



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

SIXTH REPORT OF THE MONITOR

January 24, 2025

SIXTH REPORT OF THE MONITOR

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INTRODUCTION

1. On December 18, 2023, Myra Falls Mine Ltd. (“**MFM**” or the “**Petitioner**”) was granted an initial order (the “**Initial Order**”) under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”) in the Supreme Court of British Columbia Action No. S-238572, Vancouver Registry (the “**CCAA Proceedings**”).
2. The Initial Order provides for, among other things:
 - a. a stay of proceedings against the Petitioner (the “**Stay of Proceedings**”) until December 28, 2023;
 - b. the appointment of FTI Consulting Canada Inc. as Monitor of the Petitioner (the “**Monitor**”);
 - c. the approval of an interim financing facility to be advanced by Trafigura US Inc. (the “**Interim Lender**”) in an amount not to exceed \$4.0 million as an initial advance;
 - d. certain priority charges against the property of the Petitioner (the “**Court-Ordered Charges**”); and
 - e. the authorization for MFM to pay two additional weeks of wages or salaries to terminated or temporarily laid off employees on the pay cycle following their termination or temporary layoff.
3. On December 28, 2023, the Petitioner was granted an amended and restated initial order (the “**ARIO**”), which, among other things:
 - a. extended the Stay of Proceedings to February 29, 2024;
 - b. increased the amounts of the Court-Ordered Charges;

- c. granted the Court-Ordered Charges priority ahead of secured creditors pursuant to ss. 11.2(2), 11.51(2) and 11.52(2) of the CCAA;
 - d. authorized the Petitioner to borrow up to \$21.0 million from the Interim Lender, being the full principal amount available under the interim financing facility (the “**DIP Facility**”), together with a corresponding increase in the amount of the charge securing the DIP Facility (the “**Interim Lender’s Charge**”); and
 - e. authorized the Petitioner to make certain payments, at its discretion, to terminated or temporarily laid off employees of a further six weeks of salary or wages.
4. On February 27, 2024, this Honourable Court granted an order (the “**SISP Order**”) which, among other things:
 - a. approved the engagement of FTI Capital Advisors – Canada ULC (the “**Financial Advisor**”) as MFM’s financial advisor in connection with the SISP;
 - b. approved a sale and investment solicitation process (the “**SISP**”);
 - c. declared that the Monitor, Financial Advisor and the Petitioner and their respective affiliates, partners, directors, employees, advisors, agents, shareholders and controlling persons shall have no liability with respect to any and all losses, claims, damages or liability in connection with or as a result of the SISP except to the extent such losses, claims, damages or liabilities result from their gross negligence or willful misconduct;
 - d. amended the ARIO to make the Financial Advisor a beneficiary of the Administration Charge; and
 - e. extended the Stay of Proceedings to June 30, 2024.
5. On June 28, 2024, this Honourable Court granted an order which, among other things:

- a. approved a Key Employment Retention Plan;
 - b. authorized MFM to borrow up to an aggregate amount of \$26.5 million under the DIP Facility and amending and increasing the amount of Interim Lender's Charge to the same amount; and
 - c. extended the Stay of Proceedings to August 2, 2024.
6. On August 2, 2024, this Honourable Court granted the following:
- a. an order which, among other things:
 - i. extended the Stay of Proceedings to October 31, 2024;
 - ii. authorized the Company to enter into a financing agreement with CAFO Inc. ("CAFO") with respect to the financing by CAFO of the premium payable by MFM in relation to its property insurance policy, and granting CAFO a first-ranking priority Court-Ordered charge to the unearned premium of such insurance policy; and
 - iii. authorized MFM to borrow up to an aggregate amount of \$34.0 million under the DIP Facility and amending and increasing the amount of the Interim Lender's Charge to the same amount (plus interest and costs);
 - b. an order which authorized the Company to enter into a transaction contemplated by an asset purchase agreement between Amalgamated Mining & Tunnelling Inc. ("AMTI") for the sale, transfer and assignment to AMTI of all of the right, title and interest of MFM in and to certain assets and the sale, transfer and assignment to MFM of all the right, title and interest of AMTI in and to a 2016 Sandvik Loader;

- c. an order authorizing the Company to enter into a transaction contemplated by a sale and assignment of an equipment lease agreement for the sale of MFM’s right, title and interest in an equipment lease between MFM, as lessee, and Sandvik Canada Inc., as lessor, dated April 19, 2018 to Nyrstar Tennessee Mines – Strawberry Plains LLC (“**NTM**”), a related party to MFM, and vesting the purchased interest in NTM, free and clear of any incumbrances; and
 - d. an order (the “**Tender Process Order**”) approving a sale process in respect of certain of MFM’s equipment and parts inventory (the “**Tender Process**”) and certain other ancillary relief.
7. On October 30, 2024, this Honourable Court granted an order which, among other things:
 - a. extended the Stay of Proceedings to January 31, 2025; and
 - b. authorized the Petitioner to disclose certain personal information of members of UNIFOR Local 3019 (the “**Union**”) to representatives of the Union.
8. On January 22, 2025, the Petitioner served a notice of application returnable January 29, 2025, seeking the following:
 - a. an order (the “**Mediator Order**”) appointing William Kaplan K.C. (the “**Proposed Mediator**”) as an officer of the Court to act as a neutral third party to assist representatives of the Union and the Petitioner with the mediation of discussions (the “**Mediation**”) between the Union and the Petitioner related to the MOA (as subsequently defined) and the Collective Bargaining Agreement amendments; and
 - b. an order (the “**Liquidation and Stay Extension Order**”) which among other things:
 - i. extends the Stay of Proceedings to April 4, 2025;

- ii. authorizes the Petitioner to borrow an additional \$3 million (bringing total borrowings up to an aggregate principal amount of \$37 million) and increases the Interim Lender’s Charge accordingly; and
- iii. approves the auction and liquidation services agreement (the “**Auction Agreement**”) between the Petitioner and Maynards Industries II Canada Ltd. (“**Maynards**”).

PURPOSE

- 9. The purpose of this report is to provide this Honourable Court and the Petitioner’s stakeholders with information with respect to the following:
 - a. the Petitioner’s progress on restructuring matters;
 - b. discussions between the Petitioner and the Union, including the relief sought to appoint a mediator;
 - c. the outcome of the Tender Process;
 - d. the proposed increase to the DIP Facility and Interim Lender’s Charge;
 - e. the Petitioner’s actual cash receipts and disbursements for the 56-week period ended January 10, 2025 as compared to the cash flow forecast (the “**Sixth Cash Flow Forecast**”) filed with the Fifth Report of the Monitor dated October 25, 2024 (the “**Fifth Report**”);
 - f. an updated cash flow statement (the “**Seventh Cash Flow Forecast**”) prepared by the Petitioner up to the week ending April 4, 2025, including the key assumptions on which the Seventh Cash Flow Forecast is based;
 - g. MFM’s application for the Stay Extension; and

- h. the Monitor's conclusions and recommendations.

TERMS OF REFERENCE

10. 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 MFM (collectively, "**Management**").
11. 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.
12. 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.
13. 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.
14. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian dollars.

RESTRUCTURING MATTERS

15. As described in the Affidavit of H. Frey dated January 21, 2025, the Petitioner has taken a number of steps to advance its restructuring since the date of the Fifth Report. The Petitioner, in consultation with the Trafigura Group, is currently focussing its efforts on developing a restructuring plan that provides for cost and productivity improvements that, along with favorable market conditions, concessions from key stakeholders and

additional capital investment, could allow for a restructuring of the balance sheet and a potential restart of mining operations upon an exit from the CCAA Proceedings.

16. In this regard, the Company has engaged in meetings with Union representatives to discuss the challenges facing the business, which are described in further detail below, and has begun discussions with certain First Nations representatives to explore ways that the First Nations could become more involved in the operations and future of the mine.

UNION MATTERS

17. As described in the Fifth Report of the Monitor, the Petitioner's restructuring plan requires, among other things, internal productivity improvements and a restructured balance sheet but also requires favourable market conditions and concessions from key stakeholders, including the Union. These concessions and improvements are required as the current operating model is unsustainable given MFM's historical productivity and high operating costs.
18. The Petitioner and Monitor have met with representatives of the Union to discuss the challenges faced by MFM, including multiple in-person meetings in Campbell River, BC in October and November 2024. In order to assist with these discussions, an independent review of MFM's historical financial performance was conducted by Doane Grant Thornton LLP and shared with the Union on a confidential basis on October 21, 2024.
19. At the meetings occurring on November 6 and 7, 2024 (the "**November Meeting**"), the Petitioner presented a Memorandum of Agreement ("**MOA**") to the Union, which proposed, among other things:
 - a. altering the recall obligations with respect to the current priority given to returning workers by seniority;
 - b. entitling the Company to use non-union labour in certain areas of the Mine's operations; and

- c. creating new categories for miners based on industry standard miner classifications.
20. A revised MOA (the “**December Proposal**”) was sent to the Union in late December in attempt to address certain of the concerns raised by the Union at the November Meeting. The Union responded to the December Proposal indicating that it was only willing to roll-forward the existing Collective Bargaining Agreement for two years.
21. The Petitioner is of the view that given its current circumstances and lack of progress in meaningful negotiations, a neutral Court-appointed mediator and a Court-ordered mediation may assist the parties in their discussions by focussing their efforts and minimizing delays through correspondence.
22. The Petitioner is seeking the appointment of the Proposed Mediator as a neutral, third-party Court-appointed mediator.
23. The Monitor’s comments on the Mediation are as follows:
- a. the Petitioner and the Union appear to be at an impasse in their discussions;
 - b. an agreement between the Union and MFM is critical to the restructuring plan of the Petitioner such that there is a potential for a future restart of the Mine, to the benefit of all stakeholders;
 - c. the Mediation will allow for structured and efficient discussions between the parties which may increase the chances of reaching an agreement;
 - d. costs are to be shared equally by the parties so that neither party is unfairly prejudiced; and

- e. the Proposed Mediator has years of experience in the restructuring and insolvency industry as well as experience in labour negotiations and thus is particularly well-positioned in this regard.

24. The Monitor is supportive of the Court-ordered Mediation as it will assist with focussing the negotiations between the parties and may assist in ultimately exiting these CCAA Proceedings.

TENDER PROCESS

25. The Petitioner has completed the Tender Process for the sale of various redundant mining equipment and parts inventory (the “**Assets**”) located at the Mine. The list of Assets was significantly smaller than originally anticipated and focused primarily on items that are not needed for care and maintenance operations or otherwise would not be needed for the immediate start up of the Mine.

26. Pursuant to the Tender Process Order, MFM, with the assistance of the Monitor, undertook the following activities:

- a. prepared a list of prospective purchasers, including auctioneers and equipment dealers among other strategic parties (the “**List of Prospective Purchasers**”);
- b. populated a virtual data room with information on the Assets available for sale to prospective purchasers, including photos and descriptions of the Assets;
- c. prepared a Tender Process summary outlining the process and inviting prospective purchasers to provide an offer (the “**Invitation for Offers**”);
- d. distributed the Invitation for Offers to the List of Prospective Purchasers on October 18, 2024;
- e. posted copies of the Invitation for Offers, Form of Offer, Tender Process Letter, and Tender Process Order on the Monitor’s website; and

- f. arranged for notice of the Tender Process to be published in the Northern Miner on November 1, 2024.

27. On or before November 29, 2024 (the “**Bid Deadline**”), the Petitioner and Monitor received three offers for the Assets (the “**Offers**”). Following the Bid Deadline, the Petitioner, in consultation with the Monitor, reviewed the Offers and determined that the offer submitted by Maynards, which forms the basis of the Auction Agreement, was the best offer received under the Tender Process for the following reasons:

- a. any outright purchase offers were substantially below the value of the Assets as estimated by the Petitioner;
- b. any net minimum guarantee options provided by auctioneers were substantially below the value of the Assets as estimated by the Petitioner and included a split of proceeds above the net minimum guarantee; and
- c. the Maynards offer did not include a commission (only a buyer’s premium).

28. A summary of the key terms of the Auction Agreement are as follows:

- a. Maynards is to market the Assets and carry out an auction by no later than March 14, 2025;
- b. Maynards will charge Purchasers an 18% buyer’s premium with respect to the sale of the Assets whether sold individually, collectively, partially, *en bloc* or otherwise;
- c. the Petitioner will reimburse Maynards for expenses in connection with the Auction (the “**Costs**”) up to an amount of \$25,000;

- d. within ten business days following the conclusion of the Auction, Maynards will pay to the Petitioner the proceeds of sale of the auctioned Assets, less the buyer's premium, the Costs, applicable taxes and any merchant banking charges; and
- e. the Auction Agreement is subject to the approval of this Honourable Court.

29. The Monitor's comments with respect to the Auction Agreement are as follows:

- a. the Auction Agreement does not contemplate charging a commission on the sale of the Assets (only a buyer's premium) which is favourable to the Petitioner;
- b. Maynards has the expertise and experience in conducting auctions of a similar size and scale;
- c. the auction proceeds will provide the Petitioner with additional liquidity; and
- d. the DIP Lender is supportive of the Auction Agreement.

30. The Monitor is of the view that the Auction Agreement is commercially reasonable and appropriate in the circumstances.

DIP FACILITY AMENDMENT

31. The proposed Liquidation and Stay Extension Order provides for an increase in the amount of the approved Interim Facility from \$34.0 million to \$37.0 million and a corresponding increase in the Interim Lender's Charge to a maximum of \$37.0 million. The fourth amendment to the DIP Term Sheet is attached as appendix "B" to this report.
32. The proposed increase to the DIP Facility and Interim Lender's Charge has been determined based on the amount that MFM is forecasting to require to fund the CCAA Proceedings through to the expiry of the proposed Stay Extension.

33. It is the Monitor's view that the increased availability under the DIP Facility is required by the Petitioner to continue its ongoing care and maintenance operations and restructuring initiatives and is reasonable in the circumstances.

CASH FLOW VARIANCE ANALYSIS

34. The Petitioner reported its actual cash flows in comparison to those contained in the Sixth Cash Flow Forecast to the Monitor on a weekly basis and provided biweekly cash flow reporting to the Interim Lender accompanied by rolling cash flow projections as provided for under the DIP Facility.

35. MFM's actual cash receipts and disbursements as compared to the Sixth Cash Flow Forecast for the period of December 18, 2023 to January 10, 2025, are summarized below:

Myra Falls Mine Ltd.

Cash Flow Variance Analysis

Fifty Six Week Period Ended January 10, 2025

(CAD\$ thousands)

	Actual	Forecast	Variance	
Operating Receipts				
Sales	\$ 6,828	\$ 6,926	\$ (98)	(1)%
Other receipts	9,129	7,678	1,452	19%
Total Operating Receipts	15,957	14,603	1,354	9%
Operating Disbursements				
Payroll and Benefits	(18,079)	(18,307)	228	1%
Consultants and Contractors	(9,840)	(9,631)	(210)	(2)%
Pension Fund Contributions	438	(471)	909	193%
Fuel	(1,473)	(1,471)	(2)	(0)%
Materials and Supplies	(2,086)	(1,783)	(303)	(17)%
Leases	(1,472)	(1,181)	(292)	(25)%
Other operating disbursements	(8,016)	(8,263)	247	3%
Total Operating Disbursements	(40,530)	(41,108)	577	1%
Net Change in Cash from Operations	(24,573)	(26,504)	1,931	7%
Non-Operating Items				
Capital Expenditures	(182)	(160)	(23)	(14)%
Impact Benefit Agreement	(666)	(687)	20	3%
Restructuring Professional Fees	(4,808)	(5,825)	1,017	17%
Net Change in Cash from Non-Operating Items	(5,656)	(6,671)	1,015	(15)%
Financing				
Interim Financing	29,500	32,000	(2,500)	(8)%
Net Change in Cash from Financing	29,500	32,000	(2,500)	(8)%
Effect of Foreign Exchange Translation	(1)	(1)	0	(25)%
Net Change in Cash	(731)	(1,177)	446	(38)%
Opening Cash	2,047	2,047	-	-
Ending Cash	\$ 1,317	\$ 871	\$ 446	51%

36. Overall, MFM realized a favourable net cash flow variance of approximately \$446,000.

The key components of the variance are as follows:

- a. receipts were higher than forecast primarily as a result of the following:

- i. the collection of GST refunds relating to the periods from November 2023 to July 2024 which were previously not forecasted as the timing of payment was unknown; and
 - ii. the collection of interest payments from TCL on the Tax Optimization Plan (as defined in the Third Report) structure as discussed in previous reports;
- b. operating disbursements were lower than forecast, primarily as a result the following:
 - i. as a conservative measure, the Sixth Cash Flow Statement did not contemplate any recoveries of over-contributions by MFM to the pension plan and only forecasted estimated under-contributions that were expected to be paid by the Petitioner;
 - ii. payroll estimates were overstated which have since been revised based on detailed information provided by MFM's human resources department;
 - iii. the unfavourable variance in consultants and contractors is driven by additional engineering and environmental consultancy costs incurred during the period;
 - iv. the Petitioner's consumption of materials and supplies was higher than anticipated, primarily driven by lime purchases to treat the tailings facility;
 - v. the unfavourable variance in leases relates to the timing of the Discovery Terminal lease payment which was forecast in the week ending January 17, 2025;
 - vi. the favourable variance in other operating disbursements relates to the full return of the bond premium from AON Reed Stenhouse Inc. in respect of

the reclamation bond insurance premium that was replaced by Rosenberg & Parker of Canada, Inc. at a significantly reduced rate;

- c. while restructuring professional fees overall have been lower than forecast, the favourable variance is largely a timing difference that is expected to reverse in the coming weeks. A summary of the professional fee disbursements incurred since the commencement of the CCAA Proceedings is set out in the below table:

Professional Fee Summary						
Fifty Six Week Period Ended January 10, 2025						
<i>(CAD\$ thousands)</i>						
Firm	Role		Fees	Disbursements	Taxes	Total
FTI Consulting Canada Inc.	Monitor	\$	1,125	\$ 20	\$ 54	1,199
Blake Cassels & Graydon LLP	Monitor's Counsel		333	0	31	365
Gowling WLG	Company's Counsel		2,419	13	291	2,722
FTI Capital Advisors	Financial Advisor		497	-	25	522
Total		\$	4,374	\$ 33	\$ 400	4,808

SEVENTH CASH FLOW FORECAST

37. The Petitioner has prepared the Seventh Cash Flow Forecast to set out the liquidity requirements of MFM during the Stay Extension. A copy of the Seventh Cash Flow Forecast is attached as Appendix "A".

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

Myra Falls Mine Ltd.			
Sixth Cash Flow Forecast			
Sixty-Eight Week Period Ending April 4, 2025	Weeks 1-56	Weeks 57-68	
(CAD\$ thousands)	Actual	Forecast	Total
Operating Receipts			
Sales	\$ 6,828	\$ 104	\$ 6,932
Other receipts	9,129	-	9,129
Total Operating Receipts	15,957	104	16,061
Operating Disbursements			
Payroll and Benefits	(18,079)	(2,393)	(20,472)
Consultants and Contractors	(9,840)	(2,097)	(11,938)
Pension Fund Contributions	438	(391)	47
Fuel	(1,473)	(195)	(1,668)
Materials and Supplies	(2,086)	(374)	(2,460)
Leases	(1,472)	(11)	(1,483)
Other operating disbursements	(8,016)	(383)	(8,399)
Total Operating Disbursements	(40,530)	(5,844)	(46,374)
Net Change in Cash from Operations	(24,573)	(5,740)	(30,313)
Non-Operating Items			
Capital Expenditures	(182)	(300)	(482)
Impact Benefit Agreement	(666)	(401)	(1,068)
Restructuring Professional Fees	(4,808)	(1,396)	(6,204)
Net Change in Cash from Non-Operating Items	(5,656)	(2,097)	(7,754)
Financing			
Interim Financing	29,500	7,500	37,000
Net Change in Cash from Financing	29,500	7,500	37,000
Effect of Foreign Exchange Translation	(1)	-	(1)
Net Change in Cash	(731)	(337)	(1,068)
Opening Cash	2,047	1,317	2,047
Ending Cash	\$ 1,317	\$ 979	\$ 979

39. The Seventh Cash Flow Forecast is based on the following key assumptions:

- a. receipts include the collection of the final true-up payment related to the post-filing sale of the limited remaining zinc and gold concentrate left at the Mine to Trafigura Canada Limited, with whom MFM has an offtake agreement;
- b. payroll and benefits reflect the reduced work force following the transition to care and maintenance;
- c. consultants and contractors include supporting safety and environmental services as well as asset maintenance contractors;
- d. pension fund contributions relate to the defined contribution pension plan;
- e. leases relate to certain machinery and equipment that MFM continues to use for care and maintenance activities;
- f. the remaining operating disbursements relate primarily to ordinary course payments for fuel and other supplies needed for care and maintenance activities;
- g. other operating disbursements relate primarily to monthly insurance payments;
- h. payments to the Wei Wai Kum and We Wai Kai First Nations in respect of the Impact & Benefit Agreement and Discovery Terminal lease are forecast under the Impact Benefit Agreement and lease line items;
- i. restructuring professional fees include fees and disbursements for the Petitioner's legal counsel, the Financial Advisor, the Monitor and the Monitor's legal counsel;
- j. it assumes that the Petitioner will draw an additional \$7.5 million under the DIP Facility during the period of the proposed extension; and
- k. all interest and fees pertaining to the DIP Facility are forecast to be paid in kind.

STAY EXTENSION

40. MFM is seeking a Stay Extension in these CCAA Proceedings, extending the Stay of Proceedings until and including April 4, 2025.

41. The Monitor has considered MFM's application for the Stay Extension and has the following comments:

- a. the Petitioner requires time to carry out negotiations with various stakeholders, including the Mediation, if ordered, to determine the Petitioner's ability to implement a transaction that would allow for a restart of mining operations;
- b. the Seventh Cash Flow Forecast forecasts that the Petitioner will have available liquidity during the term of the proposed Stay Extension;
- c. there will be no material prejudice to the Petitioner's creditors and other stakeholders as a result of the Stay Extension;
- d. MFM's overall prospects of effecting a viable restructuring will be enhanced by the Stay Extension; and
- e. the Petitioner is acting in good faith and with due diligence.

CONCLUSIONS AND RECOMMENDATIONS

42. Based on the foregoing, the Monitor respectfully recommends that this Honourable Court grant the following:

- a. the Mediation Order; and
- b. the Liquidation and Stay Extension Order.

All of which is respectfully submitted this January 24, 2025.

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



Paul Bishop
Senior Managing Director



Tom Powell
Senior Managing Director

Appendix A

Seventh Cash Flow Forecast for the
68-week period ending April 4, 2025

Week Ending (CAD\$ thousands)	Weeks 1-56 10-Jan-25 Actual	Week 57 17-Jan-25 Forecast	Week 58 24-Jan-25 Forecast	Week 59 31-Jan-25 Forecast	Week 60 7-Feb-25 Forecast	Week 61 14-Feb-25 Forecast	Week 62 21-Feb-25 Forecast	Week 63 28-Feb-25 Forecast	Week 64 7-Mar-25 Forecast	Week 65 14-Mar-25 Forecast	Week 66 21-Mar-25 Forecast	Week 67 28-Mar-25 Forecast	Week 68 4-Apr-25 Forecast	Total
Operating Receipts														
Sales	6,828	-	-	104	-	-	-	-	-	-	-	-	-	6,932
Other receipts	9,129	-	-	-	-	-	-	-	-	-	-	-	-	9,129
Total Operating Receipts	15,957			104										16,061
Operating Disbursements														
Payroll and Benefits	(18,079)	(348)	(46)	(297)	(77)	(143)	(185)	(352)	(82)	(209)	(198)	(376)	(80)	(20,472)
Consultants and Contractors	(9,840)	(145)	(201)	(197)	(126)	(115)	(115)	(330)	(178)	(178)	(178)	(178)	(156)	(11,938)
Pension Fund Contributions	438	(180)	(211)	-	-	-	-	-	-	-	-	-	-	47
Fuel	(1,473)	(15)	(30)	(23)	(30)	(22)	(30)	(32)	(30)	(32)	(30)	(32)	(30)	(1,668)
Materials and Supplies	(2,086)	(59)	(23)	(23)	(22)	(22)	(32)	(32)	(32)	(32)	(32)	(32)	(33)	(2,460)
Leases	(1,472)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1,483)
Other operating disbursements	(8,016)	(11)	(114)	(11)	(84)	(11)	(11)	(11)	(84)	(11)	(11)	(11)	(11)	(8,399)
Total Operating Disbursements	(40,530)	(759)	(626)	(529)	(340)	(292)	(374)	(726)	(408)	(431)	(450)	(598)	(311)	(46,374)
Net Change in Cash from Operations	(24,573)	(759)	(626)	(425)	(340)	(292)	(374)	(726)	(408)	(431)	(450)	(598)	(311)	(30,313)
Non-Operating Items														
Capital Expenditures	(182)	-	-	-	-	(250)	-	-	(50)	-	-	-	-	(482)
Impact Benefit Agreement	(666)	-	-	-	(20)	-	-	-	-	-	-	-	-	(1,068)
Restructuring Professional Fees	(4,808)	(41)	(85)	(440)	(440)	(390)	(390)	(50)	-	(390)	-	-	-	(6,204)
Net Change in Cash from Non-Operating Items	(5,656)	(41)	(85)	(460)	(460)	(250)	(390)	(50)	(50)	(390)	(390)	(390)	(381)	(7,754)
Financing														
Interim Financing	29,500	-	1,000	500	500	500	1,000	1,000	-	1,000	500	500	1,000	37,000
Net Change in Cash from Financing	29,500		1,000	500	500	500	1,000	1,000		1,000	500	500	1,000	37,000
Effect of Foreign Exchange Translation	(1)													(1)
Net Change in Cash	(731)	(800)	289	75	(301)	(42)	236	224	(458)	179	50	(98)	308	(1,068)
Opening Cash	2,047	1,317	517	806	881	539	539	775	998	541	720	769	671	2,047
Ending Cash	\$ 1,317	\$ 517	\$ 806	\$ 881	\$ 581	\$ 539	\$ 775	\$ 998	\$ 541	\$ 720	\$ 769	\$ 671	\$ 979	\$ 979

Notes:

Management has prepared this Cash Flow Statement solely for the purposes of determining the liquidity requirements of Myra Falls Mine Ltd. during the CCAA Proceedings. The Cash Flow Statement is based on the probable and hypothetical assumptions detailed below. Actual results will likely vary from performance projected and such variations may be material.

- [1] Sales relate primarily to receipts from finalizations of shipments made prior to the Filing Date and remaining finish goods inventories. A shipment of the remaining concentrate occurred post-filing with the final true-up payment forecast to occur in the week ending January 31, 2025. All receipts are assumed to be collected under normal course trade settlement terms for shipments.
- [2] Other receipts relate to GST refunds, approved transfer of lease assets, and interest income.
- [3] Payroll reflects the remaining employees used to support care and maintenance activities.
- [4] Consultants and contractors includes supporting safety and environmental services, demobilization and asset maintenance.
- [5] Pension Fund Contributions relate to the collection of certain over and under-contributions identified by the Petitioner to its defined contribution pension plan.
- [6] Fuel payments are forecast to reflect the ongoing care and maintenance activities.
- [7] Materials and supplies relates to various consumable items required for care and maintenance activities, including certain items required to comply with environmental regulations.
- [8] The forecast includes payments for certain leased equipment that is used for care and maintenance activities.
- [9] Other operating disbursements includes overhead costs, such as insurance, information technology and human resources.
- [10] Capital expenditures largely relate to the expected costs for the mid-life rebuild of a MTU generator.
- [11] Payments under the Impact Benefit Agreement are anticipated to be made as per the current contract.
- [12] Restructuring professional fees include the fees and disbursements of the Petitioner's legal counsel, the Monitor, the Monitor's legal counsel and a contingency for other advisors.
- [13] Interim financing of \$37 million, from which \$29.5 million was already received, is forecast to be extended over the forecast period, with any and all applicable interest and fees being paid in kind.

Appendix B

Fourth Amendment to the DIP Term Sheet

FOURTH AMENDMENT TO DIP FACILITY TERM SHEET

Dated: January ____, 2025.

RECITALS:

- A. Myra Falls Mine Ltd. (the “**Borrower**”), as borrower, and Trafigura US Inc. (the “**DIP Lender**”), as lender, entered into a DIP facility term sheet dated December 17, 2023 (the “**DIP Facility Term Sheet**”);
- B. On February 16, 2024, the Borrower and the DIP Lender executed an amendment to the DIP Facility Term Sheet (the “**First Amendment**”), to extend the Maturity Date (as defined in the DIP Facility Term Sheet) to June 30, 2024;
- C. On June 20, 2024, the Borrower and the DIP Lender executed an amendment to the DIP Facility Term Sheet (the “**Second Amendment**”), to extend the Maturity Date and increase the Maximum Amount (as defined in the DIP Facility Term Sheet);
- D. On October 22, 2024, the Borrower and the DIP Lender executed an amendment to the DIP Facility Term Sheet (the “**Third Amendment**”), to extend the Maturity Date to January 31, 2025; and
- E. Subject to the terms and conditions contained in this agreement (this “**Fourth Amendment**”), the parties hereto have agreed to further amend the DIP Facility Term Sheet on the terms and conditions set out below.

NOW THEREFORE in consideration of the foregoing and the mutual agreements contained herein (the receipt and sufficiency of which are hereby acknowledged), the parties agree as follows:

1. DEFINITIONS

- 1.1 **Use of Defined Terms.** Unless otherwise defined herein or the context otherwise requires, capitalized terms used in this Fourth Amendment, including its preamble and recitals, have the meanings provided in the DIP Facility Term Sheet, as amended by the First Amendment, the Second Amendment and the Third Amendment (the “**Amended DIP Facility Term Sheet**”), as applicable.

2. AMENDMENTS TO THE AMENDED DIP FACILITY TERM SHEET

- 2.1 **Amendments.** Subject to the satisfaction of each of the conditions to effectiveness set forth in this Fourth Amendment, the parties agree to amend the Amended DIP Facility Term Sheet as follows:

2.1.1 The reference to “January 31, 2025” in the Amended DIP Facility Term Sheet in paragraph (a) of the heading “**Maturity Date**” shall be deleted and replaced with “April 4, 2025”.

2.1.2 The reference to the “Maximum Amount” in the Amended DIP Facility Term Sheet, under the heading “**DIP Facility**”, shall be amended to reflect the following:

“up to the maximum principal amount of CDN \$37,000,000 million”.

3. REPRESENTATIONS AND WARRANTIES

3.1 **Representations.** The Borrower represents and warrants to the DIP Lender that, as of the date hereof (after giving effect to this Fourth Amendment):

3.1.1 This Fourth Amendment has been duly authorized, executed and delivered by the Borrower;

3.1.2 This Fourth Amendment constitutes a legal, valid and binding obligation of the Borrower, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other applicable laws affecting creditors’ rights generally and to general principles of equity, regardless of whether considered in a proceeding in equity or at law;

3.1.3 The representations and warranties set forth in the Amended DIP Facility Term Sheet, and the other DIP Credit Documentation are true and correct in all respects on and as of the date hereof as though made on and as of such date, unless stated to be made as of a specified date; and

3.1.4 No Default or Event of Default has occurred and is continuing.

4. CONDITIONS

4.1 **Conditions Precedent.** This Fourth Amendment shall become effective on the date upon which there has been receipt by the DIP Lender of the following (which conditions precedent are for the sole and exclusive benefit of the DIP Lender and may be waived by the DIP Lender):

4.1.1 a counterpart of this Fourth Amendment executed by the Borrower; and

4.1.2 receipt by the DIP Lender of updated Cash Flow Projections up to and including April 4, 2025, in form and substance satisfactory to the DIP Lender in its discretion.

5. GENERAL PROVISIONS

- 5.1 **Headings.** The inclusion of headings in this Fourth Amendment is for convenience of reference only and does not affect the construction or interpretation hereof.
- 5.2 **Governing Law.** This Fourth Amendment is governed by, and is to be construed and interpreted in accordance with, the laws of the Province of British Columbia and the federal laws of Canada applicable therein.
- 5.3 **Assignment.** This Fourth Amendment enures to the benefit of, and is binding upon, the parties and their respective successors and permitted assigns.
- 5.4 **Conflicts.** If, after the date of this Fourth Amendment, any provision of this Fourth Amendment is inconsistent with any provision of the Amended DIP Facility Term Sheet, the relevant provision of this Fourth Amendment shall prevail.
- 5.5 **DIP Credit Documentation.** This Fourth Amendment constitutes DIP Credit Documentation for all purposes under the Amended DIP Facility Term Sheet.
- 5.6 **Counterparts.** This Fourth Amendment may be executed in multiple counterparts, each of which shall be deemed to be an original agreement and all of which shall constitute one agreement. All counterparts shall be construed together and shall constitute one and the same agreement. This Fourth Amendment, to the extent signed and delivered by means of electronic transmission (including, without limitation, facsimile and Internet transmissions), shall be treated in all manner and respects as an original agreement and should be considered to have the same binding legal effect as if it were the original signed version thereof delivered in person.

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IN WITNESS WHEREOF the parties hereto have executed this Fourth Amendment as of the date first written above.

MYRA FALLS MINES LTD.

By:



Name:

Title: Authorized Signatory

I have the authority to bind the corporation.

TRAFIGURA US INC.

By:

 

Name:

Title: Authorized Signatory

I have the authority to bind the corporation.