

No. S-226670
Vancouver Registry
Estate No. 51-126392

IN THE SUPREME COURT OF BRITISH COLUMBIA
IN BANKRUPTCY AND INSOLVENCY

**IN THE MATTER OF THE RECEIVERSHIP OF
TREVALI MINING (NEW BRUNSWICK) LTD.**

THIRD REPORT OF THE RECEIVER

JULY 5, 2024

THIRD REPORT OF THE RECEIVER

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INTRODUCTION

1. On August 19, 2022, Trevali Mining Corporation (“**TMC**”) and Trevali Mining (New Brunswick) Ltd. (“**TNB**” and collectively, “**Trevali**”) sought and obtained an initial order (the “**Initial Order**”) under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”) from the Supreme Court of British Columbia (the “**CCAA Proceedings**”). Pursuant to the Initial Order, FTI Consulting Canada Inc. (“**FTI**”) was appointed monitor of Trevali (in such capacity, the “**Monitor**”).
2. On September 14, 2022, this Honourable Court granted an order approving procedures for a sales and investment solicitation process (the “**SISP**”) for the assets of Trevali. The SISP did not generate any bids with respect to TNB, and its operations at the Caribou mine, prior to the October 7, 2022 LOI Deadline, as defined in the SISP. As a result, Trevali, with the assistance of the Monitor, engaged with the secured lenders of Trevali and the Government of New Brunswick to consider next steps with respect to the Caribou mine.
3. On January 9, 2023, this Honourable Court granted the following orders:
 - a. an order (the “**Receivership Order**”) appointing FTI as receiver (in such capacity, the “**Receiver**”) of all of the assets, undertakings and property of TNB, including all proceeds thereof, other than any real property, mineral claims, mining leases, or real property leases owned or held by TNB (collectively, the “**Property**”) effective on January 24, 2023 at 11:59pm PST; and
 - b. an order authorizing and approving the Department of Natural Resources and Energy Development (“**DNRED**”) and its approved contractors’ right to rent and use certain equipment currently owned or leased by TNB from the commencement of the rental term until and including March 15, 2023, in exchange for payment of US\$198,000 (the “**Rental Agreement**”), reflecting at least in part the operational cost of a two-week handover period between January 9–24, 2023. The Receiver and DNRED have since extended the Rental

Agreement indefinitely for a weekly rental rate that has been renegotiated as part of the subsequent extensions.

4. On March 29, 2023, this Honourable Court granted an order (the “**Claims Process Order**”) in the CCAA Proceedings approving a process for determining the nature and amounts of certain claims against TMC and TNB and their Directors and Officers (the “**Claims Process**”).
5. In early June 2023, the Receiver prepared a document (the “**Invitation for Offers**”) to solicit offers for the Property while referring parties seeking information on the real property, mineral claims, mining leases or real property leases owned or held by TNB to a contact person with DNRED. Since that time, the Receiver has been working in conjunction with DNRED to identify and facilitate a going-concern transaction for the Caribou mine.
6. On April 27, 2024, the Receiver and Bathurst Metallic Corp. (“**BMC**” or the “**Purchaser**”) entered into an asset purchase agreement (the “**TNB APA**”) to sell and assign to the Purchaser all of TNB’s right, title and interest to the Assets (as defined in the TNB APA) subject to an expansion of the definition of “Property” in the Receivership Order to include all of the assets, undertakings and property of TNB, without any limitations.
7. Concurrently on April 27th, the Purchaser also agreed to purchase substantially all of assets of Trevali Mining (Maritimes) Ltd. (“**TMM**”) as set out in an asset purchase agreement (the “**TMM APA**”) among TMM and the Purchaser.
8. On July 1, 2024, an agreement (the “**Settlement and Support Agreement**”) was reached between TMC, TMM, the Receiver and His Majesty the King in Right of the Province of New Brunswick (“**GNB**”) as represented by DNRED whereby GNB has agreed to support the granting of the approval and vesting orders with respect to the TNB APA and the TMM APA subject to the payment of the Settlement Amount (as subsequently defined).

9. On July 5, 2024, the Receiver, along with the Monitor, served a notice of application for the following orders, among others:

- a. an order (the “**TNB AVO**”) approving the TNB APA and vesting the purchased assets in the Purchaser, free and clear of any encumbrances; and
- b. an order approving the Settlement and Support Agreement (the “**Settlement Order**”).

10. The Monitor also seeks orders that provide for, among other things, the following:

- a. the approval of the TMM APA; and
- b. the addition of TMM as a Petitioner in the CCAA Proceedings.

11. The purpose of this Third Report is to provide this Honourable Court with information with respect to:

- a. the Receiver’s activities since the Second Report of the Receiver dated October 18, 2023 (the “**Second Report**”);
- b. the Receiver’s efforts, in conjunction with DNRED, to identify and facilitate a going-concern transaction for the Caribou mine (the “**Tender Process**”);
- c. the Settlement and Support Agreement;
- d. the TNB APA;
- e. the Claims Process conducted in the CCAA Proceedings, as it relates to claims against TNB;
- f. the Receiver’s interim statement of cash receipts and disbursements (“**R&D**”) for TNB for the period of January 24, 2023 to June 18, 2024; and

- g. the Receiver's conclusions and recommendations.
12. This Third Report should be read in conjunction with the Seventeenth Report of the Monitor served on July 5, 2024.
13. The Receivership Order and other publicly available information in respect of these proceedings (the "**Receivership Proceedings**") are posted on the Receiver's website at <http://cfcanada.fticonsulting.com/Trevali/receivership.htm>.

TERMS OF REFERENCE

14. In preparing this report, the Receiver has relied upon certain information (the “**Information**”) including Trevali’s unaudited financial information, books and records and discussions with former senior management of Trevali (“**Management**”).
15. Except as described in this report, the Receiver 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.
16. The Receiver 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.
17. Future oriented financial information reported to be 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.
18. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian dollars. Capitalized terms not otherwise defined are as defined in the Receivership Order.

RECEIVER'S ACTIVITIES

19. Since the date of the Second Report, the Receiver's activities have included, among other things, the following:

- a. attending the Caribou mine site in Bathurst, New Brunswick in December 2023 to view the assets, and meet with DNRED and the Purchaser;
- b. arranging for the preservation and winterization of the equipment;
- c. negotiating and corresponding with DNRED and the Purchaser in respect of the TNB APA and Settlement and Support Agreement;
- d. responding to inquiries from creditors in respect of TNB;
- e. collecting rental fees from DNRED;
- f. corresponding with Glencore Canada Corporation ("**Glencore**") in respect of Harmonized Sales Tax ("**HST**") that Glencore sought to set off and not pay to TNB for remittance to the Canada Revenue Agency ("**CRA**"); and
- g. corresponding with legal counsel with respect to the above.

TENDER PROCESS

20. As described in the Second Report, in early June 2023 the Receiver prepared the Invitation for Offers which included the following information:

- a. an overview of the Receivership Proceedings;
- b. a description of the equipment offered for sale;
- c. a summary of the key dates for the Tender Process;

- d. an appendix detailing the equipment offered for sale; and
 - e. a template form of offer, including the terms and conditions of sale.
21. A copy of the Invitation for Offers to purchase is attached as Appendix “A”.
22. In consultation with representatives of DNRED, the Invitation for Offers referred parties seeking information on the real property, mineral claims (the “**Claims**”), mining leases (the “**Mining Leases**”) or real property leases in New Brunswick (collectively, the “**Real Property Assets**”) owned or held by TNB to a contact person with DNRED.
23. Highlights of the Tender Process are as follows:
- a. the Invitation for Offers was sent to 42 parties comprised of auctioneers, companies identified by the Receiver as potentially having an interest in the equipment and parties that had previously contacted either the Receiver or DNRED expressing interest in the assets of TNB;
 - b. a data room was set up by the Receiver, which included photos of the equipment and a copy of the Invitation for Offers and standard form of offer;
 - c. eight parties contacted the Receiver expressing an interest in the equipment and were provided with access to the data room; and
 - d. on June 27, 2023, the Receiver arranged site visits for three parties to allow them to physically inspect the equipment.
24. The original deadline for receipt of offers was set for June 30, 2023, but the date was extended to July 14, 2023 (the “**Bid Deadline**”) as a result of inclement weather, which caused delays in site visits.

25. Prior to the Bid Deadline, the Receiver received four offers from auctioneers and three expressions of interest from parties wishing to pursue an acquisition of the Caribou mine with a goal of re-starting mining operations (the “**Going Concern Parties**”).\
26. The Receiver delayed advancing an offer with an auctioneer to allow the Going Concern Parties an opportunity to engage with DNRED regarding issues related to the continued operation of the Caribou mine, and the assets related to the Restigouche and Halfmile mines, primarily relating to the Claims, Mining Leases, and Crown land leases, and care and maintenance and environmental remediation obligations related to the mines.
27. Prior to the commencement of the Tender Process, one of the Going Concern Parties, Eagle Pass Mining Corp. (“**EPMC**”), submitted a non-binding offer to the Receiver to purchase all of the assets of TNB including the Real Property Assets held by TNB in addition to substantially all of the assets of TMM.
28. Subsequent to the Bid Deadline, the Receiver continued to engage in discussions with the Going Concern Parties, including EPMC.
29. On August 22, 2023, the Receiver forwarded a letter to each of the Going Concern Parties advising that: due to the winter weather challenges presented in rural New Brunswick, the Receiver did not want to delay the timing for an equipment auction. Accordingly, any party wishing to submit a binding offer needed to do so prior to September 5, 2023.
30. Subsequent to delivery of the above noted letter, further discussions ensued between representatives for EPMC, the Receiver and DNRED.
31. On August 31, 2023, the Receiver was advised by EPMC that they were in discussions with DNRED on a number of issues and they hoped to be in a position to submit an offer in the near future.
32. On September 19, 2023, EPMC forwarded a second non-binding offer (the “**September 2023 Offer**”) to the Receiver and DNRED. However, the September 2023 Offer included

conditions outside the control of the Receiver including an agreement with DNRED for the transfer of the Claims, Mineral Leases, and Crown land leases and agreements with GNB related to the on-going care and maintenance of the mines and the long-term environmental liabilities associated with the mines. The September 2023 Offer also requested a period of exclusivity be given to EPMC by the Receiver and GNB, to allow for the various agreements to be negotiated and finalized.

33. Following an exchange of email correspondence between the Receiver and EPMC clarifying some of the terms of the September 2023 Offer, the Receiver consulted with DNRED regarding EPMC's request for a period of exclusivity. The Receiver was advised that, although GNB, in its role as regulator, could not agree to a period of exclusivity, DNRED was prepared to engage and was engaging in discussions with EPMC regarding the terms of the agreements as outlined in the September 2023 Offer.
34. Given the offer price as indicated in the September 2023 Offer exceeds the anticipated recovery generated by an auction of the Property, the Receiver offered to draft a term sheet (the "**Term Sheet**") that would establish critical timelines for advancing the September 2023 Offer to a binding agreement of purchase and sale.
35. After several weeks of negotiations between the Receiver's counsel and EPMC's counsel, on November 6, 2023, the Term Sheet was finalized and executed by the Receiver and EPMC. A copy of the Term Sheet is attached as Appendix "**B**".
36. Pursuant to the Term Sheet, EPMC's obligation to complete the purchase of the Assets is subject to the following conditions precedent:
 - a. entering into a memorandum of understanding regarding the intended terms of a Limited Environmental Liability Agreement ("**LELA**") and the process and timing of hand over of care and maintenance from GNB to EPMC;
 - b. EPMC completing legal and financial due diligence;

- c. negotiating the terms of the TNB APA and the TMM APA with the Receiver and Monitor;
 - d. negotiating and settling the terms of the LELA;
 - e. negotiating and settling the terms of the process and timing of the handover of care and maintenance responsibilities from GNB to EPMC, including a funding agreement (the “**Funding Agreement**”); and
 - f. obtaining the Court’s approval of the asset purchase agreements and vesting orders.
37. The target date for satisfying the conditions precedent and completion of the TNB APA was set for 120 days after execution of the Term Sheet.
38. A deposit in the amount of \$225,000 was paid to the Receiver’s counsel and is being held in trust. The deposit is to be applied toward the purchase price on closing of the TNB APA.
39. Subsequent to the signing of the Term Sheet, the Receiver, the Monitor and its counsel have been working with EPMC and its counsel to satisfy the conditions precedent.
40. The Receiver is advised by DNRED that GNB also conducted due diligence in relation to EPMC and the suitability of EPMC as a participant in mining operations in the Province of New Brunswick.
41. Concurrently, EPMC and its counsel have been working with GNB and its counsel to negotiate the LELA and the Funding Agreement, which are critical components of the Transactions from both EPMC’s and GNB’s perspectives.
42. The Term Sheet was amended three times to, among other things, extend the outside closing date to allow time for the agreements to be finalized.

43. At the request of EPMC and with the consent of the Receiver, in early January 2024 the Term Sheet was assigned to Bathurst Metals Corp. which subsequently changed its name to Bathurst Metallic Corp. (“BMC”).
44. On April 27, 2024, the TNB APA was finalized and executed, a copy of which is attached as Appendix “C” to this report.

SETTLEMENT AND SUPPORT AGREEMENT

45. Since the commencement of the Receivership Proceedings, the Receiver understands from DNRED that it has stepped in as regulator to perform required care and maintenance activities to mitigate environmental consequences at the sites of the Caribou, Restigouche, and Halfmile mines, while also planning for environmental remediation. These activities have also had the effect of maintaining the mines and preserving the ability to restart operation, particularly at the Caribou mine, if a going-concern purchaser could be identified.
46. At the time of the September 2023 Offer, DNRED advised the Receiver that the Claims were currently held in a “protected” state and that the Claims would need to be returned to an unprotected status in order to transfer them from GNB to a new purchaser. DNRED further advised that GNB’s consent would be required to transfer any of the Mining Leases or Crown land leases to a purchaser.
47. DNRED indicated its intention to work cooperatively with the Receiver and Monitor to effect a transfer of the Real Property Assets, and that it would address GNB’s position as to its rights to the sale proceeds if the September 2023 Offer progressed.
48. As detailed previously, the September 2023 Offer was converted into a Term Sheet and by December 2023 significant progress had been made toward satisfying the conditions precedent in the Term Sheet. At this time, DNRED expressed its desire to re-engage with the Receiver and Monitor regarding an allocation of the purchase price to GNB in respect of its various claims and rights, and the environmental obligations related to the mines.

49. The DNRED provided the Receiver with a schedule summarizing its claims along with the details of expenses incurred in maintaining the mine since January 2023.
50. The claims set out by DNRED can be divided into three categories as follows:
- a. amounts required to be paid for outstanding real property taxes and outstanding taxes under the *Metallic Minerals Tax Act*, to put the Mining Leases in good standing so that they can be transferred to BMC (the “**Good Standing Amounts**”);
 - b. costs incurred by DNRED related to keeping the mine de-watered, maintaining the mine site in a safe and accessible state and ensuring that the mines remained in continued compliance with provincial laws and regulations (the “**Maintenance Amounts**”); and
 - c. amounts alleged to be owing by TNB and TMM in relation to TNB’s and TMM’s ongoing environmental obligations, which included (i) ongoing care and maintenance obligations and costs incurred by DNRED in relation thereto, (ii) obligations pursuant to TNB’s Limited Environmental Liability Agreement, and (iii) unpaid environmental remediation obligations (the “**Ongoing Environmental Obligations**”).
51. As of February 2024, the total of the Good Standing Amounts for TNB was approximately \$1.832 million and for TMM was \$98,000, consisting of:
- a. \$71,000 for unpaid Crown land leases in respect of TNB and \$18,000 in respect of TMM;
 - b. \$41,000 for arrears on TNB mining leases and \$5,000 for TMM mining leases;
 - c. \$1.272 million for unremitted Metallic Minerals Tax due from TNB;
 - d. \$2,000 for unpaid mineral claims for TNB and \$23,000 for TMM; and

- e. \$446,000 for unpaid property taxes with respect to leases on real property for TNB and \$53,000 for TMM.
52. As of February 2024, the total value of Maintenance Amounts was \$5.2 million with respect to TNB.
53. DNRED's position is that the Ongoing Environmental Obligations are in the millions of dollars and in excess of the sale proceeds.
54. The Receiver consulted with its legal counsel and was advised as follows:
- a. pursuant to the *Metallic Minerals Tax Act* of New Brunswick, a lien exists over the mines, land occupied by the mines, minerals, and all machinery of TNB, among other potential statutory liens;
 - b. GNB's consent is required for the transfer of the Mining Leases and Crown land leases and to alter the protected status of the mineral claims so that the Claims can be transferred from GNB to a purchaser; and
 - c. GNB's support and consent is required for the LELA and the Funding Agreement, which are two critical conditions precedent to the Transactions.
55. Based on counsel's advice, the Receiver was of the view that the Good Standing Payments would need to be paid to GNB in order to convey the assets to BMC pursuant to the TNB APA.
56. In addition to the Good Standing Payments of approximately \$1.832 million, the amounts set out by DNRED as accrued and accruing to GNB with respect to the Maintenance Amounts and the Ongoing Environmental Obligations exceeded any potential realizable value for the assets of TNB and TMM.

57. The value required to accrue to GNB to ensure the support of GNB, including the LELA, the Funding Agreement, and the transfer of the Claims and the Mineral Leases, was subject to negotiation as between the Receiver and DNRED on behalf of GNB. After several meetings, GNB set out its requirement that GNB receive a minimum of \$4.75 million from the closing proceeds of the TNB APA and the TMM APA (the “**Settlement Amount**”).
58. The Receiver agreed to seek approval of the Settlement Amount for the following reasons:
- a. the TNB APA and the TMM APA results in a better recovery than an auction of TNB’s equipment;
 - b. as described in previous reports, the New Brunswick Department of Environment and Local Government (“**DELG**”) advised the Receiver of DELG’s position that (i) any attempt by the Receiver to remove TNB’s equipment from the site would trigger an obligation to conduct an Environmental Impact Assessment in respect of the entire Caribou mine (an “**EIA**”), and (ii) such an EIA must be completed prior to the removal of TNB’s equipment from the site;
 - c. challenging DELG’s position through the courts or complying with the preparation of an EIA could result in substantial costs and associated delay;
 - d. the transactions contemplated by the TNB APA and the TMM APA could not close without the support of GNB, including consent to the LELA, the Funding Agreement, and the transfer of the Claims, Mineral Leases and Crown land leases; and
 - e. closing the TNB APA and the TMM APA would benefit other stakeholders including future employees of the mine, tax authorities, local businesses and suppliers.

59. As a result of the foregoing, the Receiver and GNB entered into the Settlement and Support Agreement, the principal terms of which are summarized as follows:

- a. upon closing the TNB APA, \$4 million will be paid by the Receiver to GNB from the TNB APA closing proceeds and \$750,000 will be paid by the Monitor, on behalf of TMM, to GNB from the TMM APA closing proceeds;
- b. the Receiver and the Monitor will seek the approval of this Honourable Court of the Settlement Amount pursuant to the Settlement and Support Agreement;
- c. upon the granting of the Settlement Order and the payment of the Settlement Amount by the Receiver and the Monitor, on behalf of TMM, GNB will release all claims against the residual closing proceeds from the TNB APA and the TMM APA; and
- d. GNB will consent to and support the Receiver's application with respect to the approval of the TNB APA and TMM APA.

60. The Receiver is advised by GNB's counsel that the Settlement and Support Agreement has received Cabinet approval and that it is on the Minister's desk for signing.

61. A copy of the finalized form of Settlement and Support Agreement is attached as Appendix D to this report.

TNB APA

62. The only remaining condition of the Term Sheet to be fulfilled is approval of the TNB APA and the granting of the TNB AVO.

63. A summary of the principal terms of the TNB APA are as follows:

- a. the purchase price for all of the Assets of TNB (as defined in the TNB APA) is \$6.5 million (the "**Purchase Price**");

- b. the deposit in the amount of \$225,000 will be applied on account of the Purchase Price at closing;
- c. at the time of signing the TNB APA, the target closing date was set as June 7, 2024, however by mutual agreement among the parties it has been extended to July 18, 2024;
- d. the Purchaser will promptly and in a timely manner provide written requests, execute and deliver all required documents and materials and perform all necessary and required actions to obtain the approvals to the transfer to the Purchaser of the Claims, the Mining Leases, and the Crown land leases;
- e. the Purchaser will assume all environmental liabilities associated with the mining assets subject to the LELA negotiated with GNB; and
- f. the Purchaser's obligation to close the TNB APA is subject to the Receiver obtaining an order of this Honourable Court expanding the Receivership Order to include the Real Property Assets and approving the TNB APA.

64. The Receiver's high-level comments with respect to the TNB APA are as follows:

- a. the Tender Process was fair and transparent and provided all participants with equal access to information and opportunity to submit an offer;
- b. the Purchase Price and other terms of the TNB APA are reasonable and fair considering its market value as determined through the Tender Process;
- c. the timelines, conditions and other key terms of the TNB APA are commercially reasonable in the circumstances, based on the Receiver's experience with similar transactions in the context of insolvency and restructuring proceedings;

- d. the Receiver is satisfied that BMC has the wherewithal to complete the transactions contemplated by the TNB APA;
 - e. the TNB APA cannot close without the support of GNB; and
 - f. the TNB APA will provide for a going-concern transaction to allow the potential operation and continued investment in the Caribou mine to the benefit of employees and the local community in and around Bathurst, New Brunswick, offering greater benefit than a forced liquidation of the Property.
65. Overall, the TNB APA is the best offer resulting from multiple sales processes and will result in reasonable recoveries to the stakeholders of TNB in a timely manner, and is in the best interests of TNB's stakeholders.

CLAIMS SUMMARY

66. As discussed above, a Claims Process was established in the CCAA Proceedings which included the evaluation of claims against TNB. There are three primary unresolved claims relating to TNB, as follows:
- a. XL Specialty Insurance Company (the “**XL Claim**”) which has filed a secured, contingent claim in the amount of \$6.6 million in relation to bonds it has issued in favour of GNB. It is expected that once a going-concern transaction is consummated in respect of TNB, this claim will be able to be determined;
 - b. the CRA in respect of post-filing amounts owing for HST totalling \$550,000, including penalties and interest of approximately \$38,000. A further \$976,000, including \$283,000 of interest and penalties, has been accepted in the CCAA Proceedings in respect of pre-filing HST amounts owing. The total balance of approximately \$1.5 million is primarily related to uncollected HST on sales to Glencore which were set off against amounts owing under its offtake agreement with TNB. Glencore disputes that this amount is owing and an application to resolve the matter is expected to be heard by this Honourable Court in the coming

months. The CRA has also recently filed a claim in the Receivership Proceedings and the Receiver is in the process of reconciling the new amounts claimed to what was previously submitted in the CCAA Proceedings; and

- c. Redpath Canada Limited in respect of a secured claim (the “**Redpath Claim**”) in the amount of \$7.9 million. The Redpath Claim remains unresolved pending a review of the claimed security.

67. There are also certain additional claimants that have filed liens against the real property of TNB, totalling approximately \$1.3 million. The Monitor anticipates addressing the status of the security of each of these claims prior to any application for a distribution order.

RECEIVER’S INTERIM STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

68. A summary of the Receiver’s cash receipts and disbursements for the period from January 24, 2023 to June 18, 2024, is summarized below:

Trevali NB Statement of Receipts and Disbursements Seventy-Three Week Period Ending June 18, 2024 (CAD Thousands)		Actual
Receipts		
Transfer of cash on hand	\$	216
Equipment rental fee		646
Vendor deposits		57
Bank interest		25
Total Receipts		943
Disbursements		
Insurance		(84)
Costs incurred to ready equipment for sale		(42)
Receiver's fees and expenses		(461)
Legal fees and expenses		(262)
GST		(16)
Other operating disbursements		(0)
Total Disbursements		(866)
Ending Cash	\$	77

69. The Receiver is holding approximately \$77,000 in its estate trust accounts, comprised of the following receipts and disbursements:

- a. cash of approximately \$216,000 that was transferred to the Receiver's estate accounts at the instruction of the Receiver;
- b. rental fees from DNRED of approximately \$646,000 covering the period to April 30, 2024;
- c. vendor deposits recovered by the Receiver totaling approximately \$57,000;
- d. insurance costs of \$84,000 for property and general liability coverage to July 24, 2024;
- e. costs incurred to prepare the equipment for sale of approximately \$42,000; and
- f. Receiver's fees and expenses and Receiver's legal counsel's fees and expenses of approximately \$461,000 and \$262,000, respectively.

NEXT STEPS

70. Over the course of the next several weeks, the Receiver and Monitor, where appropriate, intend to:

- a. complete the transactions contemplated by the TNB APA, subject to this Honourable Court granting the TNB AVO;
- b. resolve remaining outstanding creditor claims;
- c. resolve collection of outstanding HST amounts from Glencore with an application anticipated to be heard by this Honourable Court in September 2024; and

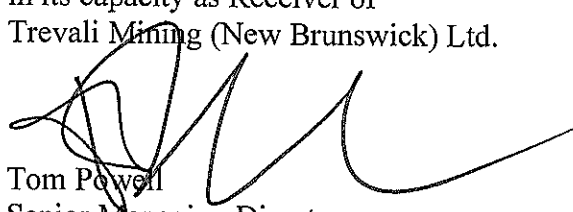
- d. return before this Honourable Court in the near future for the approval of a distribution order.

CONCLUSIONS AND RECOMMENDATIONS

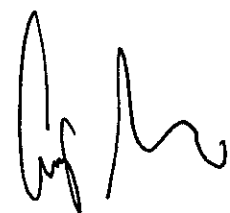
71. Overall, the transactions contemplated by the TNB APA represent the highest and best recoveries available to the stakeholders of TNB while allowing for the transition of the mine to new ownership and is in the best interests of TNB's stakeholders.
72. Given the transactions contemplated by the TNB APA and the TMM APA could not close without the support of GNB and the value and nature of GNB's claims, the Settlement Amount and Settlement and Support Agreement is commercially reasonable and appropriate in the circumstances.
73. Based on the forgoing, the Receiver respectfully recommends that this Honourable Court grant the following orders:
- a. the TNB AVO; and
 - b. the Settlement Order.

All of which is respectfully submitted this 5th day of July, 2024.

FTI Consulting Canada Inc.
in its capacity as Receiver of
Trevali Mining (New Brunswick) Ltd.



Tom Powell
Senior Managing Director



Craig Munro
Managing Director