

**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
TACORA RESOURCES INC.**

Applicant

**REPLY MOTION RECORD OF THE APPLICANT
(MFC DISPUTE RETURNABLE APRIL 16, 2023)**

April 2, 2024

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

Ashley Taylor (LSO #39932E)
Tel: (416) 869-5236
Email: ataylor@stikeman.com

Alex Rose (LSO#: 49415P)
Tel: (416) 869-5261
Email: arose@stikeman.com

Lee Nicholson (LSO #66412I)
Tel: (416) 869-5604
Email: leenicholson@stikeman.com

Natasha Rambaran (LSO #80200N)
Tel: (416) 869-5504
Email: nrambaran@stikeman.com

RJ Reid (LSO #82084O)
Tel: (416) 869-5614
Email: rreid@stikeman.com

Lawyers for the Applicant

TO: THE SERVICE LIST

**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
TACORA RESOURCES INC.**

Applicant

I N D E X

TAB	DOCUMENT	PAGES
1.	Affidavit of Joe Broking sworn March 28, 2024	1 – 7
A.	Exhibit "A" – Copy of first two spreadsheets from Mr. Persampieri's workbook with modifications by Tacora	8 - 11

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
TACORA RESOURCES INC.**

Applicant

**AFFIDAVIT OF JOE BROKING
(Sworn March 28, 2024)**

I, **JOE BROKING**, of the City of Grand Rapids, in the State of Minnesota, United States of America, MAKE OATH AND SAY:

1. I am the President and Chief Executive Officer of Tacora Resources Inc. ("**Tacora**"). I have been the President and Chief Executive Officer of Tacora since October 2021. Prior to becoming President and Chief Executive Officer, I was Executive Vice President and Chief Financial Officer of Tacora from July 2017 to October 2021. I have been a member of the company's board of directors since October 2021 and was previously a director of the board in the company's early development phase between January 17, 2017 and July 17, 2017.

2. I have 12 years of experience as an executive in the iron ore industry. From my time as a director, Chief Financial Officer, and Chief Executive Officer of Tacora, I have a deep understanding of the company's revenue and the associated calculations under both:

- (a) the offtake agreement dated April 5, 2017 (as restated on November 9, 2018, and amended from time to time, the "**Offtake Agreement**"), between Tacora, as seller, and Cargill International Trading Pte Ltd ("**Cargill**"), as buyer; and
- (b) the amended and restated consolidation of mining leases dated November 17, 2017 between Tacora as lessee, 0778539 B.C. Ltd. (formerly called MFC Bancorp Ltd.) ("**MFC**") as lessor, and 1128349 B.C. Ltd. ("**112 Ltd.**") as beneficial holder (the "**Scully Mine Lease**").

As such, I have knowledge of the matters to which I hereinafter depose, except where otherwise stated. Where I have relied upon such information, I believe such information to be true.

3. This affidavit is sworn in response to the report of David Persampieri dated January 4, 2024 and served upon Tacora by 112 Ltd. in response to Tacora's motion concerning the calculation of the royalty owed by Tacora under the Scully Mine Lease (the "**MFC Royalty**").

A. Mr. Persampieri's Calculation is Incorrect

4. Mr. Persampieri states that he was asked by 112 Ltd. to determine the additional royalty that would have been paid, or would be payable, by Tacora if "Net Revenues" were calculated under paragraph (j)(ii) of the Scully Mine Lease – and then to compare that amount to the amount referenced in the royalty statement letters sent by Tacora to MFC. His report reaches the conclusion that if the non-arm's length calculation method is used, 112 Ltd. is owed CA\$7,295,253.73 more than what Tacora has paid in accordance with the royalty statement letters or acknowledges to be owing for Q2 and Q3 of 2023 (the "**Alleged Amount Owed**").

5. For the reasons set out in my affidavit sworn March 21, 2024, the Offtake Agreement is an arm's length *bona fide* contract of sale and Tacora has been properly calculating the MFC Royalty. However, even if that were not the case, Mr. Persampieri fails to account for the necessary credits and deductions in his analysis, as discussed below. Doing so would have a dramatic impact on the size of the Alleged Amount Owed.

6. My comments in this affidavit are principally focused on credits and deductions that are missing from Mr. Persampieri's analysis. However, Mr. Persampieri's method of analysis is different than Tacora's in material respects and leads to variation. I note the following:

- (a) Mr. Persampieri calculates the price of the iron ore concentrate in the quarter it is shipped, which is not necessarily the quarter in which it is bought or sold. Iron ore is a commodity with a volatile price and Mr. Persampieri's calculation method could lead to a material difference between his estimated market price and the market price that was in effect at the time the iron ore was sold to a third-party buyer.
- (b) Tacora's royalty calculations are inclusive of the provisional pricing system of the Offtake Agreement. While ultimately, MFC will receive its royalty based on the the Purchase Price (as defined in my affidavit sworn March 21, 2024) the provisional pricing system and the practical realities of the time required to ship the iron ore influences the amount MFC will receive in any specific quarter. When

iron ore prices decrease, the provisional pricing structure causes Tacora's revenue to decrease not just in respect of the iron ore concentrate that is being sold in that quarter but also in respect of all the "open" iron ore concentrate that is currently in transit and subject to ongoing true-up payments. The converse is true if the price of iron ore increases. In either case, the provisional pricing system exaggerates the impact on revenue felt in that quarter.

7. For these reasons, comparisons between Tacora's calculations and Mr. Persampieri's calculations for any specific quarter will be of limited value.

8. Appendix "E" of Mr. Persampieri's report is an excel workbook that sets out the calculation in his report. Attached as **Exhibit "A"** is a copy of the first two spreadsheets from Mr. Persampieri's workbook with modifications by Tacora to account for omitted credits and deductions the (the "**Revised Calculation**"). Columns highlighted in orange have been added by Tacora and incorporated into the analysis.

B. Mr. Persampieri Fails to Credit the Knoll Lake Royalty

9. When Tacora acquired the Scully Mine in 2017, it acquired several ancillary assets. Through the transaction, Tacora became lessee under an Indenture of Lease dated May 26, 1956, as amended by Indenture dated June 28, 1957 (the "**Nalco Lease**") and also acquired approximately 58.2% of the issued and outstanding shares of the lessor, Knoll Lake Minerals Limited ("**Knoll Lake**"). MFC owns the vast majority of the balance of Knoll Lake's shares (i.e., approximately 39.5% of the issued and outstanding shares of the company).

10. The Nalco Lease entitles Knoll Lake to a royalty of CA\$0.22 per wet metric ton of iron ore concentrate from the Scully Mine. MFC receives a share of this royalty proportionate to its holdings in Knoll Lake, and it is this portion that Tacora is entitled to credit in calculating the MFC Royalty.

11. Section 1(d) of the Scully Mine Lease states as follows:

In the event that the Lessee is required to pay any royalties to Knoll Lake under the Nalco Lease, the Lessor agrees that the Lessee shall have credit for any such payments so made against any amounts due to the Lessor hereunder.

12. Tacora has added the Knoll Lake royalty credit for each quarter in the Industry Service spreadsheet of the Revised Calculation. For the relevant time period, Tacora has paid—or will

pay—CA\$2,596,150.27 to MFC for its portion of the Nalco Lease royalty. This amount needs to be credited against any amount owed to MFC, regardless of the method of calculation of revenue.

13. The amounts paid to MFC for its share of the Knoll Lake royalty were listed as a credit in the MFC royalty statement letters sent to MFC each quarter and were deducted from the royalty paid to MFC. Mr. Persampieri includes the credit amounts in the column labelled “Credits or Payments” in the “From Royalty Statement” spreadsheet in Appendix “E” of his report yet failed to credit these payments in arriving at the Alleged Amount Owed.

C. Mr. Persampieri Fails to Deduct Deductible Expenses

14. In defining “Net Revenues” in paragraph (j), the Scully Mine Lease makes reference to “Deductible Expenses”. Deductible Expenses is defined as the reasonable *bona fide* vessel loading and dock handling costs up to a cap of CA\$2.50 per gross ton. Tacora would incur port-related costs regardless of whether the sale of its iron ore concentrate was arm’s length or not.

15. Tacora’s port-related costs are always above the cap of CA\$2.50 per gross ton. Mr. Persampieri’s report makes no deduction for such port-related costs and, in effect, determines the royalty in reference to gross revenue instead of Net Revenues.

16. Tacora has added the Deductible Expenses to the Industry Service spreadsheet of the Revised Calculation. The deduction of the Deductible Expenses decreases the Alleged Amount Owed by CA\$2,397,189.85.

D. Mr. Persampieri Overvalues Tacora’s Iron Ore Concentrate

17. The non-arm’s length calculation method of Net Revenues requires the price of the iron ore concentrate to be determined by reference to Industry Service, defined as a “standard industry publication or service containing prices or quotations of the price at which Iron Ore Products of equivalent types and qualities are being sold or purchased at a specific point of delivery ... calculated at f.o.b. the Port”

18. In his report, Mr. Persampieri explains at paragraphs 27 and 30 that when calculating the F.O.B. base price, the price of the iron ore concentrate is determined by an index average and adjusted for Fe content. He then utilizes the Platts 65% Fe index to get an index average and adjusts the price upwards to account for the fact that Tacora iron ore concentrate has an

average Fe content above 65%.

19. I do not disagree with using the Platts 65% index and adjusting the price upward to account for the Fe content. The use of a high-grade index and further upward adjustment acknowledges that Tacora's iron ore concentrate is in many respects a premium product. However, a discount should then be applied to account for other factors as Fe content is not the only material specification that determines the sale price for iron ore products such as sinter feed or concentrate. It is, in fact, common in the iron ore industry for the price in a long-term iron ore contract of sale to be determined with reference to an index average, plus a Fe content adjustment, plus a premium or less a discount for other factors. In Tacora's case, certain factors reduce Tacora's market leverage when selling its iron ore concentrate:

- (a) Its iron ore concentrate is high in manganese, which is considered an impurity in the steel making process.
- (b) The particle size distribution of Tacora iron ore concentrate is finer than proper sinter feed so the product requires blending if selling to an iron ore sinter producer. However, the particle size distribution is courser than pellet feed or filter cake so the product requires additional grinding if selling to an iron ore pellet producer.
- (c) Tacora has only been selling its iron ore concentrate since 2019 and therefore does not have the same trusted brand recognition of other products. This is particularly the case as the Platts 65% index is compiled from a small number of data points and is largely supported by a one leading iron ore producer with a high degree of brand recognition.

20. Since Tacora commenced production in 2019, Cargill has sold Tacora's iron ore concentrate at a price that typically ranges between [REDACTED] [REDACTED] [REDACTED]. Tacora's typical sale price is around [REDACTED] index, however, to apply a conservative estimate Tacora has deducted [REDACTED] from the index price with the Fe content adjustment in the Revised Calculation. This additional variable provides a more appropriate market-index estimate of the market price of Tacora's iron ore concentrate.

21. Tacora's discount for the iron ore concentrate is set out at cell B7 of the Industry Service

¹ Dry metric ton

spreadsheet and incorporated into the market price calculation. When a [REDACTED] discount is applied to the Industry Service price for iron ore concentrate, the Alleged Amount Owed is reduced by CA\$1,075,934.40.

D. Mr. Persampieri Fails to Account for Winter Freight Costs

22. Mr. Persampieri acknowledges at paragraphs 27 and 30 of his report that the costs of freight need to be deducted from the F.O.B. Base Price. At paragraph 36 of his report, he explains that to calculate freight he has used index data to estimate the costs of freight between Tubaro, Brazil and Qingdao, China and has increased this amount by 24% to account for the costs of freight between Sept Iles, Quebec and Tubaro, Brazil.

23. I am generally in agreement, that the above calculation will provide a reasonable estimate of Tacora's freight costs in normal conditions. However, due to the northern climate of Sept Iles, Québec and the dangers and costs associated with maritime shipping in temperatures below freezing, additional freight costs are incurred by Tacora in the winter months. Tacora refers to these additional costs as the Winter Ice Class Premium. The Winter Ice Class Premium is a freight costs and it is necessary to deduct it to arrive at the F.O.B. base price.

24. The Winter Ice Class Premium can be estimated as [REDACTED] that is shipped in Q1 of each year (i.e., January to March). Tacora has added this deduction to the freight cost in the Industry Service spreadsheet of the Revised Calculation. When the [REDACTED] Winter Ice Class Premium is applied to the freight costs, the Alleged Amount Owed is reduced by CA\$556,806.10.

F. Tacora Incurs Marketing Costs

25. In its role as offtaker, Cargill sells Tacora's iron ore concentrate to third parties and obtains a market rate. As the Platts 65% index is a proxy of the market rate, payment under the MFC Royalty should be similar regardless of whether actual sales data or the index rate is used. The notable difference between the calculation methods is that the arm's length calculation provides for Tacora to have a profit share mechanism in place with an offtaker who can provide the services necessary to market and sell the iron ore. The non-arm's length calculation does not explicitly provide for this, as under a truly non-arm's length contract no marketing costs would be incurred as the sale is to a related party.

26. If the MFC Royalty is to be calculated using the index rate instead of actual sales price

but Tacora is incurring costs to market and sell the product to third party buyers, then marketing costs need to be deducted from gross revenues to arrive at Net Revenues. This is consistent with how such an expense would be treated under accepted accounting standards.

27. A reasonable estimate of the marketing costs incurred by Tacora is the difference between the non-arm's length and arm's length calculations once both are properly calculated. This is because, in cases where the iron ore concentrate is being sold at the market price the only truly different variable is the marketing commission being received by the offtaker.

28. MFC and Tacora specifically constructed the MFC Royalty knowing that Cargill would be the offtaker and would be handling the marketing of Tacora's iron ore concentrate in exchange for a share of the profits. Tacora has never had an internal marketing or sales department and lacks the capability of selling the iron ore itself. MFC was aware that an offtaker was necessary to the process of generating any revenue and that Cargill's marketing commission (i.e., its share of the profits under the Offtake Agreement) would not be included in the revenue received by Tacora. Tacora and MFC operated on this continued understanding up until 2023 when MFC demanded payment be calculated by the non-arm's length method.

SWORN remotely via videoconference, by Joe Broking, stated as being located in the City of Grand Rapids, in the State of Minnesota, before me at the City of Toronto, in Province of Ontario, this 28th day of March, 2024, in accordance with O. Reg 431/20, *Administering Oath or Declaration Remotely*.

DocuSigned by:


F86E01A0B41548B...

Commissioner for Taking Affidavits, etc.
Robert J. Reid | LSO #88760P

DocuSigned by:



0E886BB7AD484D8...

JOE BROKING

This is Exhibit "A" referred to in the Affidavit of Joe Broking sworn by Joe Broking of the City of Grand Rapids in the State of Minnesota before me at the City of Toronto, in the Province of Ontario, on March 28, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

DocuSigned by:


Commissioner for Taking Affidavits (or as may be)

RJ REID

Comparisons

CAD: CRA vs. Letter Values				Industry Service (\$USD/dmt)				
	Earned Royalty per Royalty Statement Letters (\$CAD)	CRA Calculated Earned Royalty - Industry Service (\$CAD)	Difference (Calculated - Actual) (\$CAD)		CRA Industry Service (\$USD/dmt)	Tacora Industry Service (\$USD/dmt)	Implied Gross Price from Royalty Statements (\$USD/dmt)	Implied Net Price from Royalty Statements (\$USD/dmt)
Q1 2020	\$4,514,006.09	\$ 4,996,581.53	\$482,575.44	Q1 2020	\$84.22	\$86.57	\$76.47	\$74.45
Q2 2020	\$6,329,255.12	\$ 6,930,515.81	\$601,260.69	Q2 2020	\$93.13	\$93.54	\$85.42	\$83.46
Q3 2020	\$7,099,904.74	\$ 6,708,452.87	-\$391,451.87	Q3 2020	\$106.24	\$106.74	\$112.17	\$110.13
Q4 2020	\$12,635,189.39	\$ 9,281,314.10	-\$3,353,875.29	Q4 2020	\$126.74	\$126.90	\$170.91	\$168.82
Total	\$30,578,355.34	\$27,916,864.32	-\$2,661,491.02					
Q1 2021	\$12,884,577.98	\$ 11,567,521.03	-\$1,317,056.95	Q1 2021	\$167.26	\$168.85	\$185.77	\$183.62
Q2 2021	\$18,410,285.47	\$ 14,285,109.63	-\$4,125,175.84	Q2 2021	\$201.21	\$199.87	\$257.91	\$255.69
Q3 2021	\$844,907.10	\$ 8,715,499.02	\$7,870,591.92	Q3 2021	\$150.84	\$150.61	\$18.86	\$16.70
Q4 2021	\$7,296,659.08	\$ 6,179,118.94	-\$1,117,540.14	Q4 2021	\$91.50	\$91.37	\$107.20	\$105.04
Total	\$39,436,429.63	\$40,747,248.62	\$1,310,818.99					
Q1 2022	\$11,789,584.67	\$ 9,154,830.58	-\$2,634,754.09	Q1 2022	\$139.39	\$141.29	\$178.12	\$175.77
Q2 2022	\$5,889,939.23	\$ 9,692,987.14	\$3,803,047.91	Q2 2022	\$122.24	\$123.10	\$76.16	\$73.83
Q3 2022	\$3,408,429.22	\$ 5,313,038.40	\$1,904,609.18	Q3 2022	\$85.11	\$86.08	\$56.28	\$54.01
Q4 2022	\$7,200,288.89	\$ 5,224,481.77	-\$1,975,807.12	Q4 2022	\$84.90	\$85.53	\$115.31	\$113.12
Total	\$28,288,242.01	\$29,385,337.89	\$1,097,095.88					
Q1 2023	\$8,727,175.84	\$ 8,470,258.69	-\$256,917.15	Q1 2023	\$115.22	\$117.66	\$118.57	\$116.12
Q2 2023	\$5,865,004.23	\$ 7,453,561.33	\$1,588,557.10	Q2 2023	\$97.56	\$97.84	\$77.79	\$75.32
Q3 2023	\$7,962,729.76	\$ 7,553,839.07	-\$408,890.69	Q3 2023	\$98.92	\$99.83	\$104.01	\$101.54
Total	\$22,554,909.83	\$23,477,659.08	\$922,749.25					
Grand Total	\$120,857,936.81	\$121,527,109.91	\$669,173.10					
	Total Underpayment - 2020 - Q1 2023 (\$CAD)		-\$510,493.30					
	Underpayment Q2 - Q3 2023 (\$CAD)		\$1,179,666.40					
	Total Underpayment Q1 2020 - Q3 2023 (\$CAD)		\$669,173.10					

Industry Service

Specifications:

Moisture 1.6% Per Stockpile Offtake Agreement
 Freight Adj 1.24 Multiplier for Sept Iles vs Tubarao Freight
 Royalty Rate 7% of Net Revenues
 Royalty Tax 20% of Royalty

Iron Ore Discount [REDACTED]

	USD				USD			USD	
	Platts 65% Fe CFR Qingdao (US\$/dmt)	Freight - BRZ- China (US\$/wmt)	Freight - BRZ- China (US\$/dmt)	Winter Ice Class Premium (US\$/dmt)	Ave % Fe of Iron Ore Products	CRA Market Price - FOB Sept Iles (US\$/dmt)	Shipments (Tonnage) - dmt	CRA Alt. Net Revenues (\$USD)	CRA Alt. Earned Royalty (\$USD)
Q3 2019	\$ 109.51	\$ 24.12	\$ 24.51	[REDACTED]	65.53%	\$ 79.01	295,291	\$ 23,330,294	\$ 1,633,121
Q4 2019	\$ 98.15	\$ 20.40	\$ 20.73	[REDACTED]	65.86%	\$ 72.74	541,872	\$ 39,416,464	\$ 2,759,153
Total									
Q1 2020	\$ 103.52	\$ 13.67	\$ 13.89	[REDACTED]	65.58%	\$ 84.22	665,053	\$ 56,008,964	\$ 3,920,627
Q2 2020	\$ 108.32	\$ 11.92	\$ 12.11	[REDACTED]	65.50%	\$ 93.13	804,224	\$ 74,899,064	\$ 5,242,934
Q3 2020	\$ 128.89	\$ 17.86	\$ 18.15	[REDACTED]	65.43%	\$ 106.24	706,627	\$ 75,069,334	\$ 5,254,853
Q4 2020	\$ 146.11	\$ 15.49	\$ 15.74	[REDACTED]	65.51%	\$ 126.74	832,636	\$ 105,525,358	\$ 7,386,775
Total									
Q1 2021	\$ 191.15	\$ 17.98	\$ 18.27	[REDACTED]	65.60%	\$ 167.26	802,702	\$ 134,257,318	\$ 9,398,012
Q2 2021	\$ 232.30	\$ 26.15	\$ 26.58	[REDACTED]	65.80%	\$ 201.21	846,396	\$ 170,299,805	\$ 11,920,986
Q3 2021	\$ 189.93	\$ 31.71	\$ 32.23	[REDACTED]	65.64%	\$ 150.84	676,183	\$ 101,995,663	\$ 7,139,696
Q4 2021	\$ 128.88	\$ 30.27	\$ 30.76	[REDACTED]	65.89%	\$ 91.50	807,061	\$ 73,845,712	\$ 5,169,200
Total									
Q1 2022	\$ 169.67	\$ 22.89	\$ 23.26	[REDACTED]	65.60%	\$ 139.39	767,630	\$ 107,000,761	\$ 7,490,053
Q2 2022	\$ 160.28	\$ 29.98	\$ 30.47	[REDACTED]	65.30%	\$ 122.24	923,553	\$ 112,895,192	\$ 7,902,663
Q3 2022	\$ 115.49	\$ 23.72	\$ 24.11	[REDACTED]	65.29%	\$ 85.11	723,003	\$ 61,537,826	\$ 4,307,648
Q4 2022	\$ 110.89	\$ 20.45	\$ 20.78	[REDACTED]	65.46%	\$ 84.90	683,744	\$ 58,052,898	\$ 4,063,703
Total									
Q1 2023	\$ 140.10	\$ 18.10	\$ 18.39	[REDACTED]	65.43%	\$ 115.22	810,117	\$ 93,339,957	\$ 6,533,797
Q2 2023	\$ 124.00	\$ 21.10	\$ 21.44	[REDACTED]	65.60%	\$ 97.56	855,017	\$ 83,411,341	\$ 5,838,794
Q3 2023	\$ 125.00	\$ 20.30	\$ 20.63	[REDACTED]	65.26%	\$ 98.92	854,962	\$ 84,571,729	\$ 5,920,021
					Sum/Avg	\$ 115.55	12,596,071	\$1,455,457,681.80	
					Sum/Avg - 2020-23	\$ 118.44	11,758,908	\$1,392,710,923.37	

Industry Service

CAD

CRA Alt. Royalty Tax (\$USD)	CRA Alt Net Royalty (\$USD)	FX - CAD to USD	Deductible Expenses (CA\$)	CRA Alt. Net Revenues (\$CAD)	CRA Alt. Earned Royalty (\$CAD)	Knoll Lake Credit (CA\$)	Tacora Alt. Earned Royalty (CA\$)	CRA Alt. Royalty Tax (\$CAD)	CRA Alt Net Royalty (\$CAD)
\$ 326,624	\$ 1,306,496	0.7574	(785,474.06)	\$ 30,018,793.58	\$ 2,101,315.55	\$ (90,795.54)	\$ 2,010,520.01	\$ 420,263.11	\$ 1,681,052.44
\$ 551,831	\$ 2,207,322	0.7576	(1,441,379.52)	\$ 50,585,364.46	\$ 3,540,975.51	(119,184.78)	\$ 3,421,790.73	\$ 708,195.10	\$ 2,832,780.41
\$ 784,125	\$ 3,136,502	0.7443	(1,808,944.70)	\$ 73,438,112.72	\$ 5,140,667.89	(144,086.36)	\$ 4,996,581.53	\$ 1,028,133.58	\$ 4,112,534.31
\$ 1,048,587	\$ 4,194,348	0.7221	(2,187,489.28)	\$ 101,534,929.88	\$ 7,107,445.09	(176,929.28)	\$ 6,930,515.81	\$ 1,421,489.02	\$ 5,685,956.07
\$ 1,050,971	\$ 4,203,883	0.7508	(1,922,025.44)	\$ 98,060,432.21	\$ 6,864,230.25	(155,777.38)	\$ 6,708,452.87	\$ 1,372,846.05	\$ 5,491,384.20
\$ 1,477,355	\$ 5,909,420	0.7676	(2,264,769.92)	\$ 135,203,213.72	\$ 9,464,224.96	(182,910.86)	\$ 9,281,314.10	\$ 1,892,844.99	\$ 7,571,379.97
\$ 1,879,602	\$ 7,518,410	0.7899	(2,183,349.44)	\$ 167,783,088.15	\$ 11,744,816.17	(177,295.14)	\$ 11,567,521.03	\$ 2,348,963.23	\$ 9,395,852.94
\$ 2,384,197	\$ 9,536,789	0.8144	(2,302,197.12)	\$ 206,808,644.42	\$ 14,476,605.11	(191,495.48)	\$ 14,285,109.63	\$ 2,895,321.02	\$ 11,581,284.09
\$ 1,427,939	\$ 5,711,757	0.7937	(1,839,217.76)	\$ 126,666,020.28	\$ 8,866,621.42	(151,122.40)	\$ 8,715,499.02	\$ 1,773,324.28	\$ 7,093,297.14
\$ 1,033,840	\$ 4,135,360	0.7936	(2,195,205.92)	\$ 90,852,665.47	\$ 6,359,686.58	(180,567.64)	\$ 6,179,118.94	\$ 1,271,937.32	\$ 5,087,749.27
\$ 1,498,011	\$ 5,992,043	0.7898	(2,279,861.58)	\$ 133,195,845.97	\$ 9,323,709.22	(168,878.64)	\$ 9,154,830.58	\$ 1,864,741.84	\$ 7,458,967.37
\$ 1,580,533	\$ 6,322,131	0.7834	(2,742,952.91)	\$ 141,373,840.63	\$ 9,896,168.84	(203,181.70)	\$ 9,692,987.14	\$ 1,979,233.77	\$ 7,916,935.08
\$ 861,530	\$ 3,446,118	0.7662	(2,147,317.96)	\$ 78,172,842.67	\$ 5,472,098.99	(159,060.59)	\$ 5,313,038.40	\$ 1,094,419.80	\$ 4,377,679.19
\$ 812,741	\$ 3,250,962	0.7366	(2,030,719.62)	\$ 76,784,363.61	\$ 5,374,905.45	(150,423.68)	\$ 5,224,481.77	\$ 1,074,981.09	\$ 4,299,924.36
\$ 1,306,759	\$ 5,227,038	0.7394	(2,681,488.13)	\$ 123,549,778.38	\$ 8,648,484.49	(178,225.80)	\$ 8,470,258.69	\$ 1,729,696.90	\$ 6,918,787.59
\$ 1,167,759	\$ 4,671,035	0.7448	(2,830,105.38)	\$ 109,166,643.00	\$ 7,641,665.01	(188,103.68)	\$ 7,453,561.33	\$ 1,528,333.00	\$ 6,113,332.01
\$ 1,184,004	\$ 4,736,017	0.7456	(2,829,924.19)	\$ 110,599,010.07	\$ 7,741,930.71	(188,091.64)	\$ 7,553,839.07	\$ 1,548,386.14	\$ 6,193,544.56

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 TACORA RESOURCES INC.

Applicant

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

PROCEEDING COMMENCED AT TORONTO

**REPLY MOTION RECORD OF THE APPLICANT
(MFC DISPUTE)**

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

Ashley Taylor (LSO #39932E)
Tel: (416) 869-5236
Email: ataylor@stikeman.com

Alex Rose (LSO#: 49415P)
Tel: (416) 869-5261
Email: arose@stikeman.com

Lee Nicholson (LSO #66412I)
Tel: (416) 869-5604
Email: leenicholson@stikeman.com

Natasha Rambaran (LSO #80200N)
Tel: (416) 869-5504
Email: nrambaran@stikeman.com

RJ Reid (LSO #82084O)
Tel: (416) 869-5614
Email: rreid@stikeman.com

Lawyers for the Applicant