

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

**Harte Gold Corp.**

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

**December 6, 2021**

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

**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 KERP<sup>2</sup>.

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<sup>2</sup> While the DIP Facility provides for a KERP 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 KERP.

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***

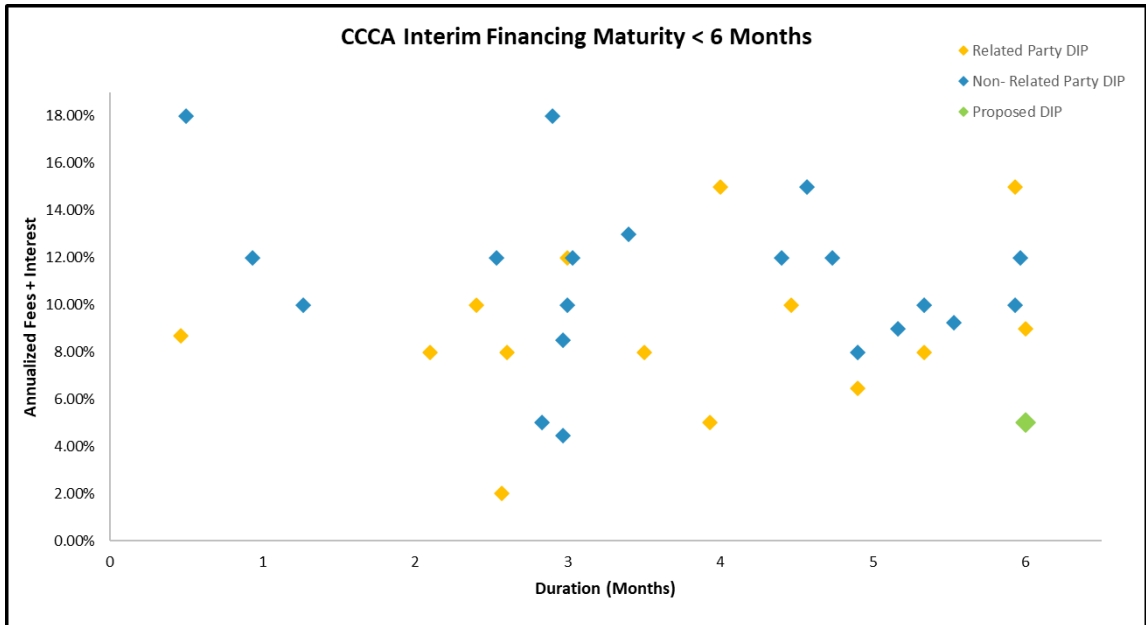
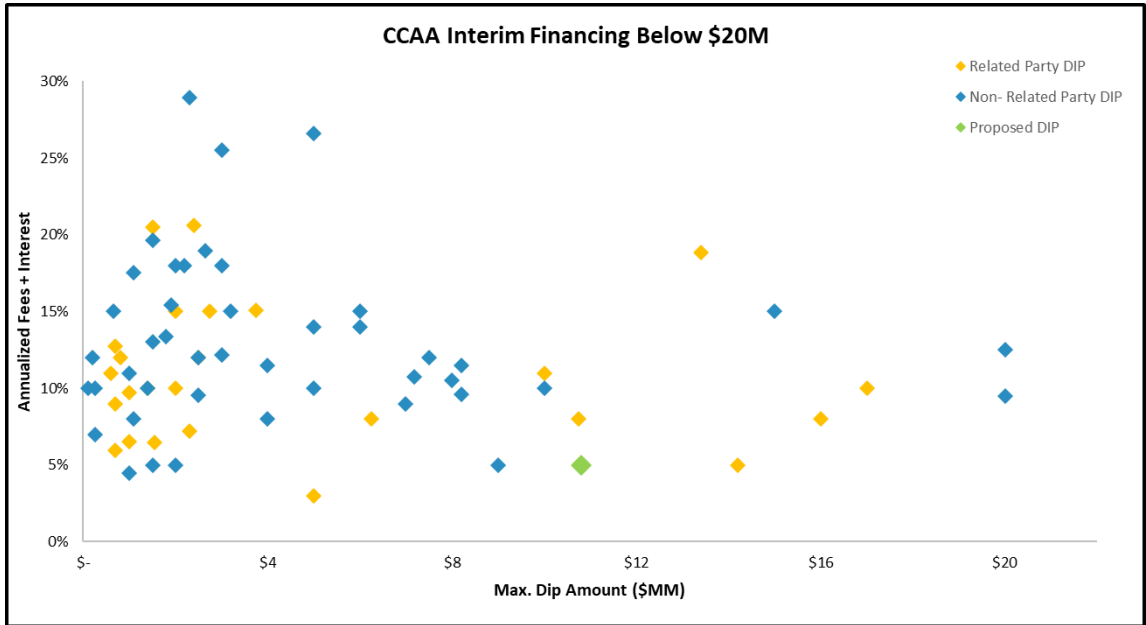
56. The Applicant’s assets are described in Bouchier Initial Affidavit and consist primarily of the Sugar Zone Mining Operation. The Stalking Horse Agreement sets minimum value for the Applicant’s property as the aggregate value of the assumed liabilities, the amounts owing to 833 Ontario under the BNPP 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%	



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: \_\_\_\_\_

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

Proceeding commenced at Toronto

**PRE-FILING REPORT OF THE**  
**PROPOSED MONITOR**  
**DATED DECEMBER 6, 2021**

**GOODMANS LLP**

Bay Adelaide Centre  
333 Bay Street, Suite 3400  
Toronto, ON M5H 2S7

Joseph Pasquariello (LSO# 38390C)

[jpasquariello@goodmans.ca](mailto:jpasquariello@goodmans.ca)

Christopher G. Armstrong (LSO# 55148B)

[carmstrong@goodmans.ca](mailto:carmstrong@goodmans.ca)

Andrew Harmes (LSO# 73221A)

[aharmes@goodmans.ca](mailto:aharmes@goodmans.ca)

Tel: 416.979.2211

Fax: 416.979.1234

Lawyers for the Proposed Monitor, FTI Consulting Canada  
Inc.