



No. S-238572
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 A PLAN OF COMPROMISE AND ARRANGEMENT OF
MYRA FALLS MINE LTD.

PETITIONER

ORDER MADE AFTER APPLICATION

APPROVAL AND VESTING ORDER

BEFORE THE HONOURABLE)
JUSTICE FITZPATRICK) 7/03/2024
)

THE APPLICATION of the Petitioner, coming on for hearing before me at the courthouse at 800 Smithe Street, Vancouver, British Columbia, on the 7th day of March, 2024; AND ON HEARING Jonathan B. Ross, counsel for the Petitioner and those other counsel listed on **Schedule "A"** hereto; AND UPON READING the material filed, including the Affidavit #3 of Hein Frey, affirmed February 21, 2024 (the "**Third Frey Affidavit**"), the Affidavit #1 of Michèle Hay, sworn February 22, 2024 (the "**First Hay Affidavit**"), the Affidavit #1 of Stuart Olley, affirmed March 6, 2024 and the Second Report of FTI Consulting Canada Inc. (in its capacity as court-appointed monitor of the Petitioner, the "**Monitor**"); AND pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985 c. C-36 as amended (the "**CCAA**"), the *British Columbia Supreme Court Civil Rules*, BC Reg 168/2009 and the inherent jurisdiction of this Honourable Court;

THIS COURT ORDERS AND DECLARES THAT:

APPROVAL AND VESTING

1. The sale transaction (the "**Transaction**") contemplated by the sale and assignment agreement dated and effective as of February 28, 2024, (the "**Breakwater Agreement**")

between the Petitioner and Breakwater Resources Ltd. (the "**Purchaser**"), a copy of which is attached as **Exhibit "A"** to the First Hay Affidavit is hereby approved, and the Breakwater Agreement is commercially reasonable. The execution of the Breakwater Agreement by the Petitioner is hereby authorized and approved, and the Petitioner is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance to the Purchaser of the assets described in the Breakwater Agreement (the "**Purchased Lease**").

2. Upon delivery by the Monitor to the Purchaser of a certificate substantially in the form attached as **Schedule "B"** hereto (the "**Monitor's Certificate**"), all of the Petitioner's right, title and interest in and to the Purchased Lease (including for greater certainty the Petitioner's right, title and interest in any leased equipment thereunder (the "**Leased Equipment**")) shall be sold, assigned, transferred and vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the ARIO dated December 28, 2024, and; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* of British Columbia or any other personal property registry system (all of which are collectively referred to as the "**Encumbrances**"). and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Lease or Leased Equipment are hereby expunged and discharged as against the Purchased Lease and Leased Equipment.
3. Notwithstanding Clause 2, nothing in this order shall expunge, discharge or otherwise affect the interest of Epiroc Canada Inc. in the Leased Equipment pursuant to the Purchased Lease or the registration pursuant to the *Personal Property Security Act* of British Columbia under base registration numbers 615796N and 653012N in relation to such security interest in the Leased Equipment.

4. The Monitor is to file with the Court a copy of the Monitor's Certificate forthwith after delivery thereof.
5. The Petitioner shall not be required to hold the Purchase Price (as defined in the Breakwater Agreement) in trust for the benefit of any Person but rather shall be entitled to use the funds comprising the Purchase Price in the ordinary course of its operations, subject to the ARIO and the other orders made in these proceedings.
6. Notwithstanding:
 - (a) these proceedings;
 - (b) any applications for a bankruptcy order in respect of the Petitioner now or hereafter made pursuant to the *Bankruptcy and Insolvency Act* and any bankruptcy order issued pursuant to any such applications; and
 - (c) any assignment in bankruptcy made by or in respect of the Petitioner,

the vesting of the Purchased Lease and Leased Equipment in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Petitioner and shall not be void or voidable by creditors of the Petitioner, nor shall it constitute or be deemed to be a transfer at undervalue, fraudulent preference, assignment, fraudulent conveyance or other reviewable transaction under the *Bankruptcy and Insolvency Act* or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

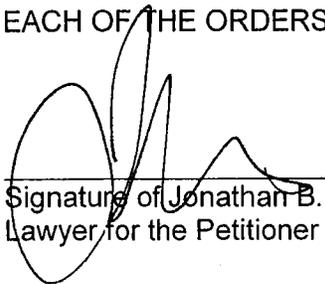
7. The assignment of the Purchased Lease is valid and binding upon all of the counterparties to the Purchased Lease, notwithstanding any restriction or prohibition contained in such Purchased Lease relating to the assignment thereof, including, but not limited to, any provision requiring the consent of any party to the transfer, conveyance, or assignment of the Purchased Lease.
8. No counterparty under the Purchased Lease, nor any other person, upon the assignment and transfer to, and assumption by, the Purchaser of the Purchased Lease hereunder shall make or pursue any demand, Claim, action or suit or exercise any right or remedy (including any termination rights) against the Purchaser relating to: (a) the Petitioner

having sought or obtained relief under the CCAA; (b) the insolvency of the Petitioner; or (c) any failure by the Petitioner to perform a non-monetary obligation under the Purchased Lease and all such counterparties and persons shall be forever barred and estopped from taking such action. For greater certainty, nothing herein shall limit or exempt the Purchaser in respect of obligations accruing, arising or continuing after the date hereof, under the Purchased Lease other than in respect of items (a) - (c) above.

- 9. The Petitioner or any other party have liberty to apply for such further or other directions or relief as may be necessary or desirable to give effect to this Order.
- 10. Endorsement of this Order by counsel appearing on this application other than the counsel for the Petitioners is hereby dispensed with.

THIS COURT REQUESTS the aid and recognition of other Canadian and foreign Courts, tribunal, regulatory or administrative bodies, including any Court or administrative tribunal of any federal or State Court or administrative body in the United States of America, to act in aid of and to be complementary to this Court in carrying out the terms of this Order where required. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Petitioner and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Petitioner and the Monitor and their respective agents in carrying out the terms of this Order.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:



Signature of Jonathan B. Ross
Lawyer for the Petitioner



BY THE COURT



REGISTRAR



Schedule "A"

LIST OF COUNSEL

COUNSEL NAME	PARTY REPRESENTED
Peter Rubin Claire Hildebrand	Monitor – FTI Consulting Canada Inc.
Manuel Dominguez	Petitioner
Virginie Gauthier	Petitioner
Ryan Laity	Epiroc

SCHEDULE "B"

FORM OF MONITOR'S CERTIFICATE

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MONITOR'S CERTIFICATE

RECITALS:

1. Pursuant to an Order of the Honourable Justice Fitzpatrick of the Supreme Court of British Columbia (the "**Court**") dated December 18, 2024, as subsequently amended and restated on December 28, 2024, FTI Consulting Canada Inc. was appointed as the monitor (the "**Monitor**") of Myra Falls Mine Ltd. (the "**Petitioner**").
2. Unless otherwise indicated herein, all capitalized terms in this Monitor's Certificate shall have the meaning ascribed to them in the Breakwater Agreement dated [xx], 2024 among the Petitioner and Breakwater Resources Ltd. All references to Purchaser shall include any assignee, if any, to the Purchaser.
3. Pursuant to an Order of the Court, dated March 7, 2024 (the "**Sale Approval Order**"), among other things, the Court approved the Breakwater Agreement dated as of February 28,, 2024 (the "**Breakwater Agreement**") and provided for the vesting in the Purchaser of the Petitioner's right, title, and interest in and to the Purchased Lease, which vesting is to be effective with respect to the Purchased Lease upon the delivery by the Monitor to the Purchaser of a certificate confirming that the Monitor has been advised by the Petitioner that the sale transaction contemplated by the Breakwater Agreement has occurred.

THE MONITOR CERTIFIES the following:

1. The Monitor has been advised by the Petitioner that the sale transaction contemplated by the Breakwater Agreement has occurred.

This Certificate was executed by the Monitor at [Time] on [Date].

**FTI CONSULTING CANADA INC., in its
capacity as the monitor of MYRA FALLS
MINE LTD., and not in its personal or
corporate capacity**

Per: _____

Name:

Title:

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**ORDER
(APPROVAL AND VESTING ORDER)**

GOWLING WLG (CANADA) LLP

Barristers & Solicitors

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File No. A172589

MD/SPK