

COURT FILE NUMBER

2503 00016

COURT

COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE

EDMONTON

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 KMC MINING
CORPORATION

DOCUMENT

**FOURTH REPORT TO COURT OF FTI
CONSULTING CANADA INC., IN ITS CAPACITY
AS MONITOR OF KMC MINING CORPORATION**

July 22, 2025

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
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DOCUMENT

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FOURTH REPORT OF THE MONITOR

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INTRODUCTION

1. On December 5, 2024, KMC Mining Corporation (“**KMC**” or the “**Company**”) filed a Notice of Intention to Make a Proposal (“**NOI**”) pursuant to subsection 50.4(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c B-3, as amended (the “**BIA**”). FTI Consulting Canada Inc. (“**FTI**”) consented to act as proposal trustee (the “**Proposal Trustee**”) in the NOI proceedings (the “**NOI Proceedings**”) of KMC.
2. On December 9, 2024, in the NOI Proceedings, the Court of King’s Bench of Alberta (the “**Court**”) granted an Order (the “**December 9 Order**”) which, among other things:
 - (a) Approved an administrative charge, ranking in priority only to the claims of the Secured Lenders (as defined in the First Report of the Trustee as the syndicate entities, ATB, CWB, EDC and Laurentian) and the Klemke Foundation on all the Company’s present and after-acquired assets, property and undertakings, not to exceed \$0.5 million (the “**Administrative Charge**”);
 - (b) Authorized KMC to obtain and borrow under a credit facility provided by certain of the Secured Lenders (the “**Interim Lenders**”) to finance the Applicant’s working capital requirements and other such general corporate and capital expenditures, not to exceed \$6.0 million (the “**Interim Financing Charge**”). The Interim Financing Charge initially ranked only in priority to the claims over the Company’s present and after-acquired assets, property and undertakings of the Secured Lender and the Klemke Foundation;
 - (c) Authorized KMC, with approval from the Proposal Trustee, to sell and dispose of redundant or non-material assets not exceeding in aggregate \$1.0 million; and
 - (d) Extended the stay of proceedings and time within which the Company is required to file a proposal to its creditors to February 18, 2025.

3. On December 20, 2024, the Court granted an Order, which among other things, authorized the Company to execute on a letter of intent for an asset sales transaction with Gibraltar Mines Limited which exceeds the pre-authorized asset sale limit of \$1.0 million.
4. On January 10, 2025, (the “**CCAA Filing Date**”), KMC sought and obtained three Orders from the Court:
 - (a) An initial order (the “**Initial Order**”) granting, among other things, the following relief:
 - i. A continuation of the NOI Proceedings under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c C-36, as amended (the “**CCAA**” and the “**CCAA Proceedings**”);
 - ii. An extension of the stay period until January 20, 2025;
 - iii. The appointment of FTI as monitor (the “**Monitor**”) in these CCAA Proceedings;
 - iv. Approval and continuation of the priority and amount of the charges in favor of (i) the Monitor, the Monitor’s counsel, and KMCs’ legal counsel (the “**Administration Charge**”) in the amount of \$500,000; (ii) borrowings under the Interim Financing Term Sheet required to finance KMC’s working capital requirements and other general corporate purposes and capital expenditures, not to exceed \$6.0 million (the “**Interim Financing Charge**”); and (iii) KMCs’ obligations to indemnify KMC’s directors and officers for liabilities they may incur after the Filing Date (the “**Directors’ Charge**”) in the amount of \$500,000 (together, the “**Initial Order Charges**”); and
 - v. The Interim Financing Charge was also expanded to take priority over all Property of the Applicants;

- (b) A sales and investment solicitation process order (“**SISP Order**”), granting, among other things, the following relief:
 - i. Approval of the sale and investment solicitation process (the “**SISP**”);
 - ii. Approval of the engagement letter, dated December 23, 2024, between KMC and Ernst & Young Orenda Corporate Finance Inc. (the “**Sales Agent**”); and
 - iii. Authorization to increase the aggregate limit of sales for redundant or non-material assets from \$1.0 million to \$6.0 million and authorization for KMC, with the approval of the Monitor, Interim Lenders, Secured Lenders, the Klemke Foundation, and any other applicable secured creditor whose rights may be directly impacted by the sale (as determined by the Monitor), to remove any Property or Business from the SISP and proceed to sell the same to a third party if KMC receives an unconditional offer to purchase; and
 - (c) A sealing order (the “**Sealing Order**”) in respect of the Confidential Affidavit which contains economically sensitive valuation information with respect to KMC’s Property that could harm the SISP process if disclosed.
5. On January 20, 2025, KMC sought and obtained three Orders from the Court:
- (a) The ARIO, approving the following:
 - i. Extending the stay of proceedings up to and including June 16, 2025; and
 - ii. Granting a fourth-ranking charge against KMC’s Property for a key employee retention plan (the “**KERP**”);

- (b) The Lease Equipment Return Process Order, which approved a process for the return of certain equipment leased by KMC which KMC has determined has no available surplus equity;
 - (c) A declaration that pursuant to section 5(5) of the Wage Earner Protection Program Act, S.C. 2005, c. 47, s.1 (“**WEPPA**”) that KMC meet the criteria established by section 3.2 of the Wage Earner Protection Program Regulations, SOR/2008-222 (the “**WEPP Regulations**”) as of the date of the granting of the ARIO; and
 - (d) The Sealing Order sealing the Second Confidential Affidavit of Bryn Jones sworn January 14, 2025.
6. On April 17, 2025, KMC sought and obtained the following Orders from the Court:
- (a) A sale approval and vesting order (the “**SAVO**”) approving the asset purchase agreement for the sale of substantially all the assets of KMC to 2122256 Alberta Ltd. o/s Heavy Metal Equipment and Rentals (“**HME**”) (and the sale herein referred to as the “**HME APA**”);
 - (b) An order modifying the KERP by providing for certain adjustments to the entitlements and payments with respect to the KERP without modifying the total amounts payable thereunder (the “**Adjusted KERP Order**”);
 - (c) An order affirming the continued applicability of WEPPA as authorized in the ARIO (the “**WEPPA Order**”);
 - (d) An interim distribution order (the “**Interim Distribution Order**”) approving the proposed interim distribution to Secured Lenders and equipment lessors of up to 66 2/3% of the net sale proceeds from the HME APA; and

- (e) A sealing order sealing the confidential supplementary report of the Monitor which contained commercially sensitive information in relation to the results of the SISP and the HME APA.
- 7. On May 23, 2025, KMC sought and obtained the following Orders from the Court:
 - (a) An order approving the Proposed Second Distribution Order;
 - (b) An order extending the stay of proceedings up to and including July 31, 2025.
- 8. This report (“**Report**” or “**Fourth Report**”) is being delivered in connection with the applications currently scheduled to be heard on July 30, 2025 (the “**Stay Extension Application**”), where the following relief is being sought requesting:
 - (a) an order approving a third interim distribution to the Secured Lenders (the “**Proposed Third Distribution Order**”); and
 - (b) an order extending the stay of proceedings (“**Stay Period**”) up to and including November 30, 2025 (the “**Stay Extension Order**”).
- 9. This Report should be read in conjunction with the Affidavit of Daniel Klemke sworn on July 21, 2025 (the “**Second Klemke Affidavit**”) which provides further background information concerning the Stay Period, current operations and claims of KMC against Suncor.
- 10. Electronic copies of all materials filed by KMC in connection these CCAA Proceedings and other statutory materials are available on the Monitor’s website at: <http://cfcanada.fticonsulting.com/KMCMining> (the “**Website**”).

PURPOSE

11. The purpose of this Fourth Report is to provide this Honourable Court and KMC's stakeholders with information and the Monitor's comments with respect to the following:
- (a) The activities of the Monitor since its Third Report dated May 13, 2025;
 - (b) The cash flow variance results for the 28-week period ended July 12, 2025;
 - (c) An overview of KMC's' revised cash flow statement (the "**Fifth Cash Flow Statement**") for the 21-week period ending November 30, 2025 (the "**Forecast Period**") as well as the key assumptions on which the Fifth Cash Flow Statement is based on;
 - (d) A proposed third distribution, net of holdbacks, of the cash on hand; and
 - (e) The Monitor's conclusions and recommendations with respect to the Proposed Third Distribution Order and Stay Extension Order.

TERMS OF REFERENCE

12. In preparing this Report, the Monitor has relied upon unaudited financial information, other information available to the Monitor and, where appropriate, KMC's books and records and discussions with various parties (collectively, the "**Information**").
13. 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*;

- (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*; and
 - (c) Future oriented financial information reported or relied on in preparing this Report is based on assumptions regarding future events; actual results may vary from forecast and such variations may be material.
- 14. The Monitor has prepared this Report in connection with the Cost Allocation and Distribution Application. This Report should not be relied on for other purposes.
- 15. Information and advice described in this Report that has been provided to the Monitor by its legal counsel, MLT Aikins LLP (the “**Monitor’s Counsel**”) and was provided to assist the Monitor in considering its course of action, is not intended as legal or other advice to, and may not be relied upon by, any other person.
- 16. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian Dollars. Capitalized terms used but not defined herein are given the meaning ascribed to them in previous Reports of the Monitor, the Klemke Affidavit, the Second Klemke Affidavit, the Jones Affidavit, the Second Jones Affidavit, or the Third Jones Affidavit.

ACTIVITIES OF THE MONITOR

- 17. The Monitor’s activities since the date of the Monitor’s Third Report include, among other things, the following:
 - (a) Updating the Website where the Monitor has and will continue to post all court materials related to these CCAA Proceedings. The Monitor’s website includes contact information where secured creditors, unsecured creditors, employees and other stakeholders can reach the Monitor to ask any questions they may have;

- (b) Reviewed KMC's receipts and disbursements and monitored the Company's performance relative to its cash flow forecast;
- (c) Assisting KMC in preparing the Fifth Cash Flow Statement;
- (d) Assisting Management with termination letters and coordinating communications and notices to former employees with respect to the WEPPA;
- (e) Paying the interim distributions to Secured Lenders and equipment lessors in accordance with the Interim Distribution Order;
- (f) Responding to inquiries from stakeholders, supplier and creditors who contacted the Monitor; and
- (g) Preparing this Report.

CASH FLOW VARIANCE ANALYSIS

- 18. KMC, in consultation with the Monitor, prepared the Fourth Cash Flow Statement for the CCAA Proceedings which was appended to the Monitor's Third Report.
- 19. KMC's actual cash flows as compared to those contained in the Fourth Cash Flow Statement for the 28-week period of December 29, 2024 to July 12, 2025, are summarized below:

Cash Flow Variance Analysis			
For the Twenty-Eight Week Period Ended July 12, 2025			
('000s)	Actual	Forecast	Variance
Receipts			
Customers	\$ 17,852	\$ 18,095	\$ (243)
Asset Sales	936	936	-
Misc Receipts	543	234	309
Total Receipts	19,332	19,265	67
Operating Disbursements			
KERP	(237)	(305)	69
Staff Labour	(2,464)	(2,531)	66
Union Labour	(4,924)	(5,318)	395
Utilities	(107)	(112)	5
Operations	(2,717)	(2,659)	(59)
Fuel	(35)	(38)	3
Rent / Property Tax	(167)	(170)	3
CRA Remittance	(494)	(657)	163
Insurance	(1,908)	(1,728)	(180)
Professional Fees	(1,512)	(1,877)	365
Bank Fees	(4)	(4)	(0)
Komatsu Capital lease payments	(217)	(246)	29
Other Capital Lease Payments	(289)	(289)	0
Operating Deposits	(490)	(565)	75
Total Operating Disbursements	(15,564)	(16,497)	933
Financing			
DIP Fees	(150)	(150)	-
Interim Financing Interest	(101)	(101)	-
Total Disbursements	(15,815)	(16,748)	933
Net Cash Flow	3,517	2,517	1,000
Beginning Cash	400	400	0
Ending Cash, before DIP	\$ 3,917	\$ 2,917	\$ 1,000
Interim Financing			
Opening DIP Draw	3,000	3,000	-
Draws / (Repayments)	(3,000)	(3,000)	-
Ending Cash, after DIP	\$ 3,917	\$ 2,917	\$ 1,000
Proceeds Held in Trust			
Proceeds from HME APA	\$ 100,866	\$ 100,866	-
Initial Distribution	(100,866)	(100,866)	-
Remaining Proceeds held in Trust	-	-	-

- (a) Net positive variance for receipts is due to:
 - i. Negative variance in customer receipts of approximately \$243,000 due to timing of Hudbay Project collections of receipts and extension of the project end-date to September 8, 2025; and
 - ii. Positive variance of approximately \$309,000 for miscellaneous receipts from vendor deposit returns and miscellaneous customer payments.
 - (b) Positive variance for operating disbursements of approximately \$933,000 mainly due to:
 - i. Positive differences for staff and union labour of approximately \$461,000 is partly due to permanent variance from operations winding down faster than anticipated, and timing variance due to extension of the Hudbay project end-date;
 - ii. Permanent positive variance of \$163,000 for CRA Remittances aligned with lower GST payable as compared to the forecast;
 - iii. Negative timing variance for insurance premiums of approximately \$180,000 due to delay by broker adjusting the policy for the sale of assets, refund still expected in future periods; and
 - iv. Positive timing differences of approximately \$365,000 due to timing lags in professional fee payments.
20. As at July 12, 2025, KMC had approximately \$3.9 million cash on hand, reflecting a positive variance of \$1.0 million.

21. Proceeds from the HME APA were received by the Monitor and held in trust. As of the date of this Report, the Monitor has distributed all of the HME APA Proceeds to the Secured Lenders and equipment lessors (as approved by this Honourable Court).

CASH FLOW STATEMENT

22. KMC, in consultation with the Monitor, has prepared the Fifth Cash Flow Statement to estimate the liquidity for the Forecast Period, a summary of which is presented below and attached hereto as Appendix “A”.

	Dec 29 to July 12 Actual	Jul 13 to Nov 30 Total	Total
(‘000s)			
Receipts			
Customers	\$ 17,852	\$ 1,332	\$ 19,184
Asset Sales	936	-	936
Misc Receipts	543	1,253	1,796
Total Receipts	19,332	2,585	21,917
Operating Disbursements			
KERP	(237)	-	(237)
Staff Labour	(2,464)	(327)	(2,792)
Union Labour	(4,924)	(800)	(5,724)
Utilities	(107)	(15)	(122)
Operations	(2,717)	(185)	(2,902)
Fuel	(35)	-	(35)
Rent / Property Tax	(167)	(2)	(169)
CRA Remittance	(494)	(31)	(525)
Insurance	(1,908)	-	(1,908)
Professional Fees	(1,512)	(550)	(2,062)
Bank Fees	(4)	(3)	(6)
Komatsu Capital Lease Payment	(217)	(29)	(246)
Other Capital Lease Payments	(289)	(13)	(302)
Operating Deposits	(490)	(13)	(503)
Total Operating Disbursement:	(15,564)	(1,967)	(17,532)
Financing			
DIP Fees	(150)	-	(150)
Interim Financing Interest	(101)	-	(101)
Total Disbursements	(15,815)	(1,967)	(17,782)
Net Cash Flow	3,517	618	4,135
Beginning Cash	400	3,917	400
Ending Cash	\$ 3,917	\$ 4,535	\$ 4,535
Interim Financing			
Opening DIP Draw	\$ 3,000	-	\$ 3,000
Repayments	(3,000)	-	(3,000)
Ending Cash, after DIP	\$ 3,917	\$ 4,535	\$ 4,535
Monitor Trust Fund			
HME APA	\$ 100,866	-	\$ 100,866
Distribution	(100,866)	-	(100,866)
Monitor Trust Fund	-	-	-

23. The Fifth Cash Flow Statement is based on the following key assumptions:

- (a) Cash receipts of approximately \$2.6 million primarily relate to the collection of receipts from the “Hudbay Copper Mountain Operator Labour Support” project expected to run until the end of September, HME labour support project and significant refunds for insurance premiums (approximately \$460,000), WCB refunds (\$250,000) and insurance claim from a damaged Komatsu asset (estimated to be \$500,000);
 - (b) Operating cash disbursements of approximately \$1.9 million primarily relate to the wind-down of operation and trade payments, payroll and benefits relating to the Hudbay Copper Mountain Operator Labour Support Project and HME Labour Support; and
 - (c) Professional fees are forecast to be approximately \$550,000 over the Forecast Period and include KMC’s legal counsel, the Monitor, and the Monitor’s Counsel.
24. Ending cash at the end of the Forecast Period is projected to be approximately \$4.5 million. The Fifth Cash Flow Statement does not include a forecast payment for the Proposed Third Distribution (as defined and discussed below). However, if the Proposed Third Distribution is approved by this Court and the Applicants make the Proposed Third Distribution (to a maximum amount of \$3.5 million) KMC would still be projected to have excess cash of \$1.0 million which is sufficient to fund ongoing operations, wind-down initiatives and any other remaining steps in these CCAA Proceedings.
25. HME APA Proceeds held in trust by the Monitor were distributed in full as part of the Proposed Second Distribution Order.

PROPOSED THIRD DISTRIBUTION

26. As outline above KMC currently has cash on hand of \$3.9 million. All of KMC's heavy equipment has been sold and the majority of their operations have been wound down. Remaining operations include pursuing the Suncor Claim and completing ongoing labour and supply contract in British Columbia which is expected to continue into September 2025. KMC is requesting authorization, upon the request of the Secured Lenders to make a third distribution (the "**Proposed Third Distribution**") from the cash on hand to the Secured Lenders of up to \$3.5 million.
27. The Monitor supports the Applicants request for the Proposed Third Distribution for the following reasons:
- (a) As described in the Monitors Second Supplemental Report to the Second Report, the Monitor's Counsel completed an independent security review of the Secured Lender's security and determined that the Secured Lenders have a valid and enforceable first secured charge through a general security agreement over the cash on hand;
 - (b) The Secured Lenders currently have approximately \$37.0 million remaining outstanding on their pre-filing secured debt and will still be in a loss position after and if the Proposed Third Distribution is made; and
 - (c) The Fifth Cash Flow Statement shows KMC will have sufficient cash on hand to maintain ongoing operation through the requested extension to the Stay Period after making the Proposed Third Distribution.

STAY EXTENSION

28. The Monitor has considered KMCs' request to extend the Stay Period to November 30, 2025, and has the following comments:

- (a) There will be no material prejudice to KMCs' creditors and stakeholders as a result of the proposed extension of the Stay Period;
- (b) The Fifth Cash Flow Statement indicates that KMC will have sufficient liquidity to wind-down operations and fund the cost of these CCAA Proceedings for the duration of the proposed extension of the Stay Period;
- (c) The length of the extension aligns with the time required to complete the current projects, collect the outstanding refunds and wind-down the operations of KMC;
and
- (d) KMC have acted and are continuing to act in good faith and with due diligence.

CONCLUSIONS AND RECOMMENDATIONS

- 29. KMC and their management have acted and continue to act in good faith and with due diligence in taking steps to facilitate the completion of the remaining matters under the CCAA and a wind down of the operations of the business.
- 30. The Monitor is of the view that the relief sought pursuant to the Proposed Third Distribution Order, the requested holdback and the Stay Extension Order, is necessary, reasonable, appropriate and justified in the circumstances.
- 31. Based on the foregoing, the Monitor supports the relief being sought and respectfully recommends that the request for the Proposed Third Distribution Order and Stay Extension Order be granted.

All of which is respectfully submitted this 22nd day of July 2025.

FTI Consulting Canada Inc.
Licensed Insolvency Trustee
in its capacity as Monitor of
KMC Mining Corporation and not in its personal
or corporate capacity

A handwritten signature in black ink, appearing to read 'Dustin Olver', is written over a horizontal line.


Name: Dustin Olver, CPA, CA, CIRP, LIT
Title: Senior Managing Director,
FTI Consulting Canada Inc.

Appendix “A”

Fifth Cash Flow Statement

('000s)		Dec 29 to July 12 Actual	Week 1 Jul-13 Forecast	Week 2 Jul-20 Forecast	Week 3 Jul-27 Forecast	Week 4 Aug-03 Forecast	Week 5 Aug-10 Forecast	Week 6 Aug-17 Forecast	Week 7 Aug-24 Forecast	Week 8 Aug-31 Forecast	Week 9 Sep-07 Forecast	Week 10 Sep-14 Forecast	Week 11 Sep-21 Forecast	Week 12 Sep-28 Forecast	Week 13 Oct-05 Forecast	Week 14 Oct-12 Forecast	Week 15 Oct-19 Forecast	Week 16 Oct-26 Forecast	Week 17 Nov-02 Forecast	Week 18 Nov-09 Forecast	Week 19 Nov-16 Forecast	Week 20 Nov-23 Forecast	Week 21 Nov-30 Forecast	Jul 13 to Nov 30 Forecast	Total
Receipts																									
Customers	1	\$ 17,852	\$ 258	\$ 120	\$ 32	\$ 178	\$ 116	-	\$ 118	\$ 116	-	\$ 90	\$ 53	\$ 84	-	-	-	\$ 84	-	-	-	-	\$ 84	\$ 1,332	\$ 19,184
Asset Sales		936	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	936
Misc Receipts	2	543	-	-	-	-	-	-	28	250	-	460	-	15	-	-	-	-	-	500	-	-	-	1,253	1,796
Total Receipts		19,332	258	120	32	178	116	-	146	366	-	550	53	99	-	-	-	84	-	500	-	-	84	2,585	21,917
Operating Disbursements																									
KERP	2	(237)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(237)
Staff Labour	3	(2,464)	(39)	(13)	(47)	(20)	(22)	(2)	(42)	(9)	(1)	(17)	(7)	(28)	-	(13)	(5)	(17)	(5)	(13)	(5)	(22)	-	(327)	(2,792)
Union Labour	4	(4,924)	(102)	(40)	(106)	-	(151)	-	(150)	(45)	(84)	(36)	(21)	(9)	(21)	(9)	(27)	-	-	-	-	-	-	(800)	(5,724)
Utilities		(107)	-	(1)	-	-	(3)	-	(5)	-	-	(3)	-	(3)	-	-	-	(2)	-	-	-	-	-	(15)	(122)
Operations	5	(2,717)	(3)	-	(10)	-	(28)	-	(38)	-	-	-	-	(38)	-	-	-	(34)	-	-	-	(33)	-	(185)	(2,902)
Fuel		(35)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(35)
Rent / Property Tax		(167)	-	-	(1)	-	-	-	(1)	-	-	-	-	(1)	-	-	-	-	-	-	-	-	-	(2)	(169)
CRA Remittance	6	(494)	-	-	(16)	-	-	-	(5)	-	-	-	-	(5)	-	-	-	(3)	-	-	-	(3)	-	(31)	(525)
Insurance		(1,908)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,908)
Professional Fees	7	(1,512)	(10)	-	-	(150)	-	-	-	(80)	-	-	-	-	(80)	-	-	-	-	(80)	-	-	(150)	(550)	(2,062)
Bank Fees		(4)	-	-	(1)	-	-	-	(1)	-	-	-	-	(1)	-	-	-	(1)	-	-	-	(1)	-	(3)	(6)
Komatsu Capital Lease Payments	8	(217)	-	-	(29)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(29)	(246)
Other Capital Lease Payments	9	(289)	-	-	(6)	-	-	-	-	(4)	-	-	-	(4)	-	-	-	-	-	-	-	-	-	(13)	(302)
Operating Deposits	10	(490)	-	-	-	(5)	-	-	-	(5)	-	-	-	(2)	-	-	-	-	(2)	-	-	-	-	(13)	(503)
Total Operating Disbursements		(15,564)	(154)	(53)	(214)	(175)	(203)	(2)	(241)	(143)	(85)	(55)	(28)	(90)	(101)	(22)	(32)	(56)	(7)	(93)	(5)	(58)	(150)	(1,967)	(17,532)
Financing																									
DIP Fees		(150)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(150)
Interim Financing Interest		(101)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(101)
Total Disbursements		(15,815)	(154)	(53)	(214)	(175)	(203)	(2)	(241)	(143)	(85)	(55)	(28)	(90)	(101)	(22)	(32)	(56)	(7)	(93)	(5)	(58)	(150)	(1,967)	(17,782)
Net Cash Flow		3,517	104	67	(181)	3	(87)	(2)	(95)	222	(85)	495	24	9	(101)	(22)	(32)	28	(7)	407	(5)	(58)	(66)	618	4,135
Beginning Cash		400	3,917	4,021	4,088	3,907	3,910	3,822	3,821	3,725	3,947	3,863	4,358	4,382	4,391	4,290	4,268	4,236	4,264	4,258	4,664	4,659	4,601	3,917	400
Ending Cash		\$ 3,917	\$ 4,021	\$ 4,088	\$ 3,907	\$ 3,910	\$ 3,822	\$ 3,821	\$ 3,725	\$ 3,947	\$ 3,863	\$ 4,358	\$ 4,382	\$ 4,391	\$ 4,290	\$ 4,268	\$ 4,236	\$ 4,264	\$ 4,258	\$ 4,664	\$ 4,659	\$ 4,601	\$ 4,535	\$ 4,535	\$ 4,535
Interim Financing																									
Opening DIP Draw		\$ 3,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$ 3,000
Repayments		(3,000)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(3,000)
Ending Cash, after DIP		\$ 3,917	\$ 4,021	\$ 4,088	\$ 3,907	\$ 3,910	\$ 3,822	\$ 3,821	\$ 3,725	\$ 3,947	\$ 3,863	\$ 4,358	\$ 4,382	\$ 4,391	\$ 4,290	\$ 4,268	\$ 4,236	\$ 4,264	\$ 4,258	\$ 4,664	\$ 4,659	\$ 4,601	\$ 4,535	\$ 4,535	\$ 4,535
Monitor Trust Fund																									
HME APA		\$ 100,866	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$ 100,866
Distribution		(100,866)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(100,866)
Monitor Trust Fund		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Dan Klemke

DocuSigned by:

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KMC Mining Corporation
Per: Dan Klemke, Chief Executive Officer

Notes:
Management of KMC Mining Corporation ("KMC") has prepared this Cash Flow Statement solely for the purposes of determining the liquidity requirements of the Company during the CCAA Proceedings. The Cash Flow Statements is based on probable and hypothetical assumptions detailed in the notes below. Consequently, actual results will likely vary due to actual performance and such variances may be material.

- 1** Receipts from customers reflect collections fromthe “Hudbay Copper Mountain Operator Labour Support” project (expected to run to September 2025) and labour support to HME.
- 2** Miscellaneous Receipts include refunds from WCB, insurance premiums and an estimated return from an insurance claim.
- 3** Staff Labour includes all salary, benefit costs and source deductions relating to non-union employees of KMC.
- 4** Union Labour includes all wages, benefit costs and source deductions relating to Operator employees of KMC.
- 5** Operations includes costs for direct service providers, management services, and operating vendors.
- 6** CRA Remittance reflects GST remittances payable. GST remittances are current.
- 7** Professional fees includes the Applicants' legal counsel, the Monitor, and the Monitor's Counsel.
- 8** Komatsu Capital Lease payment relates to the Court Approved cost allocation owing to Komatsu.
- 9** Other Capital Leases relate to light trucks and other smaller assets have ceased, only three trucks remaining with Jim Pattison post May 31st required for ongoing work.
- 10** Operating Deposits is an estimated amount payable to maintain the corporate credit card.