



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

**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 Eighth Report of the Monitor dated January 25, 2023 (the "Eighth Report").

This Requisition is supported by the following:

1. The Eighth 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 Eighth Report to the parties in this proceeding and to post a filed copy on the Monitor's website.

Date: 25/JAN/2023

Signature of lawyer for filing party  
Eamonn Watson

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



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**AND**

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TREVALI MINING CORPORATION AND TREVALI MINING CORPORATION (NEW  
BRUNSWICK) LTD.**

**PETITIONERS**

**EIGHTH REPORT OF THE MONITOR**

**JANUARY 25, 2023**

# EIGHTH REPORT OF THE MONITOR

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**Appendix A** – Letter from the Province of New Brunswick dated January 24, 2023

**Appendix B** – Trevali Corp. Cash Flow Statement for the 37-week period ending May 2, 2023

**Appendix C** – Fourth Rosh Pinah Cash Flow Statement for the 37-week period ending May 2, 2023

## 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. (“**FTI**”) 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 January 27, 2023 in respect of Trevali Corp., and January 24, 2023 in respect of Trevali NB.
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 US\$800,000 (the “**KERP Charge**”).
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, 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 (the “**Interim Lenders’ Charge**”); and

- b. an order authorizing and approving a 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 will 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 SISF and relating to the Rosh Pinah Mine, this Honourable Court granted an order (the “**AVO**”), 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 (the “**Appian SPA**”).
6. On January 9, 2023, this Honourable Court granted the following orders:
  - a. an order (the “**Receivership Order**”) appointing FTI as Receiver, without security, of all of the assets, undertakings and property of Trevali NB, including all proceeds thereof, other than any real property, mineral claims, mining leases, real property leases owned or held by Trevali NB (collectively, the “**Property**”) and an order excluding from the Property an amount (the “**Employment Amount**”) sufficient to pay statutory severance and retention bonuses to employees of Trevali NB as of January 24, 2023 at 11:59pm PST (the “**Appointment Time**”), with any excess funds from the Employment Amount to be delivered to the Receiver; 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 Trevali NB (the “**Equipment**”), on terms and conditions consistent with the terms agreed to by DNRED, the RCF Administrative Agent, on behalf of the RCF Lenders, Glencore Canada Corporation and Trevali NB (the “**Rental Terms**”) from the commencement of the rental term until and including March 15, 2023 in exchange for payment of \$198,000 (the “**Rental Fee**”), and an order extending the Stay of Proceedings in respect of Trevali NB until and including January 24, 2023.
7. On January 24, 2023, the Applicants filed a Notice of Application for an order (the “**Stay Extension Order**”) extending the Stay of Proceedings with respect to Trevali Corp. until and including April 30, 2023 (the “**Stay Extension**”).

## **PURPOSE**

8. The purpose of this Eighth Report is to provide this Honourable Court and the Applicants’ stakeholders with information with respect to:
  - a. an update on the SISP;
  - b. an update with respect to Trevali NB including FTI’s activities in respect of the Receivership Order and preparation for the transition of the real property, mineral claims, mining leases and real property leases owned or held by Trevali NB to the stewardship of DNRED;
  - c. the Applicants’ actual cash receipts and disbursements for the 21-week period ended January 10, 2023 (the “**Reporting Period**”) as compared to the cash flow statement included in the Fifth Report of the Monitor dated December 12, 2022 (the “**Fourth Cash Flow Statement**”);

- d. updated cash flow statements for the 37-week period ending May 2, 2023 (the “**Forecast Period**”) with respect to Trevali Corp. (the “**Trevali Corp. Cash Flow Statement**”) and the Rosh Pinah mine (the “**Fourth Rosh Pinah Cash Flow Statement**”), including the key assumptions on which the cash flow statements are based; and
- e. Trevali’s application for the Stay Extension.

## **TERMS OF REFERENCE**

- 9. 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 senior management (“**Management**”).
- 10. 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.
- 11. 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.
- 12. 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.
- 13. Unless otherwise stated, all monetary amounts contained herein are expressed in United States dollars to be consistent with the Applicants’ primary reporting currency.
- 14. Capitalized terms not otherwise defined herein are as defined in the First Report of the Monitor in these CCAA Proceedings dated August 26, 2022.

## UPDATE ON THE SISP

15. The Applicants have been working diligently towards the anticipated closing of the transaction contemplated by the Appian SPA (the “**Appian Transaction**”), including:
- a. supporting Appian with its efforts to obtain the requisite Namibian regulatory approvals, including:
    - i. the Namibian Competition Commission;
    - ii. the exchange control approvals pursuant to the Namibian *Exchange Control Regulations, 1961* including any authorization required from the Bank of Namibia in connection with the flow of funds pursuant to the Appian SPA; and
    - iii. if required, the unconditional consent, approval or waiver by the Namibian Minister of Land Reform affirming the approval of the acquisition of agricultural land, or the deemed acquisition thereof, by Appian;
  - b. providing operational and financial information to Appian in line with pre-closure protocols;
  - c. attending transition meetings with Appian on January 11, 2023 and January 18, 2023;
  - d. attending an Appian site visit to Rosh Pinah during the week of January 23<sup>rd</sup>, 2023;
  - e. preparing for an in-person meeting with minority shareholders of the Rosh Pinah mine and Appian, accompanied by Trevali executives and the Monitor, to be held on January 26, 2023; and



- f. preparing for the pre-closing reorganization specified in the Appian SPA, which is planned to occur shortly before closing.
16. The Applicants have extended the Outside Closing Date, as defined in the SISP, with the consent of the Monitor, following consultation by the Monitor with the RCF Administrative Agent and Glencore. The Outside Closing Date was previously extended from December 30, 2022 to January 31, 2023 and the Applicants have now extended the Outside Closing Date to April 30, 2023.
17. In these CCAA Proceedings, Trevali Corp. obtained the Interim Financing Tranche from the RCF Lenders. The RCF Administrative Agent, the RCF Lenders and Trevali Corp. are advancing the terms of an amendment agreement relating to the Interim Financing Tranche, to reflect the extension of the Outside Closing Date.
18. The Monitor understands that the parties intend to close the Transaction during the proposed Stay Extension.

## **TREVALI NB**

19. The Monitor and Management held a meeting with the DNRED and respective legal counsel on January 18, 2023 to discuss the planned transition of care and maintenance operations and stewardship of the Caribou mine to DNRED following the expiry of the Stay of Proceedings in respect of Trevali NB at 11:59pm on January 24, 2023.
20. The Monitor has been advised that DNRED's contractor attended the site, engaged in conversations with existing mine employees and performed other due diligence to enable an orderly transition.
21. DNRED and Trevali NB, have agreed to Rental Terms, including a list of equipment to be rented by DNRED for use in respect of its care and maintenance activities. The Monitor has been advised that as of January 24, 2023, the Rental Fee was not yet received by the Applicants.

22. FTI met with Trevali NB management on January 24, 2023, in advance of the Appointment Time and took possession of the Property on January 25, 2023. Following the Appointment Time, while FTI, in its capacity as Receiver, plans to observe and document all of the Property, DNRED will be provided with access to certain equipment in accordance with the Rental Terms.
23. On January 24, 2023, the Monitor received a letter (the “**EIA Letter**”) addressed to the then sole director of Trevali NB from the Environmental Impact Assessment Branch of the Department of Environment and Local Government at the Province of New Brunswick advising that, with respect to the Caribou and Restigouche mines, no modification, abandonment, or demolition activities may proceed without the authorization of the Department of Environment and Local Government. Attached as Appendix “A” to this Eighth Report is a copy of the EIA Letter.
24. FTI does not have a thorough understanding of the implications of the EIA Letter and has engaged in discussions with counsel to the Province of New Brunswick in an effort to determine same.
25. The Monitor understands that the sole director of Trevali NB has resigned as of January 25, 2023 and FTI, in its capacity as Receiver, is exploring the possibility of assigning the company into bankruptcy, in accordance with the terms of the Receivership Order.

## **CASH FLOW VARIANCE ANALYSIS**

### **Trevali Corp. and Trevali NB**

26. The Monitor has undertaken weekly reviews of Trevali’s actual cash flows in comparison to those contained in the Fourth Cash Flow Statement. Trevali’s actual cash receipts and disbursements as compared to the Fourth Cash Flow Statement for the period of August 17, 2022 to January 10, 2023, are summarized below:

<b>Trevali Corp. and Trevali NB</b>			
<b>Cash Flow Variance Analysis</b>			
<b>Twenty One Week Period Ended January 10, 2023</b>			
<i>(USD\$ thousands)</i>	<b>Actual</b>	<b>Forecast</b>	<b>Variance</b>
<b>Operating Receipts</b>			
Other Receipts	170	158	12
<b>Total Receipts</b>	<b>170</b>	<b>158</b>	<b>12</b>
<b>Operating Disbursements</b>			
Payroll and Benefits	2,961	3,074	113
Trade Accounts Payable	1,705	2,571	866
Utilities	517	547	30
Operating Leases	228	232	5
Insurance	814	857	44
Restructuring Professional Fees	4,030	5,241	1,211
Other Professional Fees	-	120	120
Other Operating Disbursements	82	332	250
<b>Total Operating Disbursements</b>	<b>10,336</b>	<b>12,974</b>	<b>2,638</b>
<b>Net Change in Cash from Operations</b>	<b>(10,166)</b>	<b>(12,817)</b>	<b>2,650</b>
<b>Financing</b>			
Intercompany Receipts / (Disbursements)	(18,600)	(16,039)	(2,561)
Interim financing	13,000	13,000	-
<b>Net Change in Cash from Financing</b>	<b>(5,600)</b>	<b>(3,039)</b>	<b>(2,561)</b>
<b>Effect of Foreign Exchange Translation</b>	<b>(111)</b>	<b>(121)</b>	<b>10</b>
<b>Net Change in Cash</b>	<b>(15,877)</b>	<b>(15,977)</b>	<b>100</b>
<b>Opening Cash</b>	<b>18,589</b>	<b>18,589</b>	<b>-</b>
<b>Ending Cash</b>	<b>\$ 2,712</b>	<b>\$ 2,612</b>	<b>\$ 100</b>

27. Overall, the Applicants realized a favourable net cash flow variance of approximately \$100,000. The key components of the variance are as follows:

- a. trade accounts payable and other operating disbursements were lower than forecast due to cost containment initiatives and timing differences;
- b. restructuring professional fees were lower than forecast due to timing differences and fewer workstreams than expected;

- c. a summary of the professional fee disbursements incurred in the CCAA Proceedings to date is set out in the table below:

Professional Fee Summary					
Twenty One Week Period Ended January 10, 2023					
<i>(USD\$ thousands)</i>					
Firm	Role	Fees	Disbursements	Taxes	Total
Blakes, Cassels & Graydon LLP	Counsel to Trevali	1,034	3	124	1,161
FTI Consulting Canada Inc.	Monitor	699	28	36	763
Dentons Canada LLP	Monitor's Counsel	217	4	26	247
Alvarez & Marsal Canada Inc.	RCF Lenders' Financial Advisor	481	12	25	517
Fasken Martineau DuMoulin LLP	RCF Lenders' Counsel	399	1	58	458
National Bank Financial	Financial Advisor	400	1	20	421
Black Swan Advisors Inc.	Advisor to the Special Committee	366	3	44	413
Osler, Hoskin & Harcourt LLP	Independent Board of Directors Counsel	3	-	0	3
Other	Foreign Counsel to Trevali	44	1	1	46
<b>Total</b>		<b>\$ 3,642</b>	<b>\$ 53</b>	<b>\$ 335</b>	<b>\$ 4,030</b>

- d. intercompany disbursements are higher than forecast due to an intercompany funding transfer from Rosh Pinah to Trevali Corp. previously forecast for the week ending January 10, 2023 being postponed to the week ending January 24, 2023 as a result of favorable cash flow variances.

28. As discussed in the Seventh Report of the Monitor, dated January 8, 2023, a disbursement of \$125,000 was to be paid during the week ending January 10, 2023 to fund a trust account in support of statutory severance amounts and KERP entitlements of certain Trevali NB employees. Trevali NB instead paid these amounts directly to the affected employees immediately prior to the Appointment Time, along with any stub-period and vacation amounts owing.

### **Rosh Pinah**

29. The actual cash receipts and disbursements incurred by Rosh Pinah as compared to the Third Rosh Pinah Cash Flow Statement for the period of August 17, 2022 to January 10, 2023, are summarized below:

<b>Rosh Pinah</b>			
<b>Cash Flow Variance Analysis</b>			
<b>Twenty One Week Period Ended January 10, 2023</b>			
<i>(USDS thousands)</i>	<b>Actual</b>	<b>Forecast</b>	<b>Variance</b>
<b>Operating Receipts</b>			
Sales	32,534	30,515	2,020
Other Receipts	4,145	2,397	1,748
<b>Total Receipts</b>	<b>36,680</b>	<b>32,912</b>	<b>3,768</b>
<b>Operating Disbursements</b>			
Sales Expenses	4,056	4,153	97
Payroll and Benefits	6,267	6,330	64
Trade Accounts Payable	13,804	13,956	153
Utilities	2,864	2,881	17
Insurance	105	195	90
Tax	2,392	4,044	1,652
Capital Expenditures	9,738	10,579	841
Other Operating Disbursements	179	537	358
<b>Total Operating Disbursements</b>	<b>39,404</b>	<b>42,676</b>	<b>3,272</b>
<b>Net Change in Cash from Operations</b>	<b>(2,724)</b>	<b>(9,764)</b>	<b>7,040</b>
<b>Financing</b>			
Intercompany Receipts / (Disbursements)	18,600	16,039	2,561
<b>Net Change in Cash from Financing</b>	<b>18,600</b>	<b>16,039</b>	<b>2,561</b>
<b>Effect of Foreign Exchange Translation</b>	<b>(167)</b>	<b>(282)</b>	<b>114</b>
<b>Net Change in Cash</b>	<b>15,709</b>	<b>5,994</b>	<b>9,715</b>
<b>Opening Cash</b>	<b>1,588</b>	<b>1,588</b>	<b>-</b>
<b>Ending Cash</b>	<b>\$ 17,296</b>	<b>\$ 7,581</b>	<b>\$ 9,715</b>

30. Rosh Pinah realized a favourable variance of approximately \$9.7 million during the period. The key components of the variance are as follows:

- a. a positive variance in sales receipts is the result of higher than forecast zinc and lead prices, with grade and volume improvements over the forecast in respect of the zinc concentrate shipments also contributing to the variance;
- b. a timing difference in other receipts relates to a VAT receipt that was collected earlier than anticipated;

- c. sale expenses, trade accounts payable, and operating disbursements were lower than forecast primarily due to timing differences;
- d. tax expenditures were lower than forecast as a result of refinements to 2022 corporate tax estimates;
- e. the favourable variance in capital expenditure disbursements is a result of timing of payments and Management's ongoing efforts to minimize costs while preserving value at the Rosh Pinah mine; and
- f. intercompany receipts are higher than forecast as a result of intercompany transfers from Rosh Pinah to Trevali Corp. being moved from the week ended January 10, 2023 to the week ending January 24, 2023.

## **CASH FLOW STATEMENTS**

### **Trevali Corp.**

- 31. Management, in conjunction with the Monitor, has prepared the Trevali Corp. Cash Flow Statement setting out the liquidity requirements and cash position of Trevali Corp. during the Forecast Period. A copy of the Trevali Corp. Cash Flow Statement is attached as Appendix "B".
- 32. A summary of the Trevali Corp. Cash Flow Statement is set out in the below table:

<b>Trevali Corp.</b>			
<b>Cash Flow Statement</b>			
<b>Thirty Seven Week Period Ended May 2, 2023</b>	<b>Weeks 1-21</b>	<b>Weeks 22-37</b>	<b>Weeks 1-37</b>
<b>(USD\$ thousands)</b>	<b>Actual</b>	<b>Forecast</b>	<b>Total</b>
<b>Operating Receipts</b>			
Other Receipts	148	-	148
<b>Total Receipts</b>	<b>148</b>	<b>-</b>	<b>148</b>
<b>Operating Disbursements</b>			
Payroll and Benefits	1,692	1,088	2,780
Trade Accounts Payable	724	1,323	2,047
Operating Leases	197	155	352
Insurance	808	197	1,005
Restructuring Professional Fees	4,030	3,615	7,645
Other Professional Fees	-	120	120
Other Operating Disbursements	42	452	494
<b>Total Operating Disbursements</b>	<b>7,493</b>	<b>6,950</b>	<b>14,443</b>
<b>Net Change in Cash from Operations</b>	<b>(7,346)</b>	<b>(6,950)</b>	<b>(14,295)</b>
<b>Financing</b>			
Intercompany Receipts / (Disbursements)	(18,600)	3,090	(15,510)
Interim financing	13,000	2,000	15,000
<b>Net Change in Cash from Financing</b>	<b>(5,600)</b>	<b>5,090</b>	<b>(510)</b>
<b>Effect of Foreign Exchange Translation</b>	<b>(63)</b>	<b>-</b>	<b>(63)</b>
<b>Net Change in Cash</b>	<b>(13,009)</b>	<b>(1,860)</b>	<b>(14,868)</b>
<b>Opening Cash</b>	<b>15,342</b>	<b>2,333</b>	<b>15,342</b>
<b>Ending Cash</b>	<b>\$ 2,333</b>	<b>\$ 474</b>	<b>\$ 474</b>

33. The Trevali Corp. Cash Flow Statement is based on the following key assumptions:

- a. payroll and benefits reflect the retention of certain key employees relevant to the SISP, including a third payment under the KERP which is forecast to occur during the week ending April 4, 2023;
- b. operating disbursements relate primarily to ordinary course payments to run Trevali's head office;
- c. insurance costs of approximately \$200,000 relate to an extension of the Applicants' director and officer liability coverage until May 2023;

- d. restructuring professional fees are forecast to be approximately \$3.6 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;
- e. an intercompany funding transfer of approximately \$3.1 million is expected to be made during the week ending January 24, 2023. The cash flows associated with Rosh Pinah are set out in the Fourth Rosh Pinah Cash Flow Statement which is summarized further in the following section; and
- f. interim financing draws totalling \$2.0 million are expected to be required to meet Trevali Corp.'s liquidity requirements during the period including the weeks ending April 4, 2023 and April 18, 2023.

### **Rosh Pinah**

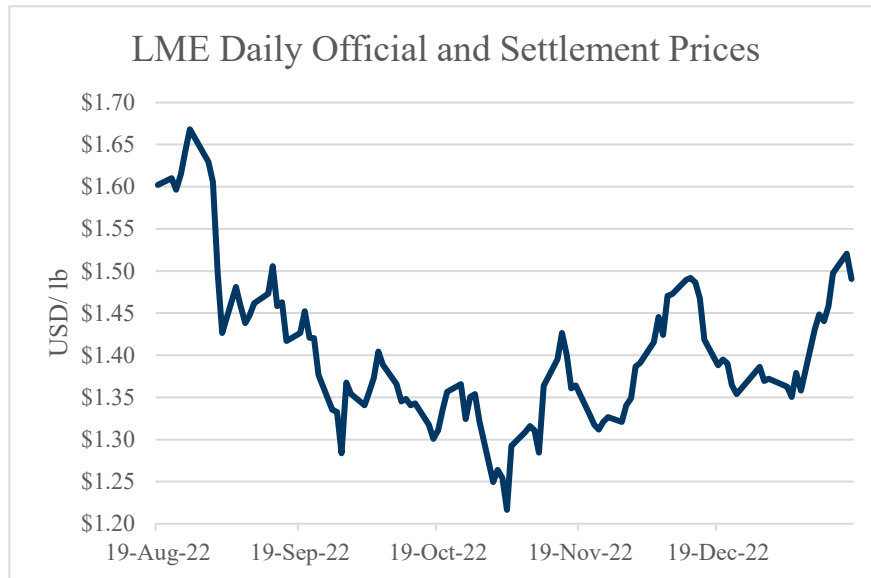
- 34. Management has prepared the Fourth Rosh Pinah Cash Flow Statement to set out the liquidity requirements of Rosh Pinah during the Forecast Period, a copy of which is attached as Appendix "C".
- 35. A summary of the Fourth Rosh Pinah Cash Flow Statement is set out in the below table:



<b>Rosh Pinah</b>			
<b>Cash Flow Statement</b>			
<b>Thirty Seven Week Period Ended May 2, 2023</b>	<b>Weeks 1-21</b>	<b>Weeks 22-37</b>	<b>Weeks 1-37</b>
<b>(USD\$ thousands)</b>	<b>Actual</b>	<b>Forecast</b>	<b>Total</b>
<b>Operating Receipts</b>			
Sales	32,534	17,716	50,251
Other Receipts	4,145	1,147	5,292
<b>Total Receipts</b>	<b>36,680</b>	<b>18,863</b>	<b>55,543</b>
<b>Operating Disbursements</b>			
Sales Expenses	4,056	3,935	7,991
Payroll and Benefits	6,267	6,701	12,967
Trade Accounts Payable	13,804	12,809	26,613
Utilities	2,864	2,431	5,295
Insurance	105	220	325
Tax	2,392	622	3,014
Capital Expenditures	9,738	3,896	13,633
Other Operating Disbursements	179	80	259
<b>Total Operating Disbursements</b>	<b>39,404</b>	<b>30,694</b>	<b>70,098</b>
<b>Net Change in Cash from Operations</b>	<b>(2,724)</b>	<b>(11,830)</b>	<b>(14,554)</b>
<b>Financing</b>			
Intercompany Receipts / (Disbursements)	18,600	(3,090)	15,510
<b>Net Change in Cash from Financing</b>	<b>18,600</b>	<b>(3,090)</b>	<b>15,510</b>
<b>Effect of Foreign Exchange Translation</b>	<b>(167)</b>	<b>-</b>	<b>(167)</b>
<b>Net Change in Cash</b>	<b>15,709</b>	<b>(14,920)</b>	<b>788</b>
<b>Opening Cash</b>	<b>1,588</b>	<b>17,296</b>	<b>1,588</b>
<b>Ending Cash</b>	<b>\$ 17,296</b>	<b>\$ 2,376</b>	<b>\$ 2,376</b>

36. The Fourth 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;
- b. operating receipts are also subject to fluctuations in zinc prices which have been volatile in recent weeks as depicted in the following chart:



The Applicants have drafted the projected operating receipts with the assumption of a spot price for zinc of \$1.35/lb; and

- c. operating disbursements reflect ongoing operations and certain minimum capital expenditures to preserve value at the Rosh Pinah mine.

**STAY EXTENSION**

37. The Monitor’s comments with respect to Trevali’s application for the Stay Extension Order are as follows:

- a. the Stay Extension provides time to conclude the Appian Transaction and accommodates the extended timelines set out in the SISP;
- b. the cash flow statements forecast that the respective entities have sufficient liquidity during the period of the Stay Extension;
- c. the Monitor understands that the secured lenders, Glencore and the RCF Administrative Agent, on behalf of the RCF Lenders, are supportive of the proposed extension;

- d. there is not any material financial prejudice to Trevali Corp.'s creditors as a result of the Stay of Proceedings being extended to April 30, 2023; and
- e. Trevali Corp. has been in regular communication with the Monitor throughout these CCAA Proceedings, and is acting in good faith and with due diligence.

38. Based on the foregoing, the Monitor respectfully recommends that this Honourable Court grant the Stay Extension Order.

\*\*\*\*\*

All of which is respectfully submitted this January 25, 2023.

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



Tom Powell  
Senior Managing Director



Mike Clark  
Senior Director

## **Appendix A**

Letter from the Province of New Brunswick  
dated January 24, 2023

January 24, 2023

**REGISTERED MAIL**

Steven Molnar  
Trevalli Mining (New Brunswick) Ltd.  
9361 Hwy. 180, PO Box 790  
Bathurst, NB E2A 4A5

**RE: Advisory of Environmental Impact Assessment requirement for Mine decommissioning / abandonment / demolition type activities**

Mr. Steven Molnar:

It is the understanding of the Department of Environment and Local Government that the Caribou and Restigouche mines identified by parcel identifier (PID) numbers 50072032, 50237924, and 50252766 will be transitioning into a receivership as of January 25, 2023, at 3:59 a.m. AST.

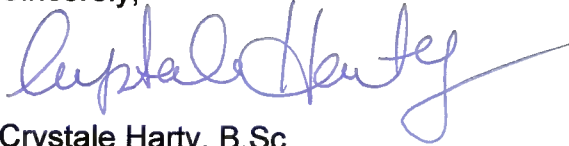
Please be advised that section 3(2) of the *Environmental Impact Assessment Regulation – Clean Environment Act* (the “*EIA Regulation*”) states: “*The enterprises, activities, projects, structures, works or programs specified in Schedule A, and any **modification, extension, abandonment, demolition or rehabilitation** of them are undertakings for the purpose of this Regulation*”.

Whereas mines are an Undertaking specified in Schedule A of the *EIA Regulation*, be advised that no modification, abandonment, or demolition activities may proceed without the authorization of the Department of Environment and Local Government.



Anyone wishing to undertake modification, abandonment or demolition activities on the properties listed above and the Halfmile mine (as identified by PID 40217218) must first submit a work proposal in writing to Crystale Harty, Director, Environmental Impact Assessment Branch, DELG at [crystale.harty@gnb.ca](mailto:crystale.harty@gnb.ca). All submitted work proposals will be evaluated to determine applicable environmental regulatory requirements, including whether an environmental impact assessment will be required. No such activities with respect to the properties may proceed until authorization has been given by the Department of Environment and Local Government.

Sincerely,



Crystale Harty, B.Sc.  
Director, Environmental Impact Assessment Branch  
Department of Environment and Local Government

- C. Jennifer Welles, DNRED; Brandon Love, DELG; Gaetan Landry, DELG; Christopher Whibbs, OAG; Steven Molnar [smolnar@trevali.com](mailto:smolnar@trevali.com); Tom Powell FTI Consulting Canada [tom.powell@fticonsulting.com](mailto:tom.powell@fticonsulting.com); John Sandrelli, Dentons Canada [john.sandrelli@dentons.com](mailto:john.sandrelli@dentons.com); Peter Rubin, Blakes Cassels & Graydon [peter.rubin@blakes.com](mailto:peter.rubin@blakes.com).

## **Appendix B**

Trevali Corp. Cash Flow Statement for the 37-week  
period ending May 2, 2023

Trevali Corp.  
Cash Flow Statement  
For the 37-week period ending May 2, 2023

(US\$ thousands)	Week Ending	Weeks 1-21	Week 22	Week 23	Week 24	Week 25	Week 26	Week 27	Week 28	Week 29	Week 30	Week 31	Week 32	Week 33	Week 34	Week 35	Week 36	Week 37	Total
		10-Jan-23 Actual	17-Jan-23 Forecast	24-Jan-23 Forecast	31-Jan-23 Forecast	7-Feb-23 Forecast	14-Feb-23 Forecast	21-Feb-23 Forecast	28-Feb-23 Forecast	7-Mar-23 Forecast	14-Mar-23 Forecast	21-Mar-23 Forecast	28-Mar-23 Forecast	4-Apr-23 Forecast	11-Apr-23 Forecast	18-Apr-23 Forecast	25-Apr-23 Forecast	2-May-23 Forecast	
<b>Operating Receipts</b>																			
Other Receipts		148	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	148
<b>Total Receipts</b>		<b>148</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	<b>148</b>
<b>Operating Disbursements</b>																			
Payroll and Benefits		1,692	49	-	353	-	34	-	107	-	33	-	8	342	-	33	8	122	2,780
Trade Accounts Payable		724	51	72	271	72	72	72	72	72	72	72	72	72	72	72	72	72	2,047
Operating Leases		197	-	-	39	-	-	-	39	-	-	-	-	39	-	-	-	39	352
Insurance		808	-	-	-	98	-	-	-	-	-	-	-	-	98	-	-	-	1,005
Restructuring Professional Fees		4,030	230	198	402	-	929	-	-	-	929	-	-	464	-	-	-	464	7,645
Other Professional Fees		-	-	-	120	-	-	-	-	-	-	-	-	-	-	-	-	-	120
Other Operating Disbursements		42	-	45	111	24	22	22	22	24	22	22	22	24	22	22	22	24	494
<b>Total Operating Disbursements</b>		<b>7,493</b>	<b>330</b>	<b>314</b>	<b>1,295</b>	<b>194</b>	<b>1,057</b>	<b>94</b>	<b>240</b>	<b>95</b>	<b>1,055</b>	<b>94</b>	<b>102</b>	<b>940</b>	<b>192</b>	<b>127</b>	<b>102</b>	<b>721</b>	<b>14,443</b>
<b>Net Change in Cash from Operations</b>		<b>(7,346)</b>	<b>(330)</b>	<b>(314)</b>	<b>(1,295)</b>	<b>(194)</b>	<b>(1,057)</b>	<b>(94)</b>	<b>(240)</b>	<b>(95)</b>	<b>(1,055)</b>	<b>(94)</b>	<b>(102)</b>	<b>(940)</b>	<b>(192)</b>	<b>(127)</b>	<b>(102)</b>	<b>(721)</b>	<b>(14,295)</b>
<b>Financing</b>																			
Intercompany Receipts / (Disbursements)		(18,600)	-	3,090	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(15,510)
Interim financing		13,000	-	-	-	-	-	-	-	-	-	-	-	1,000	-	1,000	-	-	15,000
<b>Net Change in Cash from Financing</b>		<b>(5,600)</b>	-	<b>3,090</b>	-	-	-	-	-	-	-	-	-	<b>1,000</b>	-	<b>1,000</b>	-	-	<b>(510)</b>
<b>Effect of Foreign Exchange Translation</b>		<b>(63)</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	<b>(63)</b>
<b>Net Change in Cash</b>		<b>(13,009)</b>	<b>(330)</b>	<b>2,776</b>	<b>(1,295)</b>	<b>(194)</b>	<b>(1,057)</b>	<b>(94)</b>	<b>(240)</b>	<b>(95)</b>	<b>(1,055)</b>	<b>(94)</b>	<b>(102)</b>	<b>60</b>	<b>(192)</b>	<b>873</b>	<b>(102)</b>	<b>(721)</b>	<b>(14,868)</b>
<b>Opening Cash</b>		<b>15,342</b>	<b>2,333</b>	<b>2,004</b>	<b>4,780</b>	<b>3,485</b>	<b>3,291</b>	<b>2,235</b>	<b>2,141</b>	<b>1,901</b>	<b>1,806</b>	<b>751</b>	<b>657</b>	<b>555</b>	<b>615</b>	<b>423</b>	<b>1,296</b>	<b>1,194</b>	<b>15,342</b>
<b>Ending Cash</b>		<b>2,333</b>	<b>2,004</b>	<b>4,780</b>	<b>3,485</b>	<b>3,291</b>	<b>2,235</b>	<b>2,141</b>	<b>1,901</b>	<b>1,806</b>	<b>751</b>	<b>657</b>	<b>555</b>	<b>615</b>	<b>423</b>	<b>1,296</b>	<b>1,194</b>	<b>474</b>	<b>474</b>



## **Appendix C**

Fourth Rosh Pinah Cash Flow Statement for the 37-week  
period ending May 2, 2023

**Rosh Pinah Mine**  
Cash Flow Statement  
For the 37-week period ending May 2, 2023

<i>(US\$ thousands)</i>	<i>Week Ending</i>	Weeks 1-21	Week 22	Week 23	Week 24	Week 25	Week 26	Week 27	Week 28	Week 29	Week 30	Week 31	Week 32	Week 33	Week 34	Week 35	Week 36	Week 37	Total
		10-Jan-23	17-Jan-23	24-Jan-23	31-Jan-23	7-Feb-23	14-Feb-23	21-Feb-23	28-Feb-23	7-Mar-23	14-Mar-23	21-Mar-23	28-Mar-23	4-Apr-23	11-Apr-23	18-Apr-23	25-Apr-23	2-May-23	
		Actual	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	
<b>Operating Receipts</b>																			
Sales		32,534	-	-	-	-	-	-	8,591	-	-	-	-	-	-	9,126	-	-	50,251
Other Receipts		4,145	-	-	-	-	-	-	1,147	-	-	-	-	-	-	-	-	-	5,292
<b>Total Receipts</b>		<b>36,680</b>	-	-	-	-	-	-	<b>9,738</b>	-	-	-	-	-	-	<b>9,126</b>	-	-	<b>55,543</b>
<b>Operating Disbursements</b>																			
Sales Expenses		4,056	141	-	2,343	-	-	-	155	-	-	-	108	281	-	626	-	281	7,991
Payroll and Benefits		6,267	294	1,270	-	285	-	891	791	285	-	-	1,270	-	285	235	1,094	-	12,967
Trade Accounts Payable		13,804	59	-	3,566	-	-	-	3,125	-	-	-	-	3,125	-	-	-	2,935	26,613
Utilities		2,864	-	511	97	-	-	511	97	-	-	-	511	97	-	-	511	97	5,295
Insurance		105	110	-	-	-	-	-	-	-	-	-	-	-	110	-	-	-	325
Tax		2,392	-	163	-	-	-	153	-	-	-	153	-	-	-	-	153	-	3,014
Capital Expenditures		9,738	35	-	830	9	-	-	381	-	-	-	-	876	-	-	-	1,765	13,633
Other Operating Disbursements		179	-	80	-	-	-	-	-	-	-	-	-	-	-	-	-	-	259
<b>Total Operating Disbursements</b>		<b>39,404</b>	<b>639</b>	<b>2,024</b>	<b>6,836</b>	<b>294</b>	-	<b>1,555</b>	<b>4,548</b>	<b>285</b>	-	<b>153</b>	<b>1,889</b>	<b>4,378</b>	<b>395</b>	<b>862</b>	<b>1,758</b>	<b>5,078</b>	<b>70,098</b>
<b>Net Change in Cash from Operations</b>		<b>(2,724)</b>	<b>(639)</b>	<b>(2,024)</b>	<b>(6,836)</b>	<b>(294)</b>	-	<b>(1,555)</b>	<b>5,189</b>	<b>(285)</b>	-	<b>(153)</b>	<b>(1,889)</b>	<b>(4,378)</b>	<b>(395)</b>	<b>8,264</b>	<b>(1,758)</b>	<b>(5,078)</b>	<b>(14,554)</b>
<b>Financing</b>																			
Intercompany Receipts / (Disbursements)		18,600	-	(3,090)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15,510
<b>Net Change in Cash from Financing</b>		<b>18,600</b>	-	<b>(3,090)</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	<b>15,510</b>
<b>Effect of Foreign Exchange Translation</b>		<b>(167)</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	<b>(167)</b>
<b>Net Change in Cash</b>		<b>15,709</b>	<b>(639)</b>	<b>(5,114)</b>	<b>(6,836)</b>	<b>(294)</b>	-	<b>(1,555)</b>	<b>5,189</b>	<b>(285)</b>	-	<b>(153)</b>	<b>(1,889)</b>	<b>(4,378)</b>	<b>(395)</b>	<b>8,264</b>	<b>(1,758)</b>	<b>(5,078)</b>	<b>788</b>
<b>Opening Cash</b>		<b>1,588</b>	<b>17,296</b>	<b>16,657</b>	<b>11,543</b>	<b>4,708</b>	<b>4,414</b>	<b>4,414</b>	<b>2,859</b>	<b>8,048</b>	<b>7,763</b>	<b>7,763</b>	<b>7,610</b>	<b>5,721</b>	<b>1,343</b>	<b>947</b>	<b>9,211</b>	<b>7,454</b>	<b>1,588</b>
<b>Ending Cash</b>		<b>17,296</b>	<b>16,657</b>	<b>11,543</b>	<b>4,708</b>	<b>4,414</b>	<b>4,414</b>	<b>2,859</b>	<b>8,048</b>	<b>7,763</b>	<b>7,763</b>	<b>7,610</b>	<b>5,721</b>	<b>1,343</b>	<b>947</b>	<b>9,211</b>	<b>7,454</b>	<b>2,376</b>	<b>2,376</b>