excluded Liabilities, including, without limitation, their amount and their secured or unsecured status, shall not be affected or altered as a result of their transfer to ResidualCo. 2;
- (k) any Person that prior to the Effective Time had a valid right or claim against the Company under or in respect of any Excluded Contract or Excluded Liability (each an “**Excluded Liability Claim**”) shall no longer have such right or claim

against the Company but will have an equivalent Excluded Liability Claim against ResidualCo. 1 or ResidualCo. 2, as applicable, in respect of the Excluded Contract and Excluded Liability from and after the Effective Time in its place and stead, and nothing in this Order limits, lessens or extinguishes the Excluded Liability Claim of any Person as against ResidualCo. 1 and/or ResidualCo. 2, as applicable; and

- (l) the Excluded Liability Claim of any Person against ResidualCo. 2 following the Effective Time shall have the same rights, priority and entitlement as such Excluded Liability Claim had against the Company prior to the Effective Time.

16. **THIS COURT ORDERS AND DECLARES** that, as of the Effective Time:

- (m) the Company shall cease to be an applicant in these CCAA Proceedings and the Company shall be deemed to be released from the purview of the Initial Order and all other Orders of this Court granted these CCAA Proceedings, save and except for this Order the provisions of which (as they relate to the Company) shall continue to apply in all respects;
- (n) ResidualCo. 1 and ResidualCo. 2 shall be a companies to which the CCAA applies; and
- (o) ResidualCo. 1 and ResidualCo. 2 shall be added as applicants in these CCAA Proceedings and all references in any Order of this Court in respect of these CCAA Proceedings to (i) an "*Applicant*" shall refer to and include ResidualCo. 1 and ResidualCo. 2, *mutatis mutandis*, (ii) "*Property*", as defined in the Initial Order granted by this Court on December 7, 2021 (as amended and/or restated, from time to time, the "**Initial Order**"), shall include the current and future assets, licenses, undertakings and properties of every nature and kind whatsoever, and

wherever situate including all proceeds thereof, of ResidualCo. 1 and ResidualCo. 2 (including the Cash Consideration) (collectively, the “**ResidualCos. Property**”), and, for greater certainty, each of the Charges (as defined in the Initial Order) shall constitute a charge on the ResidualCos. Property.

17. **THIS COURT ORDERS** that for greater certainty, nothing in this Order, including the release of the Company from the purview of these CCAA Proceedings pursuant to paragraph 16(a) hereof and the addition of ResidualCo. 1 and ResidualCo. 2 as applicants in these CCAA Proceedings shall affect, vary, derogate from, limit or amend, and FTI shall continue to have the benefit of, any and all rights and approvals and protections in favour of the Monitor at law or pursuant to the CCAA, the Initial Order, this Order, any other Orders in these CCAA Proceedings or otherwise, including all approvals, protections and stays of proceedings in favour of FTI in its capacity as Monitor, all of which are expressly continued and confirmed.

18. **THIS COURT ORDERS** that, notwithstanding:

- (p) the pendency of these CCAA Proceedings;
- (q) any applications for a bankruptcy order now or hereafter issued pursuant to the BIA in respect of the Company, ResidualCo. 1 or ResidualCo. 2 and any bankruptcy order issued pursuant to any such applications; and
- (r) any assignment in bankruptcy made in respect of the Company, ResidualCo.1 or ResidualCo. 2;

the Subscription Agreement, the implementation of the Transactions (including without limitation the transfer and vesting of the Excluded Assets, Excluded Contracts and Excluded Liabilities in and to ResidualCo. 1 and ResidualCo. 2, as applicable, and the issuance of the Subscribed Shares to the Investor), and any payments by the Investor authorized herein or pursuant to the Subscription Agreement shall be binding on any trustee in bankruptcy that may be appointed in respect of the Company, ResidualCo. 1 and/or ResidualCo. 2, and shall not be void or voidable by creditors of the Company, ResidualCo. 1 or ResidualCo. 2, as applicable, nor shall they

constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the CCAA, the BIA or any other applicable federal or provincial legislation, nor shall they constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

## RELEASES

19. **THIS COURT ORDERS** that effective upon the delivery of the Monitor's Certificate to the Company and the Investor, (i) the present and former directors, officers, employees, legal counsel and advisors of the Company and of ResidualCo. 1 and ResidualCo. 2, (ii) the Monitor and its legal counsel, and their respective present and former directors, officers, partners, employees and advisors, and (iii) the Investor, its directors, officers, employees, legal counsel and advisors (the Persons listed in (i), (ii) and (iii) being collectively, the "**Released Parties**") shall be deemed to be forever irrevocably released and discharged from any and all present and future claims whatsoever (including, without limitation, claims for contribution or indemnity), liabilities, indebtedness, demands, actions, causes of action, counterclaims, suits, damages, judgments, executions, recoupments, debts, sums of money, expenses, accounts, liens, taxes, recoveries, and obligations of any nature or kind whatsoever (whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured or due or not yet due, in law or equity and whether based in statute or otherwise) based in whole or in part on any act or omission, transaction, offer, investment proposal, dealing, or other fact, matter, occurrence or thing existing or taking place prior to the delivery of the Monitor's Certificate or completed pursuant to the terms of this Order and/or in connection with the Transactions in respect of the Company or its assets, business or affairs, prior dealings with the Company (wherever or however conducted or governed), or the administration and/or management of the Company or these proceedings (collectively, the "**Released Claims**"), which Released Claims are hereby fully, finally, irrevocably and forever waived, discharged, released, cancelled and barred as against the Released Parties, and are not vested nor transferred to ResidualCo.1 or ResidualCo. 2 or to any other entity and are extinguished, provided that nothing in this paragraph shall waive, discharge, release, cancel or bar any claim for fraud or wilful misconduct or any claim that is not permitted to be released pursuant to section 5.1(2) of the CCAA.

## THE MONITOR

20. **THIS COURT ORDERS** that the [●] Report and the activities of the Monitor set out in the [●] Report, are hereby approved, provided however, that only the Monitor, in its personal capacity and only with respect to its own liability, shall be entitled to rely upon or utilize in any way such approval.

21. **THIS COURT ORDERS** that the Monitor, its employees and representatives shall not be deemed directors of ResidualCo. 1 or Residual Co. 2, *de facto* or otherwise, and shall incur no liability as a result of acting in accordance with this Order, other than any liability arising out of or in connection with the gross negligence or wilful misconduct of the Monitor.

22. **THIS COURT ORDERS** that no action lies against the Monitor by reason of this Order or the performance of any act authorized by this Order, except by leave of the Court following a motion brought on not less than fifteen (15) days' notice to the Monitor and its legal counsel. The entities related or affiliated with the Monitor or belonging to the same group as the Monitor (including, without limitation, any agents, employees, legal counsel or other advisors retained or employed by the Monitor) shall benefit from the protection granted to the Monitor under the present paragraph.

23. **THIS COURT ORDERS** that the Monitor shall not, as a result of this Order or any matter contemplated hereby: (i) be deemed to have taken part in the management or supervision of the management of the Company, ResidualCo. 1 or ResidualCo. 2, or to have taken or maintained possession or control of the business or property of any of the Company, ResidualCo. 1 or ResidualCo. 2, or any part thereof; or (ii) be deemed to be in Possession (as defined in the Initial Order) of any property of the Company, ResidualCo. 1 or ResidualCo. 2 within the meaning of any applicable Environmental Legislation (as defined in the Initial Order) or otherwise.

## CURE COSTS

24. **THIS COURT ORDERS** that all Cure Costs payable in accordance with the Subscription Agreement shall be paid by or on behalf of the Company to the relevant counterparty to a Retained Contract on or before the date that is [30] days following the Effective Time or such later date as may be agreed to by the Company and the relevant counterparty to a Retained Contract.



## GENERAL

25. **THIS COURT ORDERS** that, following the Effective Time, the Investor shall be authorized to take all steps as may be necessary to effect the discharge of the Claims and Encumbrances as against the Subscribed Shares and the Retained Assets.

26. **THIS COURT ORDERS** that, following the Effective Time, the title of these proceedings is hereby changed to:

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF [●] AND [●]

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

28. **THIS COURT DECLARES** that the Company shall be authorized to apply as it may consider necessary or desirable, with or without notice, to any other court or administrative body, whether in Canada, the United States or elsewhere, for orders which aid and complement this Order. All courts and administrative bodies of all such jurisdictions are hereby respectfully requested to make such orders and to provide such assistance to the Company and the Monitor as may be deemed necessary or appropriate for that purpose.

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

30. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Prevailing Eastern Time on the date hereof, provided that the transaction steps set out in paragraph 5 hereof shall be deemed to have occurred sequentially, one after the other, in the order set out in paragraph 5 hereof.

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**SCHEDULE A**  
**Form of Certificate of Monitor**  
**(see attached)**



Encumbrances (as defined below); and (f) granting certain ancillary relief, was heard this day via videoconference due to the COVID-10 pandemic;

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Approval and Reverse Vesting Order.

**THE MONITOR CERTIFIES** that it was advised by the Company and the Investor that:

1. The Investor has satisfied the Subscription Price (as defined in the Subscription Agreement) in accordance with the Subscription Agreement;
2. The conditions to Closing as set out in the Subscription Agreement have been satisfied or waived by the Company and the Investor; and
4. This Certificate was delivered by the Monitor at \_\_\_\_\_ **[TIME]** on \_\_\_\_\_ **[DATE]**.

**FTI Consulting Canada Inc., in its capacity as  
Monitor of Harte Gold Corp., and not in its  
personal capacity**

Per: \_\_\_\_\_  
Name:  
Title:

**SCHEDULE B**  
**Permitted Encumbrances**

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

Court File No.: \_\_\_\_\_

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF  
HARTE GOLD**

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**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**

Proceeding commenced at Toronto

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**APPROVAL AND REVERSE VESTING  
ORDER**

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**STIKEMAN ELLIOTT LLP**  
Barristers & Solicitors  
5300 Commerce Court West  
199 Bay Street  
Toronto, Canada M5L 1B9

**Guy P. Martel**  
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**Lawyers for the Applicant**

**SCHEDULE "B" FORM OF SISP ORDER**



**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**

THE HONOURABLE ) THURSDAY, THE 16<sup>th</sup>  
 )  
MR. JUSTICE PATTILLO ) DAY OF DECEMBER, 2021

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

**SISP APPROVAL ORDER**

**THIS MOTION**, made by Harte Gold Corp. (the "**Applicant**") pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") for an Order, substantially in the form included in the Applicant's Motion Record, was heard this day via video-conference due to the ongoing COVID-19 pandemic.

**ON READING** the Notice of Motion of the Applicant, the affidavits of Frazer Bouchier respectively sworn on December 6, 2021 (the "**Initial Application Affidavit**") and December 15, 2021 (the "**Comeback Affidavit**", together with the Initial Application Affidavit, the "**Bouchier Affidavits**"), the Exhibits thereto and the First Report of FTI Consulting Canada Inc., in its capacity as Monitor of the Applicant ("**FTI**" or the "**Monitor**"), filed;

**ON HEARING** the submissions of counsel for the Applicant, counsel for the Monitor, counsel for BNP Paribas, counsel for 1000025833 Ontario Inc. (a wholly owned subsidiary of Silver Lake Resources Limited) and counsel for the Appian Parties (as defined in the Bouchier Affidavits) and such other counsel that were present, no one else appearing for any party although duly served as appears from the affidavit of service of Ben Muller dated December 10;

## **SERVICE AND DEFINITIONS**

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.
2. **THIS COURT ORDERS** that capitalized terms used in this Order and not otherwise defined herein shall have the meanings ascribed to them under the Procedures for the Sale and Investment Solicitation Process attached hereto as Schedule "A" (the "**SISP Procedures**") or the Amended and Restated Initial Order dated December 16, 2021.

## **APPROVAL OF THE STALKING HORSE BID, THE SISP AND THE SISP PROCEDURES**

3. **THIS COURT ORDERS AND DECLARES** that the execution by the Applicant of the Amended and Restated Subscription Agreement dated as of December 15, 2021 in the form attached as Exhibit "C" to the Comeback Affidavit (the "**Stalking Horse Agreement**") is hereby authorized and approved, *nunc pro tunc*.
4. **THIS COURT AUTHORIZES** the Applicant to use the Stalking Horse Agreement as the "stalking horse bid" in the SISP (the "**Stalking Horse Bid**"). For greater certainty, nothing herein approves the transaction contemplated in the Stalking Horse Bid, and the approval of any transaction contemplated by the SISP, shall be determined on a subsequent motion made to this Court.
5. **THIS COURT ORDERS** that the SISP and the SISP Procedures, substantially in the form attached hereto, be and are hereby approved, and the Applicant and the Monitor are authorized and directed to carry out the SISP in accordance with the SISP Procedures and this Order, and are hereby authorized and directed to take such steps as they consider necessary or desirable in carrying out each of their obligations thereunder, subject to prior approval of this Court being obtained before the completion of any transaction(s) under the SISP.
6. **THIS COURT ORDERS** that the Applicant, the Monitor and their respective affiliates, partners, directors, employees, advisors, lawyers, agents and controlling persons shall have no liability with respect to any and all losses, claims, damages or liability of any nature or kind to any person in connection with or as a result of performing their duties under the SISP, except to the extent such losses, claims, damages or liabilities arise or result from the gross negligence or wilful misconduct of the Applicant or the Monitor, as applicable, as determined by the Court in a final order that is not subject to appeal or other review.

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

8. **THIS COURT ORDERS** that the Applicant and the Monitor, or any other interested party on at least five (5) Business Days' notice to the lawyers for each of the Applicant, the Monitor and all other parties on the service list established in these proceedings, may apply to this Court for directions with respect to the SISP at any time.

#### **PIPEDA**

9. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Applicant and the Monitor are hereby authorized and permitted to disclose and provide to each Qualified Bidder, personal information of identifiable individuals, including employees of the Applicant, but only to the extent desirable or required to negotiate or attempt to complete a transaction pursuant to the SISP (a "**Transaction**"). Each Qualified Bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation for the purpose of effecting a Transaction, and if it does not complete a Transaction, shall return all such information to the Applicant or the Monitor, as applicable, or, in the alternative, destroy all such information and provide confirmation of its destruction to the Applicant and the Monitor. The Successful Bidder shall maintain the privacy of such information and, upon closing of the Transaction contemplated in the Successful Bid, shall be entitled to use the personal information provided to it that is related to the Business and/or Property acquired pursuant to the SISP in a manner that is in all material respects identical to the prior use of such information by the Applicant, and shall return all other personal information to the Applicant or the Monitor, or ensure that all other personal information is destroyed and provide confirmation of its destruction to the Applicant and the Monitor.

#### **SEALING PROVISION**

10. **THIS COURT ORDERS** that Confidential Exhibits "A" and "B" of the Comeback Affidavit are hereby sealed pending further order of the Court and shall not form part of the public record.

## GENERAL

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

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

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

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**SCHEDULE "A"**  
**SISP PROCEDURES**

## PROCEDURES FOR THE SALE AND INVESTMENT SOLICITATION PROCESS

### Introduction

- A. Since May 2021, Harte Gold Corp. ("**Harte Gold**"), with the assistance of, *inter alia*, FTI Consulting Canada Inc. ("**FTI**"), has been conducting a strategic review process (the "**Pre-Filing Strategic Process**") with a view to finding an investor or a purchaser who would allow Harte Gold to pursue its operations as a going concern and maximize value for stakeholders (the "**Opportunity**");
- B. During the Pre-Filing Strategic Process, 1000025833 Ontario Inc. (the "**Stalking Horse Bidder**") expressed interest in the Opportunity, which culminated with the execution on December 6, 2021 of a Subscription Agreement (as amended and restated on December 15, 2021, the "**Stalking Horse Bid**") between Harte Gold and the Stalking Horse Bidder, pursuant to which the Stalking Horse Bidder agreed, among other things, to: (i) act as a "stalking horse bidder" in the context of a sale and investment solicitation process (the "**SISP**") to be undertaken within court-supervised proceedings to be commenced by Harte Gold under the *Companies' Creditors Arrangement Act* ("**CCAA**" and the proceedings commenced thereby, the "**CCAA Proceedings**"), and (ii) if the Stalking Horse Bidder is determined to be the Successful Bidder (as defined herein), to subscribe for and purchase from Harte Gold, the Subscribed Shares (as defined in the Stalking Horse Bid), on the terms and conditions set out in the Stalking Horse Bid, with the existing equity interests being cancelled on closing such that Stalking Horse Bidder would become the sole shareholder of Harte Gold (the "**Stalking Horse Transaction**");
- C. On December 7, 2021 (the "**Filing Date**"), Harte Gold sought and obtained an initial order (as amended, supplemented or amended and restated from time to time, the "**Initial Order**") under the CCAA from the Ontario Superior Court of Justice (Commercial List) (the "**CCAA Court**"), pursuant to which, among other things, FTI was appointed as monitor in the CCAA Proceedings (in such capacity, the "**Monitor**");
- D. On December 16, 2021 the CCAA Court granted an order (the "**SISP Order**"), among other things, approving the Stalking Horse Bid and the procedures set out herein (the "**SISP Procedures**");
- E. The purpose of these SISP Procedures is to set out terms and procedures for a transparent, fair and efficient solicitation process to obtain the highest or otherwise best offer for Harte Gold's equity, assets, rights, undertakings and properties (collectively, the "**Property**"); and
- F. Accordingly, these SISP Procedures describe, among other things: (a) the manner in which prospective bidders may gain access to or continue to have access to due diligence materials concerning the Property and the Business, (b) the manner in which bidders and bids become Qualified Bidders, Qualified Bids, and Auction Bidders, as applicable, (c) the evaluation of bids received, (d) the guidelines for the ultimate selection of the Successful Bid and/or Back-up Bid, and (e) the process for obtaining such approvals (including the approval of the CCAA Court) as may be necessary or appropriate in respect of a Successful Bid.

## **Defined Terms**

1. Capitalized terms used in these SISP Procedures and not otherwise defined have the meanings given to them below:
  - (a) “**Approval Hearing**” is defined in paragraph 2.
  - (b) “**Approval Motion**” is defined in paragraph 25.
  - (c) “**Auction**” is defined in paragraph 22.
  - (d) “**Auction Bidders**” is defined in paragraph 23.
  - (e) “**Auction Date**” is defined in paragraph 2.
  - (f) “**Back-Up Bid**” is defined in paragraph 24(i).
  - (g) “**Back-Up Bidder**” is defined in paragraph 24(i).
  - (h) “**Bid**” is defined in paragraph 18.
  - (i) “**Bid Deadline**” is defined in paragraph 2.
  - (j) “**Business**” means Harte Gold’s business and activities as at Filing Date.
  - (k) “**Business Day**” means a day (other than Saturday or Sunday) on which banks are generally open for business in Toronto, Ontario.
  - (l) “**CA**” means the *Competition Act*, R.S.C., 1985, c. C-34, as amended.
  - (m) “**CCAA**” is defined in the introduction.
  - (n) “**CCAA Court**” is defined in the introduction.
  - (o) “**CCAA Proceedings**” is defined in the introduction.
  - (p) “**Closing**” means the completion of the transaction contemplated by the Successful Bid.
  - (q) “**Data Room**” is defined in paragraph 11.
  - (r) “**Deposit**” is defined in paragraph 18(h)(x).
  - (s) “**Filing Date**” is defined in the introduction.
  - (t) “**FTI**” is defined in the introduction.
  - (u) “**Harte Gold**” is defined in the introduction.
  - (v) “**ICA**” means the *Investment Canada Act*, R.S.C., 1985, c. 28 (1st Supp.), as amended.
  - (w) “**Initial Order**” is defined in the introduction.
  - (x) “**Initial Overbid Amount**” means \$500,000.

- (y) **“Known Potential Bidder”** means any party identified as a potential bidder by Harte Gold, in consultation with the Monitor, whether or not such party participated in the Pre-Filing Strategic Process, and for greater certainty shall include each party that has submitted a bid in the Pre-Filing Strategic Process.
- (z) **“Monitor”** is defined in the introduction.
- (aa) **“Monitor’s Website”** means <http://cfcanada.fticonsulting.com/harte>.
- (bb) **“NDA”** means a non-disclosure agreement in form and substance satisfactory to Harte Gold, in consultation with the Monitor.
- (cc) **“Opening Bid”** is defined in paragraph 24(b).
- (dd) **“Overbid”** is defined in paragraph 24(e).
- (ee) **“Overbid Amount”** means \$500,000 or such higher amount as Harte Gold, in consultation with the Monitor, may determine in advance of any round of bidding in the Auction to be applicable for that round of the Auction.
- (ff) **“Participation Letter”** is defined in paragraph 7(a).
- (gg) **“Potential Bidder”** is defined in paragraph 4.
- (hh) **“Pre-Filing Strategic Process”** is defined in the introduction.
- (ii) **“Property”** is defined in the introduction.
- (jj) **“Qualified Bid”** is defined in paragraph 18.
- (kk) **“Qualified Bidder”** is defined in paragraph 9.
- (ll) **“Required Acknowledgement”** means the written acknowledgement in the form attached hereto as Schedule “[B]” to be executed by a party wishing to participate in the SISP.
- (mm) **“SISP”** is defined in the introduction.
- (nn) **“SISP Order”** is defined in the introduction.
- (oo) **“SISP Press Release”** means a press release to be issued by Harte Gold substantially in the form attached hereto as Schedule “[C]”.
- (pp) **“SISP Procedures”** is defined in the introduction.
- (qq) **“Solicitation Materials Distribution Date”** is defined in paragraph 2.
- (rr) **“Solicitation Notice”** means a notice describing the opportunity to participate in the SISP.
- (ss) **“Stalking Horse Bid”** is defined in the introduction.
- (tt) **“Stalking Horse Bidder”** is defined in the introduction.
- (uu) **“Stalking Horse Transaction”** is defined in the introduction.



- (vv) **“Subscription Agreement”** means the template subscription agreement, in a form substantially similar to the Stalking Horse Bid, to be placed in the Data Room.
- (ww) **“Successful Bid”** is defined in paragraph 24(i).
- (xx) **“Successful Bidder”** is defined in paragraph 24(i).
- (yy) **“Superior Offer”** means a credible, reasonably certain and financially viable offer made by a Qualified Bidder that (i) provides for consideration in excess of the aggregate of the “Subscription Price” as defined in and contemplated by the Stalking Horse Transaction plus the Initial Overbid Amount, including cash consideration sufficient to pay in cash the Cash Consideration (as defined in the Stalking Horse Bid) and amounts owing to the Stalking Horse Bidder under the BNPP Credit Agreement and under the DIP Term Sheet, and (ii) Harte Gold and the Monitor, each with the assistance of their legal advisors, consider to be better than the Stalking Horse Transaction.

**Key Dates**

2. The key dates for the SISP are as follows:

<b>DATE</b>	<b>MILESTONE</b>
By no later than 1 day following the issuance by the Court of the SISP Order  <b>(“Solicitation Materials Distribution Date”)</b>	Distribution by the Monitor of the Solicitation Notice and the Required Acknowledgment to the Known Potential Bidders
January 14, 2022 at 5:00 p.m. (prevailing Eastern Time)  <b>(“Bid Deadline”)</b>	The deadline for the receipt by the Monitor of Bids and Deposits
By no later than January 20, 2022  <b>(“Auction Date”)</b>	Date of the Auction (if any)
Subject to the availability of the Court, no later than seven (7) calendar days following either the conclusion of the Auction or the date on which a determination is made by Harte Gold, with the consent of the Monitor, not to proceed with an Auction in accordance with paragraph 21  <b>(“Approval Hearing”)</b>	Hearing of the Approval Motion

### **Supervision of the SISP**

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

### **Solicitation of Interest**

4. For all purposes of this SISP, the following persons shall be considered as potential bidders (each, a "**Potential Bidder**"): (i) the Known Potential Bidders, and (ii) any other party that executes a Required Acknowledgement and is permitted by Harte Gold, with the consent of the Monitor, to participate in the SISP.
5. As soon as reasonably practicable after the granting of the SISP Order:
  - (a) the Monitor will post the SISP Order and the SISP Procedures on the Monitor's Website; and
  - (b) Harte Gold will issue the SISP Press Release with Canada Newswire designating dissemination in Canada and internationally.
6. By no later than the Solicitation Materials Distribution Date, the Monitor, on behalf of Harte Gold, shall distribute the Solicitation Notice and form of Required Acknowledgement to Known Potential Bidders inviting the Known Potential Bidders to submit a bid pursuant to these SISP Procedures.

### **Participation Requirements**

7. Subject to paragraph 8, in order to participate in the SISP, each Potential Bidder must deliver the following information and executed documents to the Monitor, on behalf of Harte Gold, at the email addresses specified in **Schedule A** hereto:
  - (a) a letter (a "**Participation Letter**") setting forth (i) the identity, the type and the jurisdiction of organization of the Potential Bidder, (ii) the contact information for such Potential Bidder, (iii) full disclosure of the direct and indirect owners and principals of the Potential Bidder, and (iv) such financial disclosure and credit quality support or enhancement that allows Harte Gold, in consultation with the Monitor, to make a reasonable determination as to the Potential Bidder's financial and other capabilities to consummate a transaction pursuant to a Superior Offer;
  - (b) an executed NDA; and
  - (c) a copy of the Required Acknowledgment executed by the Potential Bidder.
8. Harte Gold, with the consent of the Monitor may waive compliance with paragraphs 7(a) and 7(b) of these SISP Procedures for any Potential Bidder that is deemed by Harte Gold, with the consent of the Monitor, to have adequately satisfied the requirements set forth in paragraphs 7(a) and 7(b), as applicable, during the Pre-Filing Strategic Process.

9. A Potential Bidder that has delivered the necessary documents and information in accordance with paragraphs 7 and 8 and that Harte Gold, in its reasonable business judgment, in consultation with the Monitor, determines is likely, based on the availability of financing, experience and other considerations, to be able to submit a Superior Offer by the Bid Deadline will be deemed to be a “**Qualified Bidder**”.
10. Notwithstanding paragraphs 7 to 9, the Stalking Horse Bidder shall be deemed to be a Qualified Bidder for all purposes under, and at all times in connection with, this SISP.

### **Access to Data Room**

11. Harte Gold, with the assistance of the Monitor, shall provide each Qualified Bidder with access to a secure online electronic data room (the “**Data Room**”) containing due diligence information.
12. The Monitor shall coordinate all reasonable requests from Qualified Bidders for additional information and due diligence access; provided that the Monitor and Harte Gold may decline to provide (or elect to withdraw access to) due diligence information to any Qualified Bidder (other than the Stalking Horse Bidder) who, at such time and in the reasonable business judgment of Harte Gold, after consultation with the Monitor, has not established (or there is otherwise a reasonable basis to doubt), that such Qualified Bidder intends in good faith to, or has the capacity to, consummate a transaction.
13. Harte Gold also reserves its right, in consultation with the Monitor, to withhold any diligence materials that Harte Gold determines are sensitive or otherwise not appropriate for disclosure to a Qualified Bidder that Harte Gold determines is (or is affiliated with) a competitor or is otherwise an entity to which the disclosure of sensitive or competitive information, in Harte Gold’s exercise of its reasonable business judgment (in consultation with the Monitor), may risk unduly placing Harte Gold at a competitive disadvantage or make it subject to regulatory scrutiny.
14. All due diligence and information requests must be directed to the Monitor at the email addresses specified in **Schedule A** hereto.
15. Harte Gold, the Monitor and their respective employees, officers, directors, agents, advisors and other representatives make no promise, representation, warranty, condition or guarantee of any kind, nature or description as to the information (a) contained in the Data Room, or (b) otherwise made available in connection with this SISP, except, in the case of Harte Gold only, to the extent expressly contemplated in any executed definitive sale or investment agreement with a Successful Bidder.
16. Without limiting the generality of any term or condition of any NDA between Harte Gold and any Potential Bidder or Qualified Bidder, unless otherwise agreed by Harte Gold or ordered by the CCAA Court, no Potential Bidder or Qualified Bidder shall be permitted to have any discussions with (a) any counterparty to any contract with Harte Gold, any current or former director, manager, shareholder, officer, member or employee of Harte Gold, other than in the normal course of business and wholly unrelated to Harte Gold, the potential transaction, the Confidential Information (as defined in the NDA), the SISP or the CCAA Proceedings, and (b) any other Potential Bidder or Qualified Bidder regarding the SISP or any bids submitted or contemplated to be submitted pursuant thereto. Notwithstanding the foregoing, nothing herein shall prohibit secured creditors of Harte Gold, and their respective affiliates and their legal and financial advisors, from communicating with each other, solely to discuss their secured interests in Harte Gold in their capacities as secured creditors, unless such secured creditors have been advised by

the Company or the Monitor that their secured indebtedness is proposed to be paid or otherwise satisfied in full by a Qualified Bidder, in which case, such communications and discussions from that point on shall be made in the presence of the Monitor. At no time shall such secured creditors be entitled to communicate or discuss with one another or with any other Potential Bidder, Qualified Bidder or Auction Bidder regarding the SISP or any bids submitted or contemplated to be submitted pursuant thereto.

### **Qualified Bids**

17. A Qualified Bidder that wishes to make a bid must deliver their bid to the Monitor, on behalf of Harte Gold, at the email addresses specified in **Schedule A** hereto so as to be actually received by the Monitor not later than the Bid Deadline.
18. All offers submitted to the Monitor ("**Bids**") for consideration in accordance with paragraph 17, other than the Stalking Horse Bid which is deemed a Qualified Bid, must comply with all of the following requirements (any such complying Bid, a "**Qualified Bid**"):
  - (a) Subscription/Purchase Price: Each Bid must clearly set forth the subscription/purchase price in Canadian dollars, stated on a total enterprise value basis, (including the cash and non-cash components thereof, the sources of such capital, evidence of the availability of such capital and the steps necessary and associated timing to obtain the capital and consummate the proposed transaction and any related contingencies, as applicable);
  - (b) Executed Subscription Agreement or other Transaction Agreement: Each bid must be made by way of the submission of (a) a Subscription Agreement or (b) or such other form of transaction document as the Qualified Bidder may choose, in each case executed by the Qualified Bidder;
  - (c) Mark-up: Each Bid must include a full mark-up comparison of their executed Subscription Agreement or other form of transaction document against the form of Subscription Agreement (including all schedules and exhibits thereto) included in the Data Room, as well as any proposed forms of Orders to be sought from the CCAA Court.
  - (d) Bid Deadline: Each Bid must be received by the Bid Deadline as set forth herein;
  - (e) Superior Offer: Each Bid must represent a Superior Offer;
  - (f) Capital Structure: Each Bid must include information to enable Harte Gold and the Monitor to review and assess the financing/cash available post-closing to fund the business, and implement post-closing measures and transactions.
  - (g) Irrevocable Offer: Each Bid must be irrevocable until the earlier of (A) the approval by the CCAA Court of a Successful Bid (and the Back-Up Bid) and (B) 45 days following the Bid Deadline, provided that if such bidder is selected as the Successful Bidder, its offer will remain irrevocable until the Closing (or the outside date as set forth therein);
  - (h) Executed Documents: Each Bid must be accompanied by a duly authorized and executed Subscription Agreement or other form of transaction document and an electronic copy of such agreement, as well as duly authorized and executed transaction documents necessary to effectuate the transactions contemplated thereby;

- (i) Financial Wherewithal: Each Bid must include (A) written evidence of a firm, irrevocable commitment for financing, or other evidence of ability to consummate the proposed transaction, that will allow Harte Gold, in consultation with the Monitor, to make a reasonable determination as to the Qualified Bidder's financial and other capabilities to consummate the transaction, and (B) the identification of any person or entity who may provide debt or equity financing for the Bid and any material conditions to be satisfied in connection with such financing;
- (ii) Authorization: Each Bid must include evidence, in form and substance reasonably satisfactory to Harte Gold, in consultation with the Monitor, of authorization and approval from the bidder's board of directors (or comparable governing body) with respect to the submission, execution, delivery and closing of the transaction contemplated by the Bid;
- (iii) No Other Authorization, Diligence, Financing Conditions: Each Bid must not be conditional upon the following:
  - A. any internal approval(s);
  - B. the outcome of unperformed due diligence by the Qualified Bidder;  
or
  - C. obtaining financing;
- (iv) Identity: Each Bid must fully disclose the identity of each entity that will be sponsoring or participating in the bid, and the complete terms of such participation;
- (v) Contact Information: Each Bid must contain contact information for any business, financial or legal advisors retained or to be retained in connection with the proposed transaction;
- (vi) Regulatory Approvals: Each Bid must outline any anticipated regulatory and other approvals required to close the transaction, including any approvals under the CA and ICA, and the anticipated time frame and any anticipated impediments for obtaining such approvals and confirms that the Qualified Bidder will make and submit all necessary and applicable regulatory filings and pay all fees associated therewith;
- (vii) Disclaimer of Fees: Each Bid must disclaim any right to receive a fee analogous to a break-up fee, expense reimbursement, termination fee, or any other similar form of compensation;
- (viii) Treatment of Employees: Each Bid must include full details of the Qualified Bidder's intention towards offering continued employment to Harte Gold's employees and by providing details on the terms and conditions of employment that will be offered to any continuing employees. For greater certainty, each Bid must include the proposed number of employees of Harte Gold who will become employees of the bidder or remain employees of the Business. Each Bid must also include details on how the Qualified Bidder intends to address Harte Gold's contemplated actions towards its employee population in the context of the restructuring process;

- (ix) Timeline: Each Bid must provide a timeline to closing with critical milestones;
  - (x) Deposit: Each Bid, including the Stalking Horse Bid, must be accompanied by a refundable deposit (the “**Deposit**”) in the form of a wire transfer to an account specified by the Monitor, payable to the order of the Monitor, on behalf of Harte Gold, in trust, in an amount equal to five percent (5%) of the cash consideration contemplated by the Bid (including the Stalking Horse Bid), to be held and dealt with in accordance with the terms of this SISP;
  - (xi) Terms of Court Order(s): Each Bid must describe the key terms and provisions to be included in any order of the CCAA Court approving the contemplated transaction;
  - (xii) Precedent Investments in the Mining Industry: Each Bid must provide any relevant details of the previous investments or acquisitions, or any other experience a Qualified Bidder has and deemed relevant by such Qualified Bidder, in the mining industry, including the date, nature of the investment, amount invested, geography and any other relevant information related to such investment;
  - (xiii) Prospective Plans: Each Bid should include the Qualified Bidder’s proposed plans for Harte Gold following consummation of a potential transaction, including intentions for Harte Gold’s operations as well as for management, employees and facilities;
  - (xiv) Confirmation of no Collusion. Each Auction Bid should include confirmation by the Qualified Bidder that it has not engaged in any discussions or any other collusive behaviour with any other Potential Bidder or Qualified Bidder regarding the SISP or any bids submitted or contemplated to be submitted in the SISP; and
  - (xv) Other Information: Each Bid must contain such other information as may be reasonably requested by Harte Gold or the Monitor from time to time.
19. Notwithstanding anything herein to the contrary, Harte Gold, in consultation with the Monitor, will review and assess each Bid to determine whether such Bid is a Qualified Bid. In performing such review and assessment, Harte Gold, in consultation with the Monitor, may evaluate the following non-exhaustive list of considerations: (a) the subscription/purchase price and net value (including assumed liabilities and other obligations to be performed by the bidder); (b) the firm, irrevocable commitment for financing of the transaction; (c) the claims likely to be created by such Bid in relation to other Bids; (d) the counterparties to the transaction; (e) the terms of transaction documents, including, if applicable, the proposed revisions to the Stalking Horse Bid; (f) the closing conditions and other factors affecting the speed, certainty and value of the transaction (including any regulatory approvals required to close the transaction); (g) planned treatment of stakeholders; (h) the assets included or excluded from the Bid; (i) any restructuring costs that would arise from the Bid; (j) the likelihood and timing of consummating the transaction, (k) the financing or cash pro forma available post-closing to fund Harte Gold’s Business; (l) the capital sufficient to implement post-closing measures and transactions; and (m) proposed treatment of the employees.
20. Harte Gold, in consultation with the Monitor, may reject any Bid that is (i) inadequate or insufficient; (ii) not in conformity with the requirements pursuant to these SISP Procedures;

(iii) contrary to the best interest of Harte Gold; or (iv) not a Qualified Bid; provided that Harte Gold may, in consultation with the Monitor, waive strict compliance with any one or more of the requirements specified in paragraph 18 above and deem a non-compliant Bid to be a Qualified Bid.

### **Auction; Successful Bid**

21. In the event that no Qualified Bid other than the Stalking Horse Bid is received, then (a) there will be no auction, (b) the Stalking Horse Bid will be deemed to be the Successful Bid, and (c) Harte Gold shall seek approval and authority to consummate the Stalking Horse Bid and the transactions provided for therein at the Approval Hearing.
22. If one or more Qualified Bids other than the Stalking Horse Bid are received, then Harte Gold, in consultation with the Monitor, shall conduct an auction to determine the highest or otherwise best Qualified Bid (the "**Auction**").
23. If the Auction is to take place, then as soon as practicable prior to the Auction, Harte Gold shall provide the Stalking Horse Bidder and all Qualified Bidders having submitted a Qualified Bid (the Stalking Horse Bidder and all Qualified Bidders, together, "**Auction Bidders**") with details of the time and place for the Auction and a copy of the Opening Bid for the Auction.
24. The Auction shall commence on the Auction Date and shall be held at the Toronto office of Stikeman Elliott LLP or by videoconference or such other arrangement acceptable to the Monitor. If the Auction is held at the Toronto office of Stikeman Elliott LLP and any Auction Bidder requests to participate by videoconference, Harte and the Monitor shall facilitate participation by videoconference. The Auction shall be conducted according to the following procedures:
  - (a) Participation: Harte Gold, in consultation with the Monitor, shall direct and preside over the Auction. Only Auction Bidders are eligible to participate in the Auction. Each Auction Bidder must have, present or available, the individual or individuals with the necessary decision-making authority to submit Overbids and to make such necessary and ancillary decisions as may be required during the Auction. Only the authorized representatives, including counsel and other advisors, of Harte Gold, the Monitor, and each of the Auction Bidders shall be permitted to attend the Auction.
  - (b) Rounds. Bidding at the Auction shall be conducted in rounds. The Qualified Bid determined by Harte Gold and the Monitor to have the highest and/or best value shall constitute the "**Opening Bid**" for the first round of bidding. The highest and/or best Overbid at the end of each round shall constitute the "**Opening Bid**" for the following round. Harte Gold, in consultation with the Monitor, shall determine what constitutes the Opening Bid for each round in accordance with the assessment criteria set out in paragraph 24(d) below. In each round, an Auction Bidder may submit no more than one Overbid. Harte Gold, in consultation with the Monitor, may impose such time limits for the submission of Overbids as it deems reasonable. For clarity, the Stalking Horse Bidder may submit an Overbid.
  - (c) Failure to Submit an Overbid. If, at the end of any round of bidding, an Auction Bidder (other than the Auction Bidder that submitted the Opening Bid for such round) fails to submit an Overbid, then such Auction Bidder may not participate in any future round of bidding at the Auction. Any Auction Bidder that submits an Overbid during a round (including the Auction Bidder that submitted the Opening

Bid for such round) shall be entitled to participate in the next round of bidding at the Auction. Any Auction Bidder that fails to submit an Overbid in a round (other than the Auction Bidder that submitted the Opening Bid for such round) may be required by Harte Gold and the Monitor to leave the Auction.

- (d) Bid Assessment Criteria. Harte Gold, in consultation with the Monitor, shall determine which Qualified Bid constitutes the Opening Bid for the first round of bidding and the determination of which Overbid constitutes the Opening Bid for each subsequent round of bidding, taking into account all factors that Harte Gold and the Monitor, with the assistance of their advisors, reasonably deem relevant to the value of such bid, including, among other things, those considerations listed in paragraph 19, above.
- (e) Overbids. All bids made during the Auction must be Overbids and shall be submitted in a form to be determined by Harte Gold, in consultation with the Monitor. The identity of each Auction Bidder and all material terms of each Overbid may be fully disclosed by Harte Gold to all other Auction Bidders participating in the Auction. The Monitor shall maintain a record of the Opening Bid and all Overbids made and announced at the Auction, including the Successful Bid (as defined below) and the Back-Up Bid. To be considered an “**Overbid**”, a bid made during the Auction must satisfy the following criteria:
  - (i) Minimum Consideration. The overall amount of consideration of any Overbid shall not be less than the value of the Opening Bid of the applicable round of bidding, plus the Overbid Amount; and
  - (ii) Remaining terms are the same as for Qualified Bids. Except as modified herein, an Overbid must comply with the conditions for a Bid set forth in paragraph 18 above (provided, for greater certainty, that the Bid Deadline shall not apply and Overbids need not be accompanied by additional cash deposits (subject to subsection (h) hereof)). To the extent not previously provided (which shall be determined by Harte Gold in consultation with the Monitor), an Auction Bidder submitting an Overbid must submit, as part of its Overbid, evidence acceptable to Harte Gold, in consultation with the Monitor, demonstrating such Auction Bidder’s ability (including financial ability) to close the transaction contemplated by its Overbid;
- (f) Overbid Alterations: An applicable Overbid may contain alterations, modifications, additions, or deletions of any terms of the prior Overbid so long as, after giving effect to the same, the terms of the new Overbid are no less favorable than any prior Overbid of such Auction Bidder, as determined by Harte Gold in consultation with the Monitor.
- (g) Announcing Highest Overbids. At the end of each round of bidding, Harte Gold, in consultation with the Monitor, shall (i) review each Overbid made in such round; (ii) identify the highest and/or best Overbid; and (iii) announce the terms of such highest and/or best Overbid to all Auction Bidders entitled to participate in the next round of bidding. Such highest and/or best Overbid shall be the Opening Bid for the next round of the Auction.
- (h) Adjournments. Harte Gold, in consultation with the Monitor, may, in its reasonable business judgment, make one or more adjournments in the Auction to, among other things: (i) facilitate discussions with individual Auction Bidders, including any discussion, negotiation or clarification of any Overbid; (ii) allow individual Auction



Bidders to consider how they wish to proceed; (iii) consider and determine the current highest and/or best Overbid at any given time during the Auction; (iv) give Auction Bidders the opportunity to provide such additional evidence as Harte Gold may require, in its reasonable business judgment, that the Auction Bidder has sufficient internal resources or has received sufficient non-contingent debt and/or equity funding commitments to consummate the proposed transaction at the Overbid amount; and (v) subject to such rules and guidelines as Harte Gold, in consultation with the Monitor, may consider appropriate, facilitate any appropriate consultation by Harte Gold and/or Auction Bidders with third party stakeholders.

- (i) Closing the Auction. If, in any round of bidding, no Overbid is made, the Auction shall be closed and Harte Gold, in consultation with the Monitor and legal advisors: (i) declare the last Opening Bid as the successful Bid (the “**Successful Bid**” and the party submitting such Successful Bid, the “**Successful Bidder**”); (ii) immediately review the other Overbids made in the previous round (or the Qualified Bid if no Overbids were made at the Auction) and identify and record the next highest and/or best Overbid (or Qualified Bid) (the “**Back-Up Bid**” and the party submitting such Back-Up Bid, the “**Back-Up Bidder**”); and (iii) advise the Successful Bidder and the Back-Up Bidder of such determinations and all other Auction Bidders that they are not a Successful Bidder or a Back-Up Bidder. If a Back-up Bid is identified in accordance with this SISF, then such Back-up Bid shall remain open until the closing of the transaction contemplated by the Successful Bid.
- (j) Executed Documentation: The Successful Bidder and the Back-up Bidder (if any) shall, within two (2) Business Days after the conclusion of the Auction, or such longer delay acceptable to Harte Gold, in consultation with the Monitor, submit to Harte Gold executed revised documentation memorializing the terms of the Successful Bid and the Back-up Bid (if any). The Successful Bid and the Back-up Bid may not be assigned to any party without the consent of Harte Gold.
- (k) Reservation of Rights.
  - (i) Notwithstanding anything herein to the contrary, Harte Gold shall be under no obligation to accept the highest or the best Overbid or any Qualified Bid (other than the Stalking Horse Bid if no higher or better Qualified Bid is accepted) or to pursue or hold an Auction or to select any Successful Bid and/or Back-up Bid.
  - (ii) Harte Gold reserves its rights to modify the conduct of the Auction at any time, acting reasonably, in consultation with the Monitor, in any manner that would best promote the goals of the Auction process, including to select the Successful Bid and/or Back-up Bid prior to the completion of the Auction.
- (l) No Collusion. Each Auction Bidder shall be required to confirm that it has not engaged in any discussions or any other collusive behaviour with respect to the submissions of Overbids. Harte Gold, in consultation with the Monitor, may permit discussions between Auction Bidders at the Auction, subject to such rules and guidelines as Harte Gold, in consultation with the Monitor, considers appropriate. The parties agree that discussions between secured creditors of Harte Gold, including their affiliates, and their legal or financial advisors, regarding their secured interests in Harte Gold, shall not constitute collusive behaviour provided that such secured creditors comply with the requirements of paragraph 16 hereof.

### **Approval Motion**

25. Harte Gold shall apply to the CCAA Court (the “**Approval Motion**”) for an order approving the Successful Bid and authorizing Harte Gold to enter into any and all necessary agreements with respect to the Successful Bid and to undertake such other actions as may be necessary or appropriate to give effect to the Successful Bid. Such order shall also approve the Back-Up Bid, if any, in the event that the Successful Bid does not close for any reason.
26. The hearing of the Approval Motion will be held on the date of the Approval Hearing. The Approval Motion may be adjourned or rescheduled by Harte Gold or the Monitor, in consultation with the Successful Bidder, without further notice by an announcement of the adjourned date at the Approval Motion, or by notice to the service list in the CCAA Proceedings.
27. All Qualified Bids (other than the Successful Bid and the Back-Up Bid) will be deemed rejected on the date of approval of the Successful Bid by the CCAA Court.

### **Closing the Successful Bid**

28. Harte Gold and the Successful Bidder shall take all reasonable steps to complete the transaction contemplated by the Successful Bid as soon as possible after the Successful Bid is approved by the CCAA Court. If the transaction contemplated by the Successful Bid has not closed by the outside date provided for in the Successful Bid or the Successful Bid is terminated for any reason prior to the outside date provided for in the Successful Bid, Harte Gold may elect, with the consent of the Monitor, to seek to complete the transaction contemplated by the Back-Up Bid, and will promptly seek to close the transaction contemplated by the Back-Up Bid. The Back-Up Bid will be deemed to be the Successful Bid and Harte Gold will be deemed to have accepted the Back-Up Bid only when Harte Gold has made such election and provided written notice of such determination to the Successful Bidder and the Back-Up Bidder.

### **General**

29. All Deposits will be retained by the Monitor and deposited in a trust account. The Deposit (without interest thereon) paid by the Successful Bidder and Back-Up Bidder whose bid(s) is/are approved at the Approval Motion will be applied to the subscription/purchase price to be paid or investment amount to be made by the Successful Bidder and/or Back-Up Bidder, as applicable upon closing of the approved transaction and will be non-refundable, other than in the circumstances set out in the Successful Bid or the Back-Up Bid, as applicable. The Deposits (without interest) of Qualified Bidders and Auction Bidders not selected as the Successful Bidder and Back-Up Bidder will be returned to such bidders within five (5) Business Days after the selection of the Successful Bidder and Back-Up Bidder or any earlier date as may be determined by Harte Gold, in consultation with the Monitor. The Deposit of the Back-Up Bidder, if any, shall be returned to such Back-Up Bidder no later than five (5) Business Days after Closing.
30. If a Successful Bidder breaches its obligations under the terms of the SISF, its Deposit shall be forfeited as liquidated damages and not as a penalty.
31. All bidders (including Auction Bidders and Qualified Bidders) shall be deemed to have consented to the exclusive jurisdiction of the CCAA Court and waived any right to apply to another jurisdiction in connection with any disputes relating to the SISF, including the qualification of bids, the Auction, if any, the construction and enforcement of the SISF, the

transaction documents and the Closing, as applicable.

32. For the avoidance of doubt, the approvals required pursuant to the terms hereof are in addition to, and not in substitution for, any other approvals required by the CCAA or any other statute or as otherwise required at law in order to implement a Successful Bid.
33. There will be no amendments to this SISP without the consent of the Monitor and Harte Gold and, if such modification or amendment materially deviates from the key dates contemplated in Section 2 hereof, with the written consent of the Stalking Horse Bidder, or with the approval of the CCAA Court.
34. This SISP does not, and will not be interpreted to, create any contractual or other legal relationship between Harte Gold and any Qualified Bidder or Auction Bidder, or any obligation to enter into any contractual or other legal relationship between Harte Gold and any Qualified Bidder or Auction Bidder, other than as specifically set forth in a definitive agreement that may be signed with Harte Gold.
35. Neither Harte Gold nor the Monitor shall be liable for any claim for a brokerage commission, finder's fee or like payment in respect of the consummation of any of the transactions contemplated under the SISP arising out of any agreement or arrangement entered into by the parties that submitted the Successful Bid and Back-Up Bid.

## SCHEDULE A

### Contact Information

#### Monitor

**FTI CONSULTING CANADA INC.**

TD South Tower,  
79 Wellington Street West  
Toronto Dominion Centre, Suite 2010  
P.O. Box 104,  
Toronto, ON  
Canada, M5K 1G8

**Attention of:**

**Nigel Meakin**

Tel: (416) 649-8065  
Email: nigel.meakin@fticonsulting.com

**Jeffrey Rosenberg**

Tel: (416) 649-8073  
Email: jeffrey.rosenberg@fticonsulting.com

**Dean Mullett**

Tel: (416) 816-0733  
Email: dean.mullett@fticonsulting.com

**SCHEDULE B**

**Required Acknowledgement**

**Acknowledgement of the Sale and Investment Solicitation Process**

**TO:** Harte Gold Corp. (“**Harte Gold**”)

**AND TO:** FTI Consulting Canada Inc., as monitor in the CCAA proceedings (the “**Monitor**”)

**RE:** Sale and Investment Solicitation Process in respect of Harte Gold

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On December 7, 2021, the Ontario Superior Court of Justice [Commercial List] (the “**CCAA Court**”), presided by the Honourable Justice Pattillo, granted an initial order in respect of Harte Gold pursuant to the *Companies’ Creditors Arrangement Act*, and FTI Consulting Canada Inc. was appointed as Monitor of Harte Gold.

On December 16, 2021, the CCAA Court granted an order (the “**SISP Order**”) approving the conduct of a sale and solicitation process (the “**SISP**”) by Harte Gold, with the assistance of the Monitor, in accordance with the procedures attached to the SISP Order (the “**SISP Procedures**”).

The undersigned hereby acknowledges having received a copy of the SISP Order and of the SISP Procedures, and that in order to participate in the SISP and submit a Bid (as defined in the SISP Procedures) that will be considered by Harte Gold, in consultation with the Monitor and their respective advisors, the undersigned must comply with the terms and provisions of the SISP Order and the SISP Procedures, which the undersigned hereby agrees to do.

This \_\_\_\_ day of \_\_\_\_\_, 2021.

**[Insert Interested Party name]**

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By:  
Title:

**SCHEDULE C**

**SISP Press Release**

## Harte Gold Announces Extension of Stay Period, Approval of Increased DIP Financing and Approval of Sale and Investment Solicitation Process

**Toronto – December 16, 2021** – As previously announced, on December 7, 2021, HARTE GOLD CORP. (“**Harte Gold**” or the “**Company**”) (TSX: HRT / OTC: HRTFF / Frankfurt: H4O) was granted creditor protection pursuant to an order (the “**Initial Order**”) granted by the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”). Pursuant to the Initial Order, the Company obtained protection from its creditors for an initial period of ten (10) days (the “**Stay Period**”) and FTI Consulting Canada Inc. was appointed as monitor of the Company (in such capacity, the “**Monitor**”)

On December 16, 2021, the Court granted an Amended and Restated Initial Order (the “**ARIO**”) pursuant to which, *inter alia*, the Stay Period was extended until January 31, 2022 and the amount authorized for borrowing under the DIP Financing Agreement approved by the Court in the Initial Order was increased to \$10.8 million.

The Court also granted an order (the “**SISP Order**”) authorizing the Company to conduct, with the assistance of the Monitor, a sale and investment solicitation process (the “**SISP**”) in accordance with certain terms and conditions relating thereto (the “**SISP Procedures**”). As part of the SISP Order, the Court approved the Company’s execution of a subscription agreement (the “**Subscription Agreement**”) with 1000025833 Ontario Inc. (the “**Investor**”), a wholly-owned indirect subsidiary of Silver Lake Resources Limited (“**Silver Lake**”) (ASX: SLR) and the use of the Subscription Agreement as a “stalking horse bid” (the “**Stalking Horse Bid**”) in the context of the SISP, in order to establish the baseline consideration for the Company’s business and assets. Interested parties are invited to participate in the SISP and submit a superior proposal (each a “**Superior Proposal**”) to the Stalking Horse Bid. If no Superior Proposal is submitted to the Company and the Monitor as part of the SISP, the Investor shall be declared the successful bidder at the conclusion of the SISP and, if the transaction contemplated in the Subscription Agreement is subsequently approved by the Court, the Investor will become the sole shareholder of Company, which will continue its business and operations as a going concern. The SISP is intended to secure the highest or otherwise best offer for the Company’s business and assets, for the benefit of all stakeholders.

In order to participate in the SISP and obtain access to a virtual data room, all interested parties must comply with the terms and conditions set forth in the SISP Procedures, a copy of which is attached to the SISP Order and is also available on the Monitor’s website at <http://cfcanada.fticonsulting.com/harte>. Parties interested in participating in the SISP, should contact the Monitor at [hartegold@fticonsulting.com](mailto:hartegold@fticonsulting.com).

All bids must be submitted to the Monitor by no later than January 14, 2022 at 5:00 p.m. (prevailing Eastern Time).

### **Additional Information**

Further updates will be provided as appropriate. A copy of the Initial Order, the ARIO, the SISP Order, the SISP Procedures and all materials related thereto, as well as any other information regarding the CCAA proceedings, are available on the Monitor’s website at <http://cfcanada.fticonsulting.com/harte>.



## About Harte Gold Corp.

Harte Gold holds a 100% interest in the Sugar Zone mine located in White River, Canada. The Sugar Zone Mine entered commercial production in 2019. The Company has further potential through exploration at the Sugar Zone Property, which encompasses 81,287 hectares covering a significant greenstone belt. Harte Gold trades on the TSX under the symbol “HRT”, on the OTC under the symbol “HRTFF” and on the Frankfurt Exchange under the symbol “H4O”.

For further information, please visit [www.hartegold.com](http://www.hartegold.com) or contact:

Shawn Howarth  
Vice President, Corporate Development and Investor Relations  
Tel: 416-368-0999  
E-mail: [sh@hartegold.com](mailto:sh@hartegold.com)

### Cautionary note regarding forward-looking information:

*This news release includes “forward-looking statements”, within the meaning of applicable securities legislation, which are based on the opinions and estimates of management and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as “seek”, “anticipate”, “budget”, “plan”, “continue”, “estimate”, “expect”, “forecast”, “may”, “will”, “project”, “predict”, “potential”, “targeting”, “intend”, “could”, “might”, “should”, “believe” and similar words suggesting future outcomes or statements regarding an outlook. Specific forward-looking statements in this press release include, but are not limited to, the Stay Period expiring on January 31, 2022; the Investor, if it is the successful bidder at the conclusion of the SISP and is approved by the Court, becoming the sole shareholder of Company in a transaction which provides for the continuation of its business and operations as a going concern; the DIP Financing providing Harte Gold with the liquidity required to continue the operations of Sugar Zone Mine until closing of a transaction; there being no recovery for holders of existing equity interests in the Company unless the successful bid at the conclusion of the SISP provides for significantly higher value than the Subscription Agreement; further updates being provided as appropriate; and the Company having further potential through exploration at the Sugar Zone Property. Forward-looking statements are necessarily based upon a number of estimates and assumptions including material estimates and assumptions related to the factors set forth below that, while considered reasonable by the Company as at the date of this press release in light of management’s experience and perception of current conditions and expected developments, are inherently subject to significant business, economic, and competitive uncertainties and contingencies. Known and unknown factors could cause actual results to differ materially from those projected in the forward-looking statements, and undue reliance should not be placed on such statements and information. Such risks and uncertainties include, but are not limited to, the Strategic Review Process failing to result in a transaction that provides value to the Company’s stakeholders; the Company being unable to secure sufficient financing to complete the Strategic Review Process; the Company being unable to continue as a going concern; the risk that the Company will not have adequate sources of funding to finance the Company’s operations in the near future; the risk that the Company will not be able to obtain sufficient financing for working capital, capital expenditures, debt service requirements, and general corporate or other purposes; the risk that the Company has insufficient assets to meet its liabilities or satisfy its creditors; the Company being able to attract and retain qualified candidates to join the Company’s management team and board of directors, risks associated with the mining industry, including operational risks in exploration, development and production; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of reserve estimates; the uncertainty of estimates and projections in relation to production, costs and expenses; the uncertainty surrounding the ability of the Company to obtain all permits, agreements, consents or authorizations required for its operations and activities; and health, safety and environmental risks, the risk of commodity price and foreign exchange rate fluctuations, the ability of Harte Gold to fund the capital and operating expenses necessary to achieve the business objectives of Harte Gold, the uncertainty associated with commercial negotiations and negotiating with contractors and other parties and risks associated with international business activities, as well as other risks and uncertainties which are more fully described in the Company’s Annual Information Form dated March 30, 2021, and in other filings of the Company with securities and regulatory authorities which are available on SEDAR at [www.sedar.com](http://www.sedar.com). Due to the risks, uncertainties and assumptions inherent in forward-looking statements, prospective investors in securities of the Company should not place undue reliance on these forward-looking statements. Readers are cautioned that the foregoing list of risks, uncertainties and other factors are not exhaustive. The forward-looking statements contained in this news release are made as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking statements or in any other documents filed with Canadian securities regulatory authorities, whether as a result of new information, future events or otherwise, except in accordance with applicable securities laws. The forward-looking statements are expressly qualified by this cautionary statement. The Toronto Stock Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this news release.*

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

Court File No.: CV-21-00673304-00CL\_

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF  
HARTE GOLD**

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**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**  
Proceeding commenced at Toronto

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**AMENDED AND RESTATED  
INITIAL ORDER**

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**Lawyers for the Applicant**

**SCHEDULE "C" EXCLUDED ASSETS**

Any and all of the Company's rights in respect of the retainers paid to Stikeman Elliott LLP, FTI Consulting Canada Inc., Goodmans LLP and Thornton Grout Finnigan LLP.

## **SCHEDULE "D" EXCLUDED CONTRACTS<sup>1</sup>**

1. All financing agreements other than the BNPP Credit Agreement, including without limitation:
  - a) Financing Agreement dated July 13, 2020, as between ANR Investments 2 B.V. and Harte Gold Corp. and any amendments thereto including the Amending Agreement to the Financing Agreement dated August 28, 2020, as between ANR Investments 2 B.V. and Harte Gold Corp.
  - b) Facility Agreement dated August 28, 2020, as between AHG (Jersey) Limited and Harte Gold Corp.
  - c) Bridge Loan Agreement dated May 3, 2018, as between ANR Investments B.V. and Harte Gold Corp.
2. Any and all employment agreements with Terminated Employees
3. The lease dated November 28, 2019 between Harte Gold Corp., as tenant, and CT Tower Investments Inc., as landlord, in respect of the property located at 161 Bay Street, Suite 2400, Toronto, Ontario
4. The following engagement agreements:
  - a) Engagement Letter dated June 4, 2021, as between Jeffries LLC and Harte Gold Corp.
  - b) Engagement Agreement dated May 24, 2021, as between Scotia Capital Inc. and Harte Gold Corp.
  - c) Engagement Letter dated January 15, 2021, as between CIBC World Markets Inc. and Harte Gold Corp.
  - d) Engagement Letter dated June 8, 2021, as between Odeon Capital Group LLC and Harte Gold Corp.
  - e) Engagement Letter, dated June 3, 2021, between FTI Consulting Canada Inc. and Stikeman Elliott LLP, as subsequently amended on June 25, 2021.
5. All subscription agreements, including, without limitation:
  - a) Subscription, Standby Commitment and Facility Extension Agreement dated June 6, 2019, as between ANR Investments B.V. and Harte Gold Corp.
  - b) Subscription Agreement dated March 18, 2021, as between New Gold Inc. and Harte Gold Corp.
  - c) Subscription Agreement dated November 23, 2016, as between ANR Investments B.V. and Harte Gold Corp.

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<sup>1</sup> References to "Excluded Contracts" in this section shall include all related security and other documents to which Harte is party.

- d) Subscription Agreement dated December 29, 2017, as between Orion Mine Finance Fund II LP and Harte Gold Corp.

## **SCHEDULE "E" EXCLUDED LIABILITIES**

1. All Liabilities relating to or arising from the Retained Contracts, prior to the commencement of the CCAA Proceedings, which are not royalties, Cure Costs or otherwise Trade Amounts payable under the Retained Contracts (where such royalties, Cure Costs or Trade Amounts shall be subject to the Cure Costs and Trade Amount Cap).
2. Any and all Liabilities with regard to any litigation or other legal proceedings brought or initiated, or which could be brought or initiated, against the Company relating to or arising from any act, occurrence or circumstance existing at or before the Closing Date, excluding, solely, any regulatory or environmental Liabilities owed to any Governmental Authority
3. All Liabilities relating to or arising from the Facility Agreement dated August 28, 2020 (as amended, restated, supplemented or otherwise modified, from time to time) between AHG (Jersey) Limited and Harte Gold Corp.
4. All Liabilities relating to or arising from the Financing Agreement dated July 13, 2020 (as amended, restated, supplemented or otherwise modified, from time to time) between ANR Investments 2 B.V. and Harte Gold Corp.

**SCHEDULE "F" ENCUMBRANCES TO BE DISCHARGED**

### **SCHEDULE “G” RETAINED CONTRACTS**

All Contracts which are not listed as Excluded Contracts in Schedule D, including without limitation:

1. Contract No. HGC 18-6263 dated October 1, 2018, as between Glencore Canada Corporation and Harte Gold Corp. and any amendments thereto including Amendment No. 1 to Contract No. HGC 18-6263 dated May 27, 2019, as between Glencore Canada Corporation and Harte Gold Corp. and Amendment No. 2 to Contract No. HGC 18-6263 dated February 27, 2020, as between Glencore Canada Corporation and Harte Gold Corp.
2. Any obligations of the Company under the ISDA Master Agreement and Schedule made as of June 10, 2019 (as subsequently supplemented) between BNP Paribas and the Company
3. All offtake agreements, including without limitation:
  - a) Offtake Agreement dated July 14, 2020, as between ANR Investments B.V. and Harte Gold Corp. and any amendments thereto
  - b) Offtake Agreement dated January 9, 2018, as between ANR Investments B.V. and Harte Gold Corp. and any amendments thereto
  - c) Offtake Agreement dated December 29, 2017, as between Orion (OMF Fund II SO Ltd.) and Harte Gold Corp. and any amendments thereto
4. All royalty agreements, including without limitation:
  - a) Royalty Agreement dated December 19, 2019, as between 2729992 Ontario Corp. and Harte Gold Corp.
  - b) Royalty Agreement dated August 28, 2020, as between 2729992 Ontario Corp. and Harte Gold Corp.
  - c) Net Profits Royalty, Schedule 3 to Option and Joint Venture Agreement (and the Schedules thereto) dated July 10, 1998, as between Corona Gold Corporation, John E. Ternowesky, Lloyd Halverson, Ernie Beaven, Eino Ranta, The Estate of Omer L. Belisle, Broad Horizons Trust, Broad Horizons Inc., and Harte Resources Corporation
  - d) Net Smelter Royalty, Schedule 4 to Option and Joint Venture Agreement (and the Schedules thereto) dated July 10, 1998, as between Corona Gold Corporation, John E. Ternowesky, Lloyd Halverson, Ernie Beaven, Eino Ranta, The Estate of Omer L. Belisle, Broad Horizons Trust, Broad Horizons Inc., and Harte Resources Corporation
  - e) Option Agreement dated June 28, 2010 between Harte Gold Corp., Llyod Halverson, Eugene Belisle and John E. Ternowesky
  - f) Net Smelter Royalty, Schedule B to the Property Option Agreement dated August 14, 2017, as between Lloyd Halverson, Doug Kakeeway, John E. Ternowesky, and Harte Gold Corp.
5. The Impact Benefits Agreement dated April 2018 between Pic Mobergt First Nation and Harte Gold Corp. (the **“Impact Benefits Agreement”**).



**SCHEDULE "H" ASSUMED LIABILITIES**

1. All Liabilities in respect of Employees, except for Liabilities relating to Terminated Employees

### **SCHEDULE "I" PERMITTED ENCUMBRANCES**

1. Reservations, limitations, proviso and conditions, if any, expressed in any original grant from the Crown provided that they do not materially adversely affect value, use or exploitation
2. Title defects or irregularities which are of minor nature, encroachments, easements, rights-of-way, rights to use, servitudes or similar interests provided that same does not materially adversely affect value, use or exploitation
3. Rights-of-way for or reservations or rights of others for, sewers, drains, water lines, gas lines, electric lines, railways, telegraph, telecommunications and telephone lines, or cable conduits, poles, wires and cables, and other similar utilities, or zoning by-laws, ordinances or other restrictions as to the use of the Freehold Properties contained in Schedule "K", that arise in the ordinary course of business and which do not individually or in the aggregate materially adversely affect value, use or exploitation
4. Encumbrances in respect of any Retained Contracts
5. Encumbrances permitted in writing by the Investor
6. Any obligations of the Company under the ISDA Master Agreement and the Schedule made as of June 10, 2019 (as subsequently supplemented) between BNP Paribas and the Company, all related confirmations thereunder, and the security granted in association therewith

**SCHEDULE "J" PERMITS AND LICENSES**

See Schedule "L".

**SCHEDULE "K" MINERAL TENURES**

**Part I – Freehold Properties**

No.	Claim No(s).	Township	Land Tenure	PIN	Legal Description	SRO/MRO
1.	None	White River	Freehold	31082-0218	PCL 4507 SEC A WS; PT FARM LOCATION CK74 HUNT AS IN LT50339; WHITE RIVER	SR/MR
2.	None	White River	Freehold	31082-0219	PCL 4508 SEC AWS; PT FARM LOCATION CK74 HUNT AS IN L T50340; WHITE RIVER	SR/MR
3.	None	White River	Freehold	31082-0234	PCL 11183 SEC AWS; PT FARM LOCATION CK77 HUNT PT 1 1R6484; WHITE RIVER	SR/MR

**Part II – Leasehold Properties**

No.	Claim No(s).	Township	Land Tenure	PIN	Legal Description	SRO/MRO
4.	1069328 TO 1069331 INCLUSIVE, SSMI069334, SSM1069335, SSMI069336, SSM1069340, SSM1069341, SSM1069342, SSM1069347, SSM1135498, SSM1182994, SSM4270162, SSMI069327, SSM1069337, SSMI069338, SSMI069339, SSMI069348, SSM1069349, SSMI069350	Hambleton and Odium	Leasehold	31053-0001	MINING CLAIMS I 069328 TO 1069331 INCLUSIVE, SSM1069334, SSM1069335, SSMI069336, SSM1069340, SSM1069341, SSMI069342, SSM1069347, SSMI135498, SSMI182994, SSM4270162, SSM1069327, SSM1069337, SSM1069338, SSM1069339, SSM1069348, SSM1069349, SSM1069350 BEING PTS 1,2,3,4,5,6,7,8,9 PL IRI3039, EXCEPT SURFACE RIGHTS BEING PTS 2 TO 9 INCLUSIVE PL 1RI3039 HAMBLETON, ODLUM	SR/MR - Pt I, Plan IRI3039  MRO - Pts 2-9, Plan IR13039

No.	Claim No(s).	Township	Land Tenure	PIN	Legal Description	SRO/MRO
5.	SSMI069332, SSMI069333, SSMI069343, SSMI182993; PT MINING CLAIMS SSM1069344, SSMI069346	Hambleton	Leasehold	31054- 0003	MINING CLAIMS SSM1069332, SSMI069333, SSM1069343, SSMI182993; PT MINING CLAIMS SSM1069344, SSMI 069346 HAMBLETON PT 1 IR 13011; DISTRICT OF ALGOMA	SR/MR
6.	PT MINING CLAIM SSM1232640	Gourlay and Strickla	Leasehold	31054- 0004	PT MINING CLAIM SSM 1232640 GOURLAY & STRICKLAND PT 2 IRI3011; DISTRICT OF ALGOMA	SR/MR
7.	PT MINING CLAIM SSM1235595	Gourlay	Leasehold	31054- 0005	PT MINING CLAIM SSM1235595 GOURLAY PT 3 IR 13011; DISTRICT OF ALGOMA	SR/MR
8.	PT MINING CLAIMS SSMI069344, SSMI069345, SSMI069346, SSM1232640, SSMI235595	Hambleton, Gourlay, Strickland and Odium	Leasehold	31054- 0006	MINING RIGHTS ONLY PT MINING CLAIMS SSM1069344, SSMI069345, SSMI069346, SSM1232640, SSMI235595 HAMBLETON, GOURLAY, STRICKLAND & ODLUM PTS 4-9 IR 13011; DISTRICT OF ALGOMA	MRO
9.	SSM937771, SSM937772, SSM937772, SSMI043806, SSMI043807, SSMI043808, SSMI043809, SSM1043810, SSMI069352, SSMI069353,	Hambleton, Odium and Strickland	Leasehold	31077- 0001	MINING CLAIMS SSM937771, SSM937772, SSM937772, SSMI043806, SSM1043807, SSM1043808, SSMI043809, SSMI043810, SSMI069352, SSMI069353,	SR/MR- Ptl, Plan IRI3019  MRO- Pts 2-8, Plan IR13019

No.	Claim No(s).	Township	Land Tenure	PIN	Legal Description	SRO/MRO
	SSMI069354, SSMI069355, SSMI069366, SSMI069367, SSMI069368, SSMI069369, SSMI069370, SSMI069371, SSM1140638, SSM1140639, SSM1140640, SSMI140641, SSM1140642, SSMI140643, SSMI140644, SSM1140645, SSMI140646, SSMI140647, SSM1140658, SSM1140659, SSMI140660				SSMI069354, SSMI069355, SSMI069366, SSMI069367, SSM 1069368, SSMI069369, SSMI069370, SSMI069371, SSMI140638, SSMI140639, SSMI140640, SSMI140641, SSMI140642, SSMI140643, SSMI140644, SSMI140645, SSMI140646, SSMI140647, SSMI140658, SSM1140659 & SSM1140660 BEING PTS 1,2,3,4,5,6, 7 & 8 PL 1R13019 EXCEPT SURFACE RIGHTS BEING PTS 2 TO 8 INCLUSIVE PL IR13019 1- IAMBLETON,ODLUM & STRICKLAND; CITY OF SAULT STE. MARIE	
10.	SSM937770, SSMI043803, SSM1043811, SSMI043812, SSMI069356, SSMI069357, SSMI069358, SSMI069363, SSMI069364, SSMI069365, SSMI069372, SSM1069373, SSM1069374, SSM1078250,	Hambleton and Odium	Leasehold	31078- 0001	MINING CLAIMS SSM937770, SSMI043803, SSM I 043811, SSMI043812, SSMI069356, SSMI069357, SSMI069358, SSMI069363, SSMI069364, SSMI069365, SSMI069372, SSM1069373, SSM1069374, SSM1078250, SSM1078251, SSM1078252, SSMI135499, SSM1194337 &	SR/MR- Pts 1,2, 3, 6 &10, Plan 1RI3038  MRO - Pts 4, 5, 7, 8, 9& 1 L Plan IRI3038

No.	Claim No(s).	Township	Land Tenure	PIN	Legal Description	SRO/MRO
	SSM1078251, SSMI078252, SSM1135499, SSM1194337, SMMI194340				SMM1194340 BEING PTS 1 TO 11 PL I R13038 EXCEPT SURFACE RIGHTS BEING PTS 4,5,7,8,9 & 11 PL IR13038 HAMBLETON ODLUM; CITY OF SAULT STE. MARIE	

**Part III – Unpatented Mining Claims**

Claim#	Type	Status	Issue Date	Anniversary Date	Owner Client#	Area /# of Cells	Due Date
100110	Claim	Active	2018-04-10	2022-02-22	(142281) HARTE GOLD CORP.	1	2022-02-22
102261	Claim	Active	2018-04-10	2022-01-09	(142281) HARTE GOLD CORP.	1	2022-01-09
102955	Claim	Active Pending Proceedings	2018-04-10	2021-01-08	(142281) HARTE GOLD CORP.	1	2021-01-08
102956	Claim	Active Pending Proceedings	2018-04-10	2021-01-08	(142281) HARTE GOLD CORP.	1	2021-01-08
102957	Claim	Active Pending Proceedings	2018-04-10	2021-01-08	(142281) HARTE GOLD CORP.	1	2021-01-08
103256	Claim	Active	2018-04-10	2022-01-09	(142281) HARTE GOLD CORP.	1	2022-01-09
103795	Claim	Active	2018-04-10	2022-04-11	(142281) HARTE GOLD CORP.	1	2022-04-11
104062	Claim	Active	2018-04-10	2022-01-09	(142281) HARTE GOLD CORP.	1	2022-01-09
108657	Claim	Active	2018-04-10	2022-08-30	(142281) HARTE GOLD CORP.	1	2022-08-30
110507	Claim	Active	2018-04-10	2022-12-03	(142281) HARTE GOLD CORP.	1	2022-12-03

Claim#	Type	Status	Issue Date	Anniversary Date	Owner Client#	Area # of Cells	Due Date
111378	Claim	Active	2018-04-10	2022-02-22	(142281) HARTE GOLD CORP.	1	2022-02-22
111755	Claim	Active	2018-04-10	2022-02-22	(142281) HARTE GOLD CORP.	1	2022-02-22
111802	Claim	Active	2018-04-10	2022-09-12	(142281) HARTE GOLD CORP., (406313) PELANGIO EXPLORATION INC.	1	2022-09-12
112652	Claim	Active	2018-04-10	2022-12-23	(142281) HARTE GOLD CORP.	1	2022-12-23
113014	Claim	Active	2018-04-10	2022-06-20	(142281) HARTE GOLD CORP.	1	2022-06-20
115744	Claim	Active	2018-04-10	2022-02-22	(142281) HARTE GOLD CORP.	1	2022-02-22
115745	Claim	Active	2018-04-10	2022-02-22	(142281) HARTE GOLD CORP.	1	2022-02-22
115746	Claim	Active	2018-04-10	2022-12-27	(142281) HARTE GOLD CORP., (406313) PELANGIO EXPLORATION INC.	1	2022-12-27
115851	Claim	Active	2018-04-10	2022-02-22	(142281) HARTE GOLD CORP.	1	2022-02-22
117345	Claim	Active Pending Proceedings	2018-04-10	2021-01-08	(142281) HARTE GOLD CORP.	1	2021-01-08
117527	Claim	Active	2018-04-10	2022-01-09	(142281) HARTE GOLD CORP.	1	2022-01-09
118071	Claim	Active	2018-04-10	2023-01-09	(142281) HARTE GOLD CORP.	1	2023-01-09



Claim#	Type	Status	Issue Date	Anniversary Date	Owner Client#	Area # of Cells	Due Date
118285	Claim	Active	2018-04-10	2022-01-09	(142281) HARTE GOLD CORP.	1	2022-01-09
118287	Claim	Active	2018-04-10	2022-01-09	(142281) HARTE GOLD CORP.	1	2022-01-09
119804	Claim	Active	2018-04-10	2022-01-31	(142281) HARTE GOLD CORP., (406313) PELANGIO EXPLORATION INC.	1	2022-01-31
122945	Claim	Active Pending Proceedings	2018-04-10	2021-02-16	(142281) HARTE GOLD CORP.	1	2021-02-16
125756	Claim	Active	2018-04-10	2022-01-09	(142281) HARTE GOLD CORP.	1	2022-01-09
125769	Claim	Active Pending Proceedings	2018-04-10	2021-01-08	(142281) HARTE GOLD CORP.	1	2021-01-08
125817	Claim	Active Pending Proceedings	2018-04-10	2021-01-08	(142281) HARTE GOLD CORP.	1	2021-01-08
125852	Claim	Active	2018-04-10	2022-01-09	(142281) HARTE GOLD CORP.	1	2022-01-09
127131	Claim	Active	2018-04-10	2022-01-09	(142281) HARTE GOLD CORP.	1	2022-01-09
130537	Claim	Active	2018-04-10	2022-08-30	(142281) HARTE GOLD CORP.	1	2022-08-30
131794	Claim	Active	2018-04-10	2022-02-22	(142281) HARTE GOLD CORP.	1	2022-02-22
132528	Claim	Active	2018-04-10	2022-01-31	(142281) HARTE GOLD CORP., (406313) PELANGIO EXPLORATION INC.	1	2022-01-31

Claim#	Type	Status	Issue Date	Anniversary Date	Owner Client#	Area # of Cells	Due Date
133127	Claim	Active	2018-04-10	2022-08-30	(142281) HARTE GOLD CORP.	1	2022-08-30
133689	Claim	Active Pending Proceedings	2018-04-10	2021-02-16	(142281) HARTE GOLD CORP.	1	2021-02-16
133770	Claim	Active	2018-04-10	2022-02-22	(142281) HARTE GOLD CORP.	1	2022-02-22
133895	Claim	Active	2018-04-10	2022-02-22	(142281) HARTE GOLD CORP.	1	2022-02-22
134919	Claim	Active Pending Proceedings	2018-04-10	2021-02-16	(142281) HARTE GOLD CORP.	1	2021-02-16
136581	Claim	Active	2018-04-10	2022-02-06	(142281) HARTE GOLD CORP.	1	2022-02-06
136582	Claim	Active	2018-04-10	2022-02-06	(142281) HARTE GOLD CORP.	1	2022-02-06
137166	Claim	Active	2018-04-10	2022-12-23	(142281) HARTE GOLD CORP.	1	2022-12-23
141005	Claim	Active Pending Proceedings	2018-04-10	2021-02-16	(142281) HARTE GOLD CORP.	1	2021-02-16
142088	Claim	Active	2018-04-10	2022-12-27	(142281) HARTE GOLD CORP., (406313) PELANGIO EXPLORATION INC.	1	2022-12-27
142560	Claim	Active	2018-04-10	2022-02-06	(142281) HARTE GOLD CORP.	1	2022-02-06
142645	Claim	Active	2018-04-10	2022-12-23	(142281) HARTE GOLD CORP.	1	2022-12-23
142714	Claim	Active	2018-04-10	2022-12-27	(142281) HARTE GOLD CORP., (406313) PELANGIO	1	2022-12-27

Claim#	Type	Status	Issue Date	Anniversary Date	Owner Client#	Area # of Cells	Due Date
					EXPLORATION INC.		
150290	Claim	Active	2018-04-10	2022-08-30	(142281) HARTE GOLD CORP.	1	2022-08-30
150356	Claim	Active Pending Proceedings	2018-04-10	2021-02-16	(142281) HARTE GOLD CORP.	1	2021-02-16
150477	Claim	Active	2018-04-10	2022-02-22	(142281) HARTE GOLD CORP.	1	2022-02-22
151061	Claim	Active Pending Proceedings	2018-04-10	2021-02-16	(142281) HARTE GOLD CORP.	1	2021-02-16
151151	Claim	Active	2018-04-10	2022-01-31	(142281) HARTE GOLD CORP., (406313) PELANGIO EXPLORATION INC.	1	2022-01-31
151747	Claim	Active	2018-04-10	2022-04-11	(142281) HARTE GOLD CORP.	1	2022-04-11
151748	Claim	Active	2018-04-10	2022-04-11	(142281) HARTE GOLD CORP.	1	2022-04-11
153728	Claim	Active	2018-04-10	2022-01-09	(142281) HARTE GOLD CORP.	1	2022-01-09
154316	Claim	Active	2018-04-10	2022-01-09	(142281) HARTE GOLD CORP.	1	2022-01-09
154634	Claim	Active	2018-04-10	2022-01-31	(142281) HARTE GOLD CORP., (406313) PELANGIO EXPLORATION INC.	1	2022-01-31
154859	Claim	Active	2018-04-10	2022-02-22	(142281) HARTE GOLD CORP.	1	2022-02-22

Claim#	Type	Status	Issue Date	Anniversary Date	Owner Client#	Area # of Cells	Due Date
155027	Claim	Active Pending Proceedings	2018-04-10	2021-01-08	(142281) HARTE GOLD CORP.	1	2021-01-08
155301	Claim	Active	2018-04-10	2022-12-23	(142281) HARTE GOLD CORP.	1	2022-12-23
155471	Claim	Active	2018-04-10	2022-02-22	(142281) HARTE GOLD CORP.	1	2022-02-22
155472	Claim	Active	2018-04-10	2022-02-22	(142281) HARTE GOLD CORP.	1	2022-02-22
156716	Claim	Active	2018-04-10	2022-12-23	(142281) HARTE GOLD CORP.	1	2022-12-23
157827	Claim	Active Pending Proceedings	2018-04-10	2021-02-16	(142281) HARTE GOLD CORP.	1	2021-02-16
159665	Claim	Active	2018-04-10	2022-01-09	(142281) HARTE GOLD CORP.	1	2022-01-09
159846	Claim	Active	2018-04-10	2022-12-27	(142281) HARTE GOLD CORP., (406313) PELANGIO EXPLORATION INC.	1	2022-12-27
162381	Claim	Active	2018-04-10	2022-04-11	(142281) HARTE GOLD CORP.	1	2022-04-11
167174	Claim	Active	2018-04-10	2022-04-11	(142281) HARTE GOLD CORP.	1	2022-04-11
167200	Claim	Active	2018-04-10	2022-02-22	(142281) HARTE GOLD CORP.	1	2022-02-22
167201	Claim	Active	2018-04-10	2022-02-22	(142281) HARTE GOLD CORP.	1	2022-02-22
167881	Claim	Active	2018-04-10	2022-08-30	(142281) HARTE GOLD CORP.	1	2022-08-30

Claim#	Type	Status	Issue Date	Anniversary Date	Owner Client#	Area # of Cells	Due Date
168373	Claim	Active	2018-04-10	2022-04-11	(142281) HARTE GOLD CORP.	1	2022-04-11
168606	Claim	Active	2018-04-10	2022-12-23	(142281) HARTE GOLD CORP.	1	2022-12-23
168648	Claim	Active	2018-04-10	2022-02-22	(142281) HARTE GOLD CORP.	1	2022-02-22
168649	Claim	Active	2018-04-10	2022-02-22	(142281) HARTE GOLD CORP.	1	2022-02-22
168650	Claim	Active	2018-04-10	2022-02-22	(142281) HARTE GOLD CORP.	1	2022-02-22
168651	Claim	Active	2018-04-10	2022-02-22	(142281) HARTE GOLD CORP.	1	2022-02-22
169308	Claim	Active	2018-04-10	2022-01-31	(142281) HARTE GOLD CORP., (406313) PELANGIO EXPLORATION INC.	1	2022-01-31
170250	Claim	Active	2018-04-10	2022-01-09	(142281) HARTE GOLD CORP.	1	2022-01-09
170388	Claim	Active Pending Proceedings	2018-04-10	2021-01-08	(142281) HARTE GOLD CORP.	1	2021-01-08
170921	Claim	Active Pending Proceedings	2018-04-10	2021-01-08	(142281) HARTE GOLD CORP.	1	2021-01-08
170953	Claim	Active	2018-04-10	2022-01-09	(142281) HARTE GOLD CORP.	1	2022-01-09
170954	Claim	Active	2018-04-10	2022-01-09	(142281) HARTE GOLD CORP.	1	2022-01-09
171296	Claim	Active	2018-04-10	2022-02-06	(142281) HARTE GOLD CORP.	1	2022-02-06

Claim#	Type	Status	Issue Date	Anniversary Date	Owner Client#	Area # of Cells	Due Date
171544	Claim	Active	2018-04-10	2022-02-22	(142281) HARTE GOLD CORP.	1	2022-02-22
171922	Claim	Active	2018-04-10	2022-02-22	(142281) HARTE GOLD CORP.	1	2022-02-22
173870	Claim	Active Pending Proceedings	2018-04-10	2021-01-08	(142281) HARTE GOLD CORP.	1	2021-01-08
174320	Claim	Active	2018-04-10	2022-12-27	(142281) HARTE GOLD CORP., (406313) PELANGIO EXPLORATION INC.	1	2022-12-27
175638	Claim	Active	2018-04-10	2022-02-22	(142281) HARTE GOLD CORP.	1	2022-02-22
180576	Claim	Active	2018-04-10	2022-09-12	(142281) HARTE GOLD CORP., (406313) PELANGIO EXPLORATION INC.	1	2022-09-12
180577	Claim	Active	2018-04-10	2022-09-12	(142281) HARTE GOLD CORP., (406313) PELANGIO EXPLORATION INC.	1	2022-09-12
182897	Claim	Active	2018-04-10	2022-02-22	(142281) HARTE GOLD CORP.	1	2022-02-22
183693	Claim	Active	2018-04-10	2022-08-30	(142281) HARTE GOLD CORP.	1	2022-08-30
183874	Claim	Active	2018-04-10	2022-01-31	(142281) HARTE GOLD CORP., (406313) PELANGIO EXPLORATION INC.	1	2022-01-31

Claim#	Type	Status	Issue Date	Anniversary Date	Owner Client#	Area # of Cells	Due Date
184494	Claim	Active	2018-04-10	2022-09-12	(142281) HARTE GOLD CORP., (406313) PELANGIO EXPLORATION INC.	1	2022-09-12
185100	Claim	Active	2018-04-10	2022-04-11	(142281) HARTE GOLD CORP.	1	2022-04-11
185118	Claim	Active	2018-04-10	2022-02-22	(142281) HARTE GOLD CORP.	1	2022-02-22
185737	Claim	Active	2018-04-10	2022-02-22	(142281) HARTE GOLD CORP.	1	2022-02-22
186239	Claim	Active Pending Proceedings	2018-04-10	2021-02-16	(142281) HARTE GOLD CORP.	1	2021-02-16
186240	Claim	Active Pending Proceedings	2018-04-10	2021-02-16	(142281) HARTE GOLD CORP.	1	2021-02-16
186333	Claim	Active Pending Proceedings	2018-04-10	2021-02-16	(142281) HARTE GOLD CORP.	1	2021-02-16
187120	Claim	Active	2018-04-10	2022-02-22	(142281) HARTE GOLD CORP.	1	2022-02-22
188477	Claim	Active	2018-04-10	2022-01-09	(142281) HARTE GOLD CORP.	1	2022-01-09
189153	Claim	Active Pending Proceedings	2018-04-10	2021-01-08	(142281) HARTE GOLD CORP.	1	2021-01-08
189186	Claim	Active Pending Proceedings	2018-04-10	2021-01-08	(142281) HARTE GOLD CORP.	1	2021-01-08
189211	Claim	Active	2018-04-10	2022-01-09	(142281) HARTE GOLD CORP.	1	2022-01-09
192398	Claim	Active	2018-04-10	2022-12-27	(142281) HARTE GOLD CORP., (406313) PELANGIO	1	2022-12-27

Claim#	Type	Status	Issue Date	Anniversary Date	Owner Client#	Area # of Cells	Due Date
					EXPLORATION INC.		
193853	Claim	Active	2018-04-10	2022-12-27	(142281) HARTE GOLD CORP., (406313) PELANGIO EXPLORATION INC.	1	2022-12-27
196508	Claim	Active	2018-04-10	2022-02-22	(142281) HARTE GOLD CORP.	1	2022-02-22
197174	Claim	Active	2018-04-10	2022-02-22	(142281) HARTE GOLD CORP.	1	2022-02-22
199956	Claim	Active	2018-04-10	2022-12-23	(142281) HARTE GOLD CORP.	1	2022-12-23
200170	Claim	Active	2018-04-10	2022-02-22	(142281) HARTE GOLD CORP.	1	2022-02-22
200808	Claim	Active	2018-04-10	2022-09-12	(142281) HARTE GOLD CORP., (406313) PELANGIO EXPLORATION INC.	1	2022-09-12
200809	Claim	Active	2018-04-10	2022-12-27	(142281) HARTE GOLD CORP., (406313) PELANGIO EXPLORATION INC.	1	2022-12-27
201257	Claim	Active	2018-04-10	2022-02-06	(142281) HARTE GOLD CORP.	1	2022-02-06
205218	Claim	Active	2018-04-10	2022-06-20	(142281) HARTE GOLD CORP.	1	2022-06-20



Claim#	Type	Status	Issue Date	Anniversary Date	Owner Client#	Area # of Cells	Due Date
205227	Claim	Active	2018-04-10	2022-01-31	(142281) HARTE GOLD CORP., (406313) PELANGIO EXPLORATION INC.	1	2022-01-31
205228	Claim	Active	2018-04-10	2023-01-31	(142281) HARTE GOLD CORP., (406313) PELANGIO EXPLORATION INC.	1	2023-01-31
205229	Claim	Active	2018-04-10	2023-01-31	(142281) HARTE GOLD CORP., (406313) PELANGIO EXPLORATION INC.	1	2023-01-31
206596	Claim	Active	2018-04-10	2022-02-22	(142281) HARTE GOLD CORP.	1	2022-02-22
206598	Claim	Active	2018-04-10	2022-02-22	(142281) HARTE GOLD CORP.	1	2022-02-22
207283	Claim	Active	2018-04-10	2022-01-31	(142281) HARTE GOLD CORP., (406313) PELANGIO EXPLORATION INC.	1	2022-01-31
208206	Claim	Active	2018-04-10	2022-12-27	(142281) HARTE GOLD CORP., (406313) PELANGIO EXPLORATION INC.	1	2022-12-27
208207	Claim	Active	2018-04-10	2022-12-27	(142281) HARTE GOLD CORP., (406313) PELANGIO	1	2022-12-27

Claim#	Type	Status	Issue Date	Anniversary Date	Owner Client#	Area # of Cells	Due Date
					EXPLORATION INC.		
208950	Claim	Active Pending Proceedings	2018-04-10	2021-01-08	(142281) HARTE GOLD CORP.	1	2021-01-08
208958	Claim	Active Pending Proceedings	2018-04-10	2021-01-08	(142281) HARTE GOLD CORP.	1	2021-01-08
209282	Claim	Active	2018-04-10	2022-02-06	(142281) HARTE GOLD CORP.	1	2022-02-06
209283	Claim	Active	2018-04-10	2022-02-06	(142281) HARTE GOLD CORP.	1	2022-02-06
209284	Claim	Active	2018-04-10	2022-02-06	(142281) HARTE GOLD CORP.	1	2022-02-06
219128	Claim	Active Pending Proceedings	2018-04-10	2021-01-08	(142281) HARTE GOLD CORP.	1	2021-01-08
219164	Claim	Active	2018-04-10	2022-01-09	(142281) HARTE GOLD CORP.	1	2022-01-09
220366	Claim	Active Pending Proceedings	2018-04-10	2021-01-08	(142281) HARTE GOLD CORP.	1	2021-01-08
220373	Claim	Active Pending Proceedings	2018-04-10	2021-01-08	(142281) HARTE GOLD CORP.	1	2021-01-08
220821	Claim	Active	2018-04-10	2022-02-06	(142281) HARTE GOLD CORP.	1	2022-02-06
220822	Claim	Active	2018-04-10	2022-02-06	(142281) HARTE GOLD CORP.	1	2022-02-06
221060	Claim	Active	2018-04-10	2022-01-09	(142281) HARTE GOLD CORP.	1	2022-01-09
221158	Claim	Active	2018-04-10	2022-04-11	(142281) HARTE GOLD CORP.	1	2022-04-11

Claim#	Type	Status	Issue Date	Anniversary Date	Owner Client#	Area # of Cells	Due Date
225048	Claim	Active	2018-04-10	2022-01-09	(142281) HARTE GOLD CORP.	1	2022-01-09
226382	Claim	Active	2018-04-10	2022-01-09	(142281) HARTE GOLD CORP.	1	2022-01-09
227074	Claim	Active Pending Proceedings	2018-04-10	2021-01-08	(142281) HARTE GOLD CORP.	1	2021-01-08
227577	Claim	Active	2018-04-10	2022-02-22	(142281) HARTE GOLD CORP.	1	2022-02-22
228206	Claim	Active	2018-04-10	2022-02-22	(142281) HARTE GOLD CORP.	1	2022-02-22
228212	Claim	Active	2018-04-10	2022-12-27	(142281) HARTE GOLD CORP., (406313) PELANGIO EXPLORATION INC.	1	2022-12-27
229063	Claim	Active	2018-04-10	2022-01-09	(142281) HARTE GOLD CORP.	1	2022-01-09
229139	Claim	Active	2018-04-10	2022-04-11	(142281) HARTE GOLD CORP.	1	2022-04-11
234526	Claim	Active	2018-04-10	2022-02-22	(142281) HARTE GOLD CORP.	1	2022-02-22
236538	Claim	Active	2018-04-10	2022-06-20	(142281) HARTE GOLD CORP.	1	2022-06-20
237877	Claim	Active	2018-04-10	2022-02-06	(142281) HARTE GOLD CORP.	1	2022-02-06
238950	Claim	Active Pending Proceedings	2018-04-10	2021-02-16	(142281) HARTE GOLD CORP.	1	2021-02-16
244350	Claim	Active	2018-04-10	2022-02-22	(142281) HARTE GOLD CORP.	1	2022-02-22

Claim#	Type	Status	Issue Date	Anniversary Date	Owner Client#	Area # of Cells	Due Date
245152	Claim	Active	2018-04-10	2022-02-22	(142281) HARTE GOLD CORP.	1	2022-02-22
245812	Claim	Active	2018-04-10	2022-02-22	(142281) HARTE GOLD CORP.	1	2022-02-22
246627	Claim	Active	2018-04-10	2022-09-12	(142281) HARTE GOLD CORP., (406313) PELANGIO EXPLORATION INC.	1	2022-09-12
252539	Claim	Active	2018-04-10	2022-08-30	(142281) HARTE GOLD CORP.	1	2022-08-30
255917	Claim	Active	2018-04-10	2022-02-06	(142281) HARTE GOLD CORP.	1	2022-02-06
255918	Claim	Active	2018-04-10	2022-02-06	(142281) HARTE GOLD CORP.	1	2022-02-06
255919	Claim	Active	2018-04-10	2022-02-06	(142281) HARTE GOLD CORP.	1	2022-02-06
260565	Claim	Active	2018-04-10	2022-12-27	(142281) HARTE GOLD CORP., (406313) PELANGIO EXPLORATION INC.	1	2022-12-27
265078	Claim	Active	2018-04-10	2022-08-30	(142281) HARTE GOLD CORP.	1	2022-08-30
265657	Claim	Active	2018-04-10	2023-01-09	(142281) HARTE GOLD CORP.	1	2023-01-09
265862	Claim	Active	2018-04-10	2022-02-22	(142281) HARTE GOLD CORP.	1	2022-02-22
265863	Claim	Active	2018-04-10	2022-02-22	(142281) HARTE GOLD CORP.	1	2022-02-22

Claim#	Type	Status	Issue Date	Anniversary Date	Owner Client#	Area # of Cells	Due Date
266283	Claim	Active Pending Proceedings	2018-04-10	2021-01-08	(142281) HARTE GOLD CORP.	1	2021-01-08
266799	Claim	Active	2018-04-10	2022-02-22	(142281) HARTE GOLD CORP.	1	2022-02-22
266805	Claim	Active	2018-04-10	2022-12-27	(142281) HARTE GOLD CORP., (406313) PELANGIO EXPLORATION INC.	1	2022-12-27
267434	Claim	Active	2018-04-10	2022-02-22	(142281) HARTE GOLD CORP.	1	2022-02-22
267440	Claim	Active	2018-04-10	2022-12-27	(142281) HARTE GOLD CORP., (406313) PELANGIO EXPLORATION INC.	1	2022-12-27
267591	Claim	Active Pending Proceedings	2018-04-10	2021-01-08	(142281) HARTE GOLD CORP.	1	2021-01-08
271837	Claim	Active	2018-04-10	2022-09-12	(142281) HARTE GOLD CORP., (406313) PELANGIO EXPLORATION INC.	1	2022-09-12
273604	Claim	Active	2018-04-10	2022-01-09	(142281) HARTE GOLD CORP.	1	2022-01-09
273605	Claim	Active	2018-04-10	2022-01-09	(142281) HARTE GOLD CORP.	1	2022-01-09
274244	Claim	Active	2018-04-10	2022-01-09	(142281) HARTE GOLD CORP.	1	2022-01-09
274252	Claim	Active Pending Proceedings	2018-04-10	2021-01-08	(142281) HARTE GOLD CORP.	1	2021-01-08

Claim#	Type	Status	Issue Date	Anniversary Date	Owner Client#	Area # of Cells	Due Date
274857	Claim	Active	2018-04-10	2022-02-22	(142281) HARTE GOLD CORP.	1	2022-02-22
274873	Claim	Active	2018-04-10	2022-02-22	(142281) HARTE GOLD CORP.	1	2022-02-22
276267	Claim	Active	2018-04-10	2022-01-09	(142281) HARTE GOLD CORP.	1	2022-01-09
276303	Claim	Active	2018-04-10	2022-01-09	(142281) HARTE GOLD CORP.	1	2022-01-09
277728	Claim	Active	2018-04-10	2022-09-12	(142281) HARTE GOLD CORP., (406313) PELANGIO EXPLORATION INC.	1	2022-09-12
281507	Claim	Active Pending Proceedings	2018-04-10	2021-02-16	(142281) HARTE GOLD CORP.	1	2021-02-16
282751	Claim	Active Pending Proceedings	2018-04-10	2021-02-16	(142281) HARTE GOLD CORP.	1	2021-02-16
286341	Claim	Active Pending Proceedings	2018-04-10	2021-01-08	(142281) HARTE GOLD CORP.	1	2021-01-08
286342	Claim	Active Pending Proceedings	2018-04-10	2021-01-08	(142281) HARTE GOLD CORP.	1	2021-01-08
286343	Claim	Active Pending Proceedings	2018-04-10	2021-01-08	(142281) HARTE GOLD CORP.	1	2021-01-08
286384	Claim	Active Pending Proceedings	2018-04-10	2021-01-08	(142281) HARTE GOLD CORP.	1	2021-01-08
286410	Claim	Active	2018-04-10	2022-01-09	(142281) HARTE GOLD CORP.	1	2022-01-09
287517	Claim	Active	2018-04-10	2022-12-27	(142281) HARTE GOLD CORP., (406313) PELANGIO	1	2022-12-27

Claim#	Type	Status	Issue Date	Anniversary Date	Owner Client#	Area # of Cells	Due Date
					EXPLORATION INC.		
287639	Claim	Active Pending Proceedings	2018-04-10	2021-01-08	(142281) HARTE GOLD CORP.	1	2021-01-08
289563	Claim	Active	2018-04-10	2022-08-30	(142281) HARTE GOLD CORP.	1	2022-08-30
290157	Claim	Active Pending Proceedings	2018-04-10	2021-02-16	(142281) HARTE GOLD CORP.	1	2021-02-16
290563	Claim	Active	2018-04-10	2022-02-22	(142281) HARTE GOLD CORP.	1	2022-02-22
293144	Claim	Active	2018-04-10	2022-01-09	(142281) HARTE GOLD CORP.	1	2022-01-09
294235	Claim	Active	2018-04-10	2022-02-22	(142281) HARTE GOLD CORP.	1	2022-02-22
294243	Claim	Active	2018-04-10	2022-12-27	(142281) HARTE GOLD CORP., (406313) PELANGIO EXPLORATION INC.	1	2022-12-27
300518	Claim	Active	2018-04-10	2022-04-11	(142281) HARTE GOLD CORP.	1	2022-04-11
302666	Claim	Active	2018-04-10	2022-02-22	(142281) HARTE GOLD CORP.	1	2022-02-22
302669	Claim	Active	2018-04-10	2022-12-27	(142281) HARTE GOLD CORP., (406313) PELANGIO EXPLORATION INC.	1	2022-12-27
302908	Claim	Active Pending Proceedings	2018-04-10	2021-02-16	(142281) HARTE GOLD CORP.	1	2021-02-16

Claim#	Type	Status	Issue Date	Anniversary Date	Owner Client#	Area # of Cells	Due Date
308490	Claim	Active	2018-04-10	2022-12-23	(142281) HARTE GOLD CORP.	1	2022-12-23
311337	Claim	Active	2018-04-10	2022-02-22	(142281) HARTE GOLD CORP.	1	2022-02-22
317714	Claim	Active	2018-04-10	2022-02-22	(142281) HARTE GOLD CORP.	1	2022-02-22
317747	Claim	Active	2018-04-10	2022-09-12	(142281) HARTE GOLD CORP., (406313) PELANGIO EXPLORATION INC.	1	2022-09-12
319552	Claim	Active Pending Proceedings	2018-04-10	2021-02-16	(142281) HARTE GOLD CORP.	1	2021-02-16
322925	Claim	Active Pending Proceedings	2018-04-10	2021-01-08	(142281) HARTE GOLD CORP.	1	2021-01-08
323310	Claim	Active	2018-04-10	2022-06-20	(142281) HARTE GOLD CORP.	1	2022-06-20
324599	Claim	Active	2018-04-10	2022-02-06	(142281) HARTE GOLD CORP.	1	2022-02-06
329144	Claim	Active	2018-04-10	2022-08-30	(142281) HARTE GOLD CORP.	1	2022-08-30
330435	Claim	Active	2018-04-10	2022-04-11	(142281) HARTE GOLD CORP.	1	2022-04-11
331171	Claim	Active	2018-04-10	2022-01-31	(142281) HARTE GOLD CORP., (406313) PELANGIO EXPLORATION INC.	1	2022-01-31
332771	Claim	Active	2018-04-10	2022-08-30	(142281) HARTE GOLD CORP.	1	2022-08-30



Claim#	Type	Status	Issue Date	Anniversary Date	Owner Client#	Area # of Cells	Due Date
333357	Claim	Active	2018-04-10	2022-02-22	(142281) HARTE GOLD CORP.	1	2022-02-22
334503	Claim	Active	2018-04-10	2022-02-06	(142281) HARTE GOLD CORP.	1	2022-02-06
335993	Claim	Active Pending Proceedings	2018-04-10	2021-01-08	(142281) HARTE GOLD CORP.	1	2021-01-08
336697	Claim	Active	2018-04-10	2022-01-09	(142281) HARTE GOLD CORP.	1	2022-01-09
337943	Claim	Active	2018-04-10	2022-02-22	(142281) HARTE GOLD CORP.	1	2022-02-22
344511	Claim	Active Pending Proceedings	2018-04-10	2021-02-16	(142281) HARTE GOLD CORP.	1	2021-02-16
344618	Claim	Active	2018-04-10	2023-01-09	(142281) HARTE GOLD CORP.	1	2023-01-09
514033	Claim	Active	2018-04-11	2022-04-11	(142281) HARTE GOLD CORP.	1	2022-04-11
514035	Claim	Active	2018-04-11	2022-04-11	(142281) HARTE GOLD CORP.	1	2022-04-11
530313	Claim	Active	2018-08-29	2022-06-20	(142281) HARTE GOLD CORP.	16	2022-06-20
530314	Claim	Active	2018-08-29	2022-06-20	(142281) HARTE GOLD CORP.	16	2022-06-20
530315	Claim	Active	2018-08-29	2022-06-20	(142281) HARTE GOLD CORP.	18	2022-06-20
530316	Claim	Active	2018-08-29	2022-06-20	(142281) HARTE GOLD CORP.	25	2022-06-20
530317	Claim	Active	2018-08-29	2022-06-20	(142281) HARTE GOLD CORP.	18	2022-06-20

Claim#	Type	Status	Issue Date	Anniversary Date	Owner Client#	Area # of Cells	Due Date
530318	Claim	Active	2018-08-29	2022-06-20	(142281) HARTE GOLD CORP.	18	2022-06-20
531016	Claim	Active	2018-09-10	2022-06-20	(142281) HARTE GOLD CORP.	25	2022-06-20
531017	Claim	Active	2018-09-10	2022-06-20	(142281) HARTE GOLD CORP.	24	2022-06-20
531018	Claim	Active	2018-09-10	2022-06-20	(142281) HARTE GOLD CORP.	25	2022-06-20
531019	Claim	Active	2018-09-10	2022-06-20	(142281) HARTE GOLD CORP.	24	2022-06-20
531020	Claim	Active	2018-09-10	2022-06-20	(142281) HARTE GOLD CORP.	25	2022-06-20
531021	Claim	Active	2018-09-10	2022-06-20	(142281) HARTE GOLD CORP.	25	2022-06-20
531022	Claim	Active	2018-09-10	2022-06-20	(142281) HARTE GOLD CORP.	22	2022-06-20
531023	Claim	Active	2018-09-10	2022-06-20	(142281) HARTE GOLD CORP.	24	2022-06-20
531024	Claim	Active	2018-09-10	2022-06-20	(142281) HARTE GOLD CORP.	25	2022-06-20
531025	Claim	Active	2018-09-10	2022-06-20	(142281) HARTE GOLD CORP.	24	2022-06-20
531026	Claim	Active	2018-09-10	2022-12-23	(142281) HARTE GOLD CORP.	25	2022-12-23
531027	Claim	Active	2018-09-10	2022-12-23	(142281) HARTE GOLD CORP.	24	2022-12-23
531031	Claim	Active	2018-09-10	2022-12-23	(142281) HARTE GOLD CORP.	24	2022-12-23

Claim#	Type	Status	Issue Date	Anniversary Date	Owner Client#	Area # of Cells	Due Date
531046	Claim	Active	2018-09-10	2022-01-09	(142281) HARTE GOLD CORP.	22	2022-01-09
531047	Claim	Active	2018-09-10	2022-01-09	(142281) HARTE GOLD CORP.	24	2022-01-09
531048	Claim	Active	2018-09-10	2022-02-22	(142281) HARTE GOLD CORP.	23	2022-02-22
531079	Claim	Active	2018-09-10	2022-01-09	(142281) HARTE GOLD CORP.	23	2022-01-09
531080	Claim	Active	2018-09-10	2022-02-22	(142281) HARTE GOLD CORP.	24	2022-02-22
531081	Claim	Active	2018-09-10	2022-02-22	(142281) HARTE GOLD CORP.	25	2022-02-22
531082	Claim	Active	2018-09-10	2022-02-22	(142281) HARTE GOLD CORP.	24	2022-02-22
531083	Claim	Active	2018-09-10	2022-02-22	(142281) HARTE GOLD CORP.	24	2022-02-22
531084	Claim	Active	2018-09-10	2022-03-10	(142281) HARTE GOLD CORP.	24	2022-03-10
531085	Claim	Active	2018-09-10	2022-03-10	(142281) HARTE GOLD CORP.	24	2022-03-10
531086	Claim	Active	2018-09-10	2023-01-18	(142281) HARTE GOLD CORP.	24	2023-01-18
531087	Claim	Active	2018-09-10	2022-01-18	(142281) HARTE GOLD CORP.	24	2022-01-18
531088	Claim	Active	2018-09-10	2022-03-10	(142281) HARTE GOLD CORP.	24	2022-03-10
531089	Claim	Active	2018-09-10	2022-03-10	(142281) HARTE GOLD CORP.	20	2022-03-10

<b>Claim#</b>	<b>Type</b>	<b>Status</b>	<b>Issue Date</b>	<b>Anniversary Date</b>	<b>Owner Client#</b>	<b>Area # of Cells</b>	<b>Due Date</b>
531090	Claim	Active	2018-09-10	2022-03-10	(142281) HARTE GOLD CORP.	24	2022-03-10
531091	Claim	Active	2018-09-10	2022-03-10	(142281) HARTE GOLD CORP.	24	2022-03-10
531092	Claim	Active	2018-09-10	2022-03-10	(142281) HARTE GOLD CORP.	24	2022-03-10
531093	Claim	Active	2018-09-10	2022-03-10	(142281) HARTE GOLD CORP.	25	2022-03-10
531094	Claim	Active	2018-09-10	2022-01-09	(142281) HARTE GOLD CORP.	25	2022-01-09
531095	Claim	Active	2018-09-10	2022-01-09	(142281) HARTE GOLD CORP.	25	2022-01-09
531096	Claim	Active	2018-09-10	2022-01-09	(142281) HARTE GOLD CORP.	25	2022-01-09
531097	Claim	Active	2018-09-10	2022-01-09	(142281) HARTE GOLD CORP.	25	2022-01-09
531098	Claim	Active	2018-09-10	2022-01-09	(142281) HARTE GOLD CORP.	24	2022-01-09
531099	Claim	Active	2018-09-10	2022-01-09	(142281) HARTE GOLD CORP.	24	2022-01-09
531100	Claim	Active	2018-09-10	2022-01-09	(142281) HARTE GOLD CORP.	24	2022-01-09
531111	Claim	Active	2018-09-10	2022-01-09	(142281) HARTE GOLD CORP.	25	2022-01-09
531112	Claim	Active	2018-09-10	2022-01-09	(142281) HARTE GOLD CORP.	25	2022-01-09
531113	Claim	Active	2018-09-10	2022-03-10	(142281) HARTE GOLD CORP.	25	2022-03-10

Claim#	Type	Status	Issue Date	Anniversary Date	Owner Client#	Area # of Cells	Due Date
531114	Claim	Active	2018-09-10	2022-03-10	(142281) HARTE GOLD CORP.	25	2022-03-10
531115	Claim	Active	2018-09-10	2022-01-10	(142281) HARTE GOLD CORP.	23	2022-01-10
531116	Claim	Active	2018-09-10	2023-01-10	(142281) HARTE GOLD CORP.	24	2023-01-10
531117	Claim	Active	2018-09-10	2023-01-10	(142281) HARTE GOLD CORP.	25	2023-01-10
531118	Claim	Active	2018-09-10	2023-01-10	(142281) HARTE GOLD CORP.	25	2023-01-10
531119	Claim	Active	2018-09-10	2022-01-10	(142281) HARTE GOLD CORP.	20	2022-01-10
531120	Claim	Active	2018-09-10	2023-01-10	(142281) HARTE GOLD CORP.	15	2023-01-10
531121	Claim	Active	2018-09-10	2023-01-10	(142281) HARTE GOLD CORP.	16	2023-01-10
531126	Claim	Active	2018-09-10	2022-01-09	(142281) HARTE GOLD CORP.	1	2022-01-09
531139	Claim	Active	2018-09-10	2022-01-09	(142281) HARTE GOLD CORP.	23	2022-01-09
531151	Claim	Active	2018-09-10	2022-01-09	(142281) HARTE GOLD CORP.	25	2022-01-09
531152	Claim	Active	2018-09-10	2022-01-09	(142281) HARTE GOLD CORP.	17	2022-01-09
531153	Claim	Active	2018-09-10	2022-12-23	(142281) HARTE GOLD CORP.	22	2022-12-23
531154	Claim	Active	2018-09-10	2022-12-23	(142281) HARTE GOLD CORP.	25	2022-12-23

<b>Claim#</b>	<b>Type</b>	<b>Status</b>	<b>Issue Date</b>	<b>Anniversary Date</b>	<b>Owner Client#</b>	<b>Area # of Cells</b>	<b>Due Date</b>
531155	Claim	Active	2018-09-10	2022-12-23	(142281) HARTE GOLD CORP.	25	2022-12-23
531156	Claim	Active	2018-09-10	2022-12-23	(142281) HARTE GOLD CORP.	25	2022-12-23
531157	Claim	Active	2018-09-10	2022-04-21	(142281) HARTE GOLD CORP.	25	2022-04-21
531160	Claim	Active	2018-09-11	2022-02-22	(142281) HARTE GOLD CORP.	21	2022-02-22
531161	Claim	Active	2018-09-11	2022-02-22	(142281) HARTE GOLD CORP.	21	2022-02-22
531162	Claim	Active	2018-09-11	2022-11-16	(142281) HARTE GOLD CORP.	24	2022-11-16
531163	Claim	Active	2018-09-11	2022-01-09	(142281) HARTE GOLD CORP.	15	2022-01-09
531164	Claim	Active	2018-09-11	2022-01-10	(142281) HARTE GOLD CORP.	18	2022-01-10
531165	Claim	Active	2018-09-11	2022-04-21	(142281) HARTE GOLD CORP.	13	2022-04-21
531166	Claim	Active	2018-09-11	2022-01-09	(142281) HARTE GOLD CORP.	2	2022-01-09
531167	Claim	Active	2018-09-11	2022-12-03	(142281) HARTE GOLD CORP.	21	2022-12-03
531168	Claim	Active	2018-09-11	2022-11-16	(142281) HARTE GOLD CORP.	25	2022-11-16
531169	Claim	Active	2018-09-11	2022-04-21	(142281) HARTE GOLD CORP.	22	2022-04-21
531170	Claim	Active	2018-09-11	2022-12-03	(142281) HARTE GOLD CORP.	23	2022-12-03

Claim#	Type	Status	Issue Date	Anniversary Date	Owner Client#	Area # of Cells	Due Date
531171	Claim	Active	2018-09-11	2022-04-21	(142281) HARTE GOLD CORP.	22	2022-04-21
531172	Claim	Active	2018-09-11	2022-12-23	(142281) HARTE GOLD CORP.	25	2022-12-23
531173	Claim	Active	2018-09-11	2022-12-23	(142281) HARTE GOLD CORP.	25	2022-12-23
531174	Claim	Active	2018-09-11	2022-12-23	(142281) HARTE GOLD CORP.	24	2022-12-23
531175	Claim	Active	2018-09-11	2022-04-21	(142281) HARTE GOLD CORP.	25	2022-04-21
531176	Claim	Active	2018-09-11	2022-12-03	(142281) HARTE GOLD CORP.	25	2022-12-03
531177	Claim	Active	2018-09-11	2022-11-16	(142281) HARTE GOLD CORP.	24	2022-11-16
531178	Claim	Active	2018-09-11	2022-11-16	(142281) HARTE GOLD CORP.	25	2022-11-16
531179	Claim	Active	2018-09-11	2022-12-03	(142281) HARTE GOLD CORP.	21	2022-12-03
531180	Claim	Active	2018-09-11	2022-11-16	(142281) HARTE GOLD CORP.	23	2022-11-16
531181	Claim	Active	2018-09-11	2022-12-03	(142281) HARTE GOLD CORP.	24	2022-12-03
531182	Claim	Active	2018-09-11	2022-12-23	(142281) HARTE GOLD CORP.	25	2022-12-23
531183	Claim	Active	2018-09-11	2022-04-21	(142281) HARTE GOLD CORP.	24	2022-04-21
531184	Claim	Active	2018-09-11	2022-04-21	(142281) HARTE GOLD CORP.	24	2022-04-21

Claim#	Type	Status	Issue Date	Anniversary Date	Owner Client#	Area # of Cells	Due Date
531185	Claim	Active	2018-09-11	2022-12-03	(142281) HARTE GOLD CORP.	24	2022-12-03
531195	Claim	Active	2018-09-11	2022-12-03	(142281) HARTE GOLD CORP.	25	2022-12-03
531196	Claim	Active	2018-09-11	2022-12-03	(142281) HARTE GOLD CORP.	25	2022-12-03
531197	Claim	Active	2018-09-11	2022-04-21	(142281) HARTE GOLD CORP.	24	2022-04-21
531198	Claim	Active	2018-09-11	2022-04-21	(142281) HARTE GOLD CORP.	19	2022-04-21
531199	Claim	Active	2018-09-11	2022-12-23	(142281) HARTE GOLD CORP.	2	2022-12-23
531200	Claim	Active	2018-09-11	2022-12-23	(142281) HARTE GOLD CORP.	25	2022-12-23
531201	Claim	Active	2018-09-11	2022-10-29	(142281) HARTE GOLD CORP.	5	2022-10-29
531202	Claim	Active	2018-09-11	2022-12-23	(142281) HARTE GOLD CORP.	23	2022-12-23
531203	Claim	Active	2018-09-11	2022-12-31	(142281) HARTE GOLD CORP.	21	2022-12-31
531204	Claim	Active	2018-09-11	2022-12-31	(142281) HARTE GOLD CORP.	12	2022-12-31
531205	Claim	Active	2018-09-11	2022-03-27	(142281) HARTE GOLD CORP.	12	2022-03-27
531206	Claim	Active	2018-09-11	2022-04-26	(142281) HARTE GOLD CORP.	24	2022-04-26
531207	Claim	Active	2018-09-11	2022-07-02	(142281) HARTE GOLD CORP.	4	2022-07-02



Claim#	Type	Status	Issue Date	Anniversary Date	Owner Client#	Area # of Cells	Due Date
531208	Claim	Active	2018-09-11	2022-12-31	(142281) HARTE GOLD CORP.	13	2022-12-31
531209	Claim	Active	2018-09-11	2022-12-23	(142281) HARTE GOLD CORP.	6	2022-12-23
531210	Claim	Active	2018-09-11	2022-12-23	(142281) HARTE GOLD CORP.	17	2022-12-23
531211	Claim	Active	2018-09-11	2022-12-23	(142281) HARTE GOLD CORP.	8	2022-12-23
531212	Claim	Active	2018-09-11	2022-12-31	(142281) HARTE GOLD CORP.	18	2022-12-31
531214	Claim	Active	2018-09-11	2022-07-20	(142281) HARTE GOLD CORP.	6	2022-07-20
531215	Claim	Active	2018-09-11	2022-12-31	(142281) HARTE GOLD CORP.	9	2022-12-31
531216	Claim	Active	2018-09-11	2022-12-31	(142281) HARTE GOLD CORP.	3	2022-12-31
531217	Claim	Active	2018-09-11	2022-12-31	(142281) HARTE GOLD CORP.	6	2022-12-31
531218	Claim	Active	2018-09-11	2022-12-31	(142281) HARTE GOLD CORP.	5	2022-12-31
531219	Claim	Active	2018-09-11	2022-11-20	(142281) HARTE GOLD CORP.	25	2022-11-20
531220	Claim	Active	2018-09-11	2022-12-03	(142281) HARTE GOLD CORP.	24	2022-12-03
531221	Claim	Active	2018-09-11	2022-12-03	(142281) HARTE GOLD CORP.	25	2022-12-03
531222	Claim	Active	2018-09-11	2022-12-03	(142281) HARTE GOLD CORP.	22	2022-12-03

Claim#	Type	Status	Issue Date	Anniversary Date	Owner Client#	Area # of Cells	Due Date
531223	Claim	Active	2018-09-11	2022-12-03	(142281) HARTE GOLD CORP.	22	2022-12-03
531224	Claim	Active	2018-09-11	2022-12-03	(142281) HARTE GOLD CORP.	24	2022-12-03
531225	Claim	Active	2018-09-11	2022-12-03	(142281) HARTE GOLD CORP.	24	2022-12-03
531226	Claim	Active	2018-09-11	2022-12-03	(142281) HARTE GOLD CORP.	25	2022-12-03
531227	Claim	Active	2018-09-11	2022-04-21	(142281) HARTE GOLD CORP.	14	2022-04-21
531228	Claim	Active	2018-09-11	2022-12-03	(142281) HARTE GOLD CORP.	15	2022-12-03
531229	Claim	Active	2018-09-11	2022-12-03	(142281) HARTE GOLD CORP.	25	2022-12-03
531230	Claim	Active	2018-09-11	2022-12-03	(142281) HARTE GOLD CORP.	22	2022-12-03
531231	Claim	Active	2018-09-11	2022-12-03	(142281) HARTE GOLD CORP.	25	2022-12-03
531232	Claim	Active	2018-09-11	2022-12-22	(142281) HARTE GOLD CORP.	24	2022-12-22
531233	Claim	Active	2018-09-11	2022-12-22	(142281) HARTE GOLD CORP.	25	2022-12-22
531234	Claim	Active	2018-09-11	2022-12-22	(142281) HARTE GOLD CORP.	20	2022-12-22
531235	Claim	Active	2018-09-11	2022-12-22	(142281) HARTE GOLD CORP.	20	2022-12-22
531236	Claim	Active	2018-09-11	2022-12-22	(142281) HARTE GOLD CORP.	20	2022-12-22

Claim#	Type	Status	Issue Date	Anniversary Date	Owner Client#	Area # of Cells	Due Date
531237	Claim	Active	2018-09-11	2022-12-22	(142281) HARTE GOLD CORP.	20	2022-12-22
531238	Claim	Active	2018-09-11	2022-12-22	(142281) HARTE GOLD CORP.	23	2022-12-22
531239	Claim	Active	2018-09-11	2022-12-22	(142281) HARTE GOLD CORP.	4	2022-12-22
531240	Claim	Active	2018-09-11	2022-12-22	(142281) HARTE GOLD CORP.	24	2022-12-22
531241	Claim	Active	2018-09-11	2022-12-17	(142281) HARTE GOLD CORP.	24	2022-12-17
531242	Claim	Active	2018-09-11	2022-12-17	(142281) HARTE GOLD CORP.	20	2022-12-17
531243	Claim	Active	2018-09-11	2022-12-03	(142281) HARTE GOLD CORP.	25	2022-12-03
531244	Claim	Active	2018-09-11	2022-12-17	(142281) HARTE GOLD CORP.	25	2022-12-17
531245	Claim	Active	2018-09-11	2022-12-17	(142281) HARTE GOLD CORP.	24	2022-12-17
531246	Claim	Active	2018-09-11	2022-12-17	(142281) HARTE GOLD CORP.	24	2022-12-17
531247	Claim	Active	2018-09-11	2022-12-17	(142281) HARTE GOLD CORP.	24	2022-12-17
531248	Claim	Active	2018-09-11	2022-04-21	(142281) HARTE GOLD CORP.	25	2022-04-21
531249	Claim	Active	2018-09-11	2022-12-23	(142281) HARTE GOLD CORP.	3	2022-12-23
531254	Claim	Active	2018-09-12	2022-06-13	(142281) HARTE GOLD CORP.	24	2022-06-13

Claim#	Type	Status	Issue Date	Anniversary Date	Owner Client#	Area # of Cells	Due Date
531255	Claim	Active	2018-09-12	2022-06-13	(142281) HARTE GOLD CORP.	25	2022-06-13
531256	Claim	Active	2018-09-12	2022-06-13	(142281) HARTE GOLD CORP.	25	2022-06-13
531257	Claim	Active	2018-09-12	2022-12-23	(142281) HARTE GOLD CORP.	25	2022-12-23
531258	Claim	Active	2018-09-12	2022-06-13	(142281) HARTE GOLD CORP.	12	2022-06-13
531259	Claim	Active	2018-09-12	2022-12-23	(142281) HARTE GOLD CORP.	3	2022-12-23
531264	Claim	Active	2018-09-12	2022-12-17	(142281) HARTE GOLD CORP.	24	2022-12-17
531265	Claim	Active	2018-09-12	2022-04-21	(142281) HARTE GOLD CORP.	25	2022-04-21
531266	Claim	Active	2018-09-12	2022-04-21	(142281) HARTE GOLD CORP.	14	2022-04-21
531267	Claim	Active	2018-09-12	2022-04-21	(142281) HARTE GOLD CORP.	14	2022-04-21
531268	Claim	Active	2018-09-12	2022-12-23	(142281) HARTE GOLD CORP.	10	2022-12-23
531269	Claim	Active	2018-09-12	2022-06-13	(142281) HARTE GOLD CORP.	3	2022-06-13
531270	Claim	Active	2018-09-12	2022-12-03	(142281) HARTE GOLD CORP.	16	2022-12-03
531271	Claim	Active	2018-09-12	2022-11-16	(142281) HARTE GOLD CORP.	20	2022-11-16
531272	Claim	Active	2018-09-12	2022-12-03	(142281) HARTE GOLD CORP.	3	2022-12-03

<b>Claim#</b>	<b>Type</b>	<b>Status</b>	<b>Issue Date</b>	<b>Anniversary Date</b>	<b>Owner Client#</b>	<b>Area # of Cells</b>	<b>Due Date</b>
531273	Claim	Active	2018-09-12	2022-11-16	(142281) HARTE GOLD CORP.	25	2022-11-16
531274	Claim	Active	2018-09-12	2022-11-16	(142281) HARTE GOLD CORP.	25	2022-11-16
531275	Claim	Active	2018-09-12	2022-11-16	(142281) HARTE GOLD CORP.	21	2022-11-16
531276	Claim	Active	2018-09-12	2022-02-22	(142281) HARTE GOLD CORP.	25	2022-02-22
531277	Claim	Active	2018-09-12	2022-02-22	(142281) HARTE GOLD CORP.	18	2022-02-22
531278	Claim	Active	2018-09-12	2022-11-16	(142281) HARTE GOLD CORP.	2	2022-11-16
531279	Claim	Active	2018-09-12	2022-02-22	(142281) HARTE GOLD CORP.	10	2022-02-22
531280	Claim	Active	2018-09-12	2022-04-11	(142281) HARTE GOLD CORP.	24	2022-04-11
531281	Claim	Active	2018-09-12	2022-04-11	(142281) HARTE GOLD CORP.	25	2022-04-11
531282	Claim	Active	2018-09-12	2022-04-11	(142281) HARTE GOLD CORP.	24	2022-04-11
531283	Claim	Active	2018-09-12	2022-01-09	(142281) HARTE GOLD CORP.	25	2022-01-09
531284	Claim	Active	2018-09-12	2023-01-09	(142281) HARTE GOLD CORP.	23	2023-01-09
531285	Claim	Active	2018-09-12	2023-01-09	(142281) HARTE GOLD CORP.	25	2023-01-09
531286	Claim	Active	2018-09-12	2022-01-09	(142281) HARTE GOLD CORP.	25	2022-01-09

<b>Claim#</b>	<b>Type</b>	<b>Status</b>	<b>Issue Date</b>	<b>Anniversary Date</b>	<b>Owner Client#</b>	<b>Area # of Cells</b>	<b>Due Date</b>
531287	Claim	Active	2018-09-12	2022-01-09	(142281) HARTE GOLD CORP.	25	2022-01-09
531288	Claim	Active	2018-09-12	2023-01-09	(142281) HARTE GOLD CORP.	21	2023-01-09
531289	Claim	Active	2018-09-12	2022-04-11	(142281) HARTE GOLD CORP.	14	2022-04-11
531290	Claim	Active	2018-09-12	2022-01-09	(142281) HARTE GOLD CORP.	1	2022-01-09
531291	Claim	Active	2018-09-12	2022-01-09	(142281) HARTE GOLD CORP.	1	2022-01-09
531292	Claim	Active	2018-09-12	2022-01-09	(142281) HARTE GOLD CORP.	1	2022-01-09
531293	Claim	Active	2018-09-12	2022-01-09	(142281) HARTE GOLD CORP.	1	2022-01-09
531294	Claim	Active	2018-09-12	2022-01-09	(142281) HARTE GOLD CORP.	1	2022-01-09
531295	Claim	Active	2018-09-12	2022-01-09	(142281) HARTE GOLD CORP.	1	2022-01-09
531296	Claim	Active	2018-09-12	2022-01-09	(142281) HARTE GOLD CORP.	1	2022-01-09
531297	Claim	Active	2018-09-12	2022-01-09	(142281) HARTE GOLD CORP.	1	2022-01-09
531298	Claim	Active	2018-09-12	2023-01-09	(142281) HARTE GOLD CORP.	1	2023-01-09
531299	Claim	Active	2018-09-12	2023-01-09	(142281) HARTE GOLD CORP.	1	2023-01-09
531300	Claim	Active	2018-09-12	2023-01-09	(142281) HARTE GOLD CORP.	1	2023-01-09

Claim#	Type	Status	Issue Date	Anniversary Date	Owner Client#	Area # of Cells	Due Date
531301	Claim	Active	2018-09-12	2023-01-09	(142281) HARTE GOLD CORP.	1	2023-01-09
531302	Claim	Active	2018-09-12	2023-01-09	(142281) HARTE GOLD CORP.	1	2023-01-09
531304	Claim	Active	2018-09-12	2022-01-09	(142281) HARTE GOLD CORP.	1	2022-01-09
531305	Claim	Active	2018-09-12	2022-01-09	(142281) HARTE GOLD CORP.	1	2022-01-09
531306	Claim	Active	2018-09-12	2022-01-09	(142281) HARTE GOLD CORP.	1	2022-01-09
531309	Claim	Active	2018-09-12	2022-01-09	(142281) HARTE GOLD CORP.	1	2022-01-09
531316	Claim	Active	2018-09-12	2022-01-09	(142281) HARTE GOLD CORP.	1	2022-01-09
531317	Claim	Active	2018-09-12	2022-01-09	(142281) HARTE GOLD CORP.	1	2022-01-09
531331	Claim	Active	2018-09-12	2022-04-11	(142281) HARTE GOLD CORP.	19	2022-04-11
531332	Claim	Active	2018-09-12	2022-02-16	(142281) HARTE GOLD CORP.	24	2022-02-16
531333	Claim	Active	2018-09-12	2022-02-16	(142281) HARTE GOLD CORP.	12	2022-02-16
531334	Claim	Active	2018-09-12	2022-02-16	(142281) HARTE GOLD CORP.	25	2022-02-16
531335	Claim	Active	2018-09-12	2022-06-13	(142281) HARTE GOLD CORP.	25	2022-06-13
531336	Claim	Active Pending Proceedings	2018-09-12	2021-02-16	(142281) HARTE GOLD CORP.	23	2021-02-16

Claim#	Type	Status	Issue Date	Anniversary Date	Owner Client#	Area # of Cells	Due Date
531337	Claim	Active Pending Proceedings	2018-09-12	2021-02-16	(142281) HARTE GOLD CORP.	23	2021-02-16
531338	Claim	Active Pending Proceedings	2018-09-12	2021-02-16	(142281) HARTE GOLD CORP.	24	2021-02-16
531340	Claim	Active	2018-09-12	2022-06-13	(142281) HARTE GOLD CORP.	17	2022-06-13
531341	Claim	Active	2018-09-12	2022-02-16	(142281) HARTE GOLD CORP.	2	2022-02-16
531342	Claim	Active	2018-09-12	2022-06-13	(142281) HARTE GOLD CORP.	20	2022-06-13
531343	Claim	Active	2018-09-12	2022-06-13	(142281) HARTE GOLD CORP.	20	2022-06-13
531344	Claim	Active	2018-09-12	2022-06-13	(142281) HARTE GOLD CORP.	18	2022-06-13
531345	Claim	Active Pending Proceedings	2018-09-12	2021-02-16	(142281) HARTE GOLD CORP.	2	2021-02-16
531346	Claim	Active Pending Proceedings	2018-09-12	2021-02-16	(142281) HARTE GOLD CORP.	4	2021-02-16
531347	Claim	Active	2018-09-12	2023-01-09	(142281) HARTE GOLD CORP.	25	2023-01-09
531348	Claim	Active	2018-09-12	2022-01-09	(142281) HARTE GOLD CORP.	22	2022-01-09
531349	Claim	Active	2018-09-12	2022-01-09	(142281) HARTE GOLD CORP.	16	2022-01-09
531350	Claim	Active	2018-09-12	2022-01-09	(142281) HARTE GOLD CORP.	25	2022-01-09
531351	Claim	Active Pending Proceedings	2018-09-12	2021-01-09	(142281) HARTE GOLD CORP.	24	2021-01-09



Claim#	Type	Status	Issue Date	Anniversary Date	Owner Client#	Area # of Cells	Due Date
531352	Claim	Active Pending Proceedings	2018-09-12	2021-01-09	(142281) HARTE GOLD CORP.	25	2021-01-09
532869	Claim	Active	2018-10-09	2022-04-10	(142281) HARTE GOLD CORP.	20	2022-04-10
537443	Claim	Active	2018-12-19	2022-09-12	(142281) HARTE GOLD CORP., (406313) PELANGIO EXPLORATION INC.	14	2022-09-12
537444	Claim	Active	2018-12-19	2022-12-27	(142281) HARTE GOLD CORP., (406313) PELANGIO EXPLORATION INC.	11	2022-12-27
537445	Claim	Active	2018-12-19	2022-09-12	(142281) HARTE GOLD CORP., (406313) PELANGIO EXPLORATION INC.	7	2022-09-12
537446	Claim	Active	2018-12-19	2022-04-11	(142281) HARTE GOLD CORP.	11	2022-04-11
537447	Claim	Active	2018-12-19	2022-04-11	(142281) HARTE GOLD CORP.	12	2022-04-11
537448	Claim	Active	2018-12-19	2022-02-22	(142281) HARTE GOLD CORP.	24	2022-02-22
537449	Claim	Active	2018-12-19	2022-02-22	(142281) HARTE GOLD CORP.	18	2022-02-22
537450	Claim	Active	2018-12-19	2022-02-22	(142281) HARTE GOLD CORP.	22	2022-02-22
537451	Claim	Active	2018-12-19	2022-02-22	(142281) HARTE GOLD CORP.	24	2022-02-22

<b>Claim#</b>	<b>Type</b>	<b>Status</b>	<b>Issue Date</b>	<b>Anniversary Date</b>	<b>Owner Client#</b>	<b>Area # of Cells</b>	<b>Due Date</b>
537476	Claim	Active	2018-12-19	2022-02-22	(142281) HARTE GOLD CORP.	21	2022-02-22
537478	Claim	Active	2018-12-19	2022-02-22	(142281) HARTE GOLD CORP.	6	2022-02-22
537479	Claim	Active	2018-12-19	2022-02-22	(142281) HARTE GOLD CORP.	10	2022-02-22
537500	Claim	Active	2018-12-19	2022-02-22	(142281) HARTE GOLD CORP.	10	2022-02-22
537502	Claim	Active	2018-12-19	2022-02-22	(142281) HARTE GOLD CORP.	15	2022-02-22
549597	Claim	Active	2019-05-10	2022-05-10	(142281) HARTE GOLD CORP.	24	2022-05-10
549623	Claim	Active	2019-05-10	2022-05-10	(142281) HARTE GOLD CORP.	23	2022-05-10
549624	Claim	Active	2019-05-10	2022-05-10	(142281) HARTE GOLD CORP.	24	2022-05-10
549625	Claim	Active	2019-05-10	2022-05-10	(142281) HARTE GOLD CORP.	22	2022-05-10
549626	Claim	Active	2019-05-10	2022-05-10	(142281) HARTE GOLD CORP.	23	2022-05-10
549916	Claim	Active	2019-05-15	2022-05-10	(142281) HARTE GOLD CORP.	25	2022-05-10
564908	Claim	Active	2019-11-29	2022-11-29	(142281) HARTE GOLD CORP.	24	2022-11-29
564909	Claim	Active	2019-11-29	2022-11-29	(142281) HARTE GOLD CORP.	24	2022-11-29
564958	Claim	Active	2019-11-29	2022-11-29	(142281) HARTE GOLD CORP.	11	2022-11-29

Claim#	Type	Status	Issue Date	Anniversary Date	Owner Client#	Area # of Cells	Due Date
564959	Claim	Active	2019-11-29	2022-11-29	(142281) HARTE GOLD CORP.	25	2022-11-29
564960	Claim	Active	2019-11-29	2022-11-29	(142281) HARTE GOLD CORP.	20	2022-11-29
564961	Claim	Active	2019-11-29	2022-11-29	(142281) HARTE GOLD CORP.	24	2022-11-29
564962	Claim	Active	2019-11-29	2022-11-29	(142281) HARTE GOLD CORP.	19	2022-11-29
564963	Claim	Active	2019-11-29	2022-11-29	(142281) HARTE GOLD CORP.	24	2022-11-29
564964	Claim	Active	2019-11-29	2022-11-29	(142281) HARTE GOLD CORP.	23	2022-11-29
564965	Claim	Active	2019-11-29	2022-11-29	(142281) HARTE GOLD CORP.	22	2022-11-29
564966	Claim	Active	2019-11-29	2022-11-29	(142281) HARTE GOLD CORP.	17	2022-11-29
565900	Claim	Active	2019-12-03	2022-11-29	(142281) HARTE GOLD CORP.	24	2022-11-29
565901	Claim	Active	2019-12-03	2022-11-29	(142281) HARTE GOLD CORP.	24	2022-11-29

**Part IV – Additional Tenure IDs**

1. 136581
2. 136582
3. 142560
4. 171296
5. 201257
6. 209282
7. 209283
8. 209284
9. 220821
10. 220822

11. 237877
12. 255917
13. 255918
14. 255919
15. 324599
16. 334503
17. 549597
18. 549623
19. 549624
20. 549625
21. 549626
22. 549916
23. 564908
24. 564909
25. 564958
26. 564959
27. 564960
28. 564961
29. 564962
30. 564963
31. 564964
32. 564965
33. 564966
34. 565900
35. 565901

## **SCHEDULE “L” MATERIAL PERMITS, LICENSES AND CONTRACTS**

1. Insurance policies
  - a) Executive Protection Policy dated October 30, 2020, as between Chubb Insurance Company of Canada and Harte Gold Corp.
  - b) Executive Protection Policy dated October 30, 2020, as between Chubb Insurance Company of Canada and Harte Gold Corp.
  - c) Contract of Insurance with policy beginning October 31, 2020, as between Allianz Global Risks US Insurance Company, Chubb Insurance Company of Canada, The Sovereign General Insurance Company, Liberty Mutual Insurance and Harte Gold Corp.
  - d) Chubb Commercial Excess and Umbrella Insurance with policy beginning October 31, 2020, as between Chubb Insurance Company of Canada and Harte Gold Corp.
  - e) Commercial Automobile Coverage dated October 31, 2020, as between Chubb Insurance Company of Canada and Harte Gold Corp.
  - f) Commercial Coverage with policy beginning October 31, 2020, as between Chubb Insurance Company of Canada and Harte Gold Corp.
  - g) Excess Follow Form Insurance Policy dated February 10, 2021 as between AIG Insurance Company of Canada and Harte Gold Corp.
  - h) Excess Liability with policy beginning October 31, 2020, as between Northbridge Insurance and Harte Gold Corp.
  - i) All Risk Precious Metals and Stones Coverage Form Canada with policy beginning October 31, 2020, as between XL Specialty Insurance Company and Harte Gold Corp.
  - j) Excess Liability with policy beginning November 3, 2021, as between Northbridge Insurance and Harte Gold Corp.
  - k) Contract of Insurance with policy beginning October 31, 2021, as between Allianz Global Risks US Insurance Company, Stewart Specialty Risk Underwriting Ltd., The Sovereign General Insurance Company, Economical Mutual Insurance Company, and Harte Gold Corp.
  - l) Chubb Commercial Excess and Umbrella Insurance with policy beginning October 31, 2021, as between Chubb Insurance Company of Canada and Harte Gold Corp.
  - m) Commercial Automobile Coverage with policy beginning October 31, 2021, as between Chubb Insurance Company of Canada and Harte Gold Corp.
  - n) All Risk Precious Metals and Stones Coverage Form Canada with policy beginning October 31, 2021, as between XL Specialty Insurance Company and Harte Gold Corp.

- o) Commercial Coverage with policy beginning October 31, 2021, as between Chubb Insurance Company of Canada and Harte Gold Corp.

2. Closure Plan and Permits, Environmental Permits

- a) Any and all permits, approvals, agreements, or licences issued under or pursuant to the following statutes, as amended from time to time or regulations thereunder: the Mining Act, R.S.O. 1990, c. M.14, the Mining Tax Act, R.S.O. 1990, c. M.15, the Ontario Water Resources Act, R.S.O. 1990, c. O.40, the Aggregate Resources Act, R.S.O. 1990, c. A.8, the Environmental Protection Act, R.S.O. 1990, c. E.19, the Endangered Species Act, 2007, S.O. 2007, c. 6, the Public Lands Act, R.S.O. 1990, c. P.43, the Forest Fires Prevention Act, R.S.O. 1990, c. F.24, the Beds of Navigable Waters Act, R.S.O. 1990, c. B.4, the Lakes and Rivers Improvement Act, R.S.O. 1990, c. L.3, the Canadian Environmental Protection Act, 1999, S.C. 1999, c. 33, the Canadian Navigable Waters Act, R.S.C., 1985, c. N-22, including but not limited to those permits, approvals, agreements, or licences listed at Schedule L, items 16 – 32, below.
- b) Sugar Zone Project Closure Plan and all amendments thereto
- c) Amended Environmental Compliance Approval 7924-BBLL6K, issued May 3, 2019 and all amendments thereto and notices thereunder
- d) Amended Environmental Compliance Approval 8479-B3QHJZ, issued September 20, 2018 and all amendments thereto and notices thereunder
- e) Amended Environmental Compliance Approval 2656-B2UG23, issued September 20, 2018 and all amendments thereto and notices thereunder
- f) Amended Environmental Compliance Approval 7268-AHYLJT, issued January 31, 2017 and all amendments thereto and notices thereunder
- g) Amended Environmental Compliance Approval 3215-9ZXM5X, issued September 30, 2015 and all amendments thereto and notices thereunder
- h) Amended Environmental Compliance Approval 7150-9XMLGX, issued July 16, 2015 and all amendments thereto and notices thereunder
- i) Environmental Compliance Approval 5475-98BPSI, issued January 15, 2014 and all amendments thereto and notices thereunder
- j) Environmental Compliance Approval 9197-992HFN, issued January 6, 2014 and all amendments thereto and notices thereunder
- k) Location Approval WAWA-LOC-01-2017, under the Lakes & Rivers Improvement Act, issued March 21, 2017
- l) Location Approval WAWA-LOC-01-2020, under the Lakes & Rivers Improvement Act, issued July 3, 2020

- m) Land Use Permit Application 1524-1001682, under the Public Lands Act, submitted February 8, 2018
- n) Permit to Take Water 8337-B3QJAH, issued September 20, 2018 and all amendments thereto and notices thereunder
- o) Permit to Take Water P-300-6062209462, issued November 2, 2019 and all amendments thereto and notices thereunder
- p) Permit to Take Water 5567-BVBPWM, issued November 19, 2020 and all amendments thereto and notices thereunder
- q) Permit to Take Water 7466-AREGML, issued September 20, 2018 and all amendments thereto and notices thereunder
- r) Permit to Take Water 1518-ASEGRK, issued September 20, 2018 and all amendments thereto and notices thereunder

### 3. Camp Services

- a) Quotation dated August 4, 2021 and executed August 23, 2021, as between Morris Group (Sudbury) Inc. and Harte Gold Corp.
- b) Contract Agreement dated November 7, 2017, as between Morris Group Sudbury Inc. and Harte Gold Corp.
- c) Amendment to Contract Agreement dated February 2018, as between Morris Group Sudbury Inc. and Harte Gold Corp.

### 4. Other Agreements

- a) Impact Benefits Agreement dated April 28, 2018 and Band Council Resolution dated April 26, 2018, as between Pic Mobert First Nation and Harte Gold Corp.
- b) Memorandum of Understanding between: Biigtigong Nishnaabeg (formerly Pic River First Nation) and Harte Gold Corp. dated August 1, 2018
- c) Exploration Agreement between Pic Mobert First Nation and Harte Gold Corp.
- d) Aboriginal Procurement Strategy: A Working Document Between Harte Gold Corp. and White Lake Limited Partnership dated June 27, 2019
- e) Longhole Drilling and Blasting Services Agreement dated July 4, 2018, as between Foraco Canada Ltd. and Harte Gold Corp.
- f) Underground Drilling Agreement dated January 21, 2021, as between Orbit Garant Drilling Services Inc. and Harte Gold Corp.

- g) Closure Plan Surety Bond Agreement (Bond #: 800033223/962-019590) dated June 21, 2018, as between Harte Gold Corp. and Intact Insurance Company, and subsequent rider, dated February 1, 2019.



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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF HARTE  
GOLD CORP.

Court File No: CV-21-00673304-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**

Proceeding commenced at Toronto

**FIRST REPORT OF THE MONITOR  
DATED DECEMBER 15, 2021**

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