

This is the 8th affidavit of
Brendan Creaney in this case and was
made on December 9, 2022

No. S-226670
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

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

AND

IN THE MATTER OF THE *BUSINESS CORPORATIONS ACT*,
S.B.C. 2002, C. 57, AS AMENDED AND THE *BUSINESS
CORPORATIONS ACT*, S.N.B. 1981, C. B-9.1, AS AMENDED

AND

IN THE MATTER OF A PLAN OF COMPROMISE AND ARRANGEMENT OF TREVALI MINING
CORPORATION AND TREVALI MINING (NEW BRUNSWICK) LTD.

PETITIONERS

AFFIDAVIT

I, Brendan Creaney, of 1900 – 999 West Hastings Street, Vancouver, British Columbia, AFFIRM
THAT:

I. INTRODUCTION

1. I am the Chief Financial Officer of Trevali Mining Corporation ("**Trevali Corp.**"), a petitioner in this proceeding and the one hundred (100) percent owner of the other petitioner in this proceeding, Trevali Mining (New Brunswick) Ltd. ("**Trevali NB**", together with Trevali Corp., the "**Company**"). As such, I have personal knowledge of the matters deposed to in this affidavit except where I depose to a matter based on information from an informant I identify, in which case I believe that both the information from the informant and the resulting statement are true.

2. I have made several affidavits in these proceedings since the Company obtained protection under the *Companies' Creditors Arrangement Act* (the "**CCAA**") on August 19, 2022. These earlier affidavits provided overviews and updates of the Company's restructuring efforts to date. The purpose of this affidavit is to update this Court on the Company's restructuring efforts since my Affidavit #7 made on October 11, 2022 (my "**Seventh Affidavit**") which was made in support of the Company's application for the extension of the CCAA stay period from October 18, 2022 to December 15, 2022 (the current stay expiry date), among other relief.

3. All references to monetary amounts in this affidavit are in United States dollars, the Company's functional currency.

II. UPDATE ON THE SISP

4. In my Seventh Affidavit, I noted that the Company required a stay extension to December 15, 2022, based in part on the timelines in the Company's sales and investment solicitation process (the "SISP"), approved by the Court on September 14, 2022, which contemplated a "Final Bid Deadline" of November 21, 2022, and a "Final Agreement Deadline" of December 9, 2022 for the Rosh Pinah Mine.

5. Since I made my Seventh Affidavit, the Company has continued to work with National Bank Financial Inc. (the "Sales Agent") and the Monitor, in consultation with certain key stakeholders, to advance the SISP with respect to the Company's interest in the Rosh Pinah Mine. These efforts have (a) resulted in the Company receiving several non-binding letters of intent by the "LOI Deadline" of October 21, 2022; (b) included the participation by the Company, with assistance of the Sales Agent and under the oversight of the Monitor, in site visits, management presentations, and other due diligence activities to assist "Qualified Bidders" in assessing the opportunity to acquire the Rosh Pinah Mine through the SISP; and (c) culminated in the Company receiving several "Final Bids" by the Phase 2 "Final Bid Deadline" of November 21, 2022.

6. Since November 21, 2022, the Company has been working with the Sales Agent and the Monitor, and with an opportunity for input from the Company's secured lenders in accordance with the SISP, towards finalizing an agreement. Given the confidential nature of the SISP process and the ongoing discussions and negotiations with potential purchasers, the Company does not believe it is appropriate to disclose any additional information with respect to the sale process at this time. However, the SISP is continuing, discussions and negotiations are ongoing, the Monitor and key stakeholders are involved, and I am confident that progress is being made towards a transaction. The Company anticipates providing a further update on the status of these efforts in the near term.

III. UPDATE ON THE CARIBOU MINE

7. With respect to the Caribou Mine, as advised in my Seventh Affidavit, the SISP "LOI Bid Deadline" for the acquisition of Trevali NB's interest in the Caribou Mine passed without any bids being received for this asset.

8. The Company, with the assistance of the Monitor, is continuing to engage and work with its secured lenders and the Government of New Brunswick (the “**NB Government**”) to consider next steps with respect to the Caribou Mine given its current operational status and Trevali NB’s financial position.

9. The Company has had several discussions with representatives of the NB Government over the past month and has shared various information and documents with them concerning the Caribou Mine and Trevali NB. Given Trevali NB’s financial position, it is expected that a decision with respect to Trevali NB will be made in the very near future. It is expected that one of two paths will be taken: (a) a bankruptcy of Trevali NB; or (b) a continuation of the CCAA of Trevali NB, funded by the NB Government, but bifurcated from the current CCAA with the Monitor being granted enhanced powers.

IV. UPDATE ON THE PERKOA MINE

10. With respect to the Perkoa Mine, in my Seventh Affidavit I advised this Court that the Company had filed an application for liquidation with the Judicial Tribunal of Commerce (the “**JTC**”) in Burkina Faso that would result in the appointment of a liquidator who would assume responsibility for the management and affairs of Nantou Mining Burkina Faso S.A. (“**Nantou Mining**”), Trevali Corp.’s indirectly 90%-owned subsidiary.

11. On November 14, 2022, the JTC granted an order providing for the liquidation of Nantou Mining. A liquidator has now been appointed by the JTC and notice of such appointment has been published in local Burkina Faso newspapers in accordance with applicable Burkina Faso laws and the terms of the JTC liquidation order. The liquidator has assumed responsibility for the management of the affairs of Nantou Mining and Trevali Corp. no longer exercises operational control over Nantou Mining or the Perkoa Mine. Further information will be communicated to affected parties by the liquidator in accordance with applicable Burkina Faso legislation.

V. INTERCOMPANY RECEIVABLES NETTING

12. In anticipation of a transaction for the Rosh Pinah Mine, the Company has been considering the desirability or need of effecting certain intercompany transactions to simplify its intercompany balance sheets.

13. One area where the Company determined that balance sheet efficiencies could be realized in a manner that would facilitate the closing of a transaction for the acquisition of Trevali

Corp.'s interest in Rosh Pinah Zinc Corporation (PTY) Limited ("**RPZC**"), the subsidiary that owns Trevali Corp.'s 90% indirect interest in the Rosh Pinah Mine, relates to the netting of intercompany accounts as between Trevali Corp., RPZC, and Wilru Investments 134 Ltd. ("**Wilru**") (an entity that indirectly holds Trevali Corp.'s interest in the Rosh Pinah Mine).

14. The proposed netting transaction can be summarized as set out below (with Trevali's corporate organizational chart included in my Affidavit #1 being attached to this affidavit as **Exhibit "A"** for ease of reference):

- (a) RPZC is indebted to Trevali Corp. for (i) services provided pursuant to an intercompany services agreement in the amount of approximately \$3.5 million; and (ii) "Intercompany Advances" made pursuant to this Court's Amended and Restated Initial Order granted on August 29, 2022 in the amount of approximately \$9.6 million (collectively, the "**Trevali Loan Receivables**"); and
- (b) Wilru is in turn indebted to RPZC for unsecured intercompany loans in the amount of approximately \$16.6 million (the "**Wilru Intercorporate Debt**").

15. Given that all the present value of Trevali Corp.'s assets is in the Rosh Pinah Mine owned by RPZC, it was anticipated that any prospective purchaser of Trevali Corp.'s interest in GLCR Limited, being the Trevali Corp. subsidiary that is the parent company of Wilru, would either reduce its purchase price if there were an outstanding debt owed by Wilru to RPZC (which is not wholly owned by Trevali Corp.) or possibly seek to purchase the applicable debt owing to Trevali Corp. so that it could effect a set-off of the intercompany indebtedness owing to and from Trevali Corp. and its wholly owned subsidiary.

16. To simplify the status of the intercompany balance sheets of the potential target companies, Trevali Corp. has entered into an intercompany "**Assignment Agreement**" that allows for (a) the assignment of the Trevali Loan Receivables to Wilru; and (b) the setting off by Wilru of the Trevali Loan Receivables against the Wilru Intercorporate Debt. The result being that the Wilru Intercompany Debt will be reduced from approximately \$16.6 million to approximately \$3.8 million. A copy of the Assignment Agreement is attached to my affidavit as **Exhibit "B"**.

17. I believe that the Assignment Agreement provides for potential transaction efficiencies for the Company. Given that the Assignment Agreement and the setoff that it allows for are purely intercompany transactions with respect to the Trevali Corp. subsidiaries that hold an interest in the Rosh Pinah Mine, I do not believe that any stakeholders of Trevali Corp. will

incur a negative economic impact because of Trevali Corp. entering into the Assignment Agreement for which it seeks this Court's approval on this application.


VI. THE COMPANY HAS ACTED IN GOOD FAITH AND WITH DUE DILLIGENCE AND A STAY IS APPROPRIATE

18. The Company has made significant efforts to advance its restructuring efforts in a collaborative and consultative manner since obtaining CCAA protection from this Court. The protection and stability provided by the stay of proceedings has been essential to these efforts.

19. The Company currently requires a further extension of the stay of proceedings. The Company proposes a stay extension from December 15, 2022 to January 31, 2023 so that it can continue to benefit from the stability and breathing room provided by these CCAA proceedings as it works to (a) finalize an agreement for the sale and/or restructuring of its interest in the Rosh Pinah Mine; (b) maintain site integrity at the Caribou Mine, which remains on care and maintenance, as the stakeholders of the Caribou Mine work with the Company, the Monitor and the NB Government to assess next steps; and (c) continue to assess and attend to various CCAA matters to further the interests of the Company and its stakeholders.

20. I believe the length of stay extension sought by the Company is reasonable having regard to its current and anticipated restructuring efforts. I do not believe any creditor of the Company will suffer material prejudice if an order extending the stay of proceedings until January 31, 2023, is granted.

AFFIRMED BEFORE ME AT
VANCOUVER, BRITISH COLUMBIA ON
DECEMBER 9, 2022



A Commissioner for taking Affidavits for
British Columbia



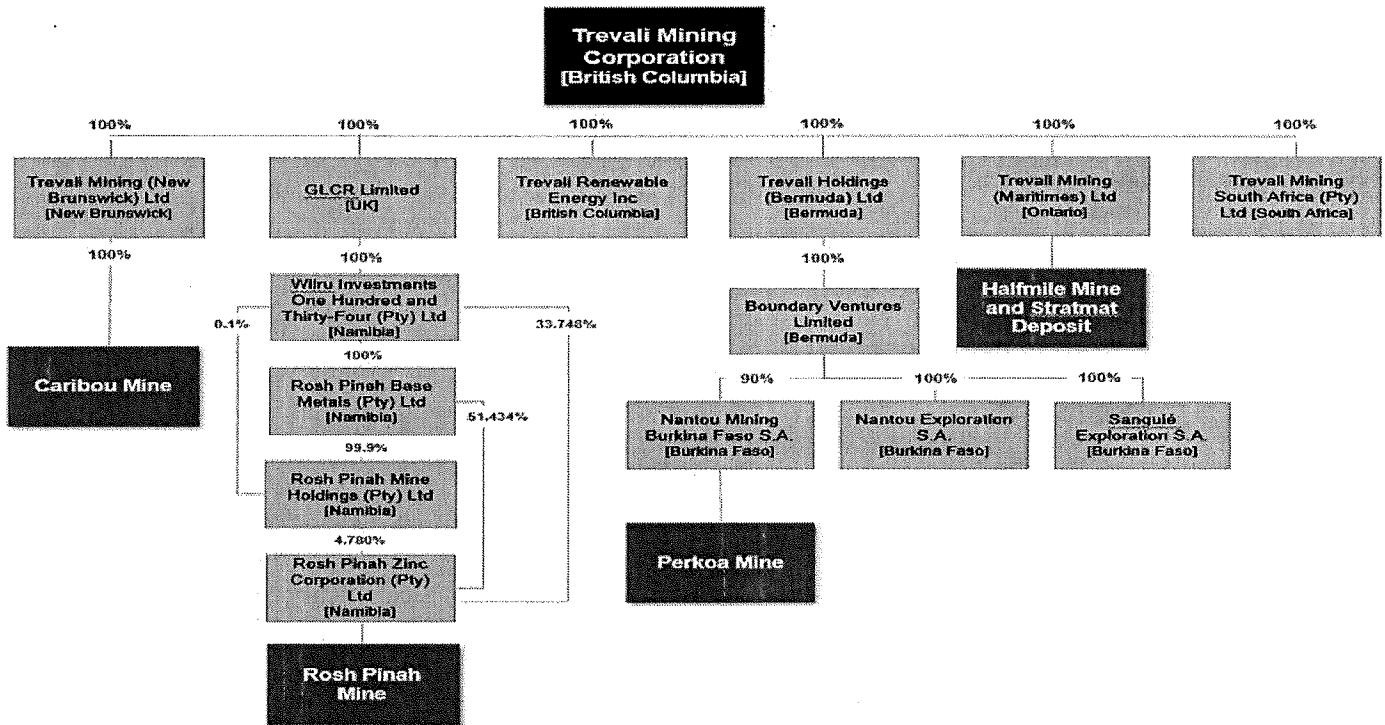
Brendan Creaney

MITCH BRINGELAND
Barrister & Solicitor
BLAKE, CASSELS & GRAYDON LLP
Suite 2600, Three Bentall Centre
595 Burrard St., P.O. Box 49314
Vancouver, B.C. V7X 1L3
(604) 631-4160

This is **Exhibit "A"** referred to in the Affidavit of Brendan Creaney made before me at Vancouver, British Columbia, this 9th day of December 2022.



A Commissioner for the taking of Affidavits for
British Columbia



This is **Exhibit "B"** referred to in the Affidavit of
Brendan Creaney made before me at Vancouver,
British Columbia, this 9th day of December 2022.



A Commissioner for the taking of Affidavits for
British Columbia

ASSIGNMENT AGREEMENT

This Assignment Agreement (the “**Agreement**”) dated October 26, 2022.

BETWEEN:

TREVALI MINING CORPORATION., a corporation incorporated under the laws of the Province of British Columbia;

(“**Trevali**”)

AND:

WILRU INVESTMENTS ONE HUNDRED AND THIRTY FOUR (PROPRIETARY) LIMITED, a company incorporated in Namibia;

(“**Wilru**” and together with Trevali, the “**Parties**”).

WHEREAS pursuant to a promissory note dated as of January 1, 2022 and a series of advances thereunder, Wilru is indebted to Rosh Pinah Zinc Corporation (PTY) Limited (“**RPZC**”) in the amount of NAD 300,413,381 (the “**Wilru Loan**”);

AND WHEREAS the proceeds of the Wilru Loan were subsequently distributed by Wilru to Trevali (the “**Wilru-Trevali Distribution**”);

AND WHEREAS pursuant to a services agreement dated as of January 1, 2020 (the “**Services Agreement**”) between Trevali and RPZC, RPZC is indebted to Trevali as of October 26, 2022 in the amount of NAD 63,133,431 and will be indebted to Trevali for future services charged to RPZC under the Services Agreement (collectively, the “**RPZC Intercorporate Services Debt**”);

AND WHEREAS on August 30, 2022 Trevali sent NAD 77,728,287 to RPZC and on September 30, 2022, Trevali sent NAD 90,105,605 to RPZC (together, the “**RPZC Payments**” and together with the RPZC Intercorporate Services Debt, the “**Trevali-RPZC Receivables**”); and

AND WHEREAS Trevali wishes to assign the Trevali-RPZC Receivables to Wilru and Wilru has agreed to assume the Trevali-RPZC Receivables as consideration for the previously advanced Wilru-Trevali Distribution.

NOW THEREFORE THIS AGREEMENT WITNESSES that for good and valuable consideration and the mutual covenants and agreements contained herein the Parties agree as follows:

1. Assignment. With effect from the Effective Date, Trevali hereby assigns, transfers, conveys, delegates and sets over to Wilru, without recourse and without representation and warranty (other than as expressly provided herein), and Wilru hereby assumes from Trevali (i) all of the rights, title and interest, present and future, of Trevali in and to the Trevali-RPZC Receivables and Wilru is hereby vested with all the rights, powers and privileges of Trevali thereunder and (ii) to the extent permitted to be assigned under applicable law, all claims, suits, causes of action and any other right of Trevali against any person, whether known or unknown, arising under or in connection with the any of the Trevali-RPZC Receivables, any other documents or instruments delivered pursuant

thereto or the loan transactions governed thereby or in any way based on or related to any of the foregoing, including, but not limited to, contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (i) above (the “**Assignment**”). For the avoidance of doubt, Trevali is only assigning the Trevali-RPZC Receivables to Wilru and no other right, benefit or interest in the Services Agreement is being assigned.


2. Effective Date. Each of the parties hereto agrees that the foregoing assignment and assumption shall be effective as of October 26, 2022.
3. Representations. Trevali (i) represents and warrants that, subject to clause (ii) below, it is the legal and beneficial owner of all of the Trevali-RPZC Receivables being assigned by it hereunder and that such interest is free and clear of any adverse claim; and (ii) makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with the Services Agreement or the RPZC Intercompany Services Debt or the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Services Agreement or the RPZC Intercompany Services Debt or any other instrument or document furnished pursuant thereto.
4. Further Assurances. The Parties shall with do all such things and provide all such reasonable assurances as may be required to consummate the transactions contemplated by this Agreement, and each Party shall provide such further documents or instruments required by any other Party as may be reasonably necessary or desirable to effect the purpose of this Agreement and carry out its provisions.
5. Entire Agreement. This Agreement, the Services Agreement, the RPZC Intercompany Services Debt, and any agreements and other documents required to be delivered pursuant to this Agreement, constitute the entire agreement between the Parties and set out all the covenants, promises, warranties, representations, conditions, understandings and agreements between the Parties pertaining to the subject matter of this Agreement and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written.
6. Successors and Assigns. No Party may assign any of its rights, entitlements or benefits under this Agreement, or delegate any of its duties or obligations, except with the prior written consent of the other Parties. Notwithstanding the foregoing, this Agreement may be assigned, in full or in part, by a Party, without the consent of the other Parties, in conjunction with an assignment, in full or in part, of the Services Agreement that is being completed in accordance with the terms of the Services Agreement. This Agreement shall be binding upon and enure to the benefit of the Parties and their respective successors (including any successor by reason of amalgamation of any Party) and permitted assigns.
7. Headings for Convenience Only. The division of this Agreement into articles and sections is for convenience of reference only and shall not affect the interpretation or construction of this Agreement.
8. Governing Law and Jurisdiction. This Agreement will be governed by and construed according to Namibian Law.
9. Amendment. No amendment, supplement, modification, waiver or termination of this Agreement and, unless otherwise specified, no consent or approval by any Party, shall be binding unless executed in writing by the Parties to be bound thereby.

10. Severability. If any provision of this Agreement shall be held to be illegal, void, invalid or unenforceable under the laws of any jurisdiction, such provision shall be deemed to be deleted from this Agreement as if it had not originally been contained in this Agreement and the legality, validity and enforceability of the remainder of this Agreement in that jurisdiction shall not be affected, and the legality, validity and enforceability of the whole of this Agreement in any other jurisdiction shall not be affected. Notwithstanding the foregoing in the event of such deletion the Parties shall negotiate in good faith in order to agree the terms of a mutually acceptable and satisfactory alternative provision in place of the provision so deleted.
11. Execution and Delivery. This Agreement may be executed by the Parties in counterparts and may be executed and delivered by facsimile or electronic means and all such counterparts shall together constitute one and the same agreement.

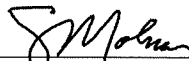
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IN WITNESS WHEREOF the Parties have duly executed this Agreement on the date first indicated above.

TREVALI MINING CORPORATION

Per: 
Name: Steven Molnar
Title: Chief Legal Officer

**WILRU INVESTMENTS ONE HUNDRED
AND THIRTY FOUR (PROPRIETARY)
LIMITED**

Per: 
Name: Steven Molnar
Title: Director