

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

REQUISITION – GENERAL

Filed by: FTI Consulting Canada Inc., in its capacity as court-appointed monitor of Trevali Mining Corporation and Trevali Mining (New Brunswick) Ltd. (in that capacity, the "**Monitor**")

Required:

1. To file the Fifth Report of the Monitor dated December 12, 2022 (the "**Fifth Report**").

This Requisition is supported by the following:

1. The Fifth Report will be provided to Madam Justice Fitzpatrick, who is seized of this matter, however, it must still be filed with the Court.
2. The Monitor is required to provide a filed copy of the Fifth Report to the parties in this proceeding and to post a filed copy on the Monitor's website.

Date: 12/DEC/2022

A handwritten signature in black ink, appearing to be "Eamonn Watson", written over a horizontal line.

Signature of lawyer for filing party
Eamonn Watson

THIS REQUISITION – GENERAL is prepared and filed by the law firm, Dentons Canada LLP, 20th Floor, 250 Howe Street, Vancouver, B.C. V6C 3R8, Attention: John Sandrelli / Valerie Cross (Telephone number: 604-687-4460) | Email: john.sandrelli@dentons.com

No. S-226670
Vancouver Registry

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TREVALI MINING CORPORATION AND TREVALI MINING CORPORATION (NEW
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PETITIONERS

FIFTH REPORT OF THE MONITOR

DECEMBER 12, 2022

FIFTH REPORT OF THE MONITOR

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INTRODUCTION

1. On August 19, 2022 (the “**Filing Date**”), Trevali Mining Corporation (“**Trevali Corp.**”) and Trevali Mining (New Brunswick) Ltd. (“**Trevali NB**” and collectively, “**Trevali**” or the “**Applicants**”) commenced proceedings (the “**CCAA Proceedings**”) under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”) pursuant to an order granted by this Honourable Court, which was subsequently amended and restated on August 29, 2022 (the “**ARIO**”).
2. The ARIO appointed FTI Consulting Canada Inc. as Monitor in the CCAA Proceedings (the “**Monitor**”) and established a stay of proceedings (the “**Stay of Proceedings**”) in favour of the Applicants until October 6, 2022. The Stay of Proceedings has since been extended until and including December 15, 2022.
3. On September 14, 2022, this Honourable Court granted the following orders:
 - a. an order approving procedures for a sales and investment solicitation process (the “**SISP**”) and a sales agent agreement between Trevali Corp. and National Bank Financial Inc. (the “**Sales Agent**”) and granting a charge to secure the Sales Agent’s fees; and
 - b. an order approving a key employee retention plan (the “**KERP**”) and granting a charge over the Applicants’ property in favour of the KERP employees as security for the amounts payable under the KERP in the amount of \$800,000.
4. On October 12, 2022, this Honourable Court granted the following orders:
 - a. an order authorizing and empowering Trevali Corp. to obtain and borrow an interim financing tranche (the “**Interim Financing Tranche**”) agreed amongst Trevali Corp., the RCF Lenders, as defined in the First Report of the Monitor, dated August 26, 2022, and the administrative agent for the RCF Lenders, The Bank of Nova Scotia (the “**RCF Administrative Agent**”) and granting a charge

in favour of the RCF Administrative Agent, on behalf of the RCF Lenders, to secure obligations in connection with the Interim Financing Tranche; and

- b. an order authorizing and approving a settlement agreement (the “**Settlement Agreement**”) between the Applicants, the RCF Lenders and Glencore AG and its affiliates (collectively, “**Glencore**”) resolving the issues which arose in response to Glencore declining to advise whether they would assert a right of set-off against amounts owing by them for delivery under off-take agreements with the Applicants and certain affiliated entities.
5. On December 9, 2022, the Applicants filed a Notice of Application for an order (the “**Stay Extension and Assignment Approval Order**”):
- a. approving the transactions described in the Assignment Agreement dated October 26, 2022 between Trevali Corp., as assignor, and Wilru Investments One Hundred and Thirty Four (Proprietary) Limited (“**Wilru**”), as assignee (the “**Assignment Agreement**”); and
 - b. extending the Stay of Proceedings with respect to the Applicants until and including January 31, 2023 (the “**Stay Extension**”).

PURPOSE

6. The purpose of this Fifth Report is to provide this Honourable Court and the Applicants’ stakeholders with information with respect to:
- a. the Assignment Agreement and related transactions;
 - b. an update on the SISP;
 - c. an update on the status of the Perkoa mine;

- d. a class action proceeding (the “**Class Action Proceeding**”) filed against Trevali Corp. and certain directors and officers;
- e. the Applicants’ actual cash receipts and disbursements for the 16-week period ended December 6, 2022 (the “**Reporting Period**”) as compared to the cash flow statement included in the Fourth Report of the Monitor dated October 11, 2022 (the “**Third Cash Flow Statement**”);
- f. updated cash flow statements for the 24-week period ending January 31, 2023 (the “**Forecast Period**”) with respect to the Applicants (the “**Fourth Cash Flow Statement**”) and the Rosh Pinah mine (the “**Third Rosh Pinah Cash Flow Statement**”) as well as the key assumptions on which the cash flow statements are based; and
- g. Trevali’s application for the Stay Extension.

TERMS OF REFERENCE

- 7. In preparing this report, the Monitor has relied upon certain information (the “**Information**”) including Trevali’s unaudited financial information, books and records and discussions with senior management (“**Management**”).
- 8. Except as described in this report, 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.
- 9. 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.

10. Future-oriented financial information reported to be relied on in preparing this report is based on Management's assumptions regarding future events. Actual results may vary from forecast and such variations may be material.
11. Unless otherwise stated, all monetary amounts contained herein are expressed in United States dollars to be consistent with the Applicants' primary reporting currency.
12. Capitalized terms not otherwise defined herein are as defined in the First Report of the Monitor in these CCAA Proceedings dated August 26, 2022.

ASSIGNMENT AGREEMENT

13. The Applicants are seeking to achieve transaction efficiencies by reducing the amount owing by a wholly-owned, indirect subsidiary of Trevali Corp., Wilru, to its approximately 90% owned, indirect subsidiary, Rosh Pinah Zinc Corporation PTY Ltd. ("**RPZC**") and simplify the balance sheets of the respective entities.
14. The intercompany accounts between Trevali Corp., RPZC and Wilru are summarized as follows:
 - a. RPZC is indebted to Trevali Corp. in the amount of approximately \$13.1 million (the "**Trevali Loan Receivables**") comprised of:
 - i. approximately \$3.5 million owing pursuant to the Intercorporate Services Agreement; and
 - ii. approximately \$9.6 million relating to unsecured post-filing intercompany funding transfers; and
 - b. Wilru is indebted to RPZC for unsecured intercompany loans in the amount of approximately \$16.6 million (the "**Wilru Intercorporate Debt**").
15. The Assignment Agreement provides for the following transactions:

- a. Trevali Corp. to assign the Trevali Loan Receivables to Wilru; and
 - b. Wilru to set-off the Trevali Loan Receivables against the Wilru Intercompany Debt.
16. At the conclusion of the transactions contemplated by the Assignment Agreement, the Wilru Intercompany Debt will have been reduced from approximately \$16.6 million to approximately \$3.8 million.
17. A copy of the Assignment Agreement is attached as Appendix "A".
18. The ARIO provides that the Applicants are required to preserve and maintain their assets and can only enter into intercompany transactions within the ordinary course of business. As such, the Applicants are seeking Court approval of the Assignment Agreement.
19. The Monitor's comments with respect to the Assignment Agreement are as follows:
- a. the Assignment Agreement will reduce the amounts owed to RPZC, which is an approximately 90% owned, indirect subsidiary, thereby enhancing the overall value of the Applicants and their subsidiaries;
 - b. the Assignment Agreement does not create any negative economic impact for the Applicants' stakeholders;
 - c. the RCF Lenders and Glencore are supportive of the transactions contemplated by the Assignment Agreement;
 - d. the Assignment Agreement enhances the value to be acquired by a potential purchaser of the Applicants' shares in GLCR Limited (the UK domiciled, wholly-owned, direct subsidiary of Trevali Corp. and direct parent company of Wilru);
and

- e. overall, the Assignment Agreement is in the best interests of the Applicants and their stakeholders.

UPDATE ON THE SISP

Rosh Pinah

- 20. As described in the 8th Affidavit of B. Creaney dated December 9, 2022 (the “**Creaney Affidavit #8**”), the Applicants and the Sales Agent are working diligently to finalize an agreement with respect to Trevali Corp.’s interest in Rosh Pinah.
- 21. The Applicants, in consultation with the RCF Lenders and Glencore, have proposed revised dates within the SISP as follows:
 - a. the Final Agreement Deadline, as defined in the SISP, has been revised from December 9, 2022 to December 15, 2022; and
 - b. the Outside Closing Date, as defined in the SISP, has been revised from December 30, 2022 to January 31, 2023.

Caribou

- 22. As described in the Creaney Affidavit #8, the SISP did not generate any bids for the Caribou assets prior to October 7, 2022, the LOI Deadline, as defined in the SISP.
- 23. The Applicants, with the assistance of the Monitor, are continuing to engage with their secured lenders and the Government of New Brunswick to consider next steps with respect to the Caribou mine and expect to reach a decision in the near term with respect to which of the following two options will be pursued:
 - a. a bankruptcy of Trevali NB; or

- b. a continuation of the CCAA of Trevali NB, funded by the Government of New Brunswick, but bifurcated from the current CCAA Proceedings with the Monitor being granted enhanced powers.

UPDATE ON THE PERKOA MINE

24. As described in the Fourth Report of the Monitor, Trevali announced on October 6, 2022 that its 90% owned subsidiary Nantou Mining Burkina Faso S.A. (“**Nantou Mining**”) had filed an application for liquidation with the Judicial Tribunal of Commerce in Burkina Faso.
25. On November 4, 2022, a liquidator (the “**Nantou Liquidator**”) was appointed to assume responsibility for the management of Nantou Mining’s affairs and Trevali Corp. no longer exercises operational control over Nantou Mining or the Perkoa mine.
26. On November 15, 2022, a notice was published in local newspapers serving as a general notice to creditors of Nantou Mining of the liquidation proceedings. A second notice was published on or around November 30, 2022 in accordance with the OHADA Uniform Act relating to insolvent Burkinabe companies.
27. The Monitor is advised by the Applicants that creditors of Nantou Mining are required to submit proofs of claim against Nantou Mining to the Nantou Liquidator. Domestic creditors have 60 days from the date of appointment in which to submit their proofs of claim and non-resident creditors have 90 days to submit their proof of claims, following which the Nantou Liquidator will evaluate such claims.
28. Management has advised the Monitor that the Nantou Liquidator is expected to run a formal process to solicit offers for the potential purchase of Nantou Mining’s interest in the Perkoa mine and may consider alternative options including a surrender of the mining license and assets to the government or commence formal bankruptcy proceedings in Burkina Faso if no suitable sale transaction is identified.

CLASS ACTION PROCEEDING

29. On October 7, 2022, Michael Demmer, Rodney Brunk, Tim Kempter and William Williamson, represented by Eli Karp and Sage Nematollahi of KND Complex Litigation, filed a notice of civil claim under the *Class Proceedings Act*, R.S.B.C. 1996, c. 50 (Vancouver Registry, Action No. S-228113). The defendants to the action are Trevali Corp., Ricus Grimbeek, Brendan Creaney, Jill Gardiner, Russell Ball, Aline Cote, Nick Popovic, Jeane Hull, Dan Isserow and Richard Williams.
30. The notice of civil claim was recently served on Mary Buttery of Osler, Hoskin & Harcourt LLP, counsel for the individual defendants, who has received instructions to accept service on behalf of all of the named individual defendants. Blake, Cassels & Graydon LLP, counsel for Trevali Corp., has accepted service on behalf of the company.
31. As summarized in the notice of civil claim, the action is a proposed multi-jurisdictional securities class proceeding. The claims arise out of alleged misrepresentations in the disclosure documents of Trevali Corp. issued between October 9, 2020 through to August 15, 2022.
32. The putative plaintiffs' counsel has acknowledged that the matter is stayed by virtue of the ARIO, and also because they are seeking to assert secondary market liability, being statutory relief that requires leave of the Court to pursue.

CASH FLOW VARIANCE ANALYSIS

Trevali Corp. and Trevali NB

33. The Monitor has undertaken weekly reviews of Trevali's actual cash flows in comparison to those contained in the Third Cash Flow Statement. Trevali's actual cash receipts and disbursements as compared to the Third Cash Flow Statement for the period of August 17, 2022 to December 6, 2022, are summarized below:

Trevali Corp. and Trevali NB			
Cash Flow Variance Analysis			
Sixteen Week Period Ended December 6, 2022			
<i>(USDS thousands)</i>	Actual	Forecast	Variance
Operating Receipts			
Other Receipts	158	105	53
Total Receipts	158	105	53
Operating Disbursements			
Payroll and Benefits	2,476	3,028	552
Trade Accounts Payable	1,382	2,405	1,023
Utilities	419	492	72
Operating Leases	188	204	17
Insurance	534	1,751	1,217
Restructuring Professional Fees	3,283	4,401	1,118
Other Professional Fees	-	120	120
Other Operating Disbursements	73	704	632
Total Operating Disbursements	8,355	13,104	4,749
Net Change in Cash from Operations	(8,198)	(13,000)	4,802
Financing			
Intercompany Receipts / (Disbursements)	(18,600)	(18,600)	-
Interim financing	13,000	15,000	(2,000)
Net Change in Cash from Financing	(5,600)	(3,600)	(2,000)
Effect of Foreign Exchange Translation	(121)	(112)	(9)
Net Change in Cash	(13,919)	(16,712)	2,793
Opening Cash	18,589	18,589	-
Ending Cash	\$ 4,670	\$ 1,877	\$ 2,793

34. The above summary should be read in conjunction with the Rosh Pinah Cash Flow Statement variance analysis referred to below.
35. Overall, the Applicants realized a favourable net cash flow variance of approximately \$2.8 million. The key components of the variance are as follows:
- a. payroll and benefits were lower than forecast due to the retention of fewer than expected employees as well as lower than expected severance payments at the Caribou mine. KERP payments totaling approximately \$205,000 were made

during the week ended November 29, 2022 in accordance with the terms of the KERP approved by this Court by Order made September 14, 2022;

- b. general liability insurance coverage was reviewed and revised over the period resulting in significant permanent savings;
- c. trade accounts payable, restructuring professional fees and other operating disbursements were lower than forecast due to cost containment initiatives and timing differences;
- d. a summary of the professional fee disbursements incurred in the CCAA Proceedings to date is set out in the table below:

Professional Fee Summary					
Sixteen Week Period Ended December 6, 2022					
<i>(USD\$ thousands)</i>					
Firm	Role	Fees	Disbursements	Taxes	Total
Blakes, Cassels & Graydon LLP	Counsel to Trevali	906	3	109	1,017
FTI Consulting Canada Inc.	Monitor	440	14	23	477
Dentons Canada LLP	Monitor's Counsel	180	2	22	204
Fasken Martineau DuMoulin LLP	RCF Lenders' Counsel	337	1	51	388
Alvarez & Marsal Canada Inc.	RCF Lenders' Financial Advisor	406	12	21	439
Black Swan Advisors Inc.	Advisor to the Special Committee	366	3	44	413
National Bank Financial	Financial Advisor	290	1	15	306
Other	Foreign Counsel to Trevali	37	1	1	38
Total		\$ 2,963	\$ 37	\$ 284	\$ 3,283

- e. Trevali Corp. made intercompany transfers totalling \$18.6 million to Rosh Pinah, including \$4.6 million during the week ended August 30, 2022, \$5.0 million during the week ended October 5, 2022, \$4.0 million during the week ended November 1, 2022, and \$5.0 million during the week ended November 29, 2022, to fund working capital requirements necessary to operate the mine over the Reporting Period. All such transfers were reviewed and approved by the Monitor; and
- f. the Applicants have drawn \$13.0 million of the total principal amount of \$16.5 approved under the Interim Financing Tranche including \$6 million during the

week ended November 1, 2022 and \$7.0 million during the week ended November 29, 2022.

Rosh Pinah

36. The actual cash receipts and disbursements incurred by Rosh Pinah as compared to the Second Rosh Pinah Cash Flow Statement for the period of August 17, 2022 to December 6, 2022, are summarized below:

Rosh Pinah			
Cash Flow Variance Analysis			
Sixteen Week Period Ended December 6, 2022			
<i>(USD\$ thousands)</i>	Actual	Forecast	Variance
Operating Receipts			
Sales	13,121	12,738	383
Other Receipts	2,397	2,430	(33)
Total Receipts	15,518	15,168	350
Operating Disbursements			
Sales Expenses	3,832	4,047	215
Payroll and Benefits	4,745	4,478	(267)
Trade Accounts Payable	10,830	12,236	1,406
Utilities	2,282	2,358	76
Insurance	105	110	5
Tax	463	489	26
Capital Expenditures	8,617	9,775	1,157
Other Operating Disbursements	177	620	443
Total Operating Disbursements	31,052	34,113	3,061
Net Change in Cash from Operations	(15,533)	(18,944)	3,411
Financing			
Intercompany Receipts / (Disbursements)	18,600	18,600	-
Net Change in Cash from Financing	18,600	18,600	-
Effect of Foreign Exchange Translation	(282)	(300)	19
Net Change in Cash	2,785	(645)	3,430
Opening Cash	1,588	1,588	-
Ending Cash	\$ 4,373	\$ 943	\$ 3,430

37. Rosh Pinah realized a favourable variance of approximately \$3.4 million during the period. The key components of the variance are as follows:

- a. a positive variance in sales receipts is as a result of additional tonnes sold with a higher than forecast concentrate grade;
- b. sales expenses, capital expenditures and operating disbursements were lower than forecast due to timing differences;
- c. payroll and benefits were higher than forecast as a result of a production bonus paid to employees of the Rosh Pinah mine for exceeding production targets; and
- d. trade accounts payable have been reduced primarily as a result of cost containment measures implemented at the Rosh Pinah mine.

CASH FLOW STATEMENTS

Trevali Corp. and Trevali NB

38. Management has prepared the Fourth Cash Flow Statement to set out the liquidity requirements of Trevali Corp. for the 24 weeks ending January 31, 2023. A copy of the Fourth Cash Flow Statement is attached as Appendix “B”.

39. The Fourth Cash Flow Statement is summarized in the following table:

Trevali Corp. and Trevali NB			
Cash Flow Statement			
Twenty Four Week Period Ended January 31, 2023	Weeks 1-16	Weeks 17-24	Weeks 1-24
(USDS thousands)	Actual	Forecast	Total
Operating Receipts			
Other Receipts	158	-	158
Total Receipts	158	-	158
Operating Disbursements			
Payroll and Benefits	2,476	1,250	3,726
Trade Accounts Payable	1,382	1,637	3,019
Utilities	419	205	624
Operating Leases	188	85	273
Insurance	534	324	859
Restructuring Professional Fees	3,283	1,957	5,241
Other Professional Fees	-	120	120
Other Operating Disbursements	73	334	406
Total Operating Disbursements	8,355	5,912	14,268
Net Change in Cash from Operations	(8,198)	(5,912)	(14,110)
Financing			
Intercompany Receipts / (Disbursements)	(18,600)	2,561	(16,039)
Interim financing	13,000	-	13,000
Net Change in Cash from Financing	(5,600)	2,561	(3,039)
Effect of Foreign Exchange Translation	(121)	-	(121)
Net Change in Cash	(13,919)	(3,351)	(17,270)
Opening Cash	18,589	4,670	18,589
Ending Cash	\$ 4,670	\$ 1,319	\$ 1,319

40. The Fourth Cash Flow Statement is based on the following key assumptions:

- a. payroll and benefits reflect the retention of certain key employees relevant to the SISF, including a second payment of the KERP of approximately \$240,000 occurring during the week ending January 31, 2022;
- b. operating disbursements relate primarily to ordinary course payments to run Trevali's head office;

- c. insurance costs of approximately \$300,000 relate to the renewal of the Applicants' corporate insurance policies which expired in November 2022;
- d. restructuring professional fees are forecast to be approximately \$2.0 million during the forecast period and include fees and disbursements for the Applicants' legal counsel, the Monitor, the Monitor's legal counsel, the financial advisor to the RCF Lenders, the legal counsel to the RCF Lenders, the consultant to the Special Committee of the Board of Directors, the legal counsel to the Board of Directors and the Sales Agent; and
- e. intercompany funding transfers of \$2.6 million from Rosh Pinah to Trevali Corp. are expected to be repaid during the Forecast Period. The cash flows associated with Rosh Pinah are set out in the Second Rosh Pinah Cash Flow Statement which is summarized further in the following section.

41. Trevali Corp. is forecast to have a remaining cash balance of approximately \$1.3 million as at January 31, 2023.

Rosh Pinah

42. Management has prepared the Third Rosh Pinah Cash Flow Statement to set out the liquidity requirements of Rosh Pinah during the Forecast Period, a copy of which is attached as Appendix "C".

43. A summary of the Third Rosh Pinah Cash Flow Statement is set out in the below table:

Rosh Pinah			
Cash Flow Statement			
Twenty Four Week Period Ended January 31, 2023	Weeks 1-16	Weeks 17-24	Weeks 1-24
(USD\$ thousands)	Actual	Forecast	Total
Operating Receipts			
Sales	13,121	17,394	30,515
Other Receipts	2,397	1,395	3,792
Total Receipts	15,518	18,788	34,307
Operating Disbursements			
Sales Expenses	3,832	2,464	6,296
Payroll and Benefits	4,745	2,855	7,600
Trade Accounts Payable	10,830	6,692	17,522
Utilities	2,282	1,199	3,480
Insurance	105	90	195
Tax	463	3,725	4,188
Capital Expenditures	8,617	2,766	11,383
Other Operating Disbursements	177	360	537
Total Operating Disbursements	31,052	20,151	51,203
Net Change in Cash from Operations	(15,533)	(1,363)	(16,896)
Financing			
Intercompany Receipts / (Disbursements)	18,600	(2,561)	16,039
Net Change in Cash from Financing	18,600	(2,561)	16,039
Effect of Foreign Exchange Translation	(282)	-	(282)
Net Change in Cash	2,785	(3,924)	(1,139)
Opening Cash	1,588	4,373	1,588
Ending Cash	\$ 4,373	\$ 449	\$ 449

44. The Third Rosh Pinah Cash Flow Statement is based on the following assumptions:

- a. the projected operating receipts at Rosh Pinah are assumed to be collected in cash payments under normal course trade settlement terms with Glencore International AG and in accordance with the Settlement Agreement; and
- b. operating disbursements reflect ongoing operations and certain minimum capital and development expenditures to preserve value at the Rosh Pinah mine.

STAY EXTENSION

45. The Monitor's comments with respect to Trevali's application to extend the Stay of Proceedings until and including January 31, 2023 are as follows:

- a. the Cash Flow Statements forecast that the Applicants will have sufficient liquidity during the proposed Stay Extension;
- b. the Applicants require the Stay Extension in respect of Trevali Corp. in order to continue to make progress towards a transaction in respect of the Rosh Pinah mine pursuant to the SISP;
- c. the Applicants require the Stay Extension in respect of Trevali NB in order to ensure the ongoing care and maintenance of the Caribou mine and continue to engage with Trevali's secured lenders and the Government of New Brunswick to consider next steps with respect to the Caribou mine;
- d. there will be no material prejudice to the Applicants' creditors and other stakeholders as a result of the Stay Extension;
- e. the Stay Extension is supported by certain key stakeholders including the RCF Lenders, Glencore and the Government of New Brunswick;
- f. the Applicants are acting in good faith and with due diligence; and
- g. Trevali's overall prospects of effecting one or more viable restructuring transactions will be enhanced by the Stay Extension.

CONCLUSION AND RECOMMENDATION

46. Based on the foregoing, the Monitor respectfully recommends that this Honourable Court grant the Stay Extension and Assignment Agreement Approval Order.

All of which is respectfully submitted this December 12, 2022.

FTI Consulting Canada Inc.
In its capacity as Monitor of Trevali



Tom Powell
Senior Managing Director



Mike Clark
Senior Director

Appendix A
Assignment Agreement

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

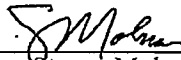
- thereto or the loan transactions governed thereby or in any way based on or related to any of the foregoing, including, but not limited to, contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned 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

[Signature Page to Assignment Agreement]

Appendix B

Fourth Cash Flow Statement for the 24-week period
ending January 31, 2023.

Trevalli Mining Corporation & Trevalli Mining (New Brunswick) Ltd.

Combined Cash Flow Statement

For the 24-week period ending January 31, 2023

<i>(US\$ thousands)</i>	<i>Week Ending</i>	<i>Weeks 1-16</i>												<i>Total</i>
		<i>6-Dec-22</i>	<i>13-Dec-22</i>	<i>Week 17</i>	<i>Week 18</i>	<i>Week 19</i>	<i>Week 20</i>	<i>Week 21</i>	<i>Week 22</i>	<i>Week 23</i>	<i>Week 24</i>	<i>Total</i>		
	<i>Actual</i>	<i>Forecast</i>	<i>Forecast</i>	<i>Forecast</i>	<i>Forecast</i>	<i>Forecast</i>	<i>Forecast</i>	<i>Forecast</i>	<i>Forecast</i>	<i>Forecast</i>	<i>Forecast</i>	<i>Forecast</i>		
Operating Receipts														
Other Receipts	158	-	-	-	-	-	-	-	-	-	-	-	158	
Total Receipts	158	-	-	-	-	-	-	-	-	-	-	-	158	
Operating Disbursements														
Payroll and Benefits	2,476	124	146	47	241	39	67	47	539	3,726				
Trade Accounts Payable	1,382	160	261	382	256	131	104	129	216	3,019				
Utilities	419	26	26	26	26	26	26	26	26	624				
Operating Leases	188	2	0	1	39	1	1	-	39	273				
Insurance	534	322	-	-	1	-	-	-	1	859				
Restructuring Professional Fees	3,283	476	436	116	-	929	-	-	-	5,241				
Other Professional Fees	-	-	-	120	-	-	-	-	-	120				
Other Operating Disbursements	73	17	60	84	60	38	25	25	24	406				
Total Operating Disbursements	8,355	1,126	929	776	623	1,164	223	226	845	14,268				
Net Change in Cash from Operations	(8,198)	(1,126)	(929)	(776)	(623)	(1,164)	(223)	(226)	(845)	(14,110)				
Financing														
Intercompany Receipts / (Disbursements)	(18,600)	-	-	-	-	2,561	-	-	-	(16,039)				
Interim financing	13,000	-	-	-	-	-	-	-	-	13,000				
Net Change in Cash from Financing	(5,600)	-	-	-	-	2,561	-	-	-	(3,039)				
Effect of Foreign Exchange Translation	(121)	-	-	-	-	-	-	-	-	(121)				
Net Change in Cash	(13,919)	(1,126)	(929)	(776)	(623)	1,397	(223)	(226)	(845)	(17,270)				
Opening Cash	18,589	4,670	3,544	2,615	1,839	1,215	2,612	2,390	2,163	18,589				
Ending Cash	4,670	3,544	2,615	1,839	1,215	2,612	2,390	2,163	1,319	1,319				

Appendix C

Third Rosh Pinah Cash Flow Statement for the 24-week period ending January 31, 2023

Rosh Pinah Mine

Cash Flow Statement

For the 24-week period ending January 31, 2023

(US\$ thousands)	Week Ending	Weeks 1-16		Week 17		Week 18		Week 19		Week 20		Week 21		Week 22		Week 23		Week 24		Total
		6-Dec-22	Actual	13-Dec-22	Forecast	20-Dec-22	Forecast	27-Dec-22	Forecast	3-Jan-23	Forecast	10-Jan-23	Forecast	17-Jan-23	Forecast	24-Jan-23	Forecast	31-Jan-23	Forecast	
Operating Receipts																				
Sales		13,121	-	-	-	-	-	-	-	17,394	-	-	-	-	-	-	-	-	-	30,515
Other Receipts		2,397	-	-	-	-	-	-	-	-	-	-	-	-	-	1,395	-	-	-	3,792
Total Receipts		15,518	-	-	-	-	-	-	-	17,394	-	-	-	-	-	1,395	-	-	-	34,307
Operating Disbursements																				
Sales Expenses		3,832	-	-	-	-	-	-	-	320	-	-	-	-	-	-	-	-	2,143	6,296
Payroll and Benefits		4,745	-	265	1,051	-	269	-	-	-	-	1,270	-	-	-	-	-	-	-	7,600
Trade Accounts Payable		10,830	92	88	-	2,946	-	-	-	-	-	-	-	-	-	-	-	3,566	-	17,522
Utilities		2,282	-	511	-	88	-	-	-	88	-	511	-	-	-	-	-	88	-	3,480
Insurance		105	-	-	-	-	-	-	-	-	-	90	-	-	-	-	-	-	-	195
Tax		463	-	143	-	-	-	-	-	3,431	7	143	-	-	-	-	-	-	-	4,188
Capital Expenditures		8,617	573	-	-	1,389	-	-	-	1,389	-	-	-	-	-	-	-	805	-	11,383
Other Operating Disbursements		177	160	-	-	-	-	-	-	200	-	-	-	-	-	-	-	-	-	537
Total Operating Disbursements		31,052	825	1,008	1,051	8,374	366	1,925	1,925	8,374	366	1,925	1,925	1,925	1,925	1,925	1,925	6,602	51,203	
Net Change in Cash from Operations		(15,533)	(825)	(1,008)	(1,051)	9,019	(366)	(530)	(530)	9,019	(366)	(530)	(530)	(530)	(530)	(530)	(530)	(6,602)	(16,896)	
Financing																				
Intercompany Receipts / (Disbursements)		18,600	-	-	-	-	-	-	-	-	-	(2,561)	-	-	-	-	-	-	-	16,039
Net Change in Cash from Financing		18,600	-	-	-	-	-	-	-	-	-	(2,561)	-	-	-	-	-	-	-	16,039
Effect of Foreign Exchange Translation		(282)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(282)
Net Change in Cash		2,785	(825)	(1,008)	(1,051)	9,019	(2,927)	(530)	(530)	9,019	(2,927)	(530)	(530)	(530)	(530)	(530)	(530)	(6,602)	(1,139)	
Opening Cash		1,588	4,373	3,548	2,540	1,489	10,508	7,581	7,581	10,508	7,581	10,508	7,581	7,581	7,581	7,581	7,581	7,051	1,588	
Ending Cash		4,373	3,548	2,540	1,489	10,508	7,581	7,581	7,051	10,508	7,581	7,581	7,051	7,051	7,051	7,051	7,051	449	449	