



ONTARIO SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

COUNSEL SLIP/ENDORSEMENT

COURT FILE NO.: CV-23-00707394-00CL HEARING DATE: January 24, 2024

NO. ON LIST: 4

TITLE OF PROCEEDING: TACORA RESOURCES INC. v. FIRST INSURANCE FUNDING OF CANADA INC et al

BEFORE JUSTICE: KIMMEL

PARTICIPANT INFORMATION

For Plaintiff, Applicant, Moving Party, Crown:

Name of Person Appearing	Name of Party	Contact Info
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For Defendant, Respondent, Responding Party, Defence:

Name of Person Appearing	Name of Party	Contact Info

For Other, Self-Represented:

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ENDORSEMENT OF JUSTICE KIMMEL:

1. Pursuant to an Order (the "Initial Order") dated October 10, 2023, Tacora Resources Inc. ("Tacora" or the "Applicant") was granted protection under the *Companies' Creditors Arrangement Act*, R.S.C., c. C-36, as amended (the "CCAA" and in reference to the proceeding, the "CCAA Proceeding").
2. The Initial Order granted a stay of proceedings until October 20, 2023 (the "Stay Period"). The Stay Period was extended to October 27 and to October 31, 2023. The Initial Order was amended and restated on October 30, 2023 (the "ARIO"), at which time the Stay Period was extended to February 9, 2024.
3. Tacora seeks:
 - a. An order extending the Stay Period until and including March 18, 2024; and
 - b. An order approving the Premium Finance Agreement (defined hereinafter).

The Stay Extension Order

4. Pursuant to an Order also granted on October 30, 2023 (the "Solicitation Order"), the Court approved a sale, investment and services solicitation process (the "Solicitation Process") to solicit interest in a potential Transaction Opportunity and/or Offtake Opportunity (each as defined in the Solicitation Process).
5. Pursuant to the Solicitation Order, the Solicitation Process has been conducted by the Financial Advisor and Tacora under the supervision of the Monitor. The deadline for submissions of non-binding letters of intent was 12:00 pm EST on December 1, 2023 (the "Phase 1 Bid Deadline"). Bids were received by the Phase 1 Bid Deadline and following an assessment of the Bids, on December 8, 2023, the Financial Advisor notified Qualified Phase 1 Bidders that they had been permitted to proceed to Phase 2 of the Solicitation Process. The deadline for Phase 2 Bidders to submit a binding offer is 12:00 pm EST was on January 19, 2023 (the "Phase 2 Bid Deadline"). The Solicitation Process is ongoing.
6. The Stay Period will expire on February 9, 2024. The Monitor is of the view that the continuation of the stay of proceedings is necessary to provide the stability needed during that time while the Financial Advisor and Tacora continue to pursue the Solicitation Process. Tacora has indicated that since the granting of the ARIO and the Solicitation Order, it has been working in good faith and with due diligence to advance its restructuring within these CCAA Proceedings. It maintains that an extension to the Stay Period is necessary and appropriate to provide Tacora with sufficient time to complete the Solicitation Process, seek approval of the successful bid and close the transaction in order to maximize value for the benefit of its stakeholders through the CCAA Proceedings.
7. Tacora is seeking a further extension of the Stay Period to March 18, 2024.
8. The Monitor reports that Tacora's actual negative net cash flow from operations for the 14-week period from October 9, 2023 to January 14, 2024 was better than had been forecast, for various reasons outlined in the Monitor's Second Report dated January 18, 2024.
9. The Monitor has reviewed Tacora's January 2024 Forecast which indicates that Tacora is forecast to have sufficient liquidity to fund its obligations and the costs of the CCAA Proceedings through the end of the proposed extended Stay Period. The Monitor is comfortable with this Forecast and supports extending the Stay Period to March 18, 2024 for the reasons set out in paragraph 24 of its Second Report.

The Insurance Financing Order

10. Tacora has historically financed the premiums owing under its property insurance policies and considers it to be prudent to continue this practice given its current liquidity issues. Following an unopposed motion filed by FIRST Insurance Funding of Canada Inc. ("FIRST Canada"), the Honourable Justice Cavanagh granted an Order on December 5, 2023, approving certain payments by Tacora to FIRST Canada in connection with two premium finance contracts pertaining to last year's insurance (the "FIRST Canada Order").
11. The Monitor supports Tacora's request for approval of the agreement that Tacora entered into on January 10, 2024 with Marsh Canada Limited - Toronto as broker and FIRST Canada as financier (the "Premium Finance Agreement"), whereby FIRST Canada agreed to provide financing in the amount of C\$2,885,497.54 towards the required C\$3,925,847 for the renewal of the property insurance policies (the "Financed Policies"), and for related relief. The Monitor considers such relief to be reasonable and appropriate in the circumstances.
12. The Premium Finance Agreement is conditional upon court approval and the granting of various relief relating to the security, priority and remedies that will be available in connection with Tacora's obligations under that agreement, notwithstanding the provisions of the ARIO. FIRST Canada has agreed to the terms of the order which include a notice requirement that was not contained in the Premium Finance Agreement.
13. The Monitor has confirmed that the payments required under the Premium Finance Agreement are in compliance with the DIP Agreement and the January 2024 Forecast.
14. The Monitor supports approval of the Premium Finance Agreement and related relief in the Insurance Financing Order and believes such relief to be reasonable and appropriate in the circumstances.

Orders

15. This motion was served on the service list on January 17, 2024 and no one indicated any intention to oppose the two orders sought, nor did anyone appear at the hearing to object. The Monitor supports the granting of both orders. They are approved and I have signed them.
16. The Orders dated January 24, 2024 may be issued and entered in form signed by me today. They shall have immediate effect and without the necessity of formal issuance and entry.



KIMMEL J.
January 25, 2024