



No. S-243645  
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**

**IN THE MATTER OF A PLAN OF COMPROMISE AND ARRANGEMENT OF  
INCA ONE GOLD CORP.**

**PETITIONER**

**SECOND REPORT OF THE MONITOR**

**July 19, 2024**

# SECOND REPORT OF THE MONITOR

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## INTRODUCTION

1. On June 3, 2024 (the “**Filing Date**”), Inca One Gold Corp. (“**Inca One**” or the “**Petitioner**”) 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 (the “**Initial Order**”).
2. The Initial Order provided for, among other things:
  - a. a stay of proceedings (the “**Stay of Proceedings**”) in favour of the Petitioner until June 13, 2024;
  - b. the appointment of FTI Consulting Canada Inc. as Monitor in the CCAA Proceedings (the “**Monitor**”); and
  - c. the granting of a Court-ordered administration charge of \$100,000 (the “**Administration Charge**”).
3. On June 11, 2024, this Honourable Court granted an Amended and Restated Initial Order (“**ARIO**”) which provided for an extension of the Stay of Proceedings to July 19, 2024 and an increase to the Administration Charge from \$100,000 to \$220,000.
4. On July 18, 2024, the Petitioner filed a notice of application returnable July 22, 2024 (the “**Petitioner’s Application**”), amending the ARIO (the “**Second ARIO**”) to include:
  - a. an extension of the Stay of Proceedings to October 5, 2024;
  - b. an interim financing facility (the “**401 DIP**”) to be advanced by 401601 B.C. Ltd. (the “**401**”); and
  - c. a charge securing the 401 DIP (the “**401 DIP Charge**”).

5. On July 19, 2024, legal counsel for OCIM Metals and Mining SA (“**OCIM**”) sent an email to the Monitor which indicated that both OCIM and the other major secured creditor in this matter, Equinox Gold Corp (“**Equinox**”), would be opposing the Petitioner’s Application and instead OCIM (with Equinox’s support) would be seeking alternative relief, which included the following:
  - a. an extension of the Stay of Proceedings to October 31, 2024 (the “**Stay Extension**”);
  - b. an expansion of the powers of the Monitor with respect to Inca One and its property;
  - c. an interim financing facility (the “**OCIM DIP**”) to be advanced by OCIM;
  - d. a charge securing the OCIM DIP (the “**OCIM DIP Charge**”); and
  - e. a sale and investment solicitation process (the “**SISP**”).
6. OCIM’s legal counsel also sent a draft form of order to the Monitor which the Monitor understands both OCIM and Equinox support (the “**Stay Extension and Enhanced Monitor’s Powers Order**”)

## **PURPOSE**

7. The purpose of this report is to provide this Honourable Court and the Petitioner’s stakeholders with information with respect to the following:
  - a. a summary of the activities of the Monitor since the date of our last report;
  - b. the Petitioner’s Application for the Second ARIO;
  - c. OCIM’s potential application for the Stay Extension and Enhanced Monitor’s Powers Order;

- d. the Petitioner’s actual cash receipts and disbursements for the 6-week period ended July 12, 2024 as compared to the cash flow forecast described in the First Report of the Monitor (the “**Cash Flow Statement**”);
- e. a cash flow statement (the “**Second Cash Flow Statement**”) for the 18-week period ending October 4, 2024 as well as the key assumptions on which the Second Cash Flow Statement is based;
- f. the proposed Stay Extension; and
- g. the Monitor’s conclusions and recommendations.

## **TERMS OF REFERENCE**

- 8. In preparing this report, the Monitor has relied upon certain information (the “**Information**”) including the Petitioner’s unaudited financial information, books and records and discussions with senior management of Inca One (collectively, “**Management**”).
- 9. 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.
- 10. 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.
- 11. 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.

12. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian dollars.

### **ACTIVITIES OF THE MONITOR**

13. The Monitor's activities during the CCAA Proceedings since the date of our last report have included the following:

- a. ongoing discussions with Management and the Petitioner's legal counsel, Bridgehouse Law LLP, regarding Inca One's business and financial affairs;
- b. attending discussions with various stakeholders, including:
  - i. legal counsel, management and the financial advisor to OCIM;
  - ii. legal counsel to Equinox and OCIM (together with OCIM, the "**Secured Creditors**");
  - iii. 401 and its legal counsel in respect of the 401 DIP; and
  - iv. various groups expressing an interest in participating in a proposed refinancing of Inca One.
- c. reviewing various iterations of restructuring transaction term sheets from OCIM and responses from Inca One;
- d. reviewing and discussing various restructuring plans, cash flow scenarios and financial projections prepared by Management;
- e. reviewing weekly cash flow reporting and variance analysis;
- f. reviewing the Westmount Term Sheet (as subsequently defined), 401 DIP term sheet, OCIM DIP term sheet and the SISP; and

- g. preparing this second Report.

## **INCA ONE APPLICATION**

- 14. The Petitioner is seeking the Stay Extension in order to pursue a refinancing based on a term sheet (the “**Westmount Term Sheet**”) from Westmount Capital in the amount of US\$25.0 million (the “**Replacement Financing**”) that is subject to, among other things, satisfactory completion of due diligence and the execution of legal documentation acceptable to Westmount. The Westmount Term Sheet has a stated closing date of September 30, 2024.
  
- 15. As reflected in the Second Cash Flow Statement, the Petitioner is unable to pay current and ongoing expenses without a significant cash injection in the coming weeks. Accordingly, the Petitioner has arranged for the 401 DIP to fund its operations and preserve its assets during the CCAA Proceedings and bridge to the Replacement Financing.

### **Westmount Term Sheet**

- 16. A copy of the Westmount Term Sheet is attached as Appendix “A”.
  
- 17. The key commercial terms of the Westmount Term Sheet are as follows:
  - a. proceeds are to be used to purchase gold inventory and refinance existing loans;
  
  - b. the maturity date is 5 years from the issuance of the secured debentures (the “**Debentures**”);
  
  - c. the Debentures are secured by gold inventory and the Petitioner’s two gold processing plants;
  
  - d. the Debentures will bear interest at the rate of 8% per annum and shall be payable in cash;

- e. the Petitioner shall repay 1/16 of US\$20 million original principal amount of each Debenture quarterly with the first repayment occurring on the date which is twelve months following the issue date and each subsequent repayment on a date which is three months after the date of the previous repayment. A bullet payment of US\$5.0 million will be due and payable at the end of the term. At the option of the holder of a Debenture any repayment may be satisfied by the tender of: (i) cash; or (ii) gold dore/refined gold produced from the Petitioner's plants in Peru at a 15% discount to the price set at the date of closing of the note;
- f. closing should be on or about September 30, 2024, or such other date as may be established; and
- g. an 8% success fee is due and payable in connection with the offering.

18. On July 17, 2024, the Monitor, Management and their respective legal counsel attended a call with the principal of Westmount Capital to discuss the Westmount Term Sheet and clarify certain terms. During that discussion, the Monitor was advised that Westmount Capital did not currently have the US\$25.0 million to be funded under the Westmount Term Sheet but rather was planning to try to raise the required capital over the coming weeks from its network of potential investors. It was confirmed that Westmount Capital would not be the source of the funds, other than to allocate 40% of its commission towards the financing.

19. Accordingly, while the Monitor and Management are of the view that Westmount Capital has an established network of potential financiers and may be able to raise the funds contemplated by the Westmount Term Sheet, at this stage there remains uncertainty regarding the amount, timing and terms of such investments.

#### **401 DIP**

20. A copy of the 401 DIP is attached as Appendix "B".



21. The key commercial terms of the proposed 401 DIP are as follows:

- a. 401 will provide financing to Inca One as borrower with an interim financing facility of up to US\$1.0 million, or such greater amount as 401 may agree;
- b. the 401 DIP may be drawn down in two increments of US\$750,000 and US\$250,000;
- c. each draw shall be subject to a draw down fee of 5% payable at such time the advance is made;
- d. as an incentive for 401 providing the 401 DIP, Inca One agrees to offer to 401 upon the Borrower's relisting with the TSX Venture Exchange, and subject to exchange and corporate approval and all applicable securities legislation, 5,000,000 bonus warrants with a term of 1 year and an exercise price of \$0.10 per share;
- e. the 401 DIP will be a Petitioner-in-possession loan subject to the approval of this Honourable Court and granting of a super-priority charge over all of Inca One's current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof;
- f. the proceeds of the 401 DIP are to be used to provide working capital to Inca One, including to pay legal, restructuring, administrative, audit and relisting fees in connection with the CCAA Proceedings, all in accordance with the Petitioner's cash flow forecast;
- g. the 401 DIP shall be due and payable (the "**Maturity Date**") on the earliest of:
  - i. the date on which 401 demands repayment after the occurrence of an event of default;

- ii. the implementation of a plan of compromise and arrangement within the CCAA Proceedings, which has been approved by an order made by the Court;
  - iii. the termination of the CCAA Proceedings; and
  - iv. November 30, 2024;
- 
- h. the 401 DIP shall bear interest at 20% per annum;
  - i. 401 shall be reimbursed for its legal costs associated with the 401 DIP;
  - j. undrawn portions of the 401 DIP will be subject to a 2% standby charge payable upon the Maturity Date;
  - k. the 401 DIP shall be secured by, among other things, the 401 DIP Charge. Unless ordered by the Court or otherwise agreed to in writing by 401, all other court-ordered charges, with the exception of the Administration Charge, shall be subordinated to the 401 DIP;
  - l. the 401 DIP is subject to the following conditions:
    - i. negotiation and execution of a loan agreement and other definitive documents in respect of the 401 DIP;
    - ii. Court approval of the 401 DIP and granting of the 401 DIP Charge; and
    - iii. payment of all legal fees and expenses related to the 401 DIP.

22. The Monitor's comments on the 401 DIP are as follows:

- a. the Petitioner is in urgent need of funding to support Inca One's ordinary course operating expenses and restructuring costs;

- b. absent interim financing, the Petitioner will be unable to carry on operations at its key subsidiaries which will have a negative impact on the value of its assets and businesses;
- c. the 401 DIP will provide Inca One with sufficient liquidity to pursue the transaction contemplated by the Westmount Term Sheet;
- d. the Monitor is advised that 401 would not be prepared to extend financing without the 401 DIP Charge;
- e. while the 401 DIP provides for an interest rate of 20%, it represents an annualized effective rate of 36% after consideration of the draw down and standby fees before consideration of the warrants. While this is higher than the range of rates charged in recent interim financings for distressed entities of a similar scale, it is largely driven by the short term of the loan and nature of the collateral;
- f. Management is of the view that the warrant consideration is of very little value as, among other things, trading in Inca One shares is currently halted, they may become subject to a cease trade order and the ability to relist is uncertain, the strike price is higher than the trading price prior to the CCAA Proceedings and the term of the warrants is relatively short; and
- g. notwithstanding the above, the Monitor is advised by OCIM that, as one of the Petitioner's primary secured lenders, it is opposed to the terms and priority of the 401 DIP and therefore is not supportive of the 401 DIP and related 401 DIP Charge. OCIM has provided the alternative OCIM DIP term sheet which is described in further detail below.

## **OCIM POSITION**

23. The Petitioner has been in ongoing discussions with OCIM regarding the amounts owed by the Petitioner to OCIM including a US\$9.0 million gold pre-payment facility under a

Gold Loan Agreement and subsequent bridge loan of US\$1.5 million with both facilities being payable in ounces of gold and total indebtedness of approximately US\$9.7 million as at the Filing Date (the “**OCIM Debt**”).

24. On June 24, 2024, OCIM presented Inca One with a proposal for a restructuring of the OCIM Debt by way of, among other things, a conversion of a portion of the OCIM Debt into equity and conversion of any outstanding debt into a term loan. Following various negotiations amongst the Petitioners and OCIM, the parties were ultimately unable to reach an agreement as to a consensual restructuring and the OCIM proposal expired on July 16, 2024.
25. OCIM has since informed the Monitor of its position (with support of Equinox) on opposing the Petitioner’s Application and seeking the Stay Extension and Enhanced Monitor’s Powers Order to allow the Company to pursue a restructuring transaction through the SISP.

#### **Enhanced Monitor’s Powers**

26. The enhanced powers and protections proposed to be afforded to the Monitor pursuant to the Stay Extension and Enhanced Monitor’s Powers Order will, among other things, permit the Monitor to assume responsibility for the administration of Inca One’s property. The Monitor is prepared to accept the expanded role provided in the Stay Extension and Enhanced Monitor’s Powers Order should the Court grant such an order.
27. In the event the Stay Extension and Enhanced Monitor’s Powers Order is granted, the Monitor anticipates entering into consulting contracts with certain of Inca One’s employees to assist the Monitor with the administration of the estate, information requests in respect of the SISP and other matters.

#### **OCIM DIP**

28. A copy of the OCIM DIP is attached as Appendix “C”.

29. The key commercial terms of the proposed OCIM DIP are as follows:

- a. OCIM will provide a secured, super-priority, non-revolving term credit facility up to the maximum principal amount of \$2 million (the “**Maximum Commitment Amount**”);
- b. the OCIM DIP may only be used to fund:
  - i. expenditures in the ordinary course of business and for administration costs in relation to the CCAA Proceedings; and
  - ii. such other expenditures as the Monitor and OCIM, acting reasonably, have consented to in writing;
- c. all amounts owing under the OCIM DIP are due and payable on the earliest of the occurrence of any of the following (such earliest date being the “**Maturity Date**”):
  - i. the date on which OCIM demands repayment of the OCIM DIP after the occurrence of an Event of Default (defined below);
  - ii. October 31, 2024 or such other date as agreed to by OCIM and the Petitioner in writing;
  - iii. the date of the termination of the stay period under the ARIO, or any extension orders relating thereto (the “**Extension Order(s)**”), which Extension Orders must be on terms satisfactory to OCIM, acting reasonably;
  - iv. the date on which a plan of compromise and arrangement pursuant to the CCAA Proceedings, acceptable to OCIM and approved by the requisite creditors of the Petitioner, and the Court, has been implemented;

- v. the date on which the stay under the ARIO or any Extension Order is lifted or set aside, in whole or in part, without the prior written consent of OCIM; or
  - vi. the date on which: (i) an assignment in bankruptcy is made by the Borrower under the Bankruptcy and Insolvency Act (Canada) (the “**BIA**”); (ii) a bankruptcy order is issued in respect of the Petitioner pursuant to the BIA; (iii) a notice of intention to make a proposal under the BIA is filed on behalf of the Petitioner; (iv) a receiver or receiver and manager is appointed by any court of competent jurisdiction in respect of the Petitioner or any of its Property, in each case without the prior written consent of OCIM;
- d. the Maturity Date may be extended at the request of the Petitioner and with the prior written consent of OCIM, in its sole discretion and OCIM may agree, subject to approval from the Court;
- e. each advance shall be a minimum of \$50,000 and a maximum of \$250,000 (each an “**Advance**”);
- f. the following conditions precedent must be satisfied, or waived, by OCIM in its sole discretion, prior to making an Advance:
- i. execution and delivery of the OCIM Term Sheet and all documentation relating to the OCIM DIP, including, without limitation, the execution of definitive documents and all security documents required hereunder;
  - ii. there shall be no encumbrances on any collateral ranking in priority to or pari passu with the OCIM DIP Charge other than as permitted by the terms hereof;

- iii. each Advance (together with all previous Advances) must be no greater than the amount shown on the Cash Flow Budget (as defined in the OCIM DIP), as reviewed by the Monitor, and in the aggregate shall not exceed the Maximum Commitment Amount and shall be subject to the terms and conditions hereof;
- iv. subject to the Stay Extension and Enhanced Monitor's Powers Order, delivery to OCIM (with a copy to the Monitor) of a drawdown request, executed by an officer on behalf of the Petitioner;
- v. no application for leave to appeal, notice of appeal or an appeal in respect of the ARIO or the Stay Extension and Enhanced Monitor's Powers Order shall have been made or threatened in a manner materially adverse to OCIM as determined by OCIM in its sole discretion;
- vi. no motion to amend, vary or stay the ARIO or the Stay Extension and Enhanced Monitor's Powers Order shall have been made or threatened in a manner materially adverse to OCIM as determined by OCIM in its sole discretion;
- vii. no Material Adverse Effect (as defined in the OCIM DIP) shall have occurred after the date of the ARIO;
- viii. there shall have been no breach of any covenant or other obligation of the Petitioner under or in connection with this OCIM DIP or the definitive documents;
- ix. no Event of Default (nor any event which could with the giving of notice constitute an Event of Default) shall have occurred and be continuing, nor shall any Event of Default (nor any event which could with the giving of notice constitute an Event of Default) occur as a result of the Advance;

- x. there are no pending appeals, injunctions or other legal impediments relating to the Interim Lending Facility, or pending litigation seeking to restrain or prohibit the Interim Lending Facility;
  - xi. the Cash Flow Budget shall be satisfactory to the Interim Lender in its sole discretion; and
  - xii. the Interim Lender shall have received all “know your client”, anti-money laundering and related information requested by it in respect of the Borrower;
- g. the OCIM DIP Charge shall rank in priority to all other creditors, interest holders, lien holders, and claimants of any kind whatsoever, other than:
- i. the Administration Charge;
  - ii. any purchase money security interests in any of the Petitioner’s Property; and
  - iii. those claims contemplated by section 11.8(8) of the CCAA;
- h. the OCIM DIP shall bear interest at the rate of 20% per annum; and
- i. certain events shall constitute an event of default (each an “**Event of Default**”) under the OCIM DIP including, among other things, if any payment is made by the Petitioner that is not contemplated by or in compliance with the Cash Flow Budget (subject to a permitted variance of 10%), unless such payment is approved by the Monitor and OCIM.

30. The Monitor’s comments on the OCIM DIP are as follows:



- a. as noted above, the Petitioner is in urgent need of funding to support Inca One’s ordinary course operating expenses and restructuring costs and, absent interim financing, will be unable to carry on operations at its key subsidiaries;
- b. the OCIM DIP will provide Inca One with sufficient liquidity to pursue the SISP with the enhanced oversight of the Monitor;
- c. the Monitor is advised that the OCIM would not be prepared to extend financing without the OCIM DIP Charge; and
- d. the interest rate of the OCIM DIP is 20% per annum, compounding monthly, for an effective annual rate of approximately 22% which is within the range of the rates charged in recent interim financings for distressed entities of a similar nature and scale.

**Sale and Investment Solicitation Process**

31. The key dates under the SISP are summarized as follows:

<b>Event</b>	<b>Target Date</b>
SISP to commence	July 22, 2024
LOI Deadline	September 5, 2024
Phase II commences	September 12, 2024
Final Bid Deadline	October 4, 2024
Definitive Agreement Deadline	October 18, 2024
Outside Date	October 31, 2024

32. The key components of the SISP are as follows:

- a. the SISP is intended to solicit interest in, and opportunities for:
  - i. a sale of all or substantially all of the Property of the Petitioner, or its Business, whether pursuant to an asset or share purchase transaction, or a combination thereof (a “**Sale Proposal**”); or
  - ii. an investment in, restructuring, recapitalization, reorganization or refinancing of the Petitioner or its Business, or a combination thereof (an “**Investment Proposal**”);
- b. the SISP will be implemented by the Monitor, commencing on July 22, 2024;
- c. the Monitor will prepare an initial offering summary (the “**Teaser Letter**”) outlining the opportunity to potential bidders and a draft form of confidentiality agreement (the “**Confidentiality Agreement**”);
- d. the Monitor will prepare a confidential information memorandum;
- e. the SISP contemplates a 45-day Phase I to solicit non-binding letters of intent (“**LOI**”) by September 5, 2024 (the “**LOI Deadline**”) from prospective strategic or financial parties to acquire the Petitioner or the Property, or to invest in the Petitioner;
- f. in order to be considered a “Qualified Bidder” any party interested in a transaction involving the Property of the Petitioner is required to execute a Confidentiality Agreement and, on or prior to the LOI Deadline, provide specific indication of the anticipated sources of capital and preliminary evidence of the availability of such capital, or such other form of financial disclosure and credit-quality support or enhancement that will allow the Monitor and its legal advisors to make, in their reasonable business or professional judgement, a determination as to the party’s financial and other capabilities to consummate the proposed transaction;

- g. a Qualified Bidder that submits a non-binding LOI on or before the LOI Deadline must, in the case of a Sale Proposal, identify or contain, at minimum, the following to be considered a “Qualified Non-Binding LOI”:
  - i. the purchase price in Canadian dollars, including details of any liabilities to be assumed by the Qualified Bidder and key assumptions supporting the valuation;
  - ii. a description of the Property that is expected to be subject to the transaction and any of the Property expected to be excluded;
  - iii. a specific indication of the financial capability of the Qualified Bidder and the expected structure and financing of the transaction;
  - iv. a description of the conditions and approvals required for a final and binding offer, including any required corporate, shareholder, internal or regulatory approvals, and any other factors affecting the speed, certainty and value of the transaction;
  - v. an outline of any additional due diligence required to be conducted in Phase II, if any, in order to submit a final and binding offer; and
  - vi. any other terms or conditions of the Sale Proposal that the Qualified Bidder believes are material to the transaction;
  
- h. in the case of an Investment Proposal, a Qualified Non-Binding LOI must identify or contain, at minimum, the following:
  - i. the direct or indirect investment target;
  - ii. a description of how the Qualified Bidder proposes to structure the proposed investment;

- iii. the aggregate amount of the equity and/or debt investment to be made in the Petitioner in Canadian dollars;
  - iv. the underlying assumptions regarding the pro forma capital structure (including the anticipated debt levels, debt service fees, interest, and amortization);
  - v. the equity, if any, to be allocated to any other secured or unsecured creditors of the Petitioner;
  - vi. a specific indication of the financial capability of the Qualified Bidder and the expected structure and financing of the transaction;
  - vii. a description of the conditions and approvals required for a final and binding offer, including any required corporate, shareholder, internal or regulatory approvals, and any other factors affecting the speed, certainty and value of the transaction;
  - viii. an outline of any additional due diligence required to be conducted in Phase II, if any, in order to submit a final and binding offer; and
  - ix. any other terms or conditions of the Investment Proposal that the Qualified Bidder believes are material to the transaction;
- i. in the case of either a Sale Proposal or an Investment Proposal, a Qualified Non-Binding LOI must:
- i. contain such other information as reasonably requested by the Monitor;
  - ii. fully disclose the identity of each entity or person that will be entering into the transaction, that is participating in, or benefiting from, such Bid, including any equity holders; and

- iii. contemplate closing the transaction set out therein on or before the Closing Date, or such other date as may be determined by the Monitor;
- j. within seven (7) days following the LOI Deadline, or by such other later date as may be determined by the Monitor, the Monitor will assess the Qualified Non-Binding LOIs received during Phase I, if any. If the Monitor determines that:
  - i. no Qualified Non-Binding LOIs were received, or none were received that are deemed commercially reasonable, the SISP will be declared at an end;  
or
  - ii. one or more Qualified Non-Binding LOIs received are deemed commercially reasonable, it will promptly notify the applicable Qualified Bidder(s) that the SISP will continue into Phase II in accordance with its terms;
- k. during Phase II, each Qualified Bidder that is not eliminated from the SISP will have access to due diligence materials and information relating to the Property and the Petitioner as the Monitor deems appropriate;
- l. a Qualified Purchase Bid or a Qualified Investment Bid must be received on or before October 4, 2024 (the “**Final Bid Deadline**”);
- m. bids submitted by Qualified Bidders are required to comply with the following in order to be considered a “Qualified Purchase Bid” or “Qualified Investment Bid”:
  - i. it is on substantially the same terms or improved terms as the Qualified Non-Binding LOI submitted by such Qualified Bidder in Phase I and constitutes, in the reasonable business judgment of the Monitor, a reasonable offer;

- ii. in the case of a Qualified Investment Bid, it includes a duly authorized and executed Term Sheet describing the terms and conditions of the proposed transaction, including details regarding the proposed equity and debt structure of the Petitioner following completion of the proposed transaction;
- iii. it includes a letter stating that the Qualified Bidder's offer is irrevocable until the earlier of: (i) the selection of the Successful Bidder; and (ii) thirty (30) days following the Final Bid Deadline, provided that if such Qualified Bidder is selected as the Successful Bidder, its offer shall remain irrevocable until the closing of the sale to the Successful Bidder;
- iv. it includes a duly authorized and executed acquisition agreement, specifying the Purchase Price for the Property proposed to be acquired, together with all exhibits and schedules thereto, and such ancillary documents as may be required by the Qualified Bidder with all exhibits and schedules thereto (or term sheets that describe the material terms and provisions of such agreements);
- v. it includes written evidence of a firm, irrevocable commitment for financing, or other evidence of ability to consummate the proposed transaction, which will allow the Monitor to make a reasonable determination as to the Qualified Bidder's financial and other capabilities to consummate the transaction contemplated by the Bid;
- vi. it is not conditioned on: (i) the outcome of unperformed due diligence by the Qualified Bidder; and/or (ii) obtaining financing;
- vii. it fully discloses the identity of each entity that will be sponsoring or participating in the Bid, and the complete terms of any such participation;

- viii. it includes an acknowledgement and representation that the Qualified Bidder: (i) has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Property to be acquired and liabilities to be assumed in making its Bid; and (ii) did not rely upon any written or oral statements, representations, promises, warranties or guaranties whatsoever, whether express or implied (by operation of law or otherwise), regarding the Property to be acquired or liabilities to be assumed or the completeness of any information provided in connection therewith, except as expressly stated in the purchase agreement;
- ix. it includes evidence, in form and substance reasonably satisfactory to the Monitor, of authorization and approval from the Qualified Bidder's board of directors (or comparable governing body) with respect to the submission, execution, delivery and closing of the transaction contemplated by the Bid;
- x. it outlines any anticipated regulatory and other approvals required to close the transaction and the anticipated timeframe and any anticipated impediments for obtaining such approvals;
- xi. it may not request or entitle the Qualified Bidder to any break-up fee, expense reimbursement, termination or similar type of fee or payment. Further, a Qualified Bidder shall be deemed to irrevocably waive any right to pursue a claim in any way related to the submission of its Bid or this SISP;
- xii. it provides for closing of the proposed transaction by no later than the Outside Date;
- xiii. it is accompanied by a deposit in the form of a wire transfer (to a bank account specified by the Monitor), or such other form acceptable to the

Monitor, payable to the order of the Monitor, in trust, in an amount equal to not less than 10% of the purchase price, to be held and dealt with by the Monitor in accordance with the terms of this SISP;

- n. following the Final Bid Deadline, the Monitor will assess the bids received and proceed to negotiate and settle the terms and conditions of a definitive agreement in respect of a Successful Bid by October 18, 2024 (the “**Definitive Agreement Deadline**”), all of which shall be conditional upon Court Approval and closing on or before the Outside Date;
- o. the SISP will, subject to any amendments, extensions or waivers granted by the Monitor in accordance herewith, terminate in the event that:
  - i. no Qualified Non-Binding LOIs are received by the LOI Deadline, or none are received that are deemed commercially reasonable; or
  - ii. no Qualified Bids are received by the Final Bid Deadline, or the Monitor determines that no Qualified Bids should be accepted; or
  - iii. a definitive agreement in respect of a Successful Bid is not executed by the Definitive Agreement Deadline; or
  - iv. the transaction contemplated by the Successful Bid does not close by October 31, 2024 (the “**Outside Date**”); or
  - v. the Monitor, in consultation with the Petitioner and the Secured Creditors, decides to terminate this SISP; and
- p. the terms of the SISP, including the requirements, criteria and timelines may be amended, extended, or waived by the Monitor, in consultation with the Secured Creditors.



33. The Monitor's comments on the SISP are as follows:

- a. the SISP follows a conventional 2-phase process that will identify any potential bidders within the first 45 days allowing the process to be streamlined and efficient;
- b. the timeframes to solicit purchasers or investors in the business are reasonable and appropriate in the circumstances. It is the view of the Monitor that the SISP provides adequate time for any party that may wish to submit a bid to perform appropriate due diligence;
- c. the Monitor is prepared to begin working on the SISP immediately;
- d. the consultation rights conferred upon the Secured Creditors preserve the confidentiality of such information where applicable and strike a reasonable balance between the interests of the Secured Creditors as important stakeholders in the CCAA Proceedings and the need to maintain the integrity of the SISP; and
- e. the SISP is a fair and transparent marketing process designed to identify the highest and best offers for Inca One's assets and to maximize recoveries for the stakeholders of the Petitioner.

34. Overall, it is the Monitor's view that the SISP terms and timelines are reasonable in the circumstances and afford the Petitioner with an opportunity to achieve a successful restructuring transaction with respect to the Property and business of Inca One.

## **DIP CHARGE**

35. As described above, the Second ARIO provides for the 401 DIP Charge in an amount not to exceed US\$1.0 million. The Stay Extension and Enhanced Monitor's Powers Order provides for the OCIM DIP Charge in an amount not to exceed \$2.0 million.

36. The Monitor has considered the terms and the need for the proposed interim financing and understands that both potential lenders are not prepared to advance funds without the benefit of a DIP Charge.
37. Without the funds from one of the proposed interim lenders, Inca One would be unable to undertake an organized restructuring in these proceedings, which would be to the detriment of all stakeholders. Accordingly, the Monitor is of the view that a DIP Charge is reasonable and appropriate in the circumstances.

## CASH FLOW VARIANCE ANALYSIS

38. Inca One's actual cash receipts and disbursements as compared to the Cash Flow Statement for the period of June 3, 2024 to July 12, 2024, are summarized below:

<b>Cash Flow Variance Analysis</b>				
<b>Six Week Period Ended July 12, 2024</b>				
<b>(CAD)</b>	<b>Actual</b>	<b>Forecast</b>	<b>Variance</b>	
<b>Operating Receipts</b>				
GST receipts	17,463	7,500	9,963	132.8%
Interest and Bank Charges	904	-	904	-
<b>Total Operating Receipts</b>	<b>18,367</b>	<b>7,500</b>	<b>10,867</b>	<b>144.9%</b>
<b>Operating Disbursements</b>				
Payroll and Benefits	(75,622)	(65,000)	(10,622)	(16.3)%
Office and Administrative	(10,983)	(4,000)	(6,983)	(174.6)%
Rent	(4,497)	(5,000)	503	10.1%
Restructuring Professional Fees	(164,009)	(330,000)	165,991	50.3%
Other Professional Fees	(31,372)	(100,000)	68,628	68.6%
Other Operating Disbursements	(13,138)	(20,000)	6,862	34.3%
<b>Total Operating Disbursements</b>	<b>(299,620)</b>	<b>(524,000)</b>	<b>224,380</b>	<b>(42.8)%</b>
<b>Effect of Foreign Exchange Translation</b>	524	-	524	-
<b>Net Change in Cash</b>	<b>(280,729)</b>	<b>(516,500)</b>	<b>235,771</b>	<b>45.6%</b>
<b>Opening Cash</b>	622,146	622,146	-	-
<b>Ending Cash</b>	<b>\$ 341,417</b>	<b>\$ 105,646</b>	<b>\$ 235,771</b>	<b>223.2%</b>

39. Overall, Inca One realized a favourable net cash flow variance of approximately \$236,000. The key components of the variance include:

- a. a positive variance with respect to restructuring professional fees of approximately \$166,000 that is expected to reverse in the coming weeks; and
- b. a positive variance with respect to other professional fees relating to Peruvian counsel that was paid at the subsidiary level and audit fees that have yet to be incurred.

## **SECOND CASH FLOW STATEMENT**

40. The Petitioner has prepared the Second Cash Flow Statement to set out the liquidity requirements of Inca One during the 18 weeks ending October 4, 2024, a copy of which is attached as Appendix “**D**”.

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

<b>Inca One Gold Corp.</b>			
<b>Second Cash Flow Statement</b>			
<b>Eighteen Week Period Ending October 4, 2024</b>	<b>Weeks 1-6</b>	<b>Weeks 7-18</b>	<b>Weeks 1-18</b>
<b>(CAD)</b>	<b>Actuals</b>	<b>Forecast</b>	<b>Total</b>
<b>Operating Receipts</b>			
GST receipts	\$ 17,463	\$ 25,000	\$ 42,463
<b>Total Operating Receipts</b>	<b>17,463</b>	<b>25,000</b>	<b>42,463</b>
<b>Operating Disbursements</b>			
Payroll and Benefits	(75,622)	(183,000)	(258,622)
Office and Administrative	(10,983)	(12,000)	(22,983)
Rent	(4,497)	(15,000)	(19,497)
Restructuring Professional Fees	(164,009)	(671,000)	(835,009)
Other Professional Fees	(31,372)	(308,000)	(339,372)
Other Operating Disbursements	(13,138)	(119,000)	(132,138)
Transfers to Peruvian Subsidiaries	-	(340,000)	(340,000)
<b>Total Operating Disbursements</b>	<b>(299,620)</b>	<b>(1,648,000)</b>	<b>(1,947,620)</b>
<b>Net Change in Cash from Operations</b>	<b>(282,157)</b>	<b>(1,623,000)</b>	<b>(1,905,157)</b>
<b>Financing</b>			
Interim Financing (Net)	-	1,360,000	1,360,000
Interest and Bank Charges	904	(68,000)	(67,096)
<b>Net Change in Cash from Financing</b>	<b>904</b>	<b>1,292,000</b>	<b>1,292,904</b>
<b>Effect of Foreign Exchange Translation</b>	<b>524</b>	<b>-</b>	<b>524</b>
<b>Net Change in Cash</b>	<b>(280,729)</b>	<b>(331,000)</b>	<b>(611,729)</b>
<b>Opening Cash</b>	<b>622,146</b>	<b>341,417</b>	<b>622,146</b>
<b>Ending Cash</b>	<b>\$ 341,417</b>	<b>\$ 10,417</b>	<b>\$ 10,417</b>

42. The Second Cash Flow Statement is based on the following key assumptions:

- c. the projected receipts relate solely to the collection of GST refunds;
- d. payroll and benefits relate to the three employees and three contractors currently employed by Inca One;
- e. rent relates to an office space leased in Vancouver, BC;

- f. restructuring professional fees include the Monitor, the Monitor's counsel and the Petitioner's counsel;
- g. other professional fees relate to corporate legal fees as well as certain public accounting fees that are provisional and only expected to be paid if relevant to a refinancing or otherwise required in these CCAA Proceedings;
- h. other operating disbursements relate to certain public company related costs and other contingencies;
- i. the Second Cash Flow Statement contemplates the receipt of the 401 DIP in an amount of US\$1 million; and
- j. transfers to the Peruvian subsidiaries of \$340,000 are assumed to be required to fund the ongoing care and maintenance operations and preserve value of the subsidiaries' assets and businesses.

43. Management has prepared the Second Cash Flow Forecast on the assumption that the Petitioner is continuing to pursue the Westmount Term Sheet and therefore does not require a SISP. In the event that the Monitor undertakes enhanced powers and has conduct of the SISP incremental professional fees will be required.

#### **STAY EXTENSION**

44. The Monitor has considered Inca One's application for the Stay Extension and has the following comments:

- a. the Cash Flow Statement forecasts that the Petitioner has sufficient liquidity during the period of the Stay Extension;
- b. the Petitioner requires an extension to either pursue the Westmount Term Sheet or, alternatively, to undertake the SISP;

- c. the Petitioner requires the extension to continue to oversee the care and maintenance of its operating subsidiaries and preserve the value of its businesses and assets;
- d. the Petitioner is acting in good faith and with due diligence; and
- e. Inca One's prospects of affecting a viable restructuring will be enhanced by the Stay Extension.

## **CONCLUSIONS AND RECOMMENDATIONS**

45. The Monitor has considered the competing positions for the Second ARIO under the Petitioner's Application and the Stay Extension and Enhanced Powers Order which is supported by the Secured Creditors.
46. The Monitor is of the view that the Petitioner has been acting in good faith and with due diligence and, if one of the proposed interim lender's term sheets is approved, then a stay extension is recommended in this matter. However, the Monitor also notes that:
- a. there is not sufficient certainty with respect to the funds to be raised pursuant to the Westmount Term Sheet;
  - b. the OCIM DIP has more favourable terms in comparison to the 401 DIP;
  - c. the OCIM DIP is supported by the Secured Creditors;
  - d. the OCIM DIP is conditional on the granting of the Stay Extension and Enhanced Powers Order;
  - e. approval of the OCIM DIP would likely result in a substantial reduction of the legal spend of all parties in this matter;

- f. the SISP proposed is reasonable and would provide a comprehensive restructuring plan to the Petitioner, while allowing for a fair and transparent process to identify a restructuring transaction, including a binding refinancing commitment, under the oversight of the Monitor; and
- g. the Westmount Term Sheet would remain an option for consideration within the SISP.

47. Based on the foregoing, the Monitor respectfully recommends that this Honourable Court grant the Stay Extension and Enhanced Monitor's Powers Order. In the event that OCIM, with the support of Equinox, is prepared to advance the OCIM DIP on terms that allow Management to retain certain governance and restructuring powers during the period of the Stay Extension then the Monitor is supportive of such accommodations.

\*\*\*\*\*

All of which is respectfully submitted this July 19, 2024.

**FTI Consulting Canada Inc.**  
in its capacity as Monitor of Inca One



Tom Powell  
Senior Managing Director



Mike Clark  
Managing Director

# **Appendix A**

## Westmount Term Sheet



## Inca One Gold Corp.



### GOLD LOAN TERM SHEET

**Inca One Gold** is seeking a five-year Debenture.

*Set forth below is a summary of the main terms and conditions of a committed facility (the “Committed Term Sheet”). The entering into such a commitment facility is subject to satisfactory completion of due diligence, and the execution of legal documentation acceptable to the Lender.”*

**Inca One Gold Corp (“Inca One Gold”)** ([TSXV:INCA](#), [OTCQB:INCAF](#)) is a Canadian based gold producer operating two permitted, fully integrated, gold mineral processing facilities in Peru. It has been operating for the past ten years as a service provider to the Gold mining industry. Sales for the trailing twelve months were approximately \$40 million, whilst only operating at around 20% of built out capacity (all amounts in US\$ unless otherwise noted).

#### Terms:

Debenture*	<b>\$ 25,000,000</b>
Use of Proceeds	Purchase gold inventory & refinance existing loans
Maturity Date	<b>5 years</b> from the issuance of the debenture
Security	Debentures secured by gold inventory and two processing plants.
Interest	The Debentures will <b>bear interest at the rate of 8% per annum</b> and shall be payable in cash. Interest shall be paid quarterly in arrears, starting on the last day of the sixth month following the issue date of the Debentures.
Debentures	The Company shall repay <b>1/16 of \$20 million</b> original principal amount of each Debenture <b>quarterly</b> with the first repayment occurring on the date which is twelve months following the issue date and each subsequent repayment on a date which is three months after the date of the previous repayment (each such repayment a “Repayment”). <b>A bullet payment of \$5 million</b> will be due and payable at the end of the term. At the option of the holder of a Debenture any Repayment may be satisfied by the tender of: (i) cash; or (ii) gold dore / refined gold produced from the Company’s plants in Peru, at a <b>15% discount to the price set at the date of closing of the note.</b>



	<b>Example: \$2,031.00 (15% discount)</b>
Reference Gold price (\$) at closing of debenture	Average of the London AM/PM Fix on day of closing the Debenture: \$2,390.58

\* **16 Deliveries** (fixed dollar payment amount to be deducted equally against the value of each of the deliveries) and 1 Bullet Delivery at the end.

**Example of Payment in Gold:**

Debenture: **\$25,000,000**  
Principal payments: 16 quarterly payments: **\$1,250,000** and one bullet payment at the end of the term for **\$5,000,000**  
London AM/PM Fix on Day of closing: **\$2390.58/oz**  
Gold price, with discount by 15%: **-\$358.59 = \$2,032.00**  
Quarterly Payable ounces: **615.1575 Oz** [ $\$1,250,000 / \$2,032$ ] x 16 = 9,842.52 Oz.  
Bullet Payable ounces: **2,460.63 Oz** [ $\$5,000,000 / \$2,032$ ]  
**Total Payment in Gold: 12,303.15 Oz**

**Offering Conditions:**

The Offering will be made in accordance with the exemption from prospectus requirements to subscribers who are "accredited investors" pursuant to the provisions of National Instrument 45-106 or equivalent applicable exemptions in other jurisdictions where the offering and sale of the Debentures is legal according to the applicable securities legislation of such jurisdiction(s).

The implementation of this transaction contemplated under this Committed Term Sheet is subject to the approval of the Supreme Court of British Columbia, in action number S-243645, Vancouver Registry, such approval to be sought by Inca One Gold Corp on or before July 22, 2024, or such further date as the parties may agree in writing.

**Use of Proceeds:**

The net proceeds of the Offering will be used for 1) refinancing an existing loan; 2) increasing toll milling capacity from 40% to 100% at existing plant in Perú, general working capital purposes, including, but not limited to, the payment of interest on debt until production, and corporate and administrative purposes.

**Closing:**

Closing should be on or about September 30<sup>th</sup>, 2024, or such other date or dates (*multiple closings*), as may be established by the Corporation.

**Commissions:**

The Corporation will pay to CrowdBureau Corporation, Jutland Capital Management Ltd. and Westmount Capital an aggregate cash fee equal to 8% of the gross proceeds from the sale of the Debentures to Purchasers (the "**Success Fee**") in connection with the Offering. Up to 40% of the Success Fee may be satisfied, at the option of CrowdBureau Corporation, Jutland Capital Management Ltd., and Westmount Capital, by the issuance of a debenture by the Corporation (the "**Success Debenture**"), having the same terms and conditions as the Debentures and in a principal amount equal to the dollar value of the Success Fee being satisfied by the issuance of such Success Debenture.


**Governing Law:**

This agreement used in connection with the Offering shall be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein.

**This Committed Term Sheet may be signed in counterparts.**

**This Committed Term Sheet will remain open for acceptance until July 9, 2024."**

Edward Kelly  
CEO & Director, Inca One Gold Corp.

  
Robert Seguin  
Managing Partner, Westmount Capital

# **Appendix B**

## 401 DIP Term Sheet

## INTERIM FINANCING TERM SHEET

We are advised that Inca One Gold Corp. (the "**Borrower**") obtained an Initial Order under the *Companies Creditors' Arrangement Act* on June 3, 2024, which was amended and restated (the "**ARIO**") on June 13, 2024.

In contemplation of the above, Leo Berezan (the "**Lender**"), will provide, financing to the Borrower as described in this term sheet (the "**Term Sheet**") on and subject to the terms and conditions set forth herein.

1.	<b>Borrower</b>	Inca One Gold Corp.
2.	<b>Lender</b>	401601 B.C. Ltd.
3.	<b>Amount</b>	Up to \$1,000,000.00 USD (the " <b>Loan</b> "), or such greater amount as the Lender may agree.
4.	<b>Drawdown</b>	<p>The Loan may be drawdown in two increments of \$750,000.00 USD and \$250,000 USD. Advances will require the receipt of a drawdown request, and shall be made in accordance with the conditions precedent and other terms to be set out in the Loan Agreement (as defined herein).</p> <p>Each draw shall be subject to a drawdown fee of 5% payable at the time such advance is made and the Lender shall retain this fee from any advances.</p> <p>The first advance under the Loan shall be advanced upon satisfaction of the conditions precedent under the Loan Agreement.</p>
5.	<b>Warrants</b>	As incentive for the Lender providing the Loan, the Borrower agrees to offer to the Lender, upon the Borrower's relisting with the TSX Venture Exchange, and subject to exchange and corporate approval, and all applicable securities legislation, 5,000,000 bonus warrants with a term of 1 year and an exercise price of C\$0.10/sh.
6.	<b>Instrument</b>	Debtor in possession loan, in the form of a non-revolving facility, subject to a satisfactory order of the court (the " <b>Order</b> ") amending the ARIO in the Companies' Creditors Arrangement Act proceedings commenced in British Columbia Supreme Court Action No. S243645 (the " <b>CCAA Proceedings</b> ") involving the Borrower, approving the Loan and granting the Lender a super-priority charge (the " <b>DIP Charge</b> ") over all of the Borrower's current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (collectively, the " <b>Property</b> ").
7.	<b>Use of Proceeds</b>	To provide working capital for the Borrower, including to pay legal, restructuring, administrative and audit and relisting fees in connection with the CCAA Proceedings, all in accordance with the Borrower's cashflow forecast.



8.	<b>Maturity</b>	The Loan, including any outstanding principal, interest and fees, shall become fully due and payable on the earliest of the occurrence of any of the following (such earliest date being the " <b>Maturity Date</b> "): (i) the date on which the Lender demands repayment after the occurrence of an event of default; (ii) the implementation of a plan of arrangement and compromise within the CCAA Proceedings, which has been approved by an order made by the Court;; (iii) the termination of the CCAA Proceedings;; and (iv) November 30, 2024.
9.	<b>Events of Default</b>	The Loan Agreement and other definitive documents will provide for customary events of default, including the following: <ol style="list-style-type: none"> <li>1. If the Order has been vacated, stayed or otherwise caused to be ineffective or is otherwise amended in a manner not approved by the Lender, in its sole discretion; and</li> <li>2. Any steps are taken by the Borrower to challenge the Order or the validity, enforceability or priority of the DIP Charge in favour of the Lender.</li> </ol>
10.	<b>Interest</b>	The Loan shall bear interest at 20% per annum calculated and paid on payout of the Loan.
11.	<b>Expenses</b>	The Lender shall be reimbursed by the Borrower for its legal costs associated with the Loan, which shall be deducted from the first advance.
12.	<b>Standby Charge</b>	Undrawn portions of the Loan will be subject to a 2% standby charge fee calculated monthly and payable to the Lender upon the Maturity Date.
13.	<b>Pre-Payment</b>	The Borrower may pre-pay the Loan, in full, at any time upon 2 business days' notice to the Lender without penalty or premium
14.	<b>Security</b>	<ol style="list-style-type: none"> <li>1. Loan Agreement;</li> <li>2. Interim Financing Charge covering all the Property. Unless ordered by the Court or otherwise agreed to in writing by the Lender, all other court-ordered charges, with the exception of any administration charge granted in favour of the Borrower's counsel, the court-appointed monitor and counsel to the monitor, up to a maximum of \$220,000 (the "<b>Administration Charge</b>"), shall be subordinated to the Loan; and</li> <li>3. Such other certificates, opinions, documents, agreements or instruments that the Lender may reasonably require.</li> </ol>

Initials:

2



15.	<b>Covenants</b>	<p>The covenants associated with the Loan shall include, but are not limited to, the following:</p> <ol style="list-style-type: none"> <li>1. Comply with the provisions of any court orders made in or in connection with the CCAA Proceedings;</li> <li>2. Provide cashflow forecasts and variance analysis;</li> <li>3. Keep the Lender informed of the Borrower's activities and consult the Lender for important decisions that could affect its position; and</li> <li>4. The Borrower shall not permit any further encumbrance of the Property absent a court order, which in all cases shall rank subordinate to the DIP Charge unless otherwise agreed to in writing by the Lender.</li> </ol>
16.	<b>Conditions Precedent</b>	<p>In addition to the matters described elsewhere in this Interim Financing Term Sheet the completion of the transaction and each drawdown of the Loan will be subject to the following conditions:</p> <ol style="list-style-type: none"> <li>1. Negotiation and execution of the Loan Agreement and other definitive documents in respect of the Loan;</li> <li>2. Court approval of the Loan and issuance of the Order, which Order shall, among other things, grant the DIP Charge in favour of the Lender, which DIP Charge shall rank in priority to all liens and encumbrances, including any court-approved charges over the Property, other than the Administration Charge; and</li> <li>3. Pay all legal fees and expenses related to the Loan pursuant to the Expenses provision hereof and any definitive documents.</li> </ol>
17.	<b>Representations and Warranties</b>	<p>The Borrower hereby represents and warrants to the Lender, upon which the Lender relies in entering into this Interim Financing Term Sheet and the other facility documents, including the Loan Agreement, and subject to the Order, that:</p> <ol style="list-style-type: none"> <li>1. the transactions contemplated by this Interim Financing Term Sheet and the other facility documents, including the Loan Agreement, are within the powers of the Borrower;</li> <li>2. have been duly authorized by all necessary corporate resolutions;</li> </ol>

Initials:

3



		<p>3. have been duly executed and delivered by or on behalf of the Borrower;</p> <p>4. upon the granting of the Order, constitute legal, valid and binding obligations of the Borrower, enforceable in accordance with their terms;</p> <p>5. upon the granting of the Order, do not require the consent or approval of, registration or filing with, or any other action by any governmental authority, subject to any requirements in this Interim Financing Term Sheet;</p> <p>6. Borrower maintains and shall continue to maintain adequate insurance coverage, of such type, in such amounts and against such risks as is prudent for a business of its nature with reputable insurers and contain coverage and scope acceptable to the Lender; and</p> <p>7. no Event of Default has occurred and is continuing.</p>
18.	<b>Loan Agreement and Other Documents</b>	This Interim Financing Term Sheet is intended to address only the principal terms of this debt financing subject to the completion of a definitive loan agreement (the "Loan Agreement") and other closing documents.
19.	<b>Further Assurances</b>	The Borrower will, at its expense, do, execute, acknowledge and deliver or will cause to be done, executed, acknowledged and delivered all and every such further and other acts, agreements, instruments, registrations, filings and assurances as the Lender may require for the purpose of giving effect to this Interim Financing Term Sheet.
20.	<b>Governing Law</b>	This Interim Financing Term Sheet and all related agreements shall be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein.
21.	<b>Approval</b>	The Loan is subject to obtaining the Order in the CCAA Proceedings, which shall be sought by the Borrower at no expense to the Lender. If the Order is not obtained, or the Loan Agreement and other definitive documents are not executed, then neither the Borrower nor the Lender shall have any further obligation with respect to the Loan.

Initials:

4

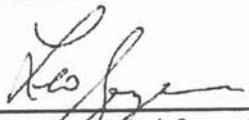


22.	<b>Counterparts</b>	This Term Sheet may be executed and delivered by the parties in separate counterparts, each of such counterparts when so executed and delivered shall be deemed to be an original and such counterparts together shall constitute one and the same instrument. Delivery of an executed copy of this Term Sheet or any counterpart to any party may be by facsimile or email PDF format.
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The offer of financing constituted by this Interim Financing Term Sheet is open for acceptance by the execution by the Borrower and return of a duplicate copy by 5:00 p.m. on July 19, 2024, after which date this offer will expire and this Term Sheet shall be of no further force or effect.

Yours truly,

**401601 B.C. LTD.**

  
\_\_\_\_\_  
LEO BEREZAN

Accepted this 17<sup>th</sup> day of July, 2024.

**INCA ONE GOLD CORP.**

By   
\_\_\_\_\_

Name: Edward Kelly

Title: President & C.E.O.

I have the authority to bind the corporation.



# **Appendix C**

## **OCIM Term Sheet**

## INTERIM FINANCING COMMITMENT LETTER

Dated as of July 19, 2024

**WHEREAS:**

A. On June 3, 2024, Inca One Gold Corp. (the “**Borrower**”) obtained protection from its creditors under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”), pursuant to an Order granted by the British Columbia Supreme Court (the “**Court**”), as amended and extended by an Amended and Restated Initial Order granted June 13, 2024 (the “**ARIO**”) in Supreme Court of British Columbia Action No. S-243645 (the “**CCAA Proceedings**”). Pursuant to these orders, FTI Consulting Canada Inc. was appointed as monitor of the Borrower (in such capacity, the “**Monitor**”).

B. On July 22, 2024, the Court granted an Order (the “**Enhanced Powers Order**”) that, among other things, authorized and empowered the Monitor to, on behalf of the Borrower, operate and preserve the Borrower’s Business and Property (as such terms are defined therein).

C. The Borrower requires interim financing to fund its cash requirements during the pendency of the CCAA Proceedings, and the Interim Lender (defined below) has agreed to provide such interim financing.

D. Pursuant to the Enhanced Powers Order, the Court authorized the Borrower to borrow funds under this Interim Financing Commitment Letter (the “**Term Sheet**”), and the Monitor was expressly authorized to enter into and execute this Term Sheet and the Definitive documents (defined below) for and on behalf of the Borrower.

E. The Parties have agreed to execute this Term Sheet to set out the binding agreement among them with respect to the advance and repayment of the interim financing contemplated hereby.

**NOW THEREFORE**, the Parties, in consideration of the foregoing and the mutual agreements contained herein (the receipt and sufficiency of such consideration is hereby acknowledged), agree as follows:

<b>1.</b>	<b>BORROWER:</b>	Inca One Gold Corp. (the “ <b>Borrower</b> ”).
<b>2.</b>	<b>INTERIM LENDER:</b>	OCIM Metals & Mining SA (the “ <b>Interim Lender</b> ”).
<b>3.</b>	<b>DEFINITIONS:</b>	The following defined terms shall have the following meanings:  “ <b>Administration Charge</b> ” means a charge over all of the current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof of the Borrower, or any parts thereof (the “ <b>Property</b> ”) created by an Order in the CCAA Proceedings to secure the Borrower’s obligations to their legal counsel, the Monitor and legal counsel for the Monitor, but in no event shall

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	<p>the amount secured by such charge exceed CAD \$220,000, except with the written consent of the Interim Lender;</p> <p><b>“Business Day”</b> means a day, other than a Saturday, Sunday, or a statutory holiday, on which banks are open for business in the city of Vancouver, British Columbia;</p> <p><b>“Cash Flow Budget”</b> means the detailed thirteen (13) week rolling cash flow budget of receipts and disbursements prepared by the Borrower with the assistance of and as approved by the Monitor, together with any subsequent detailed cash flow budgets prepared by the Borrower with the assistance of and as approved by the Monitor, all of which having been provided to and approved in writing by the Interim Lender.</p> <p><b>“Crown”</b> means His Majesty the King in right of Canada, or any province or territory;</p> <p><b>“Default”</b> means an event which, with the giving notice of and/or lapse of time would constitute an Event of Default (as defined herein);</p> <p><b>“Definitive Documents”</b> means this Term Sheet and any other definitive security or other documents, agreements, registrations, financing statements and instruments in respect of the Interim Lending Facility;</p> <p><b>“Fees and Expenses”</b> means all reasonable and documented fees, disbursements, and out-of-pocket expenses incurred by the Interim Lender (including reasonable and documented legal, consulting, advisor and other professional fees and expenses, on a full indemnity basis), in connection with the CCAA Proceedings (including preparation for and attendance at the Court), due diligence, negotiation and documenting of this Term Sheet, the Definitive Documents and all related documentation, the on-going monitoring and administration of the Interim Lending Facility and the Definitive Documents, and the enforcement of any of the Interim Lender’s rights and remedies available under the Term Sheet, the Definitive Documents, and any Order.</p> <p><b>“Governmental Authority”</b> means any domestic or foreign: (a) federal, provincial, state, municipal, local or other government; (b) governmental or quasi-governmental authority of any nature, including any governmental ministry, agency, branch, department, court, commission, board, tribunal, bureau or instrumentality; or (c) body exercising or entitled to exercise any</p>
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		<p>administrative, executive, judicial, legislative, regulatory or taxing authority or power of any nature;</p> <p><b>“Interim Loan Obligations”</b> means all obligations of the Borrower to the Interim Lender under or in connection with this Term Sheet or the Definitive Documents, including to pay all interest accruing due, and all Fees and Expenses;</p> <p><b>“Material Adverse Effect”</b> means:</p> <p>(a) any effect which is or could reasonably be expected to be adverse on the: (i) status or conditions (financial or otherwise), properties, assets, ownership, capital, liabilities, obligations (whether absolute, accrued, conditional or otherwise), business operations or results of operations of the Borrower that, in the Interim Lender’s sole opinion, acting reasonably, is material; or (ii) ability of the Borrower to perform or discharge its obligations under this Term Sheet or any of the other documents relating hereto which, in the Interim Lender’s sole opinion, is material; or</p> <p>(b) any event which would constitute an Event of Default of any event which, with the giving of notice of the lapse of time or otherwise, could constitute an Event of Default.</p> <p><b>“Order”</b> means an order of the Court granted in the CCAA Proceedings;</p> <p><b>“Parties”</b> means the Borrower and the Interim Lender.</p>
4.	<b>CURRENCY</b>	Unless otherwise stated, all monetary denominations are in Canadian dollars.
5.	<b>INTERIM LENDING FACILITY AND MAXIMUM COMMITMENT AMOUNT:</b>	<p>The Interim Lender shall provide to the Borrower a secured, super-priority (debtor-in-possession) non-revolving term credit facility (the <b>“Interim Lending Facility”</b>) up to the maximum principal amount of CAD \$2,000,000 (the <b>“Maximum Commitment”</b>), subject to the terms and conditions of this Term Sheet.</p> <p>All advances by the Interim Lender to the Borrower under the Interim Lending Facility shall be referred to herein as <b>“Advances”</b>, and each individually shall be referred to herein as an <b>“Advance”</b>.</p>
6.	<b>CLOSING DATE OF INITIAL ADVANCE:</b>	The Borrower may make an initial draw on the Interim Lending Facility on the day following the date on which the conditions precedent in section 9 below have been satisfied (the <b>“Initial</b>

		<p><b>Draw Date</b>”), provided that, if the conditions precedent in section 9 below have not been satisfied by July 31, 2024, or such later date as the Interim Lender may in its sole discretion agree to in writing, the Interim Lending Facility shall be terminated and the Interim Lender shall be under no obligation to make any Advance.</p>
7.	<b>USE OF PROCEEDS:</b>	<p>The Interim Lending Facility may only be used by the Borrower, and the Borrower shall only use the Advances under the Interim Lending Facility to pay:</p> <ul style="list-style-type: none"><li>(a) expenditures made in the ordinary course of the Borrower’s business and for administration costs in relation to the CCAA Proceedings; and</li><li>(b) such other expenditures as the Monitor and the Interim Lender, acting reasonably, have consented to in writing.</li></ul>
8.	<b>REPAYMENT:</b>	<p>All amounts owing to the Interim Lender under the Interim Lending Facility shall be due and payable on the <u>earliest</u> of the occurrence of any of the following (such earliest date being the “<b>Maturity Date</b>”):</p> <ul style="list-style-type: none"><li>(a) the date on which the Interim Lender demands repayment of the Interim Lending Facility after the occurrence of an Event of Default (defined below);</li><li>(b) October 31, 2024 or such other date as agreed to by the Interim Lender and the Borrower in writing;</li><li>(c) the date of the termination of the stay period under the ARIO, or any extension orders relating thereto (the “<b>Extension Order(s)</b>”, which Extension Orders must be on terms satisfactory to the Interim Lender, acting reasonably;</li><li>(d) the date on which a plan of compromise and arrangement pursuant to the CCAA Proceedings, acceptable to the Interim Lender and approved by the requisite creditors of the Borrower, and the Court, has been implemented;</li><li>(e) the date on which the stay under the ARIO or any Extension Order is lifted or set aside, in whole or in part, without the prior written consent of the Interim Lender; or</li></ul>

		<p>(f) the date on which: (i) an assignment in bankruptcy is made by the Borrower under the <i>Bankruptcy and Insolvency Act</i> (Canada) (the “BIA”); (ii) a bankruptcy order is issued in respect of the Borrower pursuant to the BIA; (iii) a notice of intention to make a proposal under the BIA is filed on behalf of the Borrower; (iv) a receiver or receiver and manager is appointed by any court of competent jurisdiction in respect of the Borrower or any of its Property, in each case without the prior written consent of the Interim Lender.</p> <p>The Maturity Date may be extended at the request of the Borrower and with the prior written consent of the Interim Lender, in its sole discretion, for such period and on such terms and conditions as the Borrower and the Interim Lender may agree, subject to approval from the Court if so required.</p> <p>The commitment in respect of the Interim Lending Facility shall expire on the Maturity Date and all Interim Loan Obligations shall be repaid in full by no later than the Maturity Date, without the Interim Lender being required to make demand upon the Borrower or to give notice that the Interim Lending Facility has expired and/ or that the Interim Loan Obligations are due and payable, other than as required in the Enhanced Powers Order. The Interim Loan Obligations under this Term Sheet and the obligations under any other Definitive Documents shall not be fully and finally discharged, and the Interim Lender’s Charge shall not be released, until all Interim Loan Obligations been satisfied in full.</p> <p>All payments received by the Interim Lender shall be applied: (i) first to any Fees and Expenses due hereunder; (ii) second to prepayment obligations, if applicable; (iii) third to accrued and unpaid interest; (iv) fourth, after all such Fees and Expenses and interest are brought current, to principal.</p>
<p>9.</p>	<p><b>AVAILABILITY UNDER INTERIM LENDING FACILITY:</b></p>	<p>The Borrower shall request Advances by submission to the Interim Lender of a drawdown request in the form attached as <u>Schedule “A”</u> hereto (the “<b>Drawdown Request</b>”) no more frequently than once a week and not less than three (3) Business Days prior to the requested Advance date, unless otherwise agreed to by the Interim Lender.</p> <p>Each Advance shall be in a minimum amount of fifty-thousand dollars (CAD \$50,000) and a maximum amount of two-hundred-fifty-thousand dollars (CAD \$250,000). Availability under the Interim Lending Facility is limited to the Maximum</p>

	<p>Commitment Amount and is subject to the other conditions described herein.</p> <p>Any Drawdown Request that is not consistent with the Cash Flow Budget, subject to the Permitted Variance (as defined below), must be acceptable to and approved by the Interim Lender.</p> <p>The aggregate borrowings under the Interim Lending Facility during any week shall not exceed the forecasted borrowing requirements set forth in the Cash Flow Budget by more than the Permitted Variance and shall be subject to and shall not exceed at any time the Maximum Commitment.</p> <p>The following conditions precedent shall be satisfied, or waived by the Interim Lender in its sole discretion, prior to the making of each Advance hereunder:</p> <ul style="list-style-type: none"><li>(a) execution and delivery of this Term Sheet and all documentation relating to the Interim Lending Facility, including, without limitation, the Definitive Documents and all security documents required hereunder;</li><li>(b) there shall be no encumbrances on any Collateral (defined below) ranking in priority to or <i>pari passu</i> with the Interim Lender's Charge (defined below) other than as permitted by the terms hereof;</li><li>(c) each Advance (together with all previous Advances) must be no greater than the amount shown on the Cash Flow Budget, as reviewed by the Monitor, and in the aggregate shall not exceed the Maximum Commitment Amount and shall be subject to the terms and conditions hereof;</li><li>(d) subject to the Enhanced Powers Order, delivery to the Interim Lender (with a copy to the Monitor) of a Drawdown Request, executed by an officer on behalf of the Borrower;</li><li>(e) no application for leave to appeal, notice of appeal or an appeal in respect of the ARIO or the Enhanced Powers Order shall have been made or threatened in a manner materially adverse to the Interim Lender as determined by the Interim Lender in its sole discretion;</li></ul>
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		<p>(f) no motion to amend, vary or stay the ARIO or the Enhanced Powers Order shall have been made or threatened in a manner materially adverse to the Interim Lender as determined by the Interim Lender in its sole discretion;</p> <p>(g) no Material Adverse Effect (defined below) shall have occurred after the date of the ARIO;</p> <p>(h) there shall have been no breach of any covenant or other obligation of the Borrower under or in connection with this Term Sheet or the Definitive Documents;</p> <p>(i) no Event of Default (nor any event which could with the giving of notice constitute an Event of Default) shall have occurred and be continuing, nor shall any Event of Default (nor any event which could with the giving of notice constitute an Event of Default) occur as a result of the Advance;</p> <p>(j) there are no pending appeals, injunctions or other legal impediments relating to the Interim Lending Facility, or pending litigation seeking to restrain or prohibit the Interim Lending Facility;</p> <p>(k) the Cash Flow Budget shall be satisfactory to the Interim Lender in its sole discretion; and</p> <p>(l) the Interim Lender shall have received all “know your client”, anti-money laundering and related information requested by it in respect of the Borrower.</p>
<p><b>10. SECURITY:</b></p>		<p>The Interim Loan Obligations shall be secured by way of a first-ranking super priority charge and claim (the “<b>Interim Lender’s Charge</b>”) over all of the present and after-acquired real and personal property, assets and undertakings of the Borrower (collectively, the “<b>Collateral</b>”), such Interim Lender’s Charge having been granted by way of the Enhanced Powers Order in the CCAA Proceedings.</p> <p>The Interim Lender’s Charge shall be effective without the need for any further documentation or filings in any personal property security registration regime or real property system.</p> <p>Pursuant to the Enhanced Powers Order, the Interim Lender’s Charge shall rank in priority to the rights and claims of all other</p>



		creditors, interest holders, lien holders and claimants of any kind whatsoever, <u>other than</u> : (i) the Administration Charge; (ii) any purchase money security interests in any of the Borrower's Property; and (iii) those claims contemplated by section 11.8(8) of the CCAA (collectively, the " <b>Priority Charges</b> ").
<b>11. PERMITTED ENCUMBRANCES AND PRIORITY:</b>		All Collateral will be free and clear of liens, encumbrances, and claims, other than (together, the " <b>Permitted Encumbrances</b> "): (a) the Interim Lender's Charge; and (b) the Priority Charges
<b>12. INTEREST:</b>		<p>The outstanding principal amount of all Advances shall bear interest at the rate of 20% per annum, calculated monthly and payable monthly in arrears on the last Business Day of each calendar month commencing on August 31, 2024. Interest on each Advance shall accrue on the basis of a year of 365 days, and will be calculated and compounded monthly on the first Business Day of each month.</p> <p>For the purposes of disclosure pursuant to the <i>Interest Act</i> (Canada), the annual rates of interest or fees to which the rates calculated in accordance with this Interim Lending Facility are equivalent are the rates so determined multiplied by the actual number of days in the applicable calendar year and divided by 365 or such other period of time, respectively.</p> <p>If any provision of this Term Sheet or any of the Definitive Documents would obligate the Borrower to make any payment to the Interim Lender of an amount that constitutes "interest", as such term is defined in the <i>Criminal Code</i> (Canada) and referred to in this section as "Criminal Code Interest", during any one-year period after the date of the first Advance in an amount or calculated at a rate which would result in the receipt by the Interim Lender of Criminal Code interest at a criminal rate (as defined in the <i>Criminal Code</i> (Canada) and referred to in this section as a "criminal rate"), then, notwithstanding such provision, that amount or rate during such one-year period shall be deemed to have been adjusted with retroactive effect to the maximum amount or rate of interest, as the case may be, as would not result in the receipt by the Interim Lender during such one-year period of Criminal Code interest at a criminal rate, and the adjustment shall be effected, to the extent necessary, by reducing any fees and other amounts (if any) required to be paid to the Interim Lender during such one-year period which would constitute Criminal Code interest.</p>

<b>13.</b>	<b>PREPAYMENT:</b>	The Borrower may, at any time and at its sole discretion, prepay in full (but not in part) the outstanding balance of the Interim Lending Facility prior to the Maturity Date, without notice or penalty.
<b>14.</b>	<b>MANDATORY REPAYMENTS:</b>	<p>Subject to any Order and subject to the Priority Charges, the Borrower is required to pay all proceeds arising from:</p> <ul style="list-style-type: none"><li>(a) any disposition of assets or other transaction involving the Collateral including, without limitation, any refinancing or sale and lease back agreement; and</li><li>(b) insurance proceeds in respect of any of the Collateral,</li></ul> <p>as repayment of the Interim Loan Obligations and any such repayment shall reduce the Maximum Commitment Amount.</p> <p>The Borrower shall immediately make any payments required to eliminate any amount by which the principal amount outstanding at any time under the Interim Lending Facility exceeds the Maximum Commitment Amount (provided that for greater certainty, the Maximum Commitment Amount shall not include any accrued but unpaid interest).</p> <p>Amounts repaid will not be re-advanced.</p>
<b>15.</b>	<b>ADDITIONAL DOCUMENTATION:</b>	All documentation relating to the Interim Lending Facility shall be in form and substance satisfactory to the Interim Lender and the Monitor and consistent with the terms approved by the Court in the Enhanced Powers Order. The Borrower or the Monitor, as applicable, shall execute and deliver to the Interim Lender such documents and assurances as the Interim Lender may request that are reasonably necessary to give full force and effect to this Term Sheet. At the reasonable request of the Interim Lender, the Borrower shall execute and deliver such acknowledgments, mortgages, security agreements, charges and other ancillary documents as the Interim Lender may from time to time request to give full force and effect to this Term Sheet.
<b>16.</b>	<b>AFFIRMATIVE COVENANTS:</b>	<p>The Borrower covenants and agrees, from the date of execution of this Term Sheet and while any Interim Loan Obligations remain outstanding, to:</p> <ul style="list-style-type: none"><li>(a) subject to the terms of the ARIIO, the Enhanced Powers Order, and any other Orders approved by the Interim Lender in the CCAA Proceedings, make payment on a timely basis of all amounts in relation to the Collateral where the non-payment of same could give rise to a lien,</li></ul>

		<p>charge or other encumbrance ranking prior to or <i>pari passu</i> with the Interim Lender's Charge and immediately notify the Interim Lender of any action, claim, lawsuit, demand, investigation or proceeding pending, or to the knowledge of the Borrower, threatened, against the Borrower or an affiliate of the Borrower, before any court, Governmental Authority, regulatory authority, arbitrator or tribunal;</p> <p>(b) maintain, or cause an affiliate to maintain, in good standing at all times all insurance coverage as is customarily carried by companies which are engaged in the same or similar business to the business of the Borrower or as otherwise may be required by the Interim Lender;</p> <p>(c) consult with the Interim Lender in connection with any plan of compromise or arrangement to be advanced in the CCAA Proceedings; any such plan must be satisfactory to and subject to the approval of the Interim Lender;</p> <p>(d) except where a stay of proceedings applies and subject to the terms of the ARIO and any further Order, pay when due all statutory liens, trust and other Crown claims including employee source deductions, GST, HST, PST and workplace safety and insurance premiums but only with respect to those priority payments which rank ahead of the Interim Lender's Charge or with respect to the Borrower's post-CCAA filing obligations in all cases in accordance with the Cash Flow Budget;</p> <p>(e) comply with the provisions of the Orders made in the CCAA Proceedings;</p> <p>(f) pay when due, all principal, prepayment obligations, interest, fees and other amounts payable by the Borrower under the Term Sheet and under any other agreements related thereto;</p> <p>(g) preserve, renew and keep in full force its respective corporate existences in respect of its affiliates, business, properties, assets or any activities or operations carried out by the Borrower;</p> <p>(h) conduct all activities in accordance with the Cash Flow Budget, including as directed by the Monitor pursuant to</p>
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		<p>the Enhanced Powers Order, and the credit limits established under the Interim Lending Facility as set out herein;</p> <ul style="list-style-type: none"><li>(i) allow the Interim Lender to inspect the operations of the Borrower upon request at any time during regular business hours;</li><li>(j) deliver to the Interim Lender such financial reporting as is required under the Definitive Documents;</li><li>(k) forthwith notify the Interim Lender and the Monitor of the occurrence of any Event of Default, or of any event or circumstance that may constitute an Event of Default or a material adverse change from the Cash Flow Budget;</li><li>(l) forthwith notify the Interim Lender of all material developments with respect to the business and affairs of the Borrower and the CCAA Proceedings;</li><li>(m) provide to the Interim Lender at least three (3) Business Days in advance of the earlier of service or filing, copies or drafts of all petitions, pleadings, motions, affidavits, reports, applications, judicial information, financial information and other documents to be filed by or on behalf of the Borrower with the Court, provided that if it is not practicable to provide such documents at least three (3) Business Days prior to the earlier of service or filing, then as promptly as possible after such documents are available, which materials (including any proposed Order) shall be in form and substance acceptable to the Interim Lender; and</li><li>(n) provide to the Interim Lender, promptly upon receipt, a copy of all materials received by the Borrower from third parties in connection with any application or motion to the Court, or another court, in or in respect of the CCAA Proceedings.</li></ul>
<b>17.</b>	<b>NEGATIVE COVENANTS:</b>	<p>The Borrower covenants and agrees <u>not</u> to do the following from the date of execution of this Term Sheet and while any Interim Loan Obligations remain outstanding, other than in each case with the prior written consent of the Interim Lender:</p> <ul style="list-style-type: none"><li>(a) except as permitted by the ARIO, the Enhanced Powers Order, or further Order, make any payment of principal or interest in respect of any indebtedness outstanding on June 3, 2024;</li></ul>

		<ul style="list-style-type: none"><li>(b) permit any new liens, claims, or charges to be made or exist on any of its Property, other than Permitted Encumbrances and the liens and charges in favour of the Interim Lender, as contemplated by this Term Sheet;</li><li>(c) disclaim, resiliate or terminate any material contract;</li><li>(d) establish any defined benefit pension plan;</li><li>(e) merge, amalgamate, consolidate, reorganize, or complete any sale of any assets outside of the ordinary course of business, other than sales of redundant or non-material assets, in each case as permitted pursuant to the ARIO or further order of the Court;</li><li>(f) make any acquisitions, investments or loans to any party or guarantee the obligations of any party, other than as expressly contemplated in the Cash Flow Budget;</li><li>(g) incur or enter into any debts, liabilities or obligations, including, without limitation, guarantees and contingent obligations, except in the ordinary course of business or as may otherwise be approved by the Monitor and the Interim Lender;</li><li>(h) make or permit any dividends or distributions (whether by reduction of capital or otherwise) with respect to its shares or that of an affiliates', or directly or indirectly purchase, redeem, or otherwise acquire or retire any of its shares or an affiliates';</li><li>(i) make any payments, loans or transfers to any affiliate, in each case other than with the prior consent of the Interim Lender or as permitted under the Cash Flow Budget;</li><li>(j) other than as permitted by the Cash Flow Budget, make any payments on account of compensation, fees or bonuses of any kind whatsoever to any directors, officers or employees of the Borrower, directly or indirectly, or to pay any new retainers (other than payments in respect of amounts subject to the Administration Charge), or establish or create any trust accounts;</li><li>(k) conduct any business or engage in any transaction with an affiliate or non-arm's length person unless such</li></ul>
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		<p>business or transaction is on terms which would apply to an arm's length transaction; or</p> <p>(l) enter into any agreement, initiate any process or put forward or participate in any plan or arrangement that contemplates any amendment or waiver of the Interim Lender's rights under this Term Sheet.</p>
<p><b>18. EVENTS OF DEFAULT:</b></p>		<p>The occurrence of any one or more of the following events, without the prior written consent of the Interim Lender, shall constitute an event of default ("<b>Event of Default</b>") under this Term Sheet:</p> <p>(a) the failure by the Borrower to pay any principal, interest, fees, prepayment obligations or any other amounts, in each case when due and owing hereunder;</p> <p>(b) if any payment is made by the Borrower that is not contemplated by or in compliance with the Cash Flow Budget (subject to a variance of 10%, the "<b>Permitted Variance</b>"), unless such payment is approved by the Monitor and the Interim Lender;</p> <p>(c) if any representation or warranty made or deemed to be made by the Borrower herein or in any other document in connection with this Term Sheet or the Definitive Documents shall prove to have been false in any material respect at the time made or deemed made;</p> <p>(d) default by the Borrower in the observance or performance of any other covenant or obligation hereunder which, if curable, is not cured within five (5) Business Days after written notice from the Interim Lender;</p> <p>(e) subject to the Enhanced Powers Order, the Borrower ceasing (or threatening to cease) to carry on business in the ordinary course, except where such cessation occurs in connection with a sale of all or substantially all of the assets of the Borrower or other restructuring or reorganization of the Borrower, which has been consented to by the Interim Lender in writing and approved by the Court;</p> <p>(f) if a new Monitor is appointed in the CCAA Proceedings;</p>

		<p>(g) the issuance of an order terminating the CCAA Proceedings or lifting the stay in the CCAA Proceedings to permit the enforcement of any security against the Borrower, or the appointment of a receiver and manager, receiver, interim receiver or similar official or the making of a bankruptcy order against the Borrower;</p> <p>(h) the issuance of an order granting a lien or charge which is senior to or <i>pari passu</i> with the Interim Lender's Charge, other than the Priority Charges;</p> <p>(i) the filing by the Borrower of any motion or proceeding, in the CCAA Proceedings or otherwise, or the issuance of an Order staying, reversing, vacating or otherwise modifying the Interim Lender's Charge, any of which may or would adversely impact the rights and interests of the Interim Lender, provided, however, that any Order which provides for payment in full of all of the obligations of the Borrower under the Interim Lending Facility shall not constitute an Event of Default;</p> <p>(j) the denial or repudiation by the Borrower of the legality, validity, binding nature or enforceability of this Term Sheet, any Definitive Documents, or any other document or certificate delivered pursuant to the terms hereof or thereof;</p> <p>(k) the suspension, cancellation, termination or revocation of any licence in any jurisdiction in which the Borrower operates which is material to the operations of the Borrower's business;</p> <p>(l) if: (i) the ARIO is varied in a manner adverse to the Interim Lender in the Interim Lender's sole discretion; or (ii) the stay of proceedings contained in the ARIO is terminated or is lifted to allow an action adverse to the Interim Lender;</p> <p>(m) an Order is made without the consent of the Interim Lender, or a liability arises or an event occurs (including any change in the business, assets, or conditions, financial or otherwise, of the Borrower) that will cause a Material Adverse Effect;</p> <p>(n) if any default or event of default occurs under any material agreement to which the Borrower is a party</p>
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		<p>provided this paragraph (n) shall not apply to defaults existing as of the date of or caused by the issuance of the ARIО, to the extent that (and for so long as) such defaults are stayed by the ARIО (as extended or amended from time to time);</p> <ul style="list-style-type: none"><li>(o) any breach by the Borrower of the ARIО, or any other Order made in the CCAA Proceedings;</li><li>(p) any change to the composition of the board of directors or officers of the Borrower that is not acceptable to the Interim Lender, acting reasonably;</li><li>(q) if the Interim Lender in good faith and on commercially reasonable grounds believes the prospect of payment of the Interim Lending Facility or any other amounts payable hereunder or the performance of the Borrower’s other obligations hereunder or under any of the security granted in connection herewith is impaired or that any of the assets, properties or undertakings of the Borrower’s hereunder or under any security or other document granted in connection herewith is or is about to be placed in jeopardy; or</li><li>(r) in the Interim Lender’s sole opinion there has been a Material Adverse Effect.</li></ul>
<p><b>19. REMEDIES:</b></p>		<p>Subject to the terms of the ARIО, on the date of the occurrence of an Event of Default, any right of the Borrower to receive any Advance or other accommodation of credit from the Interim Lender shall be immediately terminated and any further advances made, if any, thereafter shall be in the sole discretion of the Interim Lender.</p> <p>In addition, and subject to the provisions of section 8 “Repayment” hereof and the ARIО, upon demand for repayment of the Interim Lending Facility by the Interim Lender on the Borrower, on or after the occurrence of an Event of Default (except an Event of Default contemplated in section 18 (i) and (1) of this Term Sheet, in respect of which demand shall not be required) (the “<b>Termination Date</b>”), all debts, obligations and liabilities of the Borrower to the Interim Lender hereunder shall become immediately due and payable.</p> <p>Without limiting the foregoing, and subject to the provisions of the ARIО, from and after the date that is five (5) Business Days from the Termination Date, the Interim Lender shall have the</p>



		<p>right to exercise all other customary remedies under applicable law, including, without limitation, the right to realize on all Collateral and the collateral securing the Interim Loan Obligations in each case without the necessity of obtaining further relief or order from any court. For greater certainty, the Interim Lender shall have the right to, without limitation: (a) apply to the Court: (i) for the appointment of an interim receiver, a receiver or a receiver and manager of the undertaking, properties and assets of the Borrower; (ii) for the appointment of a trustee in bankruptcy of the Borrower; and (iii) seek any other relief in its sole discretion; and (b) exercise the powers and rights of a secured party under the <i>Personal Property Security Act</i> (BC) or any other legislation of similar effect applicable to the Interim Lender's Charge.</p> <p>Further, for greater certainty, nothing shall prevent the Interim Lender from applying to the Court or any court in any relevant foreign jurisdiction on two (2) Business Days' notice, or such shorter notice as the Court may permit, for such relief as the Interim Lender may determine is necessary or appropriate at any time.</p> <p>For the avoidance of doubt, no failure or delay by the Interim Lender in exercising any of its rights hereunder or at law shall be deemed a waiver of any kind, and the Interim Lender shall be entitled to exercise such rights in accordance with this Term Sheet at any time.</p>
<b>20.</b>	<b>INDEMNITY</b>	<p>The Borrower agrees to indemnify and hold harmless the Interim Lender, its affiliates and its officers, directors, employees, agents, legal counsel, and advisors (each, an "<b>Indemnified Person</b>") from and against any and all suits, actions, proceedings, orders, claims, damages, losses, liabilities and expenses (including legal fees and disbursements and other costs of investigation or defence, including those incurred upon any appeal) that may be instituted or asserted against or incurred by any such Indemnified Person as a result of or in connection with credit having been extended, suspended or terminated under or in relation to the Interim Lending Facility or the use of the proceeds thereof and the administration of such credit, and any actions or failure to act in connection therewith including the taking of any enforcement actions by the Interim Lender and including any and all environmental liabilities and legal costs and expenses arising out of or incurred in connection with disputes between or among any parties hereto. All such indemnified amounts, if not immediately paid by the Borrower upon demand, shall be secured by the Interim Lender's Charge.</p>

		<p>Notwithstanding the foregoing, the Borrower shall have no obligation to indemnify any Indemnified Person against any such loss, liability cost or expense: (x) to the extent they are found by a final judgment of a court of competent jurisdiction to arise from the gross negligence, bad faith or willful misconduct of such Indemnified Person; or (y) to the extent arising from any dispute solely among Indemnified Persons other than any claims arising out of any act or omission on the part of the Borrower. The Interim Lender shall not be responsible or liable to the Borrower or any other person for consequential or punitive damages.</p> <p>The indemnities granted under this Term Sheet shall survive any termination of this Interim Lending Facility.</p>
<b>21.</b>	<b>INTERIM LENDER APPROVALS:</b>	<p>Any and all consents and approvals of the Interim Lender hereunder shall be in writing. Any consent, approval, instruction or other expression of the Interim Lender to be delivered in writing may be delivered by any written instrument, including by way of electronic mail, pursuant to the terms hereof.</p>
<b>22.</b>	<b>TAXES:</b>	<p>All payments under or in connection with the Interim Lending Facility shall be made free and clear of any present or future taxes, withholdings or other deductions whatsoever (other than income taxes in the jurisdiction of the Interim Lender's lending office). The Interim Lender will use reasonable efforts (consistent with their respective internal policy and legal and regulatory restrictions and so long as such efforts would not otherwise be disadvantageous to them) to minimize to the extent possible any applicable taxes, and the Borrower will indemnify the Interim Lender for such taxes and penalties paid by the Interim Lender. All such indemnified amounts, if not immediately paid by the Borrower upon demand, shall be secured by the Interim Lender's Charge.</p>
<b>23.</b>	<b>EVIDENCE OF INDEBTEDNESS:</b>	<p>The Interim Lender shall open and maintain accounts and records evidencing the Advances. The Interim Lender's accounts and records constitute, in the absence of manifest error, <i>prima facie</i> evidence of the indebtedness of the Borrower to the Interim Lender pursuant to the Interim Lending Facility.</p>
<b>24.</b>	<b>FURTHER ASSURANCES:</b>	<p>The Borrower shall at its expense, from time to time do, execute and deliver, or will cause to be done, executed and delivered, all such further acts, documents (including, without limitation, certificates, declarations, affidavits, reports and opinions) and things as the Interim Lender may reasonably request for the purpose of giving effect to this Term Sheet, the Interim Lender's</p>

		Charge and the Definitive Documents, including for the purposes of perfecting, protecting and maintaining the Interim Lender's Charge, establishing compliance with the representations, warranties, covenants, terms and conditions of this Term Sheet or any other Definitive Documents.
25.	<b>ENTIRE AGREEMENT; CONFLICT:</b>	This Term Sheet, including the schedules hereto and the Definitive Documents, constitute the entire agreement between the Parties relating to the subject matter hereof. To the extent that there is any inconsistency between this Term Sheet and any of the other Definitive Documents, this Term Sheet shall govern. In the event of any inconsistency between this Term Sheet, the Definitive Documents and the Enhanced Powers Order, the Enhanced Powers Order shall govern.
26.	<b>AMENDMENTS, WAIVERS, ETC.:</b>	<p>No delay on the part of the Interim Lender in exercising any right or privilege under this Term Sheet or under any other Definitive Documents will operate as a waiver hereof or thereof unless made in writing and signed by an authorized officer of the Interim Lender.</p> <p>No amendment or waiver of any provision of this Term Sheet will be effective unless it is in writing, and then the amendment, modification, waiver or consent will be effective only in the specific instance, for the specific purpose and for the specific length of time for which it is given.</p>
27.	<b>THIRD PARTY BENEFICIARY:</b>	No persons, other than the Borrower and the Interim Lender, are entitled to rely upon this Term Sheet and the Parties expressly agree that this Term Sheet does not confer rights upon any party not a signatory hereto, subject to the Enhanced Powers Order.
28.	<b>ASSIGNMENT:</b>	<p>Neither this Term Sheet nor any right and obligation hereunder or under the Definitive Documents may be assigned by the Borrower without the prior written approval of the Interim Lender.</p> <p>Interim Lender may assign this Term Sheet and its rights and obligations hereunder, in whole or in part, to any party acceptable to the Interim Lender in its sole and absolute discretion (subject to providing the Monitor with reasonable evidence that such assignee has the financial capacity to fulfill the obligations of the Interim Lender hereunder and, if necessary, approval of the Court).</p>
29.	<b>TIME IS OF THE ESSENCE:</b>	Time is of the essence in this Term Sheet and the time for performance of the obligations of the Borrower may be strictly enforced by the Interim Lender.

30.	<b>SEVERABILITY:</b>	Any provision in this Term Sheet and any Definitive Documents which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.
31.	<b>COUNTERPARTS AND FACSIMILE SIGNATURES:</b>	This Term Sheet may be executed in any number of counterparts and may be transmitted by email, facsimile or other electronic transmission, each of which when executed and delivered shall be deemed to be an original, and all of which when taken together shall constitute one and the same instrument. Any party may execute this Term Sheet by signing any counterpart of it.
32.	<b>GOVERNING LAW AND JURISDICTION:</b>	This Term Sheet shall be governed by, and construed in accordance with, the laws of the Province of British Columbia and the federal laws of Canada applicable therein. Each of the parties irrevocably submits to the exclusive jurisdiction of the Court, waives any objections on the ground of venue or forum <i>non conveniens</i> or any similar grounds, and consents to service of process by mail or in any other manner permitted by relevant law.
33.	<b>NOTICES:</b>	<p>Any notice, request or other communication hereunder to any of the parties shall be in writing and be sufficiently given if delivered personally or sent by electronic mail to the attention of the person as set forth below:</p> <p><u>If to the Interim Lender:</u></p> <p><b>OCIM Metals &amp; Mining SA</b> Rue du Rhône 49, 1204 Geneva, Switzerland</p> <p>Attention: Laurent Mathiot, Chairman and CEO Email: laurent.mathiot@ocim.com</p> <p>with a copy to the Interim Lender's counsel (which shall not constitute notice):</p> <p><b>Nathanson, Schachter &amp; Thompson LLP</b> Suite 750 – 900 Howe Street Vancouver, BC V6Z 2M4</p> <p>Attention: Peter J. Reardon Email: preardon@nst.ca</p> <p>with further to the Interim Lender's counsel (which shall not constitute notice):</p>

	<p><b>Fasken Martineau DuMoulin LLP</b> 2900 – 550 Burrard Street Vancouver, BC V6C 0A2</p> <p>Attention: Martin Ferreira Pinho Email: mferreirapinho@fasken.com</p> <p><u>If to the Borrower:</u></p> <p><b>Inca One Gold Corp.</b></p> <p>Attention: [●] Email: [●]</p> <p>with a copy to the Borrower’s counsel</p> <p><b>Bridgehouse Law LLP</b> 9<sup>th</sup> Floor – 900 West Hastings Street Vancouver, BC V6C 1E5</p> <p>Attention: Ritchie Clark, K.C., Benjamin La Borie Email: rclark@bridgehouselaw.ca, blaborie@bridgehouselaw.ca</p> <p>and with a copy to the Monitor:</p> <p><b>FTI Consulting Canada Inc.</b> 701 West Georgia Street, Suite 1450, PO Box 10089 Vancouver, BC V7Y 1B6</p> <p>Attention: Tom Powell, Mike Clark Email: Tom.Powell@fticonsulting.com</p> <p>with a copy to the Monitor’s counsel</p> <p><b>DLA Piper (Canada) LLP</b> Suite 2700, 1133 Melville Street Vancouver, BC V6E 4E5</p> <p>Attention: Colin Brousson, Jeffrey Bradshaw Email: <a href="mailto:colin.brousson@dlapiper.com">colin.brousson@dlapiper.com</a> and jeffrey.bradshaw@dlapiper.com</p>
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*[The remainder of this page is intentionally left blank.]*

**IN WITNESS HEREOF**, the Parties hereby execute this Term Sheet as at the date first above mentioned.

**INCA ONE GOLD CORP.**

Per: \_\_\_\_\_  
Name: Bruce Bragagnolo  
Title: Chairman  
I have the authority to bind the corporation

**OCIM METALS & MINING SA**

Per:  
Name: Laurent Mathiot  
Title: Chairman and CEO  
I have the authority to bind the corporation

## SCHEDULE "A"

### Drawdown Request

TO: **OCIM METALS & MINING SA** (the "Interim Lender")

Attention: Laurent Mathiot

FROM: **INCA ONE GOLD CORP.** (the "Inca One") and/or

**FTI CONSULTING CANADA INC.**, in its capacity as monitor of Inca One (together with Inca One, the "Borrower")

DATE: [●].

Pursuant to the Interim Financing Commitment Letter dated July 19, 2024, among the Interim Lender and the Borrower (as amended, restated, modified, supplemented or replaced from time to time, the "Term Sheet"), the Borrower is required as a condition precedent to each Advance to deliver this Drawdown Request to the Interim Lender. Unless otherwise defined herein, all capitalized terms used in this Drawdown Request shall have the meanings specified for such terms in the Term Sheet.

The Borrower hereby certifies that:

- (a) the requested drawdown is within the Permitted Variance to the applicable Cash Flow Budget;
- (b) the Borrower is in compliance with the ARIO, the Enhanced Powers Order, and every other Order granted by the Court in the CCAA Proceedings;
- (c) the Borrower is in compliance with the covenants set forth in Sections 16 and 17 thereof;
- (d) no event has occurred and is continuing which constitutes an Event of Default or which would constitute an Event of Default with the giving of notice or lapse of time or both; and
- (e) all conditions precedent to the requested Advance pursuant to the Term Sheet have been satisfied and all supporting evidence required by the Interim Lender is attached hereto.

The Borrower hereby requests a Advance as follows:

Date of Advance: [●]

Amount of Advance: CAD \$[●].

*[Remainder of this page intentionally left blank.]*

**IN WITNESS WHEREOF**, each of the undersigned has duly executed this Drawdown Certificate as of the first date written above.

**INCA ONE GOLD CORP.**

Per: \_\_\_\_\_  
Name:  
Title:

I have the authority to bind the corporation

**FTI CONSULTING CANADA INC.**, in its capacity  
as monitor of Inca One

Per: \_\_\_\_\_  
Name:  
Title:

I have the authority to bind the corporation



## **Appendix D**

Second Cash Flow Statement for the  
18-week Period Ending October 4, 2024

**Inca One Gold Corp.**  
Cash Flow Statement

For the 18-week period ending October 04, 2024

Week Ending (CAD)	Weeks 1-6		Week 7	Week 8	Week 9	Week 10	Week 11	Week 12	Week 13	Week 14	Week 15	Week 16	Week 17	Week 18	Total
	12-Jul-24	19-Jul-24	26-Jul-24	2-Aug-24	9-Aug-24	16-Aug-24	23-Aug-24	30-Aug-24	6-Sep-24	13-Sep-24	20-Sep-24	27-Sep-24	4-Oct-24		
Notes	Actual	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Total
<b>Operating Receipts</b>															
GST receipts	[1]	\$ 17,463	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,000	\$ -	\$ -	\$ -	\$ 42,463
<b>Total Operating Receipts</b>		<b>17,463</b>									<b>25,000</b>				<b>42,463</b>
<b>Operating Disbursements</b>															
Payroll and Benefits	[2]	(75,622)	-	-	(42,000)	-	(23,000)	-	(42,000)	-	(23,000)	-	(53,000)	-	(258,622)
Office and Administrative Rent	[3]	(10,983)	-	-	(4,000)	-	-	-	(4,000)	-	-	-	(4,000)	-	(22,983)
Restructuring Professional Fees	[4]	(4,497)	-	-	(5,000)	-	-	-	(5,000)	-	-	-	(5,000)	-	(19,497)
Other Professional Fees	[5]	(164,009)	(231,000)	(40,000)	(40,000)	(40,000)	(40,000)	(40,000)	(40,000)	(40,000)	(40,000)	(40,000)	(40,000)	(40,000)	(835,009)
Other Operating Disbursements	[6]	(31,372)	(13,000)	(12,000)	(57,000)	(7,000)	(7,000)	(7,000)	(90,000)	(8,000)	(8,000)	(8,000)	(83,000)	(8,000)	(339,372)
Transfers to Peruvian Subsidiaries	[7]	(13,138)	(3,000)	(3,000)	(5,000)	(3,000)	(3,000)	(3,000)	(5,000)	(54,000)	(3,000)	(3,000)	(31,000)	(3,000)	(132,138)
[8]		-	-	-	-	-	-	-	(340,000)	-	-	-	-	-	(340,000)
<b>Total Operating Disbursements</b>		<b>(299,620)</b>	<b>(247,000)</b>	<b>(55,000)</b>	<b>(153,000)</b>	<b>(50,000)</b>	<b>(73,000)</b>	<b>(50,000)</b>	<b>(526,000)</b>	<b>(102,000)</b>	<b>(74,000)</b>	<b>(51,000)</b>	<b>(216,000)</b>	<b>(51,000)</b>	<b>(1,947,620)</b>
<b>Net Change in Cash from Operations</b>		<b>(282,157)</b>	<b>(247,000)</b>	<b>(55,000)</b>	<b>(153,000)</b>	<b>(50,000)</b>	<b>(73,000)</b>	<b>(50,000)</b>	<b>(526,000)</b>	<b>(102,000)</b>	<b>(49,000)</b>	<b>(51,000)</b>	<b>(216,000)</b>	<b>(51,000)</b>	<b>(1,905,157)</b>
<b>Financing</b>															
Interim Financing (Net)	[9]	-	-	-	1,020,000	-	-	-	340,000	-	-	-	-	-	1,360,000
Interest and Bank Charges	[10]	904	-	-	(51,000)	-	-	-	(17,000)	-	-	-	-	-	(67,096)
<b>Net Change in Cash from Financing</b>		<b>904</b>			<b>969,000</b>				<b>323,000</b>						<b>1,292,904</b>
<b>Effect of Foreign Exchange Translation</b>		524	-	-	-	-	-	-	-	-	-	-	-	-	524
<b>Net Change in Cash</b>		<b>(280,729)</b>	<b>(247,000)</b>	<b>(55,000)</b>	<b>816,000</b>	<b>(50,000)</b>	<b>(73,000)</b>	<b>(50,000)</b>	<b>(203,000)</b>	<b>(102,000)</b>	<b>(49,000)</b>	<b>(51,000)</b>	<b>(216,000)</b>	<b>(51,000)</b>	<b>(611,729)</b>
<b>Opening Cash</b>		622,146	341,417	94,417	39,417	855,417	805,417	732,417	682,417	479,417	377,417	328,417	277,417	61,417	622,146
<b>Ending Cash</b>		<b>\$ 341,417</b>	<b>\$ 94,417</b>	<b>\$ 39,417</b>	<b>\$ 855,417</b>	<b>\$ 805,417</b>	<b>\$ 732,417</b>	<b>\$ 682,417</b>	<b>\$ 479,417</b>	<b>\$ 377,417</b>	<b>\$ 328,417</b>	<b>\$ 277,417</b>	<b>\$ 61,417</b>	<b>\$ 10,417</b>	<b>\$ 10,417</b>

**Notes:**

Management has prepared this Cash Flow Statement solely for the purposes of determining the liquidity requirements of Inca One Gold Corp. during the anticipated CCAA Proceedings. The Cash Flow Statement is based on the probable and hypothetical assumptions detailed below. Actual results will likely vary from forecast and such variations may be material.

- [1] Receipts relate solely to GST recoveries.
- [2] Payroll and benefits relates to management, employee and director costs.
- [3] Office and administration expenses relate to email and website services, telephone, internet, cloud servers and subscriptions.
- [4] Rent relates to a Vancouver office lease.
- [5] CCAA professional fees includes the Applicant's legal counsel, the Monitor and the Monitor's legal counsel.
- [6] Other professional fees includes external accounting and legal work in respect of audit, corporate and foreign matters.
- [7] Other operating disbursements contains certain public company related costs and contingencies.
- [8] Transfers to Peruvian subsidiaries are expected to be incurred to support operations at the Plants.
- [9] Interim financing of US\$1 million has been proposed to support operations through the week ending October 4, 2024.
- [10] The 401 DIP Term Sheet contemplates drawdown fees of 5%.