



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

NINETEENTH REPORT OF THE MONITOR

March 25, 2025

## **NINETEENTH REPORT OF THE MONITOR**

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### **Appendix A – Fifth Wind-down Cash Flow Statement**

## INTRODUCTION

1. On August 19, 2022, 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. (“**FTI**”) as monitor in the CCAA Proceedings (in such capacity, 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 March 31, 2025 in respect of Trevali Corp.
3. On September 14, 2022, this Honourable Court granted 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.
4. On October 11, 2022, this Honourable Court granted an order authorizing and approving a settlement agreement (the “**Settlement Agreement**”) between the Applicants, the RCF Lenders, Glencore International AG, Glencore AG and Glencore Canada Corporation (collectively, “**Glencore**”) addressing the issues that 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 21, 2022, in connection with the SISP and relating to the Rosh Pinah mine, this Honourable Court granted an order, among other things, approving Trevali Corp.’s execution of a Share and Asset Purchase Agreement dated December 15, 2022, between Trevali Corp., as vendor, and Appian Natural Resources Fund III LP and Appian Natural

Resources (UST) Fund III LP (collectively, “**Appian**”), as purchasers (as amended from time to time, the “**Appian SAPA**”).

6. On January 9, 2023, this Honourable Court granted an order (the “**Receivership Order**”) appointing FTI as receiver (in such capacity, the “**Receiver**”) of all of the assets, undertakings and property of Trevali NB, including all proceeds thereof, other than any real property, mineral claims, mining leases, or real property leases owned or held by Trevali NB (collectively, the “**Property**”) effective on January 24, 2023.
7. On March 29, 2023, this Honourable Court granted:
  - a. an order (the “**CPO**”) approving a process for determining the nature and amounts of certain claims against the Applicants and their respective directors and officers (the “**Claims Process**”); and
  - b. an order appointing the members of the Ad Hoc Committee of Shareholders of Trevali Corp. (the “**Shareholder Representatives**”) as representatives of the interests of certain securities claimants and appointing KND Complex Litigation as counsel to the Shareholder Representatives.
8. On April 24, 2023, this Honourable Court granted an order (the “**Distribution Order**”) authorizing Trevali Corp. to distribute the net proceeds resulting from the transaction contemplated by the Appian SAPA (the “**Appian Transaction**”), and any other available proceeds, to The Bank of Nova Scotia as administrative agent for the RCF Lenders in an amount not to exceed the Outstanding Interim Financing Balance (as defined in the Settlement Agreement), plus the aggregate amounts owing under the Revolving Credit Facility and Glencore Facility (each as defined in the Settlement Agreement), subject to maintaining a holdback reserve and certain other conditions.
9. On June 23, 2023, the Appian Transaction was successfully completed and the net proceeds were distributed in accordance with the Distribution Order.

10. On June 28, 2023, this Honourable Court granted an order expanding the powers of the Monitor with respect to Trevali Corp. and its property (the “**EMP Order**”).
11. On November 7, 2023, this Honourable Court issued its Reasons for Judgement with respect to a dispute that arose regarding the Settlement Agreement. This Honourable Court granted an order (the “**Settlement Order**”) declaring that any payments made, or that may potentially be made, to or on behalf of Glencore pursuant to section 5 of the Settlement Agreement:
  - a. are not new or additional post-filing liabilities of Trevali Corp., Trevali NB or any entity in the Trevali Group (as defined in the Settlement Agreement);
  - b. have been, and shall only be, paid as a reduction of the amounts outstanding under the Glencore Facility; and
  - c. shall not exceed the amounts owing under the Glencore Facility (as set out in the Distribution Order).
12. On November 28, 2023, Glencore filed a Notice of Appeal of the Settlement Order, which was subsequently abandoned on December 22, 2023.
13. On February 22, 2024, this Honourable Court granted a sale approval and vesting order approving the sale of 5,750,000 common shares (the “**Prism Shares**”) in the share capital of Prism Resources Inc. to Agnico Eagle Mines Limited for the purchase price of CAD \$100,000.
14. On April 26, 2024, this Honourable Court granted an order that the proof of claim submitted by the Shareholder Representatives (the “**Shareholders’ Claim**”) is not subject to the CPO and that the Shareholders’ Claim be adjudicated through an alternative procedure including participation in mediation and the ability to apply to this Honourable Court for further directions in respect of the adjudication of the Shareholders’ Claim.

15. On April 27, 2024, the Receiver and Bathurst Metallic Corp. (the “**Purchaser**” or “**BMC**”) entered into an asset purchase agreement (the “**Trevali NB APA**”) to sell and assign to the Purchaser all of Trevali NB’s right, title and interest to the Assets (as defined in the Trevali NB APA) subject to an expansion of the definition of Property in the Receivership Order to include all of the assets, undertakings and property of Trevali NB, without any limitations. Concurrently, the Purchaser also agreed to purchase substantially all of the assets of Trevali Mining (Maritimes) Ltd. (“**TMM**”) as set out in an asset purchase agreement (the “**TMM APA**”) among TMM and the Purchaser.
16. 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 the Department of Natural Resources and Energy Development whereby GNB agreed to support the granting of the approval and vesting orders with respect to the Trevali NB APA and the TMM APA subject to the payment of a settlement amount to GNB.
17. Ultimately, BMC could not satisfy the terms of the TMM APA or Trevali NB APA to close the transactions and the Receiver and the Monitor did not seek approval and vesting orders with respect to the Trevali NB APA and the TMM APA.
18. On September 17, 2024, the Monitor and the Receiver filed an application for an order (the “**HST Order**”) that Glencore Canada Corporation (“**Glencore Canada**”) pay certain unpaid harmonized sales tax, plus interest and penalties payable thereon to Canada Revenue Agency (“**CRA**”), with respect to the sale of zinc and lead concentrate from the Caribou mine, which was opposed by Glencore Canada Corporation. This Honourable Court reserved its decision at the time of application.
19. On October 23, 2024, this Honourable Court granted an order extending the Stay of Proceedings with respect to the Trevali Corp. until March 31, 2025.
20. On December 13, 2024, this Honourable Court issued its Reasons for Judgement with respect to the application for the HST Order. This Honourable Court ordered that

Glencore Canada remit to the Receiver US\$1,129,129.60, plus applicable interest and penalties as assessed by the CRA (the “**Glencore HST Decision**”).

21. On January 2, 2025, Glencore Canada filed a Notice of Appeal and is seeking leave to appeal the Glencore HST Decision which hearing is now scheduled for May 15, 2025.
22. On March 11, 2025, a settlement agreement with respect to the Shareholders’ Claim was reached and on March 17, 2025, this Honourable Court granted an order lifting the stay of proceedings to allow the class action application to proceed and certifying the class action for settlement proposes. A further application to approve the settlement agreement has been scheduled before the honourable court on June 6, 2025.
23. On March 25, 2025, the Monitor filed a Notice of Application for an order (the “**Stay Extension Order**”):
  - a. extending the Stay of Proceedings with respect to Trevali Corp. until September 30, 2025;
  - b. approving the sale of any shares of Cerro de Pasco Resources Inc. (“**CDPR**”) by the Monitor; and
  - c. authorizing and empowering the Monitor to sell any remaining shares of CDPR held by Trevali Corp.

## **PURPOSE**

24. The purpose of this Nineteenth Report of the Monitor is to provide this Honourable Court and Trevali’s stakeholders with information with respect to:
  - a. the Monitor’s activities since last reported in the Eighteenth Report of the Monitor dated October 24, 2024 (the “**Eighteenth Report**”);

- b. the indemnity claims received by the Monitor with respect to the Indemnity Escrow Amount as defined in and provided for under the Appian APA (the “**Indemnity Claims**”);
- c. the various avenues of recovery that the Monitor is pursuing with respect to Trevali Corp.’s 90% owned subsidiary, Nantou Mining Burkina Faso S.A. (“**Nantou Mining**”);
- d. Trevali’s Corp.’s interest in CDPR and related arbitration proceedings;
- e. the potential transactions in the receivership proceedings of Trevali NB;
- f. Trevali Corp.’s actual cash receipts and disbursements for the 89-week period from the granting of the EMP Order to October 22, 2024, as compared to the cash flow statement included in the Eighteenth Report (the “**Fourth Wind-down Cash Flow Statement**”);
- g. an updated cash flow statement for the 33-week period ending on November 4, 2025 (the “**Fifth Wind-down Cash Flow Statement**”); and
- h. the Monitor’s application for the Stay Extension Order.

## **TERMS OF REFERENCE**

- 25. In preparing this report, the Monitor has relied upon certain information (the “**Information**”) including the Applicants’ unaudited financial information, books and records and discussions with former senior management of Trevali Corp. (“**Management**”).
- 26. 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.



27. 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.
28. 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.
29. Unless otherwise stated, all monetary amounts contained herein are expressed in United States dollars to be consistent with the Applicants' primary reporting currency.

#### **MONITOR'S ACTIVITIES**

30. Since the date of the Eighteenth Report, the Monitor's activities have included, among other things:
- a. reviewing and evaluating the Indemnity Claims, in conjunction with the Monitor's legal counsel;
  - b. progressing litigation in South Africa, with the assistance of former Management, Trevali Corp.'s insurance broker, Willis Towers Watson Brokerage, and agent counsel in South Africa, to pursue Trevali Corp.'s interest in an insurance claim totalling approximately \$7.5 million in respect of the tragic flooding incident in Burkina Faso that occurred at the mine operated by Nantou Mining in April 2022;
  - c. pursuing Trevali Corp.'s interest, with the assistance of former Management and its counsel, in the liquidation proceedings of Nantou Mining in Burkina Faso;
  - d. evaluating creditor claims and corresponding with claimants pursuant to the Claims Process;
  - e. corresponding with BMC to negotiate a revised TMM APA;

- f. commencing arbitration proceedings with respect to amounts owing to Trevali Corp. by CDPR and arranging the sale of shares of CDPR held by Trevali Corp.;
- g. reviewing and responding to the Glencore HST Appeal;
- h. reviewing materials with respect to the proposed settlement between the Shareholder Representatives and Trevali Corp. as well as certain other former directors; and
- i. preparing this Nineteenth Report.

## INDEMNITY CLAIMS

- 31. As discussed in previous reports, the SISP resulted in a sale of Trevali Corp.'s 90% interest in the Rosh Pinah mine, Trevali Corp.'s primary asset of value, by way of a sale of the shares of GLCR Limited, to Appian pursuant to the Appian SAPA, as subsequently assigned pursuant to an assignment agreement dated June 2, 2023, to ANR RP Limited, an Appian affiliate, as authorized in the Appian SAPA.
- 32. Pursuant to the Appian SAPA, the representations, warranties, covenants and obligations contained therein survived the closing and continued in full force and effect for a period of 18 months after the closing date, being December 23, 2024 (the "**Release Date**").
- 33. Indemnity claims under the Appian SAPA are first satisfied pursuant to the terms of the Indemnity Escrow Agreement dated June 23, 2023 (the "**Indemnity Escrow Agreement**"). The amount held by the escrow agent pursuant to the Appian SAPA and the Indemnity Escrow Agreement is USD \$9 million.
- 34. Trevali Corp. as an "Indemnifying Party" has received two Indemnity Claims with respect to the Appian SAPA:
  - a. a claim submitted by Rosh Pinah Zinc Corporation (Proprietary) Ltd. ("**RPZC**"), as a "Purchased Corporation" and "Indemnified Person", pursuant to Section

8.4(a) of the Appian SAPA, being a “Third Party Claim”, with respect to an income tax audit for fiscal year 2020 by the Namibian Revenue Agency (the “**Tax Indemnity Claim**”). The claimed damages are alleged to be at least \$2,452,996.63; and

- b. a claim submitted by RPZC and ANR RP Limited, both as “Indemnified Persons”, pursuant to Section 8.4(b) of the Appian SAPA, being a “Direct Claim”, with respect to alleged breaches of the Appian SAPA related to lead contamination at and around the Rosh Pinah mine (the “**Lead Indemnity Claim**”). The claimed damages are alleged to be at least \$12,081,950.45.

35. In accordance with the terms of the Appian SAPA, Trevali Corp. did not elect to assume the investigation and defense of the Tax Indemnity Claim. As such, RPZC has been responding to this claim and continues to progress that response with the Namibian Revenue Agency.

36. The Tax Indemnity Claim is awaiting a further determination by Namibian Revenue Agency with respect to RPZC’s response to the audit. Although no further Indemnity Claim has yet been advanced by RPZC, counsel for RPZC has advised that the Namibian Revenue Agency has recently expanded the scope of their audit to include the fiscal 2021 and 2022 years.

37. In accordance with the terms of the Appian SAPA and the Indemnity Escrow Agreement, Trevali Corp. has disputed both the Tax Indemnity Claim and the Lead Indemnity Claim.

38. The Lead Indemnity Claim, as a Direct Claim, was subject to a thirty-day period of good faith effort to resolve the dispute under the Appian SAPA. The Monitor, on behalf of Trevali Corp., and RPZC and ANR RP Limited engaged in such good faith discussions, but could not resolve the Lead Indemnity Claim.

39. The Monitor anticipates that RPZC and ANR RP Limited will commence a claim with respect to the Lead Indemnity Claim. Pursuant to the Appian SAPA, such a claim is to be

resolved by this Honourable Court within the CCAA Proceedings. The Monitor anticipates seeking directions from this Honourable Court once such an action is commenced regarding the adjudication of the Lead Indemnity Claim.

## **POTENTIAL NANTOU MINING RECOVERIES**

### **Burkina Faso Litigation Proceedings**

40. As previously reported in the Fifth Report of the Monitor dated December 12, 2022, and the Sixteenth Report dated April 22, 2024 (the “**Sixteenth Report**”), Trevali Corp. announced on October 6, 2022, that its 90% owned subsidiary Nantou Mining filed an application for liquidation with the Judicial Tribunal of Commerce in Burkina Faso. A liquidator was appointed on November 4, 2022.
41. On or about February 23, 2023, Trevali Corp. and Boundary Ventures Limited (“**Boundary Ventures**”), a subsidiary of Trevali Corp., filed claims in the liquidation proceedings of Nantou Mining (the “**Nantou Claims**”). Boundary Ventures is the direct parent of Nantou Mining and holds 90% of the issued and outstanding shares in the capital of Nantou Mining. There are loans outstanding between: a) Trevali Corp. as lender and Nantou Mining, as borrower; and b) Boundary Ventures, as lender and Nantou Mining, as borrower.
42. As last reported in the Eighteenth Report, in May 2024, following the submission of further details from Trevali Corp. and Boundary Ventures, the direct parent of Nantou Mining, the judge overseeing the proceedings rejected the Nantou Claims on the basis that Trevali Corp. and Boundary Ventures did not provide proof of the existence of their debts.
43. On or about May 27, 2024, an opposition (appeal) to the judge’s decision was filed by Trevali Corp. and Boundary Ventures.
44. On or about November 22, 2024, the appeal brought by Trevali Corp. and Boundary Ventures was denied.

45. Trevali Corp. and Boundary Ventures had a further right of appeal. With the assistance of counsel in Burkina Faso, Trevali Corp. determined that such a further appeal should be pursued. The hearing of the further appeal occurred over various dates in December and January and February 2025, and a decision is expected on or about March 31, 2025.

#### **South Africa Insurance Proceedings**

46. As detailed in the Sixteenth Report, Trevali Corp., with the assistance of counsel in South Africa, commenced an action against Sanlam Burkina Faso Société Anonyme (“**Sanlam BF**”) in the High Court of South Africa for the payment of \$7,634,216. This is the amount outstanding under the terms of various insurance policies with respect to the unanticipated flooding event at the Perkoa mine operated by Nantou Mining, which tragically resulted in several people losing their lives and caused significant damage to the property.

47. On April 15, 2024, Trevali Corp. obtained leave to sue Sanlam BF by way of edictal citation and served materials on Sanlam BF by email. As set out in the Eighteenth Report, on August 5, 2024, Sanlam BF filed certain pleas (defence statements), which raised various issues with respect to the insurance claim.

48. On August 16, 2024, Trevali Corp., with the assistance of counsel in South Africa, made certain procedural requests related to certain documents relied on in Sanlam BF’s pleas.

49. The Monitor, on behalf of Trevali Corp. and with the assistance of counsel in South Africa, continues to consider and prepare to advance further steps in this litigation. Specifically, Trevali Corp. continues to investigate the matters raised in Sanlam BF’s defence statement with Management and Willis Towers Watson Brokerage (Trevali Corp.’s insurance broker) to inform the next steps in this proceeding.

## CDPR

50. On or about November 5, 2021, CDPR entered into an agreement (the “**Trevali Peru Agreement**”) to acquire all of the shares of Trevali Peru S.A.C. (“**Trevali Peru**”), a wholly-owned subsidiary of Trevali Corp., from Trevali Corp.
51. The consideration payable by CDPR in respect of its purchase of Trevali Peru included the following:
- a. 10 million shares in CDPR (the “**CDPR Shares**”);
  - b. the sum of CAD \$1 million (the “**Base Cash Amount**”), and either:
    - i. plus the amount of excess working capital on the closing date; or
    - ii. less the amount of shortfall working capital on the closing date (collectively with the Base Cash Amount, the “**Cash Amount**”); and
  - c. a contingent amount of \$2.5 million, payable in accordance with the Trevali Peru Agreement (the “**Contingent Cash Amount**” and together with the Consideration Shares and Cash Amount, the “**Purchase Price**”).
52. As of December 2, 2024, the CDPR Shares were no longer subject to any trading restrictions pursuant to the Trevali Peru Agreement and related closing documents.
53. In February 2025, with advice from an experienced trading broker it engaged, the Monitor commenced a trading program to liquidate the CDPR Shares. To date, the Monitor has sold approximately half of its position resulting in net proceeds of approximately CAD \$1.35 million. The Monitor anticipates that the sale of the remaining CDPR Shares may result in proceeds exceeding the CAD \$2 million aggregate threshold in the ARIO and is seeking the approval of this Honourable Court to approve past sales and the sale of the remaining CDPR Shares held by Trevali Corp.

54. The Monitor is of view that this approach to realizing on the CDPR Shares is commercially reasonable and in the best interests of Trevali Corp. and its stakeholders for the following reasons, among others:

- a. the CDPR Shares are publicly traded;
- b. selling the CDPR Shares through an experienced broker is proportionate to the anticipated recoveries from the CDPR Shares;
- c. the selling price for the CDPR Shares is the current trading price and as such represents fair market value for the CDPR Shares;
- d. the timeline for liquidating the CDPR Shares is commercially reasonable in the circumstances, and based on the Monitor's experience more timely than identifying, negotiating, drafting and seeking approval of a block transaction;
- e. selling the CDPR Shares through a broker avoids any costs associated with negotiating, drafting and seeking approval of a block transaction; and
- f. the fees charged by the broker are fair, reasonable and based on the Monitor's experience consistent with industry standard broker fees.

55. In addition to liquidating the CDPR Shares, the Monitor has commenced arbitration proceedings in accordance with the Trevali Peru Agreement to recover the remaining balance of the Cash Amount and Contingent Cash Amounts owing.

56. The dispute resolution provisions of the Trevali Peru Agreement require arbitration before a single arbitrator in accordance with the Vancouver International Arbitration Centre rules. CDPR has responded in the arbitration proceedings and has brought a counterclaim seeking to set-off the amounts owing to Trevali Corp. under the Trevali Peru Agreement by way of counterclaim in the arbitration proceeding.

57. The arbitration proceedings are at a very early stage. The parties agreed to appoint Michael P. Carroll, KC as arbitrator and the parties appeared before the arbitrator for the initial procedural hearing on March 20, 2025 to discuss the procedural framework for the arbitration.

58. One of the issues that may require resolution by the CCAA Court before the arbitration proceedings can proceed is the extent to which CDPR can advance a claim against Trevali Corp. over and above a set off of the amount claimed by Trevali Corp. The Monitor will report back in due course to this Honourable Court in that regard.

#### **TMM APA**

59. As described above, the transactions contemplated by the Trevali NB APA and TMM APA failed to close by the outside date of August 30, 2024. The Receiver subsequently terminated the Trevali NB APA and the TMM APA with BMC on September 3, 2024.

60. The Receiver's decision to terminate the agreements was aided by the fact that other parties were expressing interest in both the Trevali NB assets and the TMM assets. After a series of discussions, on October 28, 2024, the Receiver signed a term sheet with Canadian Copper Inc. ("**CCI**") for the assets of Trevali NB (the "**Trevali NB Term Sheet**") that was similar in terms to the term sheet agreed to as between the Receiver and BMC.

61. Pursuant to the Trevali NB Term Sheet, CCI'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 CCI;
- b. completing legal and financial due diligence;



- c. negotiating and settling the terms of the LELA; and
  - d. negotiating and settling the terms of the process and timing of the handover of care and maintenance responsibilities from GNB to CCI.
62. The deadline for satisfying or waiving the conditions precedent is March 31, 2025.
63. Upon signing the Trevali NB Term Sheet, CCI remitted a deposit in trust to the Receiver's legal counsel in the amount of \$225,000 comprised of:
- a. a non-refundable amount of \$100,000 (the "**Exclusivity Fee**") immediately available to the Receiver; and
  - b. a refundable amount of \$125,000 to be credited toward the purchase price on closing.
64. The Exclusivity Fee was in consideration of the Receiver agreeing to a period of exclusivity with CCI for the period ending March 31, 2025, or such further date as agreed to by the Receiver in its sole discretion.
65. As at the date of this report, the transaction appears to be progressing well, however the deadline for the removal of the conditions precedent may need to be extended due to delays in commencing negotiations with DNRED due to the provincial election in the province of New Brunswick in late 2024.
66. Upon hearing of the Trevali NB Term Sheet with CCI, BMC reached out to the Receiver to enquire about the status of the TMM assets. BMC advised the Receiver that although its fundraising efforts were not successful in closing the Trevali NB APA or the TMM APA, it was confident that it could raise the funds necessary to acquire the TMM assets.
67. The Receiver entered into discussions with BMC and signed a new term sheet on January 3, 2025 (the "**TMM Term Sheet**").

68. Pursuant to the TMM Term Sheet, BMC's obligation to complete the purchase of the assets of TMM is subject to the following conditions precedent:

- a. entering into a memorandum of understanding regarding the intended terms of the LELA and the process and timing of hand over of care and maintenance from GNB to BMC;
- b. completing legal and financial due diligence;
- c. negotiating and settling the terms of the LELA;
- d. negotiating and settling the terms of the process and timing of the handover of care and maintenance responsibilities from GNB to BMC.

69. The deadline for satisfying or waiving conditions precedent (b) was January 31, 2025, which was waived by BMC.

70. The deadline for satisfying or waiving conditions precedent (a), (c) and (d) was February 28, 2025 which has since been extended to March 28, 2025.

71. Upon signing the TMM Term Sheet, BMC remitted a deposit in trust to the Receiver's legal counsel in the amount of \$100,000 comprised of:

- a. a non-refundable amount of \$50,000 (the "**Second Exclusivity Fee**") immediately available to the Receiver; and
- b. a refundable amount of \$50,000 to be credited toward the purchase price on closing.

72. The Second Exclusivity Fee was in consideration of the Receiver agreeing to a period of exclusivity with BMC for a period ending on March 15, 2025, or such further date as

agreed to by the Receiver in its sole discretion. The Receiver has currently agreed to an extension of the exclusivity period to March 28, 2025.

73. As at the date of this report, both DNRED and the Receiver are awaiting confirmation from BMC of its ability to close. Upon confirmation, DNRED will seek the approval of the government of New Brunswick for the TMM sale.

74. As indicated in the Eighteenth Report, TMM is a subsidiary of TMC but currently not a petitioner in these proceedings. Should the TMM sale proceed, the Monitor would need to seek this Honourable Court's approval to add TMM as a petitioner for purposes of facilitating the sale transaction to BMC.

#### **CASH FLOW VARIANCE ANALYSIS**

75. Trevali Corp.'s actual cash receipts and disbursements as compared to the Fourth Wind-down Cash Flow Statement for the 89-week period ended March 11, 2025, are summarized below:

Trevalli Corp. Cash Flow Variance Analysis Eighty-Nine Week Period Ended March 11, 2025 (USD thousands)				Actual	Forecast	Variance
<b>Operating Receipts</b>						
Other Receipts	\$	1,464	\$	1,271	\$	193
<b>Total Receipts</b>		<b>1,464</b>		<b>1,271</b>		<b>193</b>
<b>Operating Disbursements</b>						
Payroll and Benefits		126		126		-
Contractors and Consultants		318		441		123
Restructuring Professional Fees		1,717		1,938		221
Other Professional Fees		24		9		(15)
Other Operating Disbursements		26		122		96
<b>Total Operating Disbursements</b>		<b>2,212</b>		<b>2,637</b>		<b>425</b>
<b>Net Change in Cash from Operations</b>		<b>(748)</b>		<b>(1,366)</b>		<b>618</b>
<b>Financing</b>						
Secured Lender Repayment		(1,673)		(1,673)		-
Working Capital Escrow		3,433		3,433		-
<b>Net Change in Cash from Financing</b>		<b>1,760</b>		<b>1,760</b>		<b>-</b>
<b>Effect of Foreign Exchange Translation</b>		<b>(37)</b>		<b>(14)</b>		<b>(23)</b>
<b>Net Change in Cash</b>		<b>975</b>		<b>380</b>		<b>596</b>
<b>Opening Cash</b>		<b>4,152</b>		<b>4,152</b>		<b>-</b>
<b>Ending Cash</b>	\$	<b>5,128</b>	\$	<b>4,532</b>	\$	<b>596</b>

76. Highlights of the cash flow variance analysis are summarized as follows:

- a. other receipts include interest on cash deposits, the return of certain restructuring professional fee retainers and the Second Exclusivity Fee in accordance with the revised TMM APA; and
- b. restructuring professional fees include costs incurred in respect of the ongoing administration of the CCAA Proceedings. A summary of the professional fee disbursements incurred since the date of the EMP Order is set out in the table below:

Professional Fee Summary					
Eighty-Nine Week Period Ended March 11, 2025					
(USD thousands)					
Firm	Role	Fees	Disbursements	Taxes	Total
Blakes, Cassels & Graydon LLP	Counsel to Trevali	\$ 291	\$ 1	\$ 35	\$ 327
FTI Consulting Canada Inc.	Monitor	529	2	27	558
Dentons Canada LLP	Monitor's Counsel	558	102	76	736
Conyers Dill and Pearman Limited	Foreign Counsel to the Monitor	35	42	-	77
Yanogo Bobson	Foreign Counsel to the Monitor	19	-	-	19
<b>Total</b>		<b>\$ 1,433</b>	<b>\$ 147</b>	<b>\$ 137</b>	<b>\$ 1,717</b>

## FIFTH WIND-DOWN CASH FLOW STATEMENT

77. The Monitor has prepared the Fifth Wind-down Cash Flow Statement to set out the liquidity requirements and cash position of Trevali Corp. during the forecast period (the “Forecast Period”). A copy of the Fifth Wind-down Cash Flow Statement is attached as Appendix “A”.

78. A summary of the Fifth Wind-down Cash Flow Statement is set out in the following table:

Trevali Corp. Fifth Wind-down Cash Flow Statement Twenty-Nine Week Period Ended September (USD thousands)				Weeks 46-134 Actual	Weeks 135-163 Forecast	Weeks 46-163 Total
<b>Operating Receipts</b>						
Other Receipts	\$	1,464	\$	1,350	\$	2,814
<b>Total Receipts</b>		<b>1,464</b>		<b>1,350</b>		<b>2,814</b>
<b>Operating Disbursements</b>						
Payroll and Benefits		126		-		126
Contractors and Consultants		318		175		493
Restructuring Professional Fees		1,717		875		2,592
Other Professional Fees		24		-		24
Other Operating Disbursements		26		100		126
<b>Total Operating Disbursements</b>		<b>2,212</b>		<b>1,150</b>		<b>3,362</b>
<b>Net Change in Cash from Operations</b>		<b>(748)</b>		<b>200</b>		<b>(548)</b>
<b>Financing</b>						
Secured Lender Repayment		(1,673)		-		(1,673)
Working Capital Escrow		3,433		-		3,433
<b>Net Change in Cash from Financing</b>		<b>1,760</b>		<b>-</b>		<b>1,760</b>
<b>Effect of Foreign Exchange Translation</b>		<b>(37)</b>		<b>-</b>		<b>(37)</b>
<b>Net Change in Cash</b>		<b>975</b>		<b>200</b>		<b>1,175</b>
<b>Opening Cash</b>		<b>4,152</b>		<b>5,128</b>		<b>4,152</b>
<b>Ending Cash</b>	\$	<b>5,128</b>	\$	<b>5,328</b>	\$	<b>5,328</b>

79. The Fifth Wind-down Cash Flow Statement is based on the following key assumptions:

- a. opening cash of approximately \$5.1 million is presented exclusive of \$1.3 million held in respect of the D&O Charge (as defined in the ARIQ);
- b. other receipts include the receipt of proceeds of the CDPR Shares sold to date but does not include recoveries on remaining assets that may be realized during the Forecast Period including the potential recoveries from the Indemnity Escrow Amount as defined in and provided for under the Appian SAPA;
- c. the Monitor anticipates requiring the assistance of former key Management personnel retained on hourly contracts to assist with post-closing matters related

to the Appian SAPA, including claims against the Indemnity Escrow Amount, evaluation of claims and realization of assets;

- d. restructuring professional fees include accrued and projected fees and disbursements for the Monitor and the Monitor's legal counsel; and
- e. Trevali Corp. anticipates incurring certain overhead costs in order to, among other things, preserve and maintain access to company records and information systems.

#### **STAY EXTENSION**

80. The Monitor's comments with respect to the application for the Stay Extension Order are as follows:

- a. the Stay Extension will allow the Monitor time to attend to remaining matters, including among other things:
  - i. resolving the Tax Indemnity Claim and the Lead Indemnity Claim filed against the Indemnity Escrow Amount;
  - ii. evaluating and determining unresolved creditor claims;
  - iii. continuing with the sale of the CDPR Shares and arbitration proceedings;
  - iv. continuing to pursue the Nantou Claims in the liquidation proceedings and insurance matters of Nantou Mining;
  - v. continuing with efforts to realize on the assets of Trevali NB as well as TMM; and
  - vi. otherwise administering Trevali Corp.'s estate;

- b. the Fifth Wind-down Cash Flow Statement forecasts that Trevali Corp. will have sufficient liquidity during the period of the Stay Extension;
- c. there is not any material financial prejudice to Trevali Corp.'s creditors as a result of the Stay of Proceedings being extended to September 30, 2025; and
- d. Trevali Corp. is acting in good faith and with due diligence to progress these proceedings.

#### **CONCLUSION AND RECOMMENDATION**

81. The Monitor's current trading program in respect of the CDPR Shares is intended to maximize the recoveries to the estate and is in the best interest of its stakeholders. The Stay Extension will allow the Monitor time to pursue the remaining other avenues of recovery, including resolving, among other things, the indemnity claims advanced under the Appian SAPA and against the Indemnity Escrow Amount.

82. Based on the foregoing, the Monitor respectfully recommends that this Honourable Court grant the Stay Extension Order as well as the Order sought in relation to the sale of the CDPR Shares.

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All of which is respectfully submitted this March 25, 2025.

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



Tom Powell  
Senior Managing Director



Mike Clark  
Managing Director



## **Appendix A**

### **Fifth Wind-down Cash Flow Statement**

