



Affidavit of Hein Frey #3
affirmed: February 21, 2024

No: S238572
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 PLAN OF COMPROMISE AND ARRANGEMENT OF
MYRA FALLS MINE LTD.

AFFIDAVIT

I, **HEIN FREY**, of the **City of Campbell River, British Columbia**, AFFIRM THAT:

1. I am the general manager of Myra Falls Mine Ltd. (referred to in this affidavit as the "**Company**" or "**MFM**"). I have been involved in the financial and operational management of the Company since May of 2023. As a result, I have personal knowledge of the matters to which I hereinafter depose save and except where I refer to matters based on information and belief, in which case I verily believe that information to be true.

2. Capitalized terms used in this affidavit and not otherwise defined have the meaning given to them in my first affidavit filed in these proceedings sworn December 17, 2023 (the "**First Frey Affidavit**"). For ease of reference, a true copy of the First Frey Affidavit without exhibits is attached as **Exhibit "A"**.

Introduction and Relief Being Sought

3. On December 18, 2023, the Supreme Court of British Columbia (the "**CCAA Court**"), granted MFM an initial order (the "**Initial Order**") under the *Companies' Creditors Arrangement Act* (Canada) (the "**CCAA**"), which provided for, among other things, a limited stay of proceedings (the "**Stay of Proceedings**").

4. On December 28, 2023, the CCAA Court granted an amended and restated Initial Order (the "**Amended and Restated Initial Order**") among other things:

- (a) extending the Stay of Proceedings until February 29, 2024;
- (b) authorizing the Company to borrow up to \$21,000,000 from the DIP Lender (the "**DIP Limit**");
- (c) increasing the amount of the Administration Charge to \$800,000 (the "**Administration Charge**");
- (d) granting the DIP Lender's Charge, the Administration Charge and the D&O Charge priority ahead of secured creditors pursuant to ss. 11.2(2), 11.51(2) and 11.52(2) of the CCAA; and
- (e) authorizing the Company to, in its discretion, make a Supplemental Hardship Payment (as defined below) to terminated or temporarily laid off employees.

5. This affidavit is being filed in support of an application by the Company returnable February 27, 2024, for Orders in the form to be filed with the Court, among other things:

- (a) granting a further extension of the Stay of Proceedings until June 30, 2024;
- (b) approving a sales and investment solicitation process (the "**SISP**") for offers or proposals for (i) a sale in respect of all or substantially all of the Property and Business (each as defined in the Amended and Restated Initial Order) of MFM; or (ii) an investment in MFM;
- (c) authorizing, *nunc pro tunc*, MFM to enter into an engagement agreement (the "**FA Engagement Letter**") with FTI Capital Advisors – Canada ULC (the "**Financial Advisor**") pursuant to which the Financial Advisor will assist MFM in connection with the SISP;
- (d) amending the Amended and Restated Initial Order to make the Financial Advisor a beneficiary of the Administration Charge to secure the payment of its fees and disbursements pursuant to the FA Engagement Letter; and

- (e) authorizing the Company to enter into a transaction (the “**Breakwater Transaction**”) contemplated by a sale and assignment agreement dated and effective as of February 28, 2024 (the “**Breakwater Agreement**”), between MFM, as vendor and Breakwater Resources Ltd. (the “**Purchaser**”), a party related to MFM, as purchaser, in respect of MFM’s rights, title and interest in an equipment lease (the “**Epiroc Lease**”) between MFM, as lessee, and Epiroc Canada Inc., as lessor, dated February 26, 2022 for a Simba M6 long-hole production drill rig leased by MFM, and vesting in the Purchaser all of MFM’s right, title and interest in and to the Epiroc Lease, free and clear of all claims.

Extension of Stay of Proceedings

6. Since the Company last appeared before the CCAA Court, MFM has worked diligently and in good faith to implement its care and maintenance plan, and move forward its restructuring efforts. In this regard, during that period, the Company has:

- (a) implemented its previously announced plan to transition the Mine to care and maintenance with the strategic objective to ensure that the site can be restarted with minimal delays or rework required. While implementing the transition, MFM maintained communication and engagement with relevant government and stakeholders;
- (b) met with the Chiefs of the Wei Wai Kum First Nation and We Wai Kai First Nation to discuss potential amendments to the IBA and the Company’s restructuring efforts;
- (c) continued to manage inquires from suppliers regarding pre-filing payables, including certain suppliers who have sought to register liens against the Mine or commence proceedings against MFM in breach of the Stay of Proceedings;
- (d) developed the SISF in consultation the Monitor and the Financial Advisor and began the process of gathering and preparing various information and data that

will be required to be uploaded to the data-site to be established as part of the SISP;

- (e) developed a form of non-disclosure agreement to be used as part of the SISP;
- (f) began the process of reviewing with the Monitor and its counsel, the Company's equipment lease portfolio;
- (g) with the assistance of the Monitor, negotiated the FA Engagement Letter;
- (h) commissioned the RB Appraisal (as defined and described below);
- (i) met with the Monitor to discuss various operational matters, including those relating to the Company's transition of the Mine into care and maintenance;
- (j) with the assistance of the Monitor, prepared updated cash flow forecasts and considered adequacy of DIP funding up to and including June 30, 2024;
- (k) engaging in discussions with the Union and its counsel around the Supplemental Hardship Payment (as described below); and
- (l) met with an agent regarding a preliminary expression of interest in a sub-let of the Discovery Terminal Warehouse Building.

7. In order to continue its restructuring efforts and provide it with time to implement the SISP, the Company is seeking an extension of the Stay of Proceedings until June 30, 2024. I believe such an extension is reasonable and appropriate in the circumstances.

Approval of the SISP

8. MFM, in consultation with the Monitor and the Financial Advisor, has developed the SISP in order to solicit offers or proposals for a sale in respect of all or substantially all of the Property and Business, or an investment in MFM. At this time, MFM is not soliciting offers or proposals in respect of individual assets.

9. The proposed guidelines for the SISP are attached as Schedule A (the “**SISP Guidelines**”) to the form of draft order being sought in connection with the SISP (the “**SISP Order**”). Capitalized terms used in this section of my affidavit that are not otherwise defined have the meanings ascribed to them in the SISP Guidelines.

10. The SISP Guidelines contemplate that MFM will implement the SISP with the assistance of the Financial Advisor, under the supervision of the Monitor.

11. Under the SISP Guidelines, MFM will be empowered to implement a process to solicit offers for a sale or other investment transaction in respect of all or substantially all of the Property and Business. The SISP Guidelines are intended to facilitate a broad market solicitation of the Property and Business as a whole.

12. The following milestones¹ are incorporated into the SISP Guidelines:

- (i) publication of a notice of the SISP and delivery of teaser letters and NDAs to potential bidders, as soon as reasonably practical, but in any event by no later than five (5) days following the issuance of the SISP Order;
- (ii) a Phase 1 Bid Deadline of April 12, 2024;
- (iii) a Phase 2 Bid Deadline of May 24, 2024;
- (iv) deadline for completion of definitive documentation in respect of a Successful Bid, if any, by June 7, 2024;

I note that under the SISP Guidelines, MFM, in consultation with the DIP Lender and the Financial Advisor, and with the consent of the Monitor, may modify these milestones during the SISP.

- (v) Court approval of a Successful Bid, if any, by during the week commencing June 17, 2024; and
- (vi) closing of a Successful Bid transaction, if any, by July 5, 2023.

13. In order for bids to constitute Phase 1 Qualified Bids, bidders are asked, among other things to specifically address in their bids the structure and means by which they intend to satisfy applicable governmental reclamation security obligations in respect of the Mine, including reclamation of the Discovery Terminal and the Business, to the satisfaction of MFM and guaranteeing entities, in their discretion.

14. If, following the Phase 1 Bid Deadline, MFM, in consultation with the DIP Lender and the Financial Advisor, and with the consent of the Monitor, determines that it has received no Phase I Qualified Bids, MFM may immediately terminate the SISP without consummating a transaction.

15. Following the Phase 2 Bid Deadline, MFM, in consultation with the Financial Advisor, and with the consent of the Monitor, will have the option to (i) continue negotiations with Phase 2 Bidders to improve their bid terms, (ii) declare a bid as the Successful Bid, (iii) schedule an auction, or (iv) terminate the SISP.

16. Nothing in the SISP prevents MFM or any of its affiliates from filing a plan of compromise or arrangement in respect of MFM.

17. Any sale of, or investment in, the Business and Property under the SISP Guidelines, will be on an "as is, where is" basis and without surviving representations or warranties of any kind, nature, or description.

18. I believe that the SISP Guidelines are fair and reasonable in the circumstances, and establish an appropriate framework to identify a going-concern solution for the Property and Business and pursue a value-maximizing transaction for the benefit of MFM's stakeholders.

19. The Trafigura Group, including the DIP Lender, are in support of the SISP, and have advised MFM and the Monitor that they do not intend to submit a bid as part of the SISP although MFM and the Trafigura Group are reserving their rights to submit a bid for the Business and Property, or otherwise seek to implement a transaction through a formal plan of arrangement or compromise, following the completion or termination of the SISP.

Appointment of Financial Advisor

20. MFM is seeking to engage the Financial Advisor to assist with implementing the SISP pursuant to the terms of the FA Engagement Letter, a true copy which is attached as **Exhibit "B"**.

21. The Financial Advisor is an investment banking affiliate of the Monitor with significant experience structuring and executing complex distressed M&A and private capital raising transactions in a variety of sectors, including mining.

22. MFM diligently negotiated the Engagement Letter with the Financial Advisor, and in doing so, received the assistance and input of mergers and acquisitions professionals from Trafigura's mining investments group. The negotiations focussed on ensuring that the services of the Financial Advisor were adequately priced and accretive to the overall process.

23. Under the FA Engagement Letter, the Financial Advisor will be paid based upon time incurred, at the standard hourly rates of its professionals, subject to a monthly fee cap in the amount of \$135,000 USD per month. The FA Engagement Letter does not provide for a success fee in connection with any transaction that may arise out of the SISP.

24. I have reviewed the FA Engagement Letter and believe it is fair and reasonable. I further believe that the Financial Advisor's experience and knowledge will be a valuable asset as the Company embarks on the SISP.

25. The Financial Advisor requires security for its fees and disbursements under the FA Engagement Letter given that MFM is currently under CCAA protection.

26. Accordingly, MFM is seeking to have the Amended and Restated Initial Order further amended to make the Financial Advisor an additional beneficiary of the Administration Charge.

27. The Company believes this relief is both appropriate and necessary in the circumstances to ensure that payment of the fees of the Financial Advisor have the same protections as the other professionals assisting MFM in these proceedings.

28. I confirm that the Company has provided notice of this amendment to all of the current beneficiaries of the Administration Charge, and each have consented to this proposed amendment.

The Breakwater Transaction

29. The Company is seeking the authorization to enter into the Breakwater Transaction pursuant to the Breakwater Agreement with the Purchaser, a related party to MFM.

30. Under the Breakwater Agreement, the Purchaser will acquire all of MFM's rights, title and interest in and to the Epiroc Lease in respect of the Simba Equipment. A draft of the proposed Breakwater Agreement is attached as **Exhibit "C"**.

31. The Simba Equipment is a long-hole production drill rig for medium-to-large drift mining that accommodates a range of drill bits, rock drills and in-the-hole hammers.

32. The Simba Equipment is not required by MFM as part of its care and maintenance plan for the Mine. It is further not expected that the Simba Equipment would attract material interest from a party looking to acquire all or substantially all of the Property and the Business as part of the SISP.

33. The Simba Equipment is currently leased from Epiroc pursuant to the Epiroc Lease. Although amounts remain outstanding under the Epiroc Lease, MFM believes it has equity in the Simba Equipment. The Epiroc Lease is attached as **Exhibit "D"**. A payout statement issued by Epiroc in connection with the Lease and dated effective as of February 28, 2024, is attached as **Exhibit "E"** (the "**Epiroc Payout Statement**").

34. During these CCAA proceedings, members of the Trafigura Group, expressed an interest in acquiring the Simba Equipment. As a result, MFM commissioned an independent appraisal of the Simba Equipment from Rouse Services Canada Ltd., an affiliate of Ritchie Bros. Auctioneers (Canada) Ltd. (the "**RB Appraisal**"), to assist with determining the fair market value of the Simba Equipment (the "**Simba FMV**"). A redacted copy of the RB Appraisal is attached as **Exhibit "F"**. I note that in addition to the Simba Equipment, the RB Appraisal appraises certain other equipment owed by MFM that MFM may seek to sell in the future (collectively, the "**Other Equipment**"). In order to protect the integrity of any sales process that may be implemented in the future in respect of the Other Equipment, MFM has redacted the portions of the RB Appraisal dealing with Other Equipment.

35. The purchase price under the Breakwater Agreement corresponds to MFM's equity in the Simba Equipment that is, the difference between the Simba FMV and the amount owed to Epiroc pursuant to the Epiroc Payout Statement.

36. The transaction contemplated pursuant to the Breakwater Agreement is on an "as is, where is" basis, and conditional upon the CCAA Court approving the transaction and issuing

a vesting order in respect of the Epiroc Lease and Simba Equipment (save and except for Epiroc's rights therein).

37. Epiroc is consenting to the sale and assignment of the Epiroc Lease to the Purchaser.

38. I believe the Breakwater Transaction is appropriate as it allows for the immediate monetization, at fair market value, of an asset that MFM no longer requires, and thus, is in the best interest of MFM's stakeholders.

Supplemental Hardship Payment

39. As part of the Initial Order, the CCAA Court authorized the Company to pay an amount equivalent to two additional weeks of wages or salaries to terminated or temporarily laid off employees on the pay cycle following their termination or temporary layoff (the "**Initial Hardship Payment**").

40. As part of the Amended and Restated Initial Order, the CCAA Court further authorized the Company, in its discretion, to supplement the Initial Hardship Payment, by paying terminated and temporarily laid off employees, an amount equivalent to a further six weeks of wages or salaries (the "**Supplemental Hardship Payment**", and together with the Initial Hardship Payment, the "**Hardship Payment**").

41. Further to the Amended and Restated Initial Order, payment of the Supplementary Hardship Payment to unionized employees, was conditional on, among other things, MFM reaching an agreement with the Union on terms relating to the Hardship Payment.

42. On or around January 15, 2024, counsel to the Company provided the Union with a memorandum of agreement and release document, detailing the conditions under which the Company was proposing to make the Supplemental Hardship Payment to unionized employees. Discussions between the parties continued throughout that week however, the

parties were unable to agree on terms relating to the Supplemental Hardship Payment. As such, the Company has not made the Supplementary Hardship Payment to unionized employees.

43. The Company made the Supplemental Hardship Payment to half of the non-unionized employees in accordance with the Amended and Restated Initial Order. The other half are expected to receive payment upon return of certain Company property held by such employees, which the Company is currently facilitating.

DIP Amendment


44. The DIP Lender and the Company entered into an amendment to the DIP Facility Agreement dated February 16, 2024, herein attached as **Exhibit "G"** (the "**First DIP Amendment**").

45. Under the First DIP Amendment, the Maturity Date (as defined therein) is extended from May 31, 2024 to June 30, 2024, in order to provide the Company with further time to restructure its affairs including by way of a potential transaction through the SISP. There are no other materials terms in the First DIP Amendment.


Conclusion

46. MFM continues to work diligently and in good faith to implement its care and maintenance plan and move forward its restructuring. The relief sought by MFM, is consistent with these efforts, and in my view is reasonable and appropriate in the circumstances.

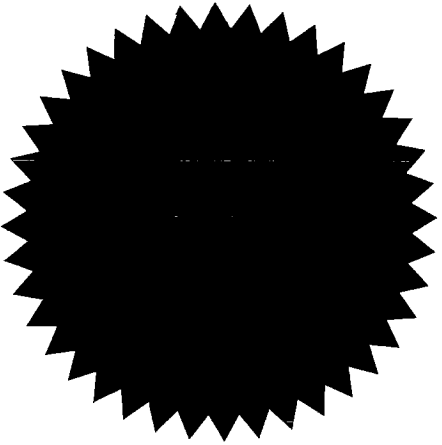
AFFIRMED BEFORE ME in Capetown,
South Africa, on February 21, 2024.



A Notary Public for taking Affidavits within
Capetown, South Africa.



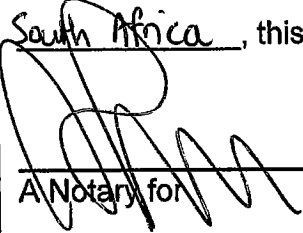
HEIN FREY



ABRAM STEFANUS VAN NIEKERK
COMMISSIONER OF OATHS
PRACTISING ATTORNEY RSA
ARCADE HOUSE
4 NEW STREET, PAARL

+ 27 21 871 1224

This is Exhibit "A" referred to in the Affidavit of HEIN FREY, sworn before me at Cape Town, South Africa, this 21 day of February, 2024.


A Notary for _____



Affidavit of Hein Frey #1
affirmed: December 17, 2023

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

AFFIDAVIT

I, **HEIN FREY**, of the City of Campbell River, British Columbia, AFFIRM THAT:

1. I am the general manager of Myra Falls Mine Ltd. (referred to in this affidavit as the "Company" or "MFM"). I have been involved in the financial and operational management of the Company since May of this year. As a result, I have personal knowledge of the matters to which I hereinafter depose save and except where I refer to matters based on information and belief, in which case I verily believe that information to be true. Where the information set out in this affidavit is based upon information that I have received from others, I have stated the source of that information and believe it to be true.

2. This affidavit is sworn in support of an application by the Company pursuant to the *Companies' Creditors Arrangement Act* (Canada) (the "CCAA") seeking an order (the "Initial Order") substantially in the form of the draft order to be filed with the Court, granting relief that is reasonably necessary for the continued operations of the Company within an initial 10 day stay period, including:

- (a) declaring that the Company is a party to which the CCAA applies;

- (b) appointing FTI Consulting Canada Inc. ("FTI" or the "Proposed Monitor") as an officer of the Court to monitor the assets, business, and affairs of the Company (once appointed in such capacity, the "Monitor");
- (c) staying, until December 28, 2023, all proceedings and remedies taken or that might be taken in respect of the Company, the Monitor, the Company's sole director and officers, or affecting the Company's business or current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (collectively, the "Property"), except as otherwise set forth in the Initial Order or as otherwise permitted by law;
- (d) approving the Company's ability to borrow under a debtor-in-possession credit facility (the "DIP Facility") pursuant to the DIP Term Sheet established by the DIP Lender (each as defined below);
- (e) granting the following limited priority charges (collectively, the "Charges") against the Company's Property:
 - (i) the Administration Charge (as defined below) in favour of the Monitor, counsel to the Monitor, and counsel to the Company;
 - (ii) the D&O Charge (as defined below) in favour of the Company's sole director and the Company's officers; and
 - (iii) the DIP Lender's Charge in favour of the DIP Lender (each as defined below).

3. Should the Initial Order be granted, the Company intends to bring an application, returnable on December 28, 2023 (the "**Comeback Hearing**"), seeking, among other things: an extension of the stay of proceedings in respect of the Company until February 29, 2024, an increase in the quantum and priority of the Charges in order to facilitate these CCAA proceedings, and authorization to make the Supplemental Hardship Payment (as defined below).

I. OVERVIEW AND INTRODUCTION

4. MFM's principal asset is the Myra Falls Mine (the "**Mine**"), an operating mine located in Strathcona Provincial Park approximately 90 kilometres southwest of Campbell River on Vancouver Island, British Columbia ("**Strathcona Park**"). The Mine is primarily a zinc mine but also produces copper concentrate, lead concentrate, and a minimal amount of gold concentrate. It employs approximately 105 full time salaried employees and 265 hourly employees. In addition to these employees, approximately 104 full time equivalent workers are provided by Independent contractors at the Mine.

5. In the face of continuously declining zinc prices and significant rising operating costs, the Company has reached an unprecedented level of unprofitability.

6. The Company's sole source of financing since 2019 has been through the Trafigura group of companies (the "**Trafigura Group**"), which has provided shareholder loans in excess of \$100 million to the Company, when Trafigura Pte Ltd. ("**TPTE**") became an indirect majority shareholder in MFM.

7. Despite the Company's and the Trafigura Group's constant efforts to reach profitability, market circumstances now make it completely uneconomical for the Trafigura Group to

continue funding losses in the manner in, and at the rate at, which it has been supporting the Company for the last 4 years.

8. The Company has determined that the best course of action at this time is to commence these proceedings and place the Mine in a state of care and maintenance while the Company explores restructuring options for the benefit of its stakeholders.

9. As further described below, Trafigura US Inc. (the "DIP Lender"), a member of the Trafigura Group, has agreed to provide interim financing pursuant to the DIP Facility to help facilitate these CCAA proceedings and the transition of the Mine into a state of care and maintenance.

II. BACKGROUND REGARDING MFM

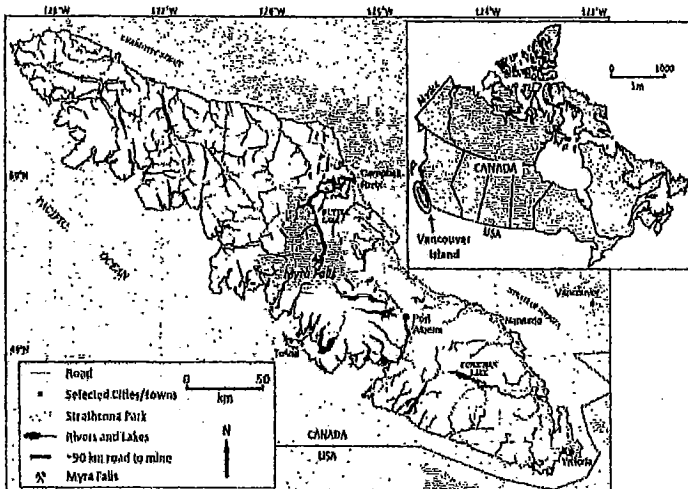
A. Corporate Structure and Description of the Company

10. MFM was originally incorporated federally under the *Canada Business Corporations Act* (the "CBCA"). In 2013, it was continued from the CBCA to the *Business Corporations Act* (British Columbia) under the name "Nyrstar Myra Falls Ltd." ("Nyrstar"). In 2021, the Company changed its name to "Myra Falls Mine Ltd". A true copy of a British Columbia Company Summary for MFM dated November 24, 2023, and issued by British Columbia Registry Services is attached as **Exhibit "A"**.

11. MFM is a subsidiary of Breakwater Resources Limited ("**Breakwater**"), which is a subsidiary of TPTE. Breakwater and TPTE are part of the Trafigura Group, a global supplier of commodities and a global commodity trader.

B. Description of the Mine

12. As noted above, the Mine is located within Strathcona Park. The Mine occupies approximately 3901 hectares of land in Strathcona Park (the "Mine Site") and is located approximately 90 kilometres by road southwest of the City of Campbell River. The physical location of the Mine is depicted below:



13. MFM is the recorded holder of 6 mineral leases and 23 Crown grants in connection with the Mine. These leases and Crown grants have been duly issued by the Province of British Columbia (the "Province"), and are registered pursuant to the *Mineral Tenure Act* (British Columbia). MFM also holds park use permits ("PUPs") that are required to provide surface access in Strathcona Park. MFM's mineral leases, Crown grants and PUPs are currently in good standing, and the Company's Free Miner Certificate was recently renewed.

14. Infrastructure used as part of the Mine include an administration building, a surface crusher, a concentrator circuit, a flotation circuit, a processing plant, a building for the surface operations team, a concentrate storage facility, a tailings storage facility, 2 hydro-electric power

plants, a complimentary back-up diesel powerhouse, an accommodations camp, a changing facility, and a port facility at Campbell River (defined below as the Discovery Terminal).

15. Due to the Mine's location, the Company self-generates power and transmits it for distribution to its underground operations and surface facilities.

16. The Mine produces concentrates of zinc, and to a lesser extent lead, copper, and gold. Approximately 78% of the Mine's concentrate production by weight is zinc concentrate.

17. Mining at the Mine Site is predominately done through underground longhole open stoping. This is a process by which ore is extracted through a series of horizontal or sub-horizontal levels known as "stopes." Underground mines are accessed by a decline ramp and a vertical shaft equipped to move personnel and materials. Mined ore is transported via internal roads to a processing plant at the Mine Site where concentrates are produced. The concentrates (other than gold) are then transported by truck in bulk to Campbell River for storage and subsequent loading onto bulk carrier ships at a wharf and terminal facility operated by the Company (the "Discovery Terminal") located on lands leased from the Wei Wai Kum First Nation.

18. In addition to containing the infrastructure necessary for ship-loading, the Discovery Terminal has a concentrate storage facility (for storing concentrate before shipment). From the Discovery Terminal, concentrate is shipped internationally typically (although not exclusively) to smelters in South Korea (in the case of zinc), China (in the case of lead), or Mexico (in the case of copper).

C. History of the Mine

19. The Mine has been in operation since approximately 1966, with intermittent periods where the Mine has been closed or placed in care and maintenance. Mining began at the Mine Site in open pit form and shortly thereafter moved to underground mining.

20. TPTE became an indirect majority shareholder of Nyrstar, the then owner of the mine, in 2019.

21. At or around when TPTE became a majority shareholder, the Mine was coming out of an extended period of care and maintenance that had begun in June 2015 (the "2015 Suspension of Operations"). I understand the 2015 Suspension of Operations was the result of a combination of a prolonged period of low commodity prices and site infrastructure issues. As part of the 2015 Suspension of Operations, the Mine's workforce was significantly reduced.

22. Efforts were made by the then owner to restart operations in 2017, with a series of repairs and upgrades to the Mine Site's infrastructure. Production ultimately restarted at the Mine Site around the third quarter of 2018 and has continued since then, albeit at a financial loss.

23. Since 2019, the Company with the support of the Trafigura Group has made significant efforts to attempt to bring economic stability to the Mine and make it profitable. During this period, among other things, MFM:

- (a) Oversaw the construction of a tailings dam wall raise designed to fully comply with Canadian regulations and completed in-house using labour from the local community which resulted in a significant reduction in capital costs;

- (b) Implemented capital improvements to on-site hydro facilities to reduce reliance on diesel power generation;
- (c) Improved copper concentrate production, through increases designed around mill reliability, and mineralogical and metallurgical surveys resulting in consistent particle sizes, and stabilization of floatation circuits;
- (d) Strengthened operational discipline by focussing on efficiency and productivity through the implementation of a formal management operating system framework (MOS); and
- (e) Executed a historic impact and benefit agreement with the Wei Wai Kum First Nation and the We Wai Kai First Nation (as further described below).

24. To support these improvements and to cover operating expenses, over a period of 4 years, the Trafigura Group have made unsecured shareholder loans to the Company pursuant to which over \$100 million was outstanding as of November 30, 2023.

25. Despite the Trafigura Group's efforts, the Mine has not been able to achieve long-term economic stability and the Company is currently facing severe liquidity issues.

III. MFM'S FINANCIAL STATUS

A. Financial Issues of MFM

Declining Zinc Prices / Rising Costs

26. Profitability for the Mine in any given year is driven primarily by commodity prices and in particular the price of zinc.

27. Prices for zinc in 2023 have steeply declined and are down approximately 22% on a year over year basis. Against this backdrop, the Mine's operational costs have significantly increased by over 20% from 2020 to 2023.

28. The current decline in zinc prices globally is largely driven by weak demand from the construction sector, which accounts for a substantial portion of zinc demand (one of the primary uses of zinc is for galvanizing steel and iron).

29. In 2023, a number of mines have suspended production, including: (a) the Islay Mine in Peru; (b) the Tara Mine in Ireland (formerly the largest zinc mine in Europe); (c) the King Vol Mine in Australia; and (d) the Mungana Mine also in Australia.

30. Although the Mine produces a number of types of concentrates its overall ability to achieve profitability is driven by zinc. Given the Mine's current ore-body, the Company is not in a position, absent further exploration, to counter-balance weak zinc prices through increases in the volume of production of zinc-concentrate or other minerals that can be produced from the Mine. Any further exploration would require a significant financial investment.

31. With future zinc prices uncertain at this time it is unclear when the Mine might return to profitability.

Dependence on Shareholder Loans

32. MFM's operations to-date have been completely dependent on unsecured shareholder loans from the Trafigura Group.

33. In the face of the current difficult zinc price environment, in November 2023, the Trafigura Group advised the Company that it was not willing to continue to fund operations at the Mine in their current form.

34. The Trafigura Group has demanded repayment of all loans it provided to the Company.
35. Without further shareholder loans, the Company does not expect to have sufficient liquidity to meet its ongoing obligations.
36. The Company has determined that in light of its liquidity constraints, the best course of action at this time is to commence these proceedings and place the Mine in a state of care and maintenance while it explores restructuring and operational options.
37. As will be described below, a member of the Trafigura Group has agreed to provide DIP financing to provide the Company with the liquidity required to cover the administrative costs associated with these proceedings, the Company's restructuring activities, and the costs that will be necessary to transition the Mine into care and maintenance.

B. Financial Statements

38. In advance of these proceedings, the Company has prepared unaudited annual financial statements for the fiscal year ending September 30, 2023 (the "FY 2023 Financial Statements"). A true copy of the FY 2023 Financial Statements is attached as **Exhibit "B"**.
39. As set out in the FY 2023 Financial Statements, as at September 30, 2023 MFM had total assets with a net book value of approximately \$214 million. This includes current assets of approximately \$29 million (comprised predominately of inventory) and non current assets of approximately \$185 million.
40. As at September 30, 2023 MFM had total liabilities of approximately \$326 million. This included current liabilities of approximately \$224 million and non-current liabilities of approximately \$102 million.
41. It is my belief, that the Company is currently insolvent.

IV. STAKEHOLDERS OF MFM

A. The Trafigura Group

42. Members of the Trafigura Group are parties to various agreements involving the Company, including:

43. TPTE CAD Loans: Pursuant to a facility agreement dated as of November 10, 2020, as amended by an amendment dated May 5, 2021 (collectively, the "TPTE CAD Loan Agreement") between TPTE, as lender, and the Company, as borrower, TPTE established a demand loan facility in favour of the Company in the principal amount of \$60,000,000 CAD. As of November 30, 2023, the Company was indebted to TPTE under the TPTE CAD Loan Agreement in the amount of approximately \$61,648,265. Interest on funds advanced under the TPTE CAD Loan Agreement accrues at a per annum rate equal to the aggregate of the CORRA rate and the short term weighted average cost of debt of the lender. A true copy of the TPTE CAD Loan Agreement is attached as **Exhibit "C"**.

44. TPTE USD Loans: Pursuant to a facility agreement dated as of November 10, 2020, as amended by an amendment dated May 5, 2021 (collectively, the "TPTE USD Loan Agreement") between TPTE, as lender, and the Company, as borrower, TPTE established a demand loan facility in favour of the Company in the principal amount of \$30,000,000 USD. As of November 30, 2023 the Company was indebted to TPTE under the TPTE USD Loan Agreement in the amount of approximately \$36,720,020 USD. Interest on funds advanced under the TPTE USD Loan Agreement accrues at a per annum rate equal to the aggregate of the LIBOR rate and the short term weighted average cost of debt of the lender. A true copy of the TPTE USD Loan Agreement is attached as **Exhibit "D"**.

45. Breakwater CAD Loans: Breakwater, as lender, and MFM, as borrower, are party to a loan agreement dated as of August 31, 2012, as amended by an amendment dated September 30, 2021 (collectively, the "**Breakwater Loan Agreement**"). As of November 30, 2023 approximately \$76,579,371.27 was owing by MFM to Breakwater under the Breakwater Loan Agreement. Interest accrues on this loan at the 12 month CDOR rate plus a margin specified in the Breakwater Loan Agreement. In addition to those amounts advanced under the Breakwater Loan Agreement, from time to time, Breakwater has advanced further unsecured interest-free loans to the Company, on an as needed basis (the "**Additional Breakwater Loans**"). As of December 1, 2023, \$4,232,000 was owing in respect of the Additional Breakwater Loans. A true copy of the Breakwater Loan Agreement is attached as **Exhibit "E"**.

46. Historically, as part of intercompany tax optimization planning, MFM has acted as a conduit for members of the Trafigura Group to fund one of its Canadian subsidiaries. No assets of MFM were used to fund that subsidiary. These arrangements have now been discontinued.

47. TCL Offtake Arrangements. Trafigura Canada Limited ("**TCL**") is party to off-take arrangements with the Company, pursuant to purchase contracts dated as of January 1, 2022, as amended, under which TCL purchases all of the zinc concentrate, all of the lead concentrate, and certain of the copper concentrate produced by the Company. As part of these off-take arrangements, on an annual basis, TCL is required to notify MFM of a proposed shipping schedule for the following year. The Company is required to arrange transportation of purchased concentrates to the Discovery Terminal at the cost of TCL. 95% of the provisional value of any shipment of concentrate is paid upfront within 3 days of certain documents being delivered by the Company to TCL, including a holding certificate and provisional invoice. At the time of the receipt of this first provisional payment title passes to TCL. The purchase price for concentrates produced by the Mine is based on market rates that vary depending on,

among other things, the pricing for the applicable concentrate on the London Metal Exchange, then in effect.

B. Employees

Union and Non-Unionized Labour

48. MFM currently employs approximately 265 employees on an hourly basis (the **"Unionized Employees"**) and 105 salaried employees.

49. The Company's employees include underground production crews, mill and mobile equipment operators, mechanics, electricians, millwrights, mineral resource management employees, administrative staff, and management.

50. The majority of the Company's employees reside in the Campbell River or the Courtenay-Comox region and travel to the Mine Site via a company daily chartered bus or personal transportation. A limited number of employees live further afield and stay at the accommodation camp on-site when working at the Mine.

51. The Unionized Employees are represented by Unifor Local 3019 (the **"Union"**).

52. In respect of the Unionized Employees, MFM and Unifor Local 3019, are party to a collective agreement, a copy of which is attached as **Exhibit "F"** (the **"Collective Bargaining Agreement"**).

53. The terms of the Collective Bargaining Agreement expired in September 2023. The Company and the Union have begun negotiations to renew the Collective Bargaining Agreement but have not reached an agreement to date.

Pension Plans

54. Myra Falls is the sole participating employer and the legal administrator with respect to 2 registered pension plans:

- (a) The Nyrstar Myra Falls Ltd., Myra Falls Operations Hourly-paid Employees Pension Plan (the "**DB Plan**") for unionized employees hired before August 1, 2017; and
- (b) The Pension Plan for the Employees of Myra Falls Mine Ltd. (the "**DC Plan**" and together with the DB Plan, the "**Plans**"), for unionized employees hired on or after August 1, 2017, and non-unionized employees.

55. The Plans are registered with the British Columbia Financial Services Authority ("**BC FSA**") pursuant to the *British Columbia Pension Benefits Standards Act*. The Plans are also registered under the *Income Tax Act (Canada)*.

56. The DB Plan is closed to new members since August 1, 2017. Based on the most recent actuarial valuation report as of December 31, 2022 prepared by Aon (the "**Valuation Report**"), and filed in September 2023, the DB Plan is in an actuarial excess position from a funding standpoint. As a result, the Company is not required to make contributions to the DB Plan with respect to any solvency deficiency or going concern deficiency, and this year elected to take a contribution holiday with respect to current service contributions to the DB Plan. The Company has recently taken steps to reduce the risk that the DB Plan's assets, including the actuarial excess, are adversely impacted by market volatility. A copy of the Valuation Report is attached as **Exhibit "G"**.

57. During the course of a targeted review of the Plan's contributions to the DC Plan, it was determined that there had been certain contribution issues. These issues relate primarily to Company contributions and to unionized employee contributions and are comprised of a mix

of over and under contribution errors for both the Company and employees. The Company has been working with outside advisors to develop a strategy for correcting these issues and has advised both BC FSA, which is supportive of the Company's proposed approach, and the Union. The Company determined that the best course of action involved the use of proposed new tax rules for correcting contribution errors in defined contribution errors, and the relevant amendments to the *Income Tax Act* (Canada) have recently been passed. Discussions with the Union regarding the errors and subsequent collective bargaining have contributed to delaying the corrections. The Company still needs to consider certain final issues regarding former DC Plan members. However, the Company is preparing to materially rectify the over and under contribution issues during the first and second quarters of 2024.

58. Each of the employees who are members of the DC Plan and the Company make bi-weekly contributions to the DC Plan. At this time, the Company is not seeking authority to discontinue these contributions. For clarity, at this time, the Company is not seeking to change any of its obligations under the DB or DC Plan.

59. In addition, non-union employees have the option to participate in employer matching programs for Group RRSP and an Employee Savings Plan. The Company is not proposing to continue making these payments as part of the CCAA proceedings.

C. First Nations

Wei Wai Kum First Nation and the We Wai Kai First Nation

60. The Mine is located on the traditional territory of the Wei Wai Kum First Nation and the We Wai Kai First Nation and the Company is party to an impact and benefit agreement dated as of February 27, 2023 with these first nations (the "IBA").

61. In addition to the IBA, the Wei Wai Kum First Nation and MFM are party to a lease agreement dated as of January 1, 2022, in connection with the Discovery Terminal, which is located on reserve lands (the "**Discovery Terminal Lease**"). Under the Discovery Terminal Lease, MFM has certain obligations relating to environmental matters. During these CCAA proceedings, the Company intends to make regularly scheduled post-filing payments under the Discovery Terminal Lease while it explores its strategic options.

Other First Nations Groups

62. In addition to the Wei Wai Kum First Nation and the We Wai Kai First Nation, both the K'ómoks First Nation and the Mowachaht/Muchalaht First Nation have asserted rights over parts of the Mine Site. As of the date hereof, MFM is not party to any formal agreements with either of these nations.

D. The Crown

Leases, Licenses and Grants

63. As outlined above, MFM maintains 6 mineral leases and 23 crown grants that are registered with, and administered by, the Province. MFM also holds various PUPs required to provide surface access to Strathcona Park, among other licenses and permits used in connection with the Mine and the Discovery Terminal.

Crown Reclamation Obligations

64. As a condition of obtaining the requisite provincial approvals for its mining operations, the Company was required to post a bond in the amount of \$132,424,500 (the "**Bond**") with the Province to secure performance of any conditions, obligations, or requirements that are imposed under the laws of British Columbia relating to mines that, in the opinion of the

Province, are related to reclamation or protection of, and mitigation or damage to, the land, watercourses or cultural heritage resources effected by the Mine. The Bond has been issued by Trisura Guarantee Insurance Company. MFM, among others, is party to a general agreement of indemnity in favour of Trisura Guarantee Insurance Company, among others, in connection with the Bond.

65. The Company intends for the Bond to remain in place for the benefit of the Province.

Water Lot Lease

66. In addition to its licenses, leases, and grants with the Province, MFM leases from the Province, the water lot (the foreshore and seabed) contiguous with the Discovery Terminal pursuant to a lease agreement dated July 5, 2018.

E. Secured Indebtedness

67. The Company does not have a traditional bank or senior secured lender, and no party maintains a blanket security interest against all of the assets, property, and undertakings of the Company. As outlined above, the Trafigura Group finances the Company's operations on an unsecured basis.

68. The Company has a limited number of creditors with registered financing statements under the *Personal Property Security Act* (British Columbia) that relate to the leasing or financing of equipment and motor vehicles. These creditors are as follows:

- (a) Versatile Leasing Incorporated;
- (b) Toyota Credit Canada Inc.;
- (c) Travelers Leasing Ltd.;

- (d) Sandvik Canada Inc. / Sandvik Financial Services Canada;
- (e) Valiant Financial Services Inc.;
- (f) Amalgamated Mining & Tunnelling Inc.;
- (g) Epiroc Canada Inc.;
- (h) Linde Canada Inc.; and
- (i) Xerox Canada Ltd.

69. A summary of PPSA searches recently obtained against the Company current as of November 24, 2023, is attached hereto as **Exhibit "H"**.

F. Alberta Legacy Well Obligations

70. The Company's assets include 11 legacy oil wells in the province of Alberta (the "Wells"). MFM is in the process of undertaking reclamation work in respect of the Wells under the oversight of the Alberta Energy Regulator. The Company intends to continue such work during these CCAA Proceedings, the cost of which is contemplated under the Cash Flow Forecast (as defined below).

G. Trade Payables

71. MFM contracts with a number of suppliers in order to operate and service the Mine and ancillary mine assets and infrastructure (the "Suppliers"). Many, although not all, of MFM's Suppliers are based in the Campbell River or the Courtenay-Comox region. MFM has struggled to stay current on its trade payables with some Suppliers currently operating on extended payment terms. As of November 30, 2023, MFM owes its suppliers approximately \$37,556,708.

72. Certain suppliers who are required to operate the Mine (including, when the Mine is in care and maintenance) have advised the Company that they will not continue to provide goods and services absent outstanding invoices being addressed. Some suppliers have recently suspended supplying goods and services, and others have removed equipment from the Mine Site in light of outstanding payables. I expect that further suppliers may seek to exercise remedies against the Company in the coming days absent a stay of proceeding being granted.

V. CCAA PROCEEDINGS

A. Stay of Proceedings

73. The Company produces on average 3700 tons of zinc concentrate every month. It takes approximately 3 months for the Company to aggregate a full shipment of zinc concentrate.

74. Every month that the Mine operates, the Company's financial position deteriorates.

75. The Company completed its last full load of zinc concentrate on December 15, 2023.

76. MFM has limited liquidity, is insolvent and requires a stay of proceedings, in order to provide it with the "breathing room" required to consider its restructuring options and implement a restructuring plan.

77. These restructuring options may include a court-supervised sales and investment solicitation process and / or filing a plan of arrangement or compromise.

78. Concurrently with the commencement of these CCAA proceedings, the Company intends to place the Mine into a state of care and maintenance while it develops a restructuring plan.

79. As part of placing the Mine into care and maintenance, only essential operations at the Mine will continue, including actions intended to maintain environmental compliance, actions intended to secure the Mine Site, and preservation of key Mine infrastructure.

80. A stay of proceedings together with the DIP financing being proposed are essential to transitioning the Mine into care and maintenance and maintaining environmental compliance. In the absence of a stay of proceedings being granted, actions taken by Suppliers (in particular ceasing to supply goods and services to MFM and / or taking enforcement action), will impact the Company's ability to transition the Mine into care and maintenance in an orderly manner. Such an outcome will not only have an adverse effect on the Mine's go-forward value but also may have long-term negative environmental implications.

B. Appointment of Monitor

81. MFM is seeking the appointment of FTI to serve as the proposed Monitor in these proceedings. A copy of the consent of FTI to act as Monitor is attached as **Exhibit "I"** of this my affidavit.

82. I have been advised by Tom Powell, a senior managing director at FTI with carriage of this matter, that FTI is a trustee within the meaning of section 2 of the *Bankruptcy and Insolvency Act* and is not subject to any of the restrictions set out in Section 11.7(2) of the CCAA.

83. I understand that FTI has experience with mandates of this nature, and has previously served as monitor in CCAA proceedings involving mines across Canada. I believe FTI is qualified and competent to act as MFM's Monitor in these CCAA proceedings.

C. DIP Facility

84. In light of the Company's liquidity issues, the Company will require interim financing to cover its go-forward costs including the costs associated with transitioning the Mine into care and maintenance, undertaking restructuring activities, and the payment of professional fees during these CCAA proceedings.

85. Under a DIP term sheet dated December 17, 2023 (the "**DIP Term Sheet**"), the DIP Lender has agreed to establish the DIP Facility in the maximum principal amount of \$21 million for use during these CCAA proceedings. A copy of the DIP Term Sheet is attached hereto as **Exhibit "J"**.

86. During the initial 10 day stay period, availability under the DIP Facility will be limited to the principal amount of \$4 million which is the amount reasonably necessary for the Company's operations until the Comeback Hearing.

87. The DIP Term Sheet contains among other things, the following terms:

- (a) Principal Amount of DIP: \$4 million of initial availability (the "**Initial Maximum Amount**"), and, subject to the satisfaction of certain conditions precedent, an aggregate maximum amount of \$21 million (the "**Maximum Amount**").
- (b) DIP Facility Fee: \$210,000 (representing one 1% of the Maximum Amount).
- (c) Use of Proceeds: (i) to fund the Company's operating expenses and general corporate and working capital requirements during the CCAA proceedings, including the costs associated with transitioning the Mine into care and maintenance, and (ii) to fund the administrative expenses of the CCAA proceedings.

- (d) Interest: an annual rate equal to 11%.
- (e) DIP Charge: The DIP Facility requires a super-priority ranking charge (the "**DIP Lender's Charge**") against all of the current and future assets, undertakings and property of the Company in favour of the DIP Lender. The DIP Lender's Charge will not secure any amount owed to the Trafigura Group as of the date of commencement of these proceedings.

D. Cash Flow Forecast

88. The Company, with the assistance of the Proposed Monitor, has prepared a 13-week cash flow forecast (the "**Cash Flow Forecast**"). The Cash Flow Forecast assumes that the Mine will transition into care and maintenance immediately. The transition is expected to take approximately 2 months.

E. Post-Filing Payments to Employees

89. Transitioning the Mine to care and maintenance will not require the full complement of MFM's existing workforce, and only a limited number of employees will be needed for this process (collectively the "**Remaining Employees**").

90. The Company will require the services of no more than 17 salaried employees and 20 unionized employees to transition the Mine to care and maintenance. Starting at or around February 16, 2024, the services of most of the Remaining Employees will not be required. The Company will continue to pay the Remaining Employees until the date their services are no longer required.

91. The current circumstances of the Company do not allow the Company to provide full working notice to its employees. Given the unique circumstances and timing of the transition,

and in recognition of the hardship that terminated or temporarily laid off employees will experience, the Company currently intends, even if it is not required to do so, to pay 2 additional weeks of wages or salaries to these terminated / or temporarily laid off employees, on the next pay cycle following their termination or temporary layoff (the "**Initial Hardship Payment**").

92. As part of the Comeback Hearing, in order to ensure a smooth and safe transition of the Mine into care and maintenance, the Company intends to seek an Order from the Court authorizing the Company to supplement the Initial Hardship Payment, by paying terminated / or temporarily laid off employees, with a further 6 weeks of wages or salaries (the "**Supplemental Hardship Payment**").

93. The Company intends to maintain health and welfare insurance benefits for its unionized employees in accordance with the CBA, and for its salaried employees for a period of 2 weeks following their effective date of termination or temporary layoff.

F. Charges

Administration Charge

94. It is contemplated under the form of Initial Order being sought by the Company that the Proposed Monitor, along with its counsel, and counsel to the Company will be granted a Court-ordered charge in the amount of \$350,000 (the "**Administration Charge**") during the initial 10 day stay period, as security for their fees and disbursements incurred at their standard rates and charges.

95. I believe that the amount of the proposed Administration Charge is the amount reasonably necessary for the initial 10 day stay period to ensure the continued participation of the proposed beneficiaries of the Administration Charge, whose expertise, knowledge and assistance will be critical to the success of these CCAA proceedings.

96. The Company has worked with the Monitor to develop the proposed amount of the Administration Charge, which I believe is fair and reasonable in the circumstances.

97. I do not believe that there is any unwarranted duplication of roles between the proposed beneficiaries of the Administration Charge.

98. MFM intends to seek an increase in the maximum amount of the Administration Charge to \$800,000 at the Comeback Hearing.

D&O Charge

99. MFM's sole director and the Company's officers have invaluable experience pertaining to aspects of MFM's operations, suppliers, employees, and other stakeholders. That experience cannot be replicated or easily replaced, and will be, in my view, critical to helping (i) place the Mine into care and maintenance (ii) determine a way forward as part of these proceedings.

100. The proposed Initial Order provides for a \$650,000 Court-ordered charge over the assets, property and undertaking of the Company (the "D&O Charge") to indemnify the Company's sole director and the Company's officers in respect of liabilities they may incur during the CCAA proceedings in their capacities as directors and officers in the initial 10 day period.

101. The amount of the proposed D&O Charge has been determined by the Company, with the assistance of the Proposed Monitor, is supported by the DIP Lender, and reflects the quantum of the Company's directors' and officers' potential statutory liabilities for a 10 day period.

102. I understand that the Company's sole director and officers benefit from director and officer insurance pursuant to a Trafigura Group level insurance policy that covers directors and officers of multiple companies (the "Group D&O Policy"). The Company's officers and sole director have requested the protection of the D&O Charge in respect of post-filing obligations of MFM for which they could be personally liable, should the Group D&O Policy not be sufficient to protect against such liabilities.

103. The Company intends to seek an increase in the maximum amount of the D&O Charge at the Comeback Hearing to \$1,200,000.

DIP Lender's Charge

104. The DIP Facility is conditional upon an order of this Court, among other things, approving the amount and priority of the DIP Lender's Charge.

105. As outlined above, during the initial 10 day stay period availability under the DIP Facility will be limited to the Initial Maximum Amount. The form of Initial Order being sought by MFM contemplates a DIP Lender's Charge in this amount.

106. I am of the belief that the amount of the proposed DIP Lender's Charge is reasonably necessary for the initial 10 day stay period and is supported by the Cash Flow Forecast prepared with the assistance and review of the Proposed Monitor.

107. At the Comeback Hearing, MFM intend to seek an increase in the amount and the priority of the DIP Lender's Charge to the Maximum Amount.

Priorities of Charges


108. It is contemplated by the Company that the Charges will be against all of the Company's current and future assets, undertakings and property, and will have the following priorities as between them:

- (a) First – the Administration Charge;
- (b) Second – the D&O Charge; and
- (c) Third – the DIP Lender's Charge.

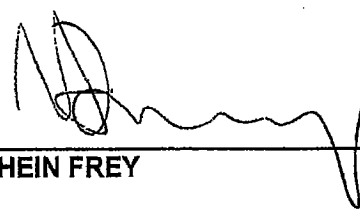
VI. CONCLUSION

109. The relief requested in the proposed Initial Order is limited to relief that is reasonably necessary for the operations of MFM during the initial 10-day stay period.

AFFIRMED BEFORE ME at Vancouver, BC,
on December 17, 2023.



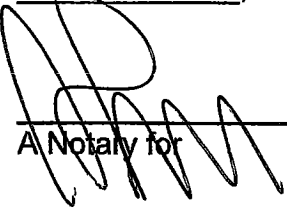
 A Commissioner for taking Affidavits within
 British Columbia.



HEIN FREY

MANUEL DOMINGUEZ
GOWLING WLG (CANADA) LLP
 BARRISTER & SOLICITOR
 550 BURRARD STREET - SUITE 2300
 BENTALL 5 - VANCOUVER, B.C. V6C 2B5
 TELEPHONE: (604) 891-2772

This is Exhibit "B" referred to in the Affidavit of HEIN FREY, sworn before me at Cape Town, South Africa, this 21 day of February, 2024.


A Notary for _____

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**PRIVATE & CONFIDENTIAL**

February 2, 2024

Myra Falls Mine Ltd.
P.O. Box 8000
Myra Falls, BC
V9W 5E2

1. Introduction

On December 18, 2023, Myra Falls Mine Ltd. ("Myra Falls" or the "Company") sought and obtained an initial order from the Supreme Court of British Columbia (the "Court") under the Companies' Creditors Arrangement Act R.S.C. 1985, c. C-36, as amended by an amended and restated initial order made on December 28, 2023 (the "CCAA Proceedings"). Pursuant to the initial order, FTI Consulting Canada ("FTI") was appointed as the monitor of Myra Falls (the "Monitor"). As part of the CCAA Proceedings, Myra Falls intends to seek the approval of the Court to conduct a sale and investment solicitation process ("SISP").

This letter confirms that we, FTI Capital Advisors -- Canada ULC ("FTICA"), have been retained by Myra Falls, to provide certain financial advisory and investment banking services (the "Services" or the "Engagement") as set out below. This letter of engagement and the attached Standard Terms and Conditions constitute the engagement contract (together, the "Engagement Contract") pursuant to which the Services will be provided.

2. Scope of Services

The Company hereby engages FTICA as its financial advisor to provide financial advisory and investment banking services in connection with the proposed SISP, which engagement shall be subject to Court Approval (as defined below).

It is understood that the Company has requested FTICA's services to assist the Company in discussions with potential purchasers and investors. Each potential purchaser and/or investor is referred to as a "Purchaser/Investor" in the Engagement Contract. Any sale or financing transaction will be done on a best efforts basis, and this Engagement Contract does not represent a commitment of capital by FTICA or any of its affiliates in any form to the Company.

The Services for the engagement, to be performed at your direction, are expected to include the following:



- i. Work closely with Myra Falls, the Monitor and the Company's various stakeholders during each stage of the SISP process;
- ii. Facilitate information flow between the Company, the Monitor and various stakeholders to ensure transparency throughout the SISP process;
- iii. FTICA would develop and implement a focused SISP, designed to maintain competitive tension and drive value for all stakeholders:
 - Identify, and discuss with the Company, a group of suitable purchasers and capital providers;
 - Prepare appropriate information (including a teaser, confidential information memorandum and assist the Company with its financial model) to be provided to potential purchasers and capital providers (we will seek to leverage existing materials, where possible, to ensure efficiency);
 - Obtain NDA's from interested parties;
 - Maintain and manage a virtual data room ("VDR") on behalf of the Company;
 - Obtain term sheets/Letters of Intent and evaluate the terms of the alternative proposals in accordance with the SISP procedures;
 - Prepare management for and facilitate meetings between Myra Falls and prospective purchasers and/or capital providers;
 - Manage due diligence and negotiation processes with select parties, working together with counsel to the Company; and
 - Provide advice through execution of definitive transaction agreements and sale approval.
- iv. Render such other financial advisory and investment banking services as mutually agreed upon by FTICA and the Company.

The Services may be performed by FTICA or by any affiliate of FTICA, as FTICA shall determine. FTICA may also, with the consent of the Company, provide Services through its affiliate agents or independent contractors. References herein to FTICA or its employees shall be deemed to apply also, unless the context shall otherwise indicate, to FTICA's affiliates, the employees of each such affiliate and to any such agents or independent contractors and their employees. Further, in the event any Services contemplated hereunder involve transactions, rules and regulations governed by the Financial Industry Regulatory Authority of the United States (FINRA), such Services shall be provided by FTI's U.S. affiliate, FTI Capital Advisors, LLC ("FTICA LLC"), and all such Services will be under the authority and direction of FTICA LLC as required by applicable law and FINRA's rules.

The Services, as outlined above, are subject to change as mutually agreed between us.

The Company agrees to promptly inform FTICA of any inquiry it receives regarding a sale or financing transaction so that FTICA can evaluate such party and its interest in a sale or financing transaction.

FTICA is engaged by the Company to provide financial advisory and investment banking services only. Accordingly, while we may from time to time suggest options which may be available to you and further give our professional evaluation of these options, the ultimate decision as to which, if any, of these options to implement rests with the Company, its management and board of directors. FTICA and its employees



will not make any management decisions for the Company and will not be responsible for communicating information concerning the Company to the public or any others.

The Company agrees that it will be solely responsible for ensuring that any sale or financing transaction complies with applicable law. FTICA represents and warrants that it has the necessary registrations and licenses to provide the services contemplated hereunder.

As part of the Services, FTICA may be requested to assist the Company (and its legal or other advisors) in negotiating with the Company's various stakeholders (including labour unions and First Nations), potential capital providers, and with other interested parties. If we participate in such negotiations, the representations made and the positions advanced will be those of the Company and its management, not FTICA or its employees.

3. Fees

Dean Mullett, Senior Managing Director of FTICA, will be responsible for the overall engagement. He will be assisted by other FTICA personnel, as appropriate.

The Fees in connection with Services performed in the Engagement Contract will be based upon the time incurred providing the Services, multiplied by our standard hourly rates, summarized as follows:

	<u>Per Hour USD</u>
Senior Managing Directors	1,095 – 1,495
Directors / Managing Directors	825 – 1,035
Consultants/Senior Consultants	450 – 750
Administrative / Paraprofessionals	185

Our Fees will not exceed \$135,000 USD per month (the "Monthly Cap") for the duration of the Engagement, commencing on the date of execution of this Engagement Contract, then each 30-days thereafter.

Hourly rates are generally revised annually, however services will remain subject to the Monthly Cap. To the extent this Engagement requires services of our international divisions or personnel, the time will be multiplied by their standard hourly rates applicable on international engagements subject to the Monthly Cap. We do not provide any assurance regarding the outcome of our work and our fees will not be contingent on the results of such work. Our fees will be for the account of the Company, guaranteed by you and are payable on presentation of invoice.

FTICA will bill for reasonable direct expenses which are incurred on your behalf during this Engagement. Direct expenses are reasonable and customary out-of-pocket expenses which are billed directly to the Engagement such as certain telephone, overnight mail, messenger, travel, meals, accommodations and other expenses specifically related to the Engagement. Direct expenses may also include the costs of independent legal counsel if such is determined by FTICA to be necessary after consultation with the Company. All fees and expenses will be subject to applicable taxes. Note that any individual expense above \$2,000 USD will need to be explicitly approved by the Company.

In order to render the Services under this Engagement Contract, the Company shall apply to the Court as part of the approval of the SISP procedures, for approval of (a) this Engagement Contract; (b) the retention of FTICA by the Company under the terms of this Agreement; (c) the payment of the fees and expenses of



FTICA under this Engagement Contract in the form and at times contemplated hereby; (d) an appropriate increase in the quantum of the existing Administration Charge in the Initial Order.

We will submit to the Company, on a weekly basis, invoices payable upon receipt, for our fees and expenses incurred in connection with the Engagement. Such invoices will include hours worked on a staff member by staff member basis. FTICA reserves the right to (i) immediately stop work should you fail to pay our outstanding fees and expenses within 48 hours of being notified of the Company's failure to pay; and (ii) in the event of failure to pay fees terminate the Engagement Contract in accordance with its terms.

If FTICA and/or any of its employees are required to testify or provide evidence at or in connection with any judicial or administrative proceeding relating to this matter, FTICA will be compensated by you at its regular hourly rates and reimbursed for reasonable allocated and direct expenses (including counsel fees) with respect thereto.

4. Terms and Conditions

The attached Standard Terms and Conditions set forth the duties of each party with respect to the Services. Further, this letter and the Standard Terms and Conditions attached comprise the entire Engagement Contract for the provision of the Services to the exclusion of any other express or implied terms, whether expressed orally or in writing, including any conditions, warranties and representations, and shall supersede all previous proposals, letters of engagement, undertakings, agreements, understandings, correspondence and other communications, whether written or oral, regarding the Services.

5. Conflicts of Interest

Based on the list of interested parties (the "Potentially Interested Parties"), provided by you, we have undertaken a limited review of our records to determine whether there is any conflict of interest that would prevent us from accepting this engagement.

From the results of such review, we were not made aware of any conflicts of interest or additional relationships that we believe would preclude us from performing the Services. However, as you know, FTICA and its affiliates are a large consulting firm with numerous offices throughout the World and are regularly engaged by new clients, which may include one or more of the Potentially Interested Parties.



6. Acknowledgement and Acceptance


Please acknowledge your acceptance of the terms of this Engagement Contract by signing both the confirmation below and the attached Standard Terms and Conditions and returning a copy of each to us at the above address.

If you have any questions regarding this letter or the attached Standard Terms and Conditions, please do not hesitate to contact Dean Mullett at 416-816-0733.

Yours faithfully,

FTI CAPITAL ADVISORS – CANADA ULC

By: _____


Dean Mullett
Senior Managing Director

Confirmation of Terms of Engagement

We agree to engage FTI Capital Advisors – Canada ULC upon the terms set forth herein and in the attached Standard Terms and Conditions.

MYRA FALLS MINE LTD.

By: _____


Maciej Sciazko

Date: February 2, 2024

FTI CAPITAL ADVISORS – CANADA ULC

STANDARD TERMS AND CONDITIONS

The following are the Standard Terms and Conditions on which we will provide the Services to you set forth within the attached letter of Engagement. The Engagement letter and the Standard Terms and Conditions (collectively the “Engagement Contract”) form the entire agreement between us relating to the Services and replace and supersede any previous proposals, letters of engagement, undertakings, agreements, understandings, correspondence and other communications, whether written or oral, regarding the Services. The headings and titles in the Engagement Contract are included to make it easier to read but do not form part of the Engagement Contract.

1. Reports and Advice

1.1 Use and purpose of advice and reports – Any advice given or report issued by us is provided solely for use and benefit by you and your affiliates and only in connection with the purpose in respect of which the Services are provided. Unless required by law, you shall not provide any advice given or report issued by us to any third party, or refers to us or the Services, without our prior written consent. In no event, regardless of whether consent has been provided, shall we assume any responsibility to any third party to which any advice or report is disclosed or otherwise made available.

2. Information and Assistance

2.1 Provision of information and assistance – Our performance of the Services is dependent upon your providing us with such information and assistance as we may reasonably require from time to time.

2.2 Punctual and accurate information – You shall use reasonable skill, care and attention to ensure that all information we may reasonably require is provided on a timely basis and is accurate and complete and relevant for the purpose for which it is required. You shall also notify us if you subsequently learn that the information provided is incorrect or inaccurate or otherwise should not be relied upon.

2.3 No assurance on financial data – While our work may include an analysis of financial and accounting data, the Services will not include an audit, compilation or review of any kind of any financial statements or components thereof. Company management will be responsible for any and all financial information they provide to us during the course of this Engagement, and we will not examine or compile or verify any such financial information. Moreover, the circumstances of the Engagement may cause our advice to be limited in certain respects based upon, among other matters, the extent of sufficient and available data and the opportunity for supporting investigations in the time period. Accordingly, as part of this Engagement, we will not express any opinion or other form of assurance on financial statements of the Company.

2.4 Prospective financial information - In the event the Services involve prospective financial information, our work will not constitute an examination or compilation, or apply agreed-upon procedures, in accordance with standards established by the Canadian Institute of Chartered Accountants, the American Institute of Certified Public Accountants or otherwise, and we will express no assurance of any kind on such information. There will usually be differences between estimated and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material. We will take no responsibility for the achievability of results or events projected or anticipated by the management of the Company.

3. Additional Services

- 3.1 **Responsibility for other parties** – We shall have no responsibility for the work and fees of any other party engaged by you to provide services in connection with the Engagement regardless of whether such party was introduced to you by us. Except as provided in this Engagement Contract, we shall not be responsible for providing or reviewing the advice or services of any such third party, including advice as to legal, regulatory, accounting or taxation matters.

4. Confidentiality

- 4.1 **Restrictions on confidential information** – Both parties agree that any confidential information received from the other party shall only be used for the purposes of providing or receiving Services under this or any other contract between us. Except as provided below, neither party will disclose the other party's confidential information to any third party without the other party's consent. Confidential information shall not include information that:

- 4.1.1 is or becomes generally available to the public other than as a result of a breach of an obligation under this Clause 4.1;
- 4.1.2 is acquired from a third party who, to the recipient party's knowledge, owes no obligation of confidence in respect of the information; or
- 4.1.3 is or has been independently developed by the recipient.

For greater certainty, nothing in this section 4.1 is intended to nor shall it create rights in favour of the company or any other party regarding any confidential information of the company or otherwise against you, FTI or any other party.

- 4.2 **Disclosing confidential information** – Notwithstanding Clause 1.1 or 4.1 above, either party will be entitled to disclose confidential information of the other to a third party to the extent that this is required by valid legal process, provided that (and without breaching any legal or regulatory requirement) where reasonably practicable not less than 2 business days' notice in writing is first given to the other party. Furthermore, in the event that we are appointed as Monitor, we may use or disclose any confidential information to the extent we deem necessary to fulfill our duties and obligations.
- 4.3 **Citation of engagement** – Without prejudice to Clause 4.1 and Clause 4.2 above, to the extent our engagement is or becomes known to the public, we may cite the performance of the Services to our clients and prospective clients as an indication of our experience, unless we and you specifically agree otherwise in writing.
- 4.4 **Internal quality reviews** – Notwithstanding the above, we may disclose any information referred to in this Clause 4 to any other FTI entity or use it for internal quality reviews.
- 4.5 **Maintenance of workpapers** – Notwithstanding the above, we may keep one archival set of our working papers from the Engagement, including working papers containing or reflecting confidential information, in accordance with our internal policies.

5. Termination

- 5.1 **Termination of Engagement with notice** – Either party may terminate the Engagement Contract for whatever reason upon written notice to the other party. Upon receipt of such notice, we will stop all work immediately. You will be responsible for all fees and expenses incurred by us through the date termination notice is received.
- 5.2 **Continuation of terms** – The terms of the Engagement that by their context are intended to be performed after termination or expiration of this Engagement Contract, including but not limited to, Clauses 3 and 4 of the Engagement letter, and Clauses 1.1, 4, 6 and 7 of the Standard Terms and Conditions, are intended to survive such termination or expiration and shall continue to bind all parties.

6. Indemnification and Liability Limitation; Waiver of Jury Trial


- 6.1 Indemnification** - You agree to indemnify and hold harmless FTICA and any of its subsidiaries and affiliates, officers, directors, principals, shareholders, agents, independent contractors and employees (collectively "Indemnified Persons") from and against any and all claims, liabilities, damages, obligations, costs and expenses (including reasonable attorneys' fees and expenses and costs of investigation) arising out of or relating to your retention of FTICA, the execution and delivery of this Engagement Contract, the provision of Services or other matters relating to or arising from this Engagement Contract, except to the extent that any such claim, liability, obligation, damage, cost or expense shall have been determined by final non-appealable order of a court of competent jurisdiction to have resulted from the gross negligence or willful misconduct of the Indemnified Person or Persons in respect of whom such liability is asserted.
- 6.2 Limitation of liability** - You agree that no Indemnified Person shall have any liability as a result of your retention of FTI, the execution and delivery of this Engagement Contract, the provision of Services or other matters relating to or arising from this Engagement Contract, other than liabilities that shall have been determined by final non-appealable order of a court of competent jurisdiction to have resulted from the gross negligence or willful misconduct of the Indemnified Person or Persons in respect of whom such liability is asserted. Without limiting the generality of the foregoing, in no event shall any Indemnified Person be liable for consequential, indirect or punitive damages, damages for lost profits or opportunities or other like damages or claims of any kind.
- 6.3 WAIVER OF JURY TRIAL** -TO FACILITATE JUDICIAL RESOLUTION AND SAVE TIME AND EXPENSE, YOU AND FTICA IRREVOCABLY AND UNCONDITIONALLY AGREE NOT TO DEMAND A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THE SERVICES OR ANY SUCH OTHER MATTER.

7. Governing Law and Jurisdiction

The Engagement Contract shall be governed by and interpreted in accordance with the laws of Canada and the Province of Ontario, without giving effect to the choice of law provisions thereof. The Courts of Ontario sitting in Toronto shall have exclusive jurisdiction in relation to any claim, dispute or difference concerning the Engagement Contract and any matter arising from it. The parties submit to the jurisdiction of such Courts and irrevocably waive any right they may have to object to any action being brought in these Courts, to claim that the action has been brought in an inconvenient forum or to claim that those Courts do not have jurisdiction.

FTI CAPITAL ADVISORS – CANADA ULC

This is Exhibit "C" referred to in the Affidavit
of HEIN FREY, sworn before me at Cape Town,
South Africa, this 21 day of February, 2024.



A Notary for

SALE AND ASSIGNMENT OF EQUIPMENT LEASE

BETWEEN:

MYRA FALLS MINE LTD., a corporation existing under the laws of British Columbia

(the "Assignor")

- and -

BREAKWATER RESOURCES LTD., a corporation existing under the laws of British Columbia

(the "Assignee")

CONTEXT:

- A. WHEREAS** the Assignor has agreed to sell and assign and the Assignee has agreed to buy and assume all rights and obligations under an equipment lease agreement dated February 26, 2022 (the "**Lease**") between the Assignor and Epiroc Canada Inc. ("**Epiroc**") for a Simba M6 long-hole production drill rig s/n TMG21URE0514 and associated replacement parts (the "**Equipment**"). The Assignee shall assume all obligations under the Lease including obligations to make future lease payments.
- B. AND WHEREAS** on December 18, 2023, the Supreme Court of British Columbia granted the Assignor an initial order under the *Companies' Creditors Arrangement Act* (Canada) (the "**CCA Proceeding**") and thereafter, the Assignor placed the Myra Falls Mine on care and maintenance.
- C. AND WHEREAS** the Assignee shall assume all obligations under the Lease including obligations to make future lease payments and the Assignee shall also be entitled to all benefits of the Lease including the right to use the Equipment according to the terms of the Lease and the right to acquire the Equipment under the lease purchase option.

THEREFORE, for good and valuable consideration as provided herein, the parties agree as follows:

1. Certain Rules of Interpretation

- 1.1 In this agreement (the "**Agreement**"), words signifying the singular number include the plural and vice versa, and words signifying gender include all genders.
- 1.2 The division of this Agreement into Sections and the insertion of headings are for convenience of reference only and do not affect the construction or interpretation of this Agreement.
- 1.3 References in this Agreement to a Section are to be construed as references to a Section of or to this Agreement unless otherwise specified.

2. Assignment

Effective from and after the effective date of this Agreement (the “**Closing Date**”) and subject to satisfaction of the conditions set out herein, the Assignor sells, assigns, transfers and sets over to the Assignee for the sole use and benefit of the Assignee, all of the Assignor’s right and title to and interest in the Lease together with the benefit of all covenants, guarantees and warranties under the Lease and all benefits and other advantages, if any, to be derived from the Lease.

3. Consideration

In consideration of the sale and assignment of the Lease by the Assignor to the Assignee, the Assignee shall pay the amount of \$908,425.00 to the Assignor together with legal costs of \$15,000.00 and GST / HST in the amount of \$45,421.25 (the “**Purchase Price**”).

4. Assumption

The Assignee accepts the assignment as set out in Section 2 above, and effective from and after the effective date of this Agreement, the Assignee will assume all of the obligations, duties and liabilities of the Assignor arising from the Lease to the exclusion of the Assignor, and the Assignee shall indemnify and save harmless the Assignor from and against any and all claims made against the Assignor in respect of the Lease or the use of the Equipment from and after the effective date hereof.

5. Warranties

- 5.1 The Assignor represents and warrants to and in favour of the Assignee that: (a) the execution, delivery and performance by the Assignor of this Agreement has been duly authorized by all necessary corporate action on the part of the Assignor subject to the issuance of an approval and vesting order substantially in the form of **Schedule A** hereto (the “**Approval and Vesting Order**”) by the Court in the CCAA Proceeding; (b) the Assignor is not a non-resident of Canada within the meaning of the *Income Tax Act* (Canada); and (c) the Assignor is a registrant for the purposes of the tax imposed under Part IX of the *Excise Tax Act* (the “**ETA**”).
- 5.2 The Assignee represents and warrants to and in favour of the Assignor that: (a) this Agreement has been duly executed and delivered by the Assignee and constitutes a legal, valid and binding obligations of the Assignee, enforceable against it in accordance with its terms subject only to any limitation under applicable laws relating to (i) bankruptcy, winding-up, insolvency, arrangement and other similar laws of general application affecting the enforcement of creditors' rights, and (ii) the discretion that a court may exercise in the granting of equitable remedies such as specific performance and injunction.
- 5.3 The Assignee acknowledges that this sale and assignment is done on an “As is; Where is” basis and the Assignor has made no representation or warranty as to the condition of the Equipment or the suitability of the Equipment for any specific purpose and the Assignee has had the opportunity to conduct such inspections and enquiries regarding the Equipment as necessary.
- 5.4 The Assignee has reviewed and is familiar with all of the terms and conditions of the Lease; and
- 5.5 The Assignee will have on the Closing Date, all funds on hand necessary to pay the Purchase Price.

6. Tax

The Assignor is registered under Subdivision (d) of Division V of Part IX of the ETA for the collection and remittance of goods and services tax and harmonized sales tax ("GST/HST") and its registration number is 871209060 and such registration is in good standing and has not been varied, cancelled or revoked; and c) the Assignor shall remit to the appropriate governmental authority, all GST/HST which is payable under the ETA, in connection with the sale and transfer of the Lease, all in accordance with the ETA.

7. Conditions of Closing for the Mutual Benefit of the Parties

The obligations of either the Assignor or the Assignee to complete the assignment of the Lease are subject to the following conditions to be fulfilled or performed, on or before the Closing Date, which conditions are for the mutual benefit of each of the parties and may only be waived, in whole or in part, by agreement of the parties to this Agreement: (a) the Approval and Vesting Order shall have been issued and entered by the Court and shall not be subject to a stay; (b) receipt of an executed copy of this Agreement by the parties hereto, and consented to by Epiroc; (c) no legal proceeding shall be pending which attempts to enjoin, restrict or prohibit the assignment of the Lease contemplated hereby; and (d) FTI Consulting Canada Inc. in its capacity as monitor in the CCAA Proceedings shall have provided its consent to the transaction contemplated in this Agreement.

8. Governing Law

This sale and assignment is governed by, and is to be construed and interpreted in accordance with, the laws of the Province of British Columbia and the laws of Canada applicable in that Province.

9. Further Assurances

Each party will, at that party's own cost and expense, execute and deliver any further agreements and documents and provide any further assurances, undertakings and information as may be reasonably required by the requesting party to give effect to this Agreement.

10. Enurement

This Agreement enures to the benefit of, and is binding upon, the parties and their respective successors and permitted assigns.

11. Electronic Signatures and Delivery

This Agreement and any counterpart of it may be:

- 11.1 signed by manual, digital or other electronic signatures; and
- 11.2 delivered or transmitted by any digital, electronic or other intangible means, including by e-mail or other functionally equivalent electronic means of transmission,

and that execution, delivery and transmission will be valid and legally effective to create a valid and binding agreement between the parties.

12. Counterparts

This Agreement may be signed and delivered by the parties in counterparts, with the same effect as if each of the parties had signed and delivered the same document, and that execution and delivery will be valid and legally effective.

DATED and Effective as of February 28, 2024.

MYRA FALLS MINE LTD.

Per: _____
Name:
Title:

BREAKWATER RESOURCES LTD.

Per: _____
Name:
Title:

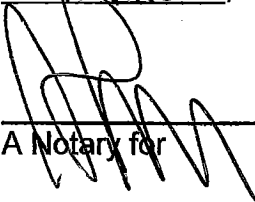
CONSENT

Epiroc Canada Inc. hereby consents to the sale and assignment of the Lease as described herein **provided that** immediately after the Lease is so assigned, the Assignee shall exercise the early purchase option in accordance with the terms and conditions under the Lease and purchase the Equipment from Epiroc Canada Inc.

EPIROC CANADA INC.

Per: _____
Name:
Title:

This is Exhibit "D" referred to in the Affidavit of HEIN FREY, sworn before me at Cape Town, South Africa, this 21 day of February, 2024.



A Notary for



Epiroc Canada Inc.

February 26th, 2022

Myra Falls Mine Ltd
Myra Falls Operations

PO Box 8000
Campbell River, BC
V9W 5E2

Re: Agreement # 402644-001

We are delighted that you have chosen Epiroc Financial Solutions as your business partner.

Please find enclosed the documents needed to complete your transaction with Epiroc Canada, Inc. After review, please sign and return the 2 sets of original documents and a signed copy via fax or email to me at the address listed below. Should you have any questions concerning the enclosed documentation, please don't hesitate to contact via e-mail or by phone.

We trust that this will make doing business with us convenient and more pleasurable in your rental of Epiroc world-class products. We look forward to a long and mutually rewarding business relationship!

Equipment and Serial Number **Simba M6C s/n: TMG21URE0514 w/ critical spare parts**

Unit Price	\$1,849,001.75 (plus applicable taxes)
Trade In	\$ 0.00 (plus applicable taxes)
Down Payment	\$ 277,351.00 (plus applicable taxes)
Amount Financed	\$1,571,650.75 (plus applicable taxes)
Term (months)	48
Residual Value	\$0.00 (plus applicable taxes)
Monthly Payment	\$36,337.00 (plus applicable taxes)
Documentation Fee	\$ 500.00 (plus applicable taxes)

We require:

- Provide PST Exempt Certificate
- Insurance certificate naming Epiroc Financial Solutions as additional insured and first loss payee.
- Pre-Authorized Payment section completed including a void check for pre-authorized payments.
- Completed electronic copy of all signed documents.
- Please sign the attached invoice allowing an electronic withdrawal in the amount indicated on the invoice.

Thank you for your valued business, if you have any questions or concerns please feel free to contact me. Sincerely,

Tony Mamone

Tony Mamone
Business Manager - Canada
Phone: 289-562-6075
Email: tony.mamone@epiroc.com
Epiroc Financial Solutions Canada
1025 Tristar Drive,
Mississauga, Ontario L5T 1W5



EQUIPMENT LEASE

Equipment Lease:		402644-001		Date February 26 th 2022					
Start Date of Lease:		The start date of this Equipment Lease (the "Lease") shall be on the Acceptance Date provided for on the Delivery, Installation and Acceptance Certificate (hereinafter the "Acceptance Certificate").							
Lessor Name:		Myra Falls Mine Ltd							
Co-Lessor Name:									
Address:		PO Box 8000							
City:		Campbell River	Province:	British Columbia	Postal Code:				
Contact:		David Duncan Operations Manager	Phone #:	(250) 287-9271 ext 3262	Fax #:				
Lessor Name:		Epiroc Canada Inc. 1025 Tristar Drive Mississauga, Ontario, Canada L5T 1W5. Phone 1-877-342-8527							
Equipment Description:			Serial Number(s):						
Simba M6C s/n: TMG21URE0314 w/ critical spare parts			TMG21URE0314						
Equipment Location (if different from lessor address):									
Westmin Rd, Comox-Strathcona D, BC, V0P 1G0 (GPS coordinates 49°34'15 2"N 123°35'29.0"W)									
Term (In Month)	# of Payments	Frequency of Payments	Payment	HST/HSTT	PST	Total Cost of each Payment	Down Payment (Pre-Tax)	Documentation Fee (Pre-Tax)	Total Amount Due Inc Tax
48	48	Monthly	\$36,337.00	\$1,816.85	EXEMPT	\$38,153.85	\$277,351.00	\$500.00	\$291,743.55
PRE-AUTHORIZED DEBIT AGREEMENT ("PAD Agreement")									
I/We authorize the Lessor and the financial institution designated (or any financial institution I/We may authorize at any time) to debit my/our account identified below as per my/our instructions for monthly regular recurring payments stated above plus taxes and/or one-time payments from time to time, for payment of all fees and charges arising under my/our Lease with the Lessor. Regular monthly payments for the full amount of fees and charges under the Lease will be debited to my/our specified account each month or as outlined on the Lease/Exhibit A on the monthly anniversary of the commencement date or the next business day. I/We waive any and all requirements for pre-notification of debiting, including, without limitation, pre-notification of any changes in the amount of the PAD due to my/our authorization. The Lessor will obtain my/our authorization for any other sporadic or one-time debits. This authority is to remain in effect until the Lessor has received written notification from me/us of its change or termination. This notification must be received at least ten (10) business days before the next debit is scheduled at the following address: 1025 Tristar Drive Mississauga Ontario Canada L5T1W5. I/We may obtain a sample cancellation form, or more information on my/our right to cancel a PAD Agreement at my/our financial institution or by visiting www.cdnpay.ca. The Lessor may not assign this authorization, whether directly or indirectly, by operation of law, change of control or otherwise, without providing at least ten (10) days prior written notice to me/us. These services are for business use.									
I/We have certain recourse rights if any debit does not comply with this agreement. Example, I/we have the right to receive reimbursement for any debit that is not authorized or is not consistent with this PAD Agreement. To obtain more information on my/our recourse rights, we may contact my/our financial institution or visit www.cdnpay.ca. **Please attach a "VOID" cheque**									
Signature of Account Holder:				Name & Title: <u>Louw Durand - Finance Manager</u>					
		(Duly authorized signatory)							

The total cost of each payment includes the local provincial & federal Tax, or combined HST where applicable all at their current rates.

Residual Value: Upon the satisfactory receipt of all amounts due under the Lease and providing the Lessee is not in Default under the Lease or under any other agreement entered into within the Lessor, the Lessee may elect to purchase the Equipment at the Purchase Price of the Equipment, which shall be \$ 0.00 in accordance with the conditions of article 5.9 of the Lease

The undersigned Lessee agrees to the provisions of the Lease and the Terms and Conditions attached herewith, including without limitation the provision on security interest and/or lease registration. The Lessee acknowledges having received a copy of the Terms and Conditions, which shall form an integral part of this Lease. The Signatory signing for the Lessee declares that he/she is duly authorized for the purpose hereof.

For the Lessor,
Epiroc Canada Inc.

X
(Duly authorized signatory)
ROBERT MUSESABI FIN ADMIN MGR
(Name/Title): 02/09/2022

For the Lessee,
Myra Falls Mine Ltd
X
(Duly authorized signatory)
Louw Durand - Finance Manager
(Name/Title) (Signature Date) (Signature Date)

24 FEBRUARY 2022

THIS LEASE INCLUDES THE TERMS AND CONDITIONS ON THE ATTACHED PAGES

TERMS & CONDITIONS

1. THE LEASE. The Equipment Lease and the present Terms and Conditions (collectively the "Lease") contain the entire agreement between Lessor and Lessee (individually a "Party" or collectively the "Parties") and may not be altered, modified, terminated or discharged, except in writing signed by the Parties. All prior conversations, agreements, collateral or other representations related to the Lease and the Equipment (as this term is defined herein), are replaced by the Lease.

1.1. Lease of Equipment & Title: Lessor leases to Lessee the equipment identified on the document titled Equipment Lease with all accessories, parts, improvements and additions now or hereinafter forming a part of the leased equipment (referred to as the "Equipment"). The Equipment shall remain the personal property of Lessor at all times and title shall under no circumstances be passed to Lessee during the term of the Lease, subject to the Purchase Option below. Lessee shall keep the Equipment free from all security interests, liens, charges, hypothecs, sureties and claims, and shall not permit the Lessor's title or rights in the Equipment to be encumbered or impaired. For the province of Québec: The Lease shall constitute a lease within the meaning of sections 1851 et seq. of the *Civil Code of Québec*.

1.2. Acceptance of Equipment: Lessee shall inspect the Equipment once it has been delivered to it. As of delivery, Lessee shall inform, in writing, Lessor of (i) its acceptance of the Equipment by signing the Acceptance Certificate form attached hereto or (ii) its refusal of the Equipment. If the Acceptance Certificate is not signed and returned to Lessor and if Lessee has not informed the Lessor in writing of its refusal of the Equipment within a week of the delivery of the Equipment, the Acceptance Certificate shall be considered returned and signed by the Lessee 3 days after delivery of the Equipment, or 3 days after the delivery of the first part of the Equipment if delivered in multiple parts, whichever comes first.

1.3. Term & Rent: The Lease and the Term shall both start on the "Acceptance Date" as specified on the Acceptance Certificate and will continue for the number of months specified as the "Term" on the Equipment Lease. The Lease may not be terminated by Lessee before the end of the Term. Lessee shall pay to Lessor each month the amount specified under the title "Total Cost of each Payment" on the Equipment Lease (the "Rent"), as well as all other taxes or costs payable from time to time by Lessee with respect to the Equipment, to the extent that these taxes or costs have not already been included in the calculation of the cost of the Rent. The first payment shall be made on (a) the Acceptance Date, if such Acceptance Date is the first day of the month or; (b) the first day of the next month following the Acceptance Date, if the Acceptance Date is not the first day of the month or; (c) such other payment date as instructed or invoiced by Lessor (the "Payment Date"). If the first payment date does not fall on the Acceptance Date, Lessee agrees that Lessor may charge Lessee a portion of the Rent for the period starting from the Acceptance Date until the first payment of the Rent. In any event, the Lessor reserves its rights and is specifically authorized to change the Payment Date and move it to the first day of the month, upon notice sent by Lessor to Lessee. All other amounts to be paid by Lessee pursuant to this Lease are payable on demand by Lessor and/or as invoiced by Lessor.

2. EXONERATION OF RESPONSIBILITY AND WARRANTIES

2.1. Exoneration of Responsibility and Warranties: Lessor makes no representations or warranties, whether oral, express or implied, regarding the Equipment, except only for those made in Lessor's standard warranty policies and expressed in writing and set out in the Lease. Lessor shall not be responsible for losses or damages arising from the installation, the functioning or all other usage of the Equipment, or of its removal, including all damages or losses, direct, indirect or consequential of any manner or nature whatsoever.

3. OBLIGATIONS AND UNDERTAKINGS OF THE LESSEE

3.1. Equipment Usage: Lessee shall use the Equipment only for its business, and in conformity with all laws and regulations applicable to the Equipment or to the Lessee, and with the provisions of all insurance policies taken by Lessee under section 3.6 of the Lease.

3.2. Maintenance, return and inspection: Lessee shall, at its own cost, ensure that the preparation, assembly and installation of the Equipment is in accordance with applicable laws, and ensure that it shall be maintained in good working order and operated by qualified and licensed personnel. During the Term, Lessee shall ensure that the Equipment is covered by a maintenance agreement with Lessor or a qualified Epiroc-distributor/service company. Upon request of Lessor, copy of said maintenance agreement shall be provided by Lessee to Lessor. At the end of the Term, Lessee shall return the Equipment to Lessor at the address specified hereinabove (or to such other location as Lessor may designate) at Lessee's expense in the same condition and appearance as when received, excepting ordinary wear and tear, free of all liens, encumbrances, hypothecs, sureties, charges and claims, and in compliance with the Return Conditions referred to in Addendum/A.

3.3. Location: The Equipment shall be installed, located and used at the commercial establishment of Lessee as specified on the Equipment Lease, and may not be moved without the prior written consent of Lessor.

3.4. Taxes: Lessee shall promptly pay all taxes or other costs imposed by any government authority (hereafter the "Taxes"), that may be payable in respect of the Lease or the Equipment. Lessee agrees to only produce declarations of revenues, under applicable federal or provincial laws that are in conformity with the facts that the operation foreseen by the Lease is a lease agreement. Lessee agrees to file, on behalf of Lessor, all required tax returns and reports concerning the Equipment with all appropriate governmental agencies, and within thirty (30) days after the due date of such filing, to send Lessor confirmation of such filing.

3.5. Equipment-Related Risks: Lessee shall assume all risks of loss, theft and damages to the Equipment, and all other risks associated with operation of the Equipment. If the Equipment is lost or irreparably damaged, is stolen, is not accessible or cannot be returned to Lessor (the "Case of Loss"), Lessee shall immediately notify Lessor in writing and immediately pay Lessor all present and future unpaid Rent in addition to the proceeds of any insurance under the insurance policies contracted by Lessee in compliance with section 3.6 of the Lease, relative to this Case of Loss. Upon payment of this amount, the Lease shall be terminated, if Lessee takes possession of the proceeds of insurance payable to Lessor pursuant to the Lease, Lessee shall hold and shall be deemed to hold said proceeds in trust for the benefit of the Lessor and deliver it to Lessor without delay.

3.6. Insurance: Lessee shall procure and maintain during the Term, at its expense, insurance against all physical damages, death or injury to any persons and commercial general liability insurance, for the loss or damage of the Equipment deriving from fire, explosion, theft, vandalism and other risks associated with the Equipment, identifying Lessor as first loss payee. The insurance maintained by Lessee must provide coverage in an amount not less than the fair market value of the Equipment. This insurance shall provide that it may not be cancelled or modified without the prior written consent of Lessor or upon a ten (10) day notice to Lessor if the insurance premium has not been paid. Lessee shall provide Lessor with written proof of such insurance in the form of a copy of the policy or an insurance certificate from the insurer showing "Epiroc Canada Inc." as first loss payee. Lessor's acceptance of policies in lesser amounts or covering lesser risks shall not be a waiver of Lessee's obligations under the Lease. Should Lessee fail to furnish any insurance policy or certificate of insurance to Lessor, or to maintain such policy in force, or to pay any premium, then Lessor, without waiving or releasing any default or obligation by Lessee, may obtain and maintain insurance and pay the premium on behalf of Lessee and add these payments to Lessee's indebtedness under the Lease. The full amount of any premium paid by Lessor shall be payable by Lessee upon demand.

3.7. Indemnification: Lessee agrees to protect, defend, indemnify and hold harmless Lessor as well as Lessor's employees, officers, directors, shareholders and affiliated companies against any and all claims, responsibilities (including negligence, criminal liability and strict liability), demands, lawsuits, actions, fees, costs, violations of laws by Lessee (including tax laws), losses and damages, including legal fees on a solicitor-client basis, relating directly or indirectly to the Lease or the Equipment.

3.8. Prohibitions: Without prior written consent from Lessor, Lessee shall not (a) assign, transfer or alienate the Equipment, the Lease or the rights and obligations mentioned therein, (b) sub-let the Equipment or allow the Equipment to be under the control of another person, (c) create any security interests, liens, hypothecs or sureties with respect to the Equipment or to allow for their existence or registration, or (d) allow for the movement of the Equipment from the location indicated on the Equipment Lease.

3.9. Identification & Modifications: Lessee shall place and maintain on the Equipment the insignia or lettering furnished by the Lessor, in conformity with the instructions of Lessor. Lessee shall not add-on to, modify, or improve the Equipment without prior written consent from Lessor. All add-ons, modifications and improvements to any of the parts of the Equipment become the property of Lessor, unless Lessee removes them prior to returning this part of the Equipment to Lessor. Lessee shall be responsible for all costs of this removal and shall remit the Equipment in the state required by Lessor.

3.10. Personal Property & Renunciation: Lessee acknowledges that the Equipment is and shall remain personal property (movable property in Québec), notwithstanding the way in which it may be affixed to any real property (immovable property in Québec), and Lessee must take all actions and conclude all agreements necessary to ensure that the Equipment remains personal property. If the Equipment is located in the province of Québec, Lessee renounces to any rights to which it may benefit under articles 1861 and 1863 of the *Civil Code of Québec*.

4. DEFAULT AND RECOURSE

4.1. Event of Default: Any of the following events constitutes an "Event of Default" under the Lease: (a) when Lessee does not perform any of its obligations under the Lease; (b) when a declaration made or given by Lessee in the Lease reveals itself as false or misleading; (c) when Lessee is subject to bankruptcy, insolvency, receivership proceedings or other similar proceedings, or when a holder of a security interest, lien or charge takes possession of all or any part of the Equipment, or a substantial part of the assets of Lessee; (d) when Lessee interrupts its activities, abandons or attempts to transfer

any part or all of the Equipment or when it renounces their possession; (e) when circumstances arise which may, in the discretion of Lessor, materially decrease the value of the Equipment or prejudice the rights of Lessor in the Equipment; (f) if Lessee is a company or a partnership, when there is a change of effective control of Lessee without Lessor having previously consented in writing or when measures are taken for its liquidation or dissolution; (g) if Lessee fails to observe or perform any act required hereunder, or undertaking or obligation under this Lease that benefits Lessor, or (h) if Lessor has commercially reasonable grounds to believe itself insecure or that the prospect of payment or performance by Lessee under the Lease is about to be impaired or that the Equipment is or is about to be placed in jeopardy; (i) **Cross Default:** Any late or non-payment by Lessee to pay any Lessor invoices for any piece of Equipment under this Lease is, at the Lessor's sole discretion, deemed an immediate Event of Default committed by Lessee on all pieces of Equipment under this Lease (even if the Lessor has not defaulted in payment on other pieces of Equipment), which automatically entitles Lessor to immediately exercise all Recourse

4.2. Recourse: If an Event of Default occurs, Lessor may terminate the Lease and, in addition to all other rights and remedies available to Lessor under applicable laws, may prevail itself of any of the following recourses, at its sole option: (a) declare all sums owing and to become owing under the Lease immediately due and payable; (b) proceed by appropriate court action or other proceedings either at law or in equity to enforce performance by the Lessee of any covenant of the Lease and to recover the damages suffered; (c) terminate the Lease without notice and demand that Lessee delivers the Equipment forthwith to Lessor at Lessee's expense at such place as Lessor may designate; (d) without notice, liability or legal process, enter into any premises where the Equipment may be, and repossess all or any item of the Equipment, discontinue and separate all from any other property and using all force necessary or permitted by applicable law so to do.

4.3. Fees and Interest for Default: Lessee shall pay for all documented direct costs and reasonable fees (including legal fees on a solicitor-client basis) incurred by Lessor if an Event of Default occurs. Lessee shall pay to Lessor an administrative fee of fifteen percent (15%) of the total amount due under the Lease and interest at a rate of eighteen percent (18%) per year (or any other lesser percentage rate, if dictated by any applicable law regarding interest) and calculated equally, on a monthly basis, starting on the date of the Event of Default until complete payment of all amounts owed to Lessor.

5. MISCELLANEOUS

5.1. Assignment by Lessor: Lessor may, at any time, assign part or all of its rights in the Lease, and Lessor may consent to security interests, liens, charges, hypothecs or sureties on the Equipment, subject to the rights of Lessee under the Lease. All payments of Rent and other amounts owed or to be owed under the Lease if it has been assigned by Lessor, are to be paid directly to the assignee of Lessor, upon receipt of a written notice to Lessee of the assignment.

5.2. Copy of Lease: Lessee acknowledges receiving a copy of the Lease. Any document or instrument shall not be inadmissible in any proceeding by virtue of it having been transmitted by facsimile and shall issued at any time for the Lease, where applicable.

5.3. Security Interest and Proceeds (For application outside Quebec): Lessor will effect such personal property registrations against Lessee as Lessor deems, in its sole discretion, necessary or desirable. Without limiting any rights or interests the Lessor has under this Master Equipment Lease, the Parties agree that Lessee shall be deemed to have granted, and does hereby grant to, Lessor a security interest (to the extent possible, in the nature of a purchase money security interest) in the Equipment, any and all accretions thereto and products thereof and any and all proceeds of any and all of the foregoing (collectively, the "Assets"), to secure full and prompt payment and performance of all obligations of Lessee to Lessor, whether now existing or hereafter arising. Lessee hereby irrevocably appoints Lessor its attorney to execute on Lessee's behalf such financing statements and other documents as Lessor may deem necessary or desirable from time to time to protect, perfect and continue Lessor's title to, security interest (to the extent possible, in the nature of a purchase money security interest) in and/or ownership of the Assets. Lessee agrees to acknowledge to Lessor and the world and/or to give notice thereof, that Lessor has agreement with respect to the Assets on terms and conditions that are mutually agreeable to the Parties.

5.4. Registration of this Lease: Lessee hereby authorizes Lessor to proceed with the publication or registration of the Lease and all associated documents, the Lessor's security interest in the Equipment and all of Lessor's rights pursuant to this Lease to the relevant registries under any applicable federal and provincial laws. Lessee renounces its right to receive any documents required to perfect said publication or registration, if any.

5.5. Further Assurances & Time of the Essence: Upon request of Lessor, Lessee shall deliver all other documents and shall take any other measures that Lessor may reasonably demand in order to give full effect to the Lease. Time is of the essence for Lessee's performance of its obligations under the Lease. The Lessee is authorized to enter into and deliver the Lease and all associated documents to Lessor. Lessee hereby declares that with respect to the Lease and all associated documents: (a) the signature, the delivery and the execution by Lessee or its agent have been duly authorized by the taking of all necessary measures with respect to companies, partnerships or others; (b) the person who has signed said documents is duly authorized to do so; and (c) said documents contain legal and valid obligations that are binding on Lessee and are enforceable.

5.6. Notice: All notices to the Parties shall be made in writing and be deemed to have been received by its recipient the day on which it was remitted to its address, or received on its fax machine number, indicated in the Lease (or at another address or at another fax number indicated by writing to the other party) or, if the document is sent by registered mail or by certified mail, with a receipt, stamped, the second day following its posting.

5.7. Act Binding on Joint Lessees and Guarantors & Indurement: Where two or more Parties lease the Equipment or the lease of the Equipment is guaranteed by one or more guarantors, the conduct of any one of each of the individual lessees or guarantors is binding on all of the lessees and guarantors. The Lease shall ensure to the benefit of and be binding upon the Parties hereto and their successors and permitted assigns, provided that nothing in this section shall impair any of the provisions of the Lease prohibiting assignment by Lessee without the written consent of Lessor.

5.8. Cumulative Rights and Severability: The rights and remedies of the Parties pursuant to the Lease shall not be exclusive, but are cumulative with all other rights and remedies deriving from the law, equity or otherwise. Lessor or Lessee not exercising its rights or remedies or being late in doing so, shall not constitute a waiver of the right or remedy in question. If any part of the Lease is found invalid or unenforceable, such provision shall be inapplicable and deemed omitted, but shall not invalidate the remaining provisions of the Lease.

5.9. Purchase Option. Lessee may purchase the Equipment from Lessor at the end of the Term, provided that: (i) Lessee has made all payments then owing under the Lease; (ii) Lessee is not in default under the Lease; (iii) Lessee has notified Lessor of its election to purchase the Equipment in writing at least sixty (60) days but no more than one hundred and twenty (120) days prior to end of the Term or the end of the renewal period. If Lessee exercises this Purchase Option, the purchase price for the Equipment shall be the Residual Value provided for by the Lessor on the first page of the Lease. In the event that Lessee elects to purchase the Equipment in accordance with this Purchase Option, Lessee will pay all taxes, costs and expenses, including legal fees, incurred in connection with the transfer of property and title, and that the Equipment is free and clear of any liens, encumbrances, charges or claims. Fair Market Value: Any Purchase Option price stated as "fair market value" ("FMV") for the Equipment will be equal to the cash price of the Equipment which would be obtained between an informed and willing buyer under no compulsion to buy, and an informed and willing seller under no compulsion to sell, with the Equipment being in use and operational, and in the condition required under the Lease. Lessor will determine the FMV of the Equipment. In the event that Lessee disagrees with Lessor's determination of FMV, the FMV will be determined by an independent appraiser selected by Lessor and acceptable to Lessee. All costs and expenses of the appraisal will be paid by Lessee.

Early Purchase. In the event the Lessee elects to purchase the Equipment outright during the contract Term, the Lessee will pay all payments that are outstanding, past due and remaining, all interest remaining that would have been payable for the remainder of the Term, plus all applicable taxes, any Residual value or Fair Market value, all expenses including any possible legal fees, incurred in the connection of the sale, and the Lessor will transfer title to the Lessee "AS IS", "WHERE IS", WITHOUT RECOURSE, REPRESENTATION OR WARRANTY OF ANY KIND, EXPRESS OR IMPLIED, except that the Lessor will warrant that the Equipment is free and clear of any liens, encumbrances, charges or claims.

5.10. Renewal / End of Term: The Term of each Lease can be renewed, prolonged or extended by written agreement between the Parties. If the Equipment is not returned at the end of the Term or at the end of a renewal period and that Lessee has not exercised the Purchase Option defined above, the Lease shall be automatically renewed for an additional period of three months until cancelled by Lessor. Such automatic renewal shall not be considered as a waiver or renunciation of any Default. Lessor shall be allowed to refuse or cancel any such renewal of the Lease at its sole discretion, or without limitation to terminate the Lease according to the terms of this Agreement. In such situation, Lessee shall pay Rent to Lessor for such Equipment from the end of the Term until the Equipment is delivered to the Lessor pursuant to this Lease. The Rent shall be payable on the first business day of each month thereafter until the Equipment is duly returned to Lessor.

5.11. Applicable Laws and Jurisdiction: The Lease shall be governed in all respects by the laws of the province of British Columbia and the federal laws of Canada applicable therein. With respect to the creation, enforceability or validity of any security interest granted under the present Lease, or registration of the Lease, shall be governed by and construed in accordance with the laws of the province where the Assets are located or where the security interest or Lease has been registered. The Parties agree that the courts of the province of British Columbia shall have exclusive jurisdiction and shall be the appropriate location for the determination of all disputes arising under the Lease.

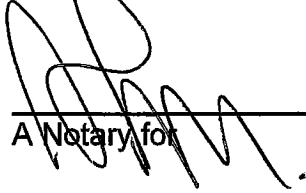
5.12. Construction, Survival & Language: All headings in the Lease are for convenience only and may not be considered in its interpretation. Sections of the Lease shall survive termination of the Lease where applicable, notably sections 2.1, 3.7, 4.3, 5.10 and 5.11. For the Province of Quebec, the Parties expressly agree and request that the Lease and all associated documents, agreements and notices be drafted in the English language. Les Parties aux présentes ont expressément accepté et demandé à ce que le présent bail et tous autres documents, conventions ou avis qui y sont afférents soit rédigés en langue anglaise.

5.13. Limitation of Liability: In no event shall the Lessor or the Lessee be liable for consequential, indirect or special losses or special damages of any kind arising out of or in any way connected with the performance of or failure to perform this Lease.

5.14. Anti-Bribery and Corruption, Sanctions

- 5.14.1. Lessee will comply with Trafigura Group's Code of Conduct, available at: <https://www.trafigura.com/brochure/trafigura-code-of-business-conduct>; Lessor will comply with its own code of conduct available at (<https://www.epirocgroup.com/en/sustainability/code-of-conduct>). Lessee and Lessor respectively warrant and undertake that in connection with this Lease it has not authorized and it will not authorize, in connection with the performance of this Lease, any financial or other advantage to or for the benefit of any public official, civil servant, political party, political party official, candidate for office, or any other public or private individual or entity where such authorization would violate its own applicable code of conduct as provided herein.
- 5.14.2. It is agreed that all activities contemplated by the Parties pursuant to this Lease will be performed in conformity with and shall not be prohibited by Sanctions and/or laws if and to the extent applicable. Notwithstanding any other provision of this clause or any other clause or provision to the contrary in this Lease, neither Party shall be required to do anything under this Lease which constitutes a violation of, or would be in contravention of, or would expose it to the risk of designation pursuant to any Sanction applicable to it. "Sanctions" means economic or financial sanctions or trade embargoes or trade restrictions or similar or equivalent restrictive measures imposed, administered, enacted or enforced from time to time by the UN, Canada, EU or US or other sanctions authority to the extent applicable to the Parties.
- 5.14.3. If, at any time during the term of this Lease:
- (a) any Sanctions are changed, or new Sanctions are imposed or become effective, or there is a change in the interpretation of Sanctions, which would: (i) expose a Party to the risk of designation or to other punitive measures by a Sanctions authority; or (ii) materially affect a Party's performance of this contract; or
 - (b) any Party is in breach of clauses 5.14.1 or 5.14.2,
- then notwithstanding any clause or provision to the contrary in this contract, the affected Party may, by written notice to the other Party terminate this contract having the Lessee make immediate repayment of amounts owing under the Lease. Notwithstanding any other provision of this contract, repayment in accordance with this clause shall be the sole remedy available for a breach of a covenant or warranty relating to Sanctions, anti-bribery and corruption and anti-money laundering, whether arising under clauses 5.14.1, 5.14.2 or otherwise.

This is Exhibit "E" referred to in the Affidavit of HEIN FREY, sworn before me at Cape Town, South Africa, this 21 day of February, 2024.


A Notary for



1025 Tristar Drive
Mississauga, Ontario
L5T 1W5
Reg No: 708115720RT0001
TVQ/Qst No: 1224946798TQ0004

Myra Falls Mine Ltd
PO Box 8000
Campbell River, QC V9W 5EZ

Customer Number: 62434
Invoice Number: 0124-402644
Statement Date: 02/28/2024
Total Due: 968,846.25

Contract Number	Description	Due Date	Amount Due
402644-001	SIMBA M6C Serial # TMG21URE0514	UPON RECEIPT	908,425.00*

Taxes 45,421.25
Estimated Legal Costs and Expenses* 15,000.00

Please Pay This Amount: **\$968,846.25**

* This amount assumes the February 8, 2024 rental payment is received in full by Epiroc. Otherwise, an additional \$36,337 plus taxes is payable.

**Actual legal costs and expenses may differ from the estimate above. Prior to completing the payout, please contact Epiroc to confirm the final actual amount. Unless all legal costs and expenses incurred by Epiroc (including work-in-progress) are paid, Epiroc is under no obligation to complete any sale or otherwise convey title to the equipment or discharge any encumbrances thereon.

BUYOUT INVOICE FOR 402644-001 (see attached wire details on page 2)

Keep upper portion for your records - Please return lower portion with your payment

Send remittance to:

Epiroc Financial Solutions
M11704C
Case Postale 11704
Succursale Centre Ville
Montreal, QC H3C 6L4

Phone: 877-342-8527

Remittance Section

Myra Falls Mine Ltd
Customer ID: 62434
Total Due: 968,846.25



Epiroc Financial Solutions Payment Options

Unless otherwise indicated by Epiroc, please direct payment of the Purchase Price by one of the following options:

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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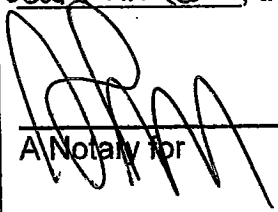
[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

This is Exhibit "F" referred to in the Affidavit
of HEIN FREY, sworn before me at Cape Town,
South Africa, this 21 day of February, 2024.



A Notary for

Mrya Falls Mine Ltd.

Desktop for the Equipment Fleet (CAD)

**Prepared for Mrya Falls Mine Ltd.
by Rouse Services Canada Ltd.**

Value Effective Date: January 2024

Submission Date: February 20, 2024



Table of Contents

Introduction..... 5

Scope of Work 7

Experience..... 9

Methodology11

Company Profile.....14

Valuation Summary.....17

Market Conditions19

Statement of Limiting Conditions.....26

Certification.....29

Appendix – Key Definitions31

Experience Summary34



Appraisal Team



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Caroline Spitzer
Project Director
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Caroline.Spitzer@rouseservices.com



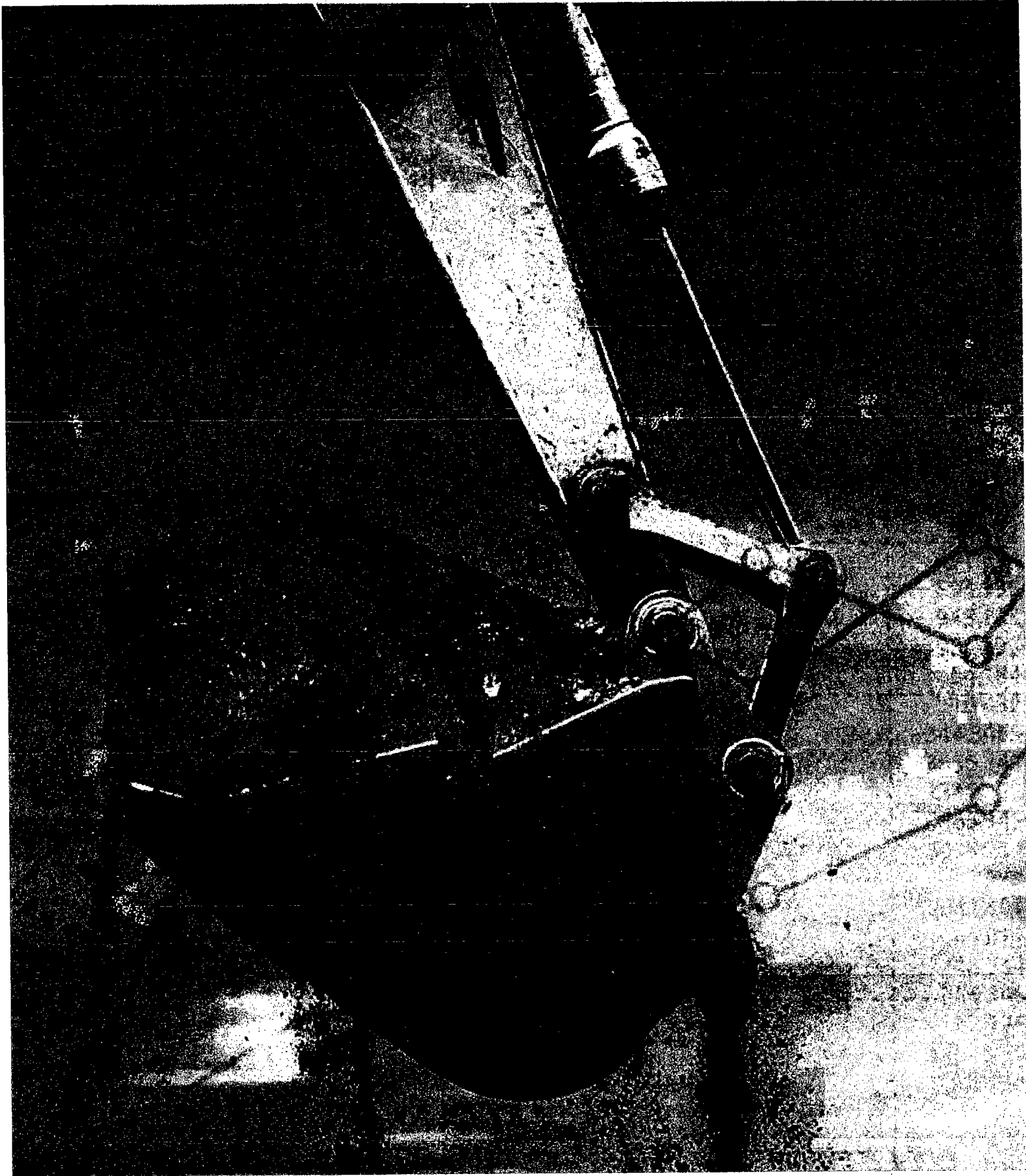
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Mariam.Botros@rouseservices.com



Noah M. Coleman III
Senior Analyst
(336) 972-9404
Noah.Coleman@rouseappraisals.com



Introduction



Introduction

Rouse Services Canada Ltd. ("Rouse") was engaged by Mrya Falls Mine Ltd. ("Company" or "Client") to provide an unbiased opinion of the estimated value of its equipment fleet ("Equipment").

The purpose of this appraisal is to arrive at a conclusion of Fair Market Value ("FMV"), Orderly Liquidation Value ("OLV") and Forced Liquidation Value ("FLV") for these items as of January 2024. These definitions of value are in accordance with those outlined by the American Society of Appraisers. For more details on the definitions, please see the Appendix – Key Definitions at the end of this report. We do not suggest that there could not be any fluctuation of values in the future. The fee for this report is for our expressed opinion as of the date of this report, with no warranties or guarantees of the outcome if values are tested at any future date.

This report is for use only by the Client listed above and is intended only for use in internal transfer of assets. Use of this report by others is not intended by the writer, nor is the report intended for any other use unless express written consent is further granted.

This report sets forth our findings and conclusions which are based upon an investigation of conditions affecting value and which are subject to the Statement of Limiting Conditions and Value Definitions in this report. Without reading the Statement of Limiting Conditions and Value Definitions, the report could be erroneously interpreted.

The reported property consists of primarily the following equipment types:

Equipment Types	Units	Cost	Cost %
[REDACTED]	1	\$1,849,002	[REDACTED]
Drill Rig	1	\$1,849,002	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Total	[REDACTED]	[REDACTED]	100.0%



Scope of Work



Scope of Work

This report provides FMV, OLV and FLV for the Company's Equipment as of January 2024. See appendix for value definitions. Our scope of work included:

Data Review

Rouse requested from the Company:

- List of Equipment

in large part on this data. The information accuracy was assumed, and the information was utilized throughout this report without independent verification or audit. The data was reviewed for completeness and to determine the information provided was reasonable. See below for the data provided by the Company:

Data Requested	Data Received	Date Received
Listing of Equipment to be Valued	Yes	2/2/2024

Interviews with Company Representatives

Rouse interviewed the following Company representatives regarding operations, policies and procedures, as well as to discuss the Equipment appraised:

Name	Title	Location
Jan Majkut	Finance Manager	Myra Falls, BC
Frey Hein	General Manger	Myra Falls, BC

Rouse additionally reviewed and confirmed with the company that the data was accurate and complete.

Inspections

In connection with this engagement, Rouse was not instructed to perform any physical inspections of the subject assets. As a result, no on-site inspections of equipment were performed for this report.

Valuation Analysis

Rouse assessed the market values for the assets by studying and reviewing the market data available as of the value effective date. In conducting this analysis Rouse considered several key factors, including but not limited to the following:

- Manufacturer, model, model year, and specification
- Where applicable, Rouse reviewed configuration, attachments and accessories, or modifications to the equipment, and usage
- Category mix, quantity, and composition of the asset register

Experience



Experience

Rouse was founded in 1920 as an auction and liquidation firm with a focus on construction equipment. Since the turn of the century, Rouse has transitioned to a leading information services company for the construction industry. Rouse's services include valuations, used equipment sales support and rental metric benchmarking. Rouse Appraisals provides up-to-date retail, orderly liquidation, and auction values to support financing, business transactions, and lease finance services. Rouse currently serves clients and tracks market values across three core geographies: United States, United Kingdom, and Canada.

Rouse's core focus is on machinery & equipment including which primarily covers the following product verticals:

- **General rental:** aerial work platforms, telehandlers, compact earthmoving, construction support (light towers, generators, etc.)
- **Heavy earthmoving:** large excavators, dozers, wheel loaders, motor graders, etc.
- **Heavy lifting:** all-terrain cranes, crawler cranes, rough-terrain cranes, etc.
- **Transportation:** truck tractors, trailers
- **Material Handling:** forklift trucks, pallet trucks, etc.
- **Transportation:** truck tractors, trailers
- **Agricultural:** tractors, seeders, etc
- **Specialty:** vocational trucks, concrete pumping trucks, etc.

Rouse's appraisers come from an array of backgrounds including financial services, private equity, corporate finance, and traditional appraisals and carry significant experience in the auction, liquidation and appraisal of machinery and equipment.

Rouse appraisers currently appraise approximately \$45 billion of rental and construction equipment on an annual basis. Rouse provides appraisal services to an array of clients ranging from the largest equipment rental companies in North America to major regional equipment dealers such as Caterpillar.

Methodology



Methodology

Rouse receives over \$17 billion in equipment sales transaction data annually and applies it (on a monthly basis) at a make / model / spec / year level across approximately >70,000 standardized equipment models to develop values.

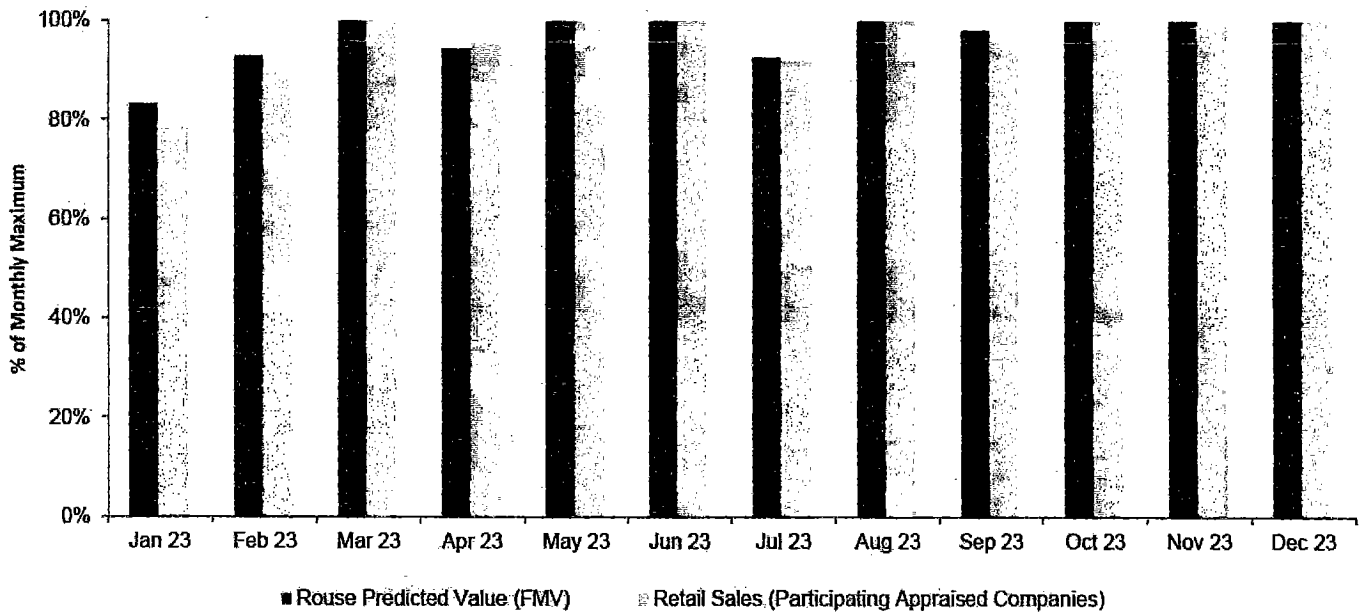
Rouse's rental and dealer clients provide Rouse with detailed transaction data on all of the equipment they sell. This transaction data is updated generally nightly or when available within in Rouse's database, providing a comparable-backed appraisal source for fair market and orderly liquidation values. For retail specifically, Rouse clients contribute an average of approximately \$1.2 billion in transaction data every month. Rouse tests its FMV values against these results on an ongoing basis.

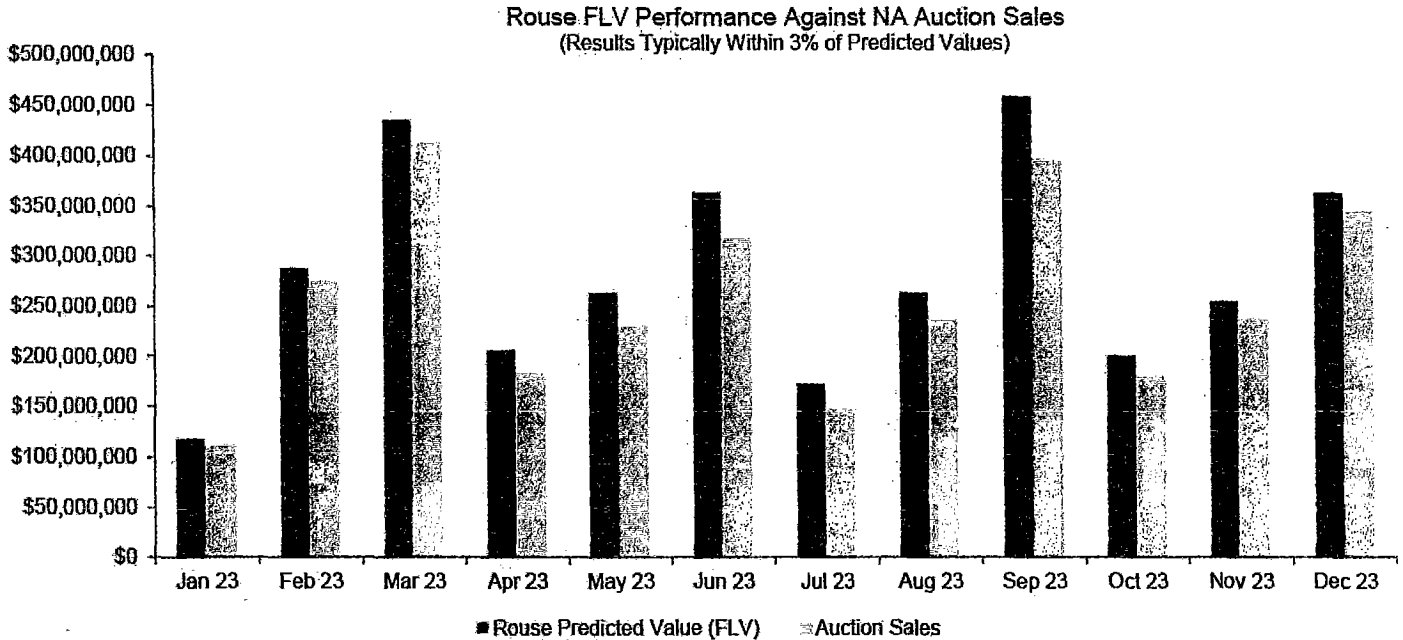
Rouse also monitors every major auction of equipment, and updates its database with these auction sale comparables as these auction take place. As Rouse is owned by Ritchie Bros., Rouse tracks a direct feed of assets sold through RB or their other auction companies. Rouse appraisers collect an average of approximately \$250 million in North American auction sales every month.

This robust database enables the development of a market or comparable-based mass appraisals model whereby Rouse systematically provides a value that considers current market condition and secondary market trading levels. This model leverages multivariable nonlinear regression analysis which considers a number of factors including: asset type, specification, usage, configuration, geography, and physical condition and is dynamically updated as new criteria or variables which impact value emerge in the marketplace.

One of the core elements of Rouse's approach is model testing and performance tuning whereby values are assessed vs. actual disposals on a monthly basis to determine where adjustments are needed. Typically Rouse values come within a 3% margin of market sales as seen in the charts below:

Rouse FMV Performance Against Market Retail Sales
(Results Typically Within 3% of Predicted Values)





Where supplemental data is needed Rouse appraisers analyze auction market comparables for like equipment from a variety of sources, including Machinery Trader, Truck Paper, Green Guide and Top Bid.

The three recognized approaches to value that are used in appraisal analyses are:

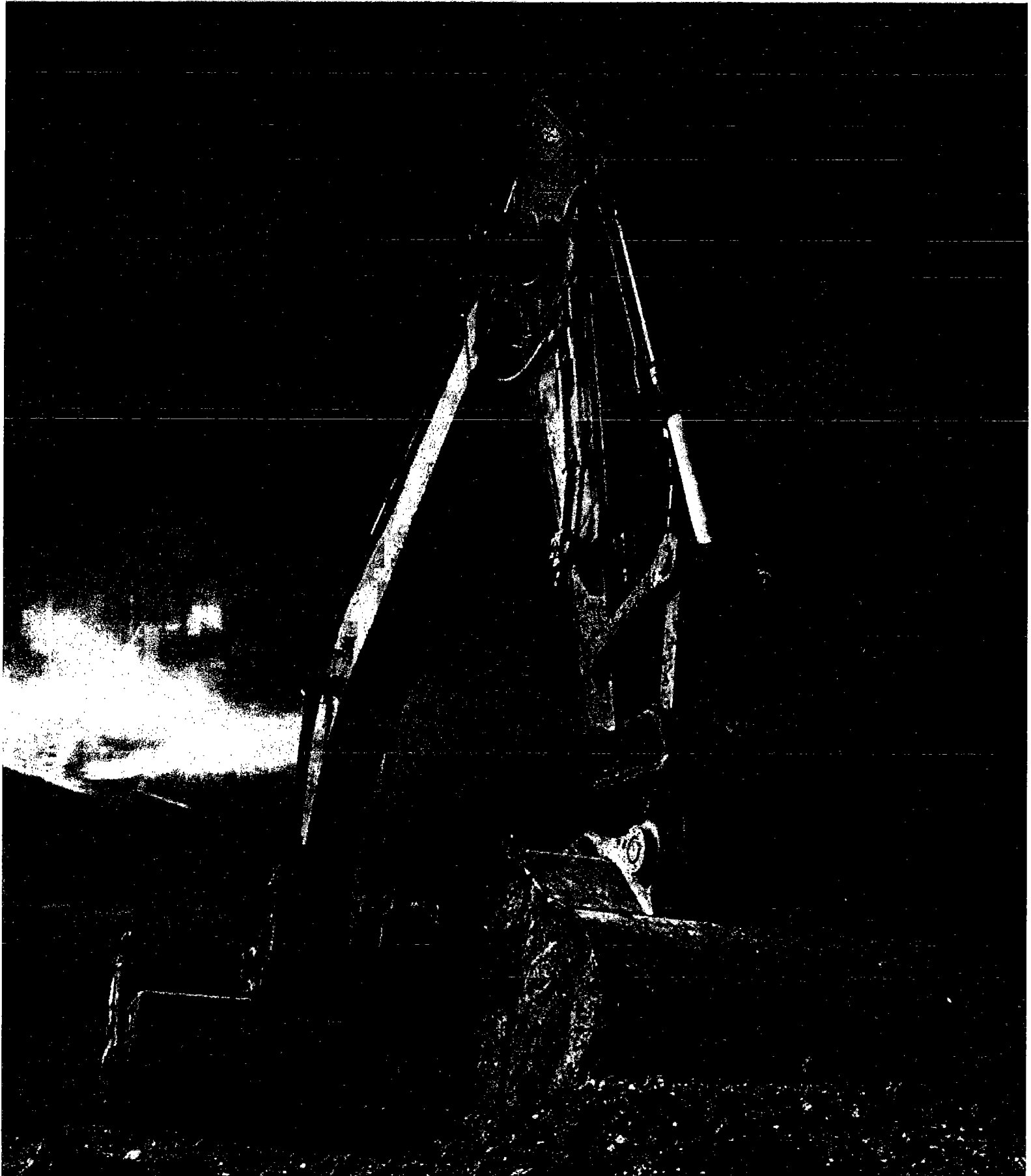
- Market Approach
- Cost Approach
- Income Approach

The market approach via Rouse's appraisal model was primarily used to establish values for the Equipment contained within this appraisal. This approach is preferred as it's the most reliable prediction of value as it's based on actual transactions of like equipment. In rare instances where observable sales of like equipment are not available, the cost approach is relied upon. This is typical for fixed machinery that doesn't trade in secondary markets and generally helpful for more unique illiquid asset types.

The income approach is not used as it tends not to be a reliable prediction for value as the equipment can be used in a variety of applications and the income can be heavily impacted by it's use case. A definition of these approaches can be seen below:

Market Approach.	The market or sales comparison approach involves the comparison of recent sales (or offerings) to the subject asset in order to arrive at an indication of the most probably selling price (value) for the subject. Within this approach comparable sales should be adjusted based on marketplace conditions and the properties' characteristics of value.
Cost Approach.	The cost approach estimates the current costs to reproduce or create a property with another of comparable use and marketability. This approach assumes the maximum value of an asset to a knowledgeable buyer is the amount currently required to construct a new asset of equal utility. If the subject asset is not new, the current cost new must be adjusted for all forms of depreciation attributable to the asset at the date of the appraisal. If the asset is not new, the current cost must be adjusted for all forms of depreciation attributable to the asset.
Income Approach.	The income approach considers value to be represented by the present worth of future benefits derived from ownership and is usually measured by capitalization of future benefits and / or specific levels of income.

Company Profile



Company Profile



Myra Falls Mine Ltd. (Myra Falls) is a mining company located in Strathcona Provincial Park, BC. Myra Falls mines for commodities such as Zinc, Lead, Copper, Silver, and Gold. The asset base is composed of over \$7.0M Cost and \$5.0M OLV spread across the core equipment categories, outlined below.

Fleet Overview

Myra Falls Mine Ltd.'s fleet is composed of the following primary equipment types:

Mining Equipment	This category is composed of the following equipment types: Underground Loaders, Haul Trucks, Anfo Loaders, Rock Bolters, Drill Rigs, Scissor Lifts, Ball Mills, Air Tuggers, Granulators, Underground Locomotives, Scoop Trams, Vertical Shaft Drills, Muckers, etc. This category is for all equipment used in mining.
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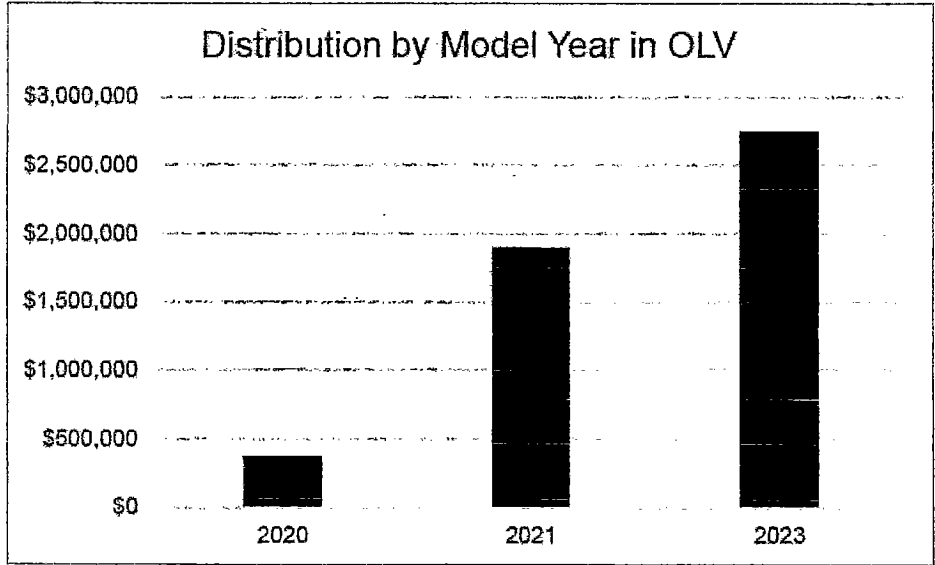
Summary by Category

A detailed breakdown of the categories of equipment can be seen below:

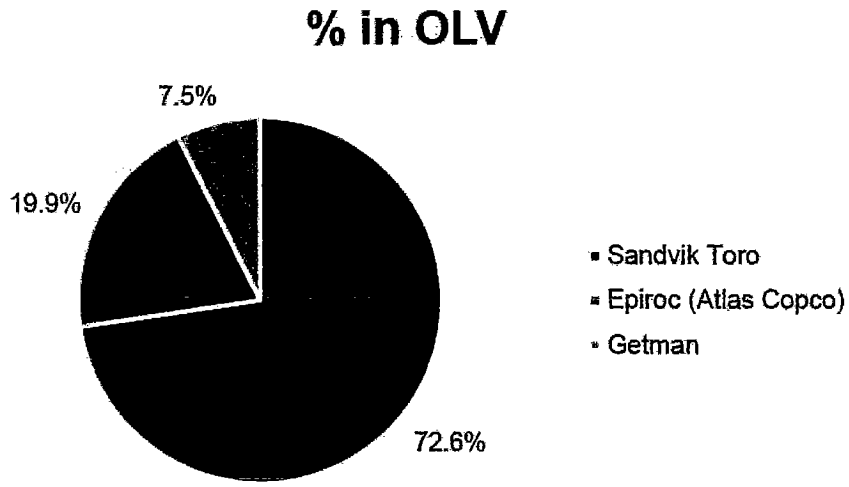
Category	Units	Cost	Age (Months)
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Drill Rig	1	\$1,849,002	31.3
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Total	[REDACTED]	[REDACTED]	[REDACTED]

Summary by Age





Summary by Make



Valuation Summary



Valuation Summary

Values

Equipment Types	Units	Cost	FLV	OLV	FMV
[REDACTED]	1	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	1	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Drill Rig	1	\$1,849,002	\$800,000	\$1,000,000	\$1,250,000
[REDACTED]	1	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Total					



Market Conditions



Market Conditions

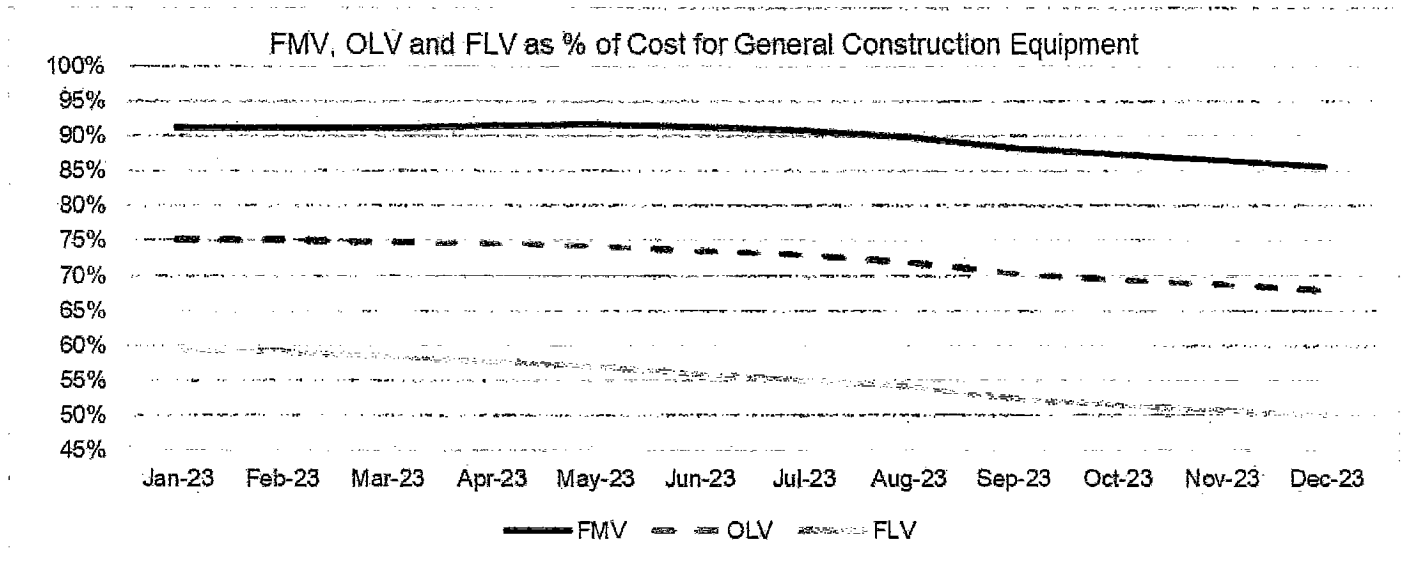
Market Overview and Recent Trends

Equipment values in the first half of 2023 have largely shown stability, however, in recent months have softened to varying degrees. Auction values, which often serve as a leading indicator for retail values, have experienced month-over-month declines through the middle part of the year. The decline in values is primarily driven by an increase in supply and moderate demand in end markets. It should be noted that values overall are still quite strong and above historic averages.

Values peaked in late 2022 primarily due to a combination of high demand and limited supply, which led OEMs to increase pricing and major equipment rental companies to keep their equipment longer, further restricting supply in the secondary market and causing secondary market values to soar beyond pre-pandemic levels. However, in late 2022 and the first half of 2023, values started to stabilize as production and supply chain conditions improved, enabling companies to acquire new equipment and sell their aging equipment in the secondary market. Demand remains healthy in 2023 primarily due to public investments in manufacturing and infrastructure but starting to level off as private sectors of the construction industry like offices, multifamily homes, and retail spaces are facing higher interest rates, tighter lending standards, and declining demand.

Over the 12-month period ending December 31, 2023, General Rental Equipment was down by 7.4%. Large Earth Moving was down by 1.2% followed by Small-Medium Earth Moving, which was down by 5.6%, and Support that was trending down 7.2%. Aerial Equipment was down 8.0%. Telehandlers and Forklifts were down by 8.7% and 9.1%, respectively. A broad group performance is reflected in those average percentages. Any brand, model, or vintage may exhibit varying degrees of impact.

The following chart illustrates the 12-month trend of FMV, OLV and FLV as a percentage of cost for General Construction Equipment. The index is intended to represent average recoveries where age is constant. Were an asset or entire fleet to age, values might decline even in flat to upward market conditions:



Notes:

- ^[1]Each monthly data point illustrated above represents the average recovery, as a percentage of cost, for ten different model years of equipment ranging from new to nine years old, with each year weighted equally
- ^[2]The categories contained within include, aerial equipment, telehandlers, support equipment, and small-medium earthmoving equipment, each having an equal impact.



The Dodge Momentum Index is a leading economic indicator that measures the initial planning activity of non-residential construction projects. It focuses on projects in the planning stage and provides insights into future construction spending for nonresidential buildings by a full year. The Dodge Momentum Index helps gauge the direction and momentum of construction activity and overall economic growth; whereas The Dodge Index serves as an indicator of current construction activity and market conditions by measuring the value of construction starts during a specific period. Construction starts are projects that have begun physical construction work, such as site preparation, foundation work, and structural construction.

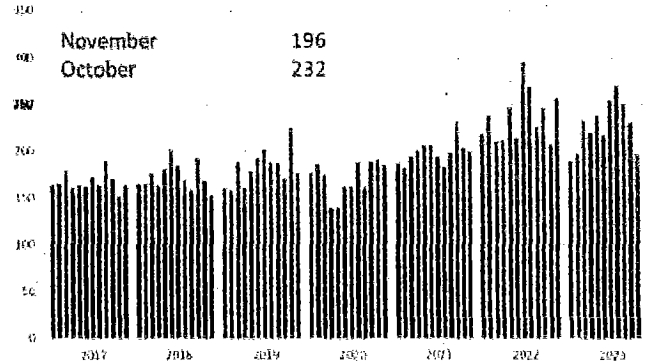
The Dodge Momentum Index saw an uptick in December primarily due to an increase in institutional planning. Year-to-date through November, construction starts were down 4% compared to the same period in 2022. This is primarily due to commercial activity declining as a result of increased interest rates and stricter lending.

DODGE MOMENTUM INDEX (2000=100, Seasonally Adjusted)



Source: Dodge Construction Network (December 2023)

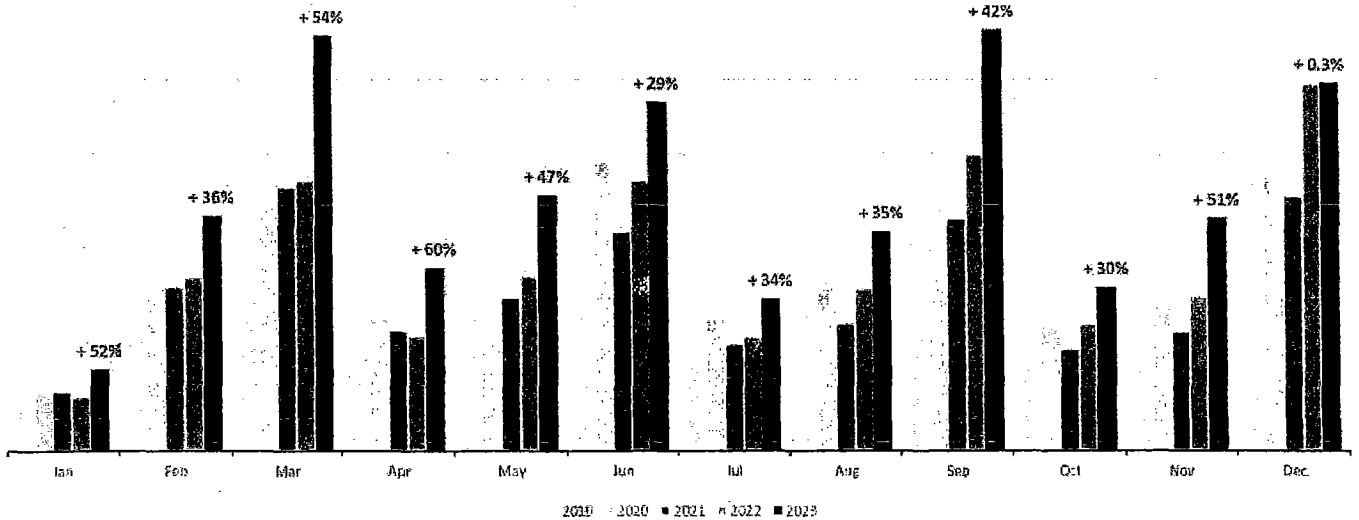
THE DODGE INDEX (2000=100, Seasonally Adjusted)



Source: Dodge Construction Network (November 2023)

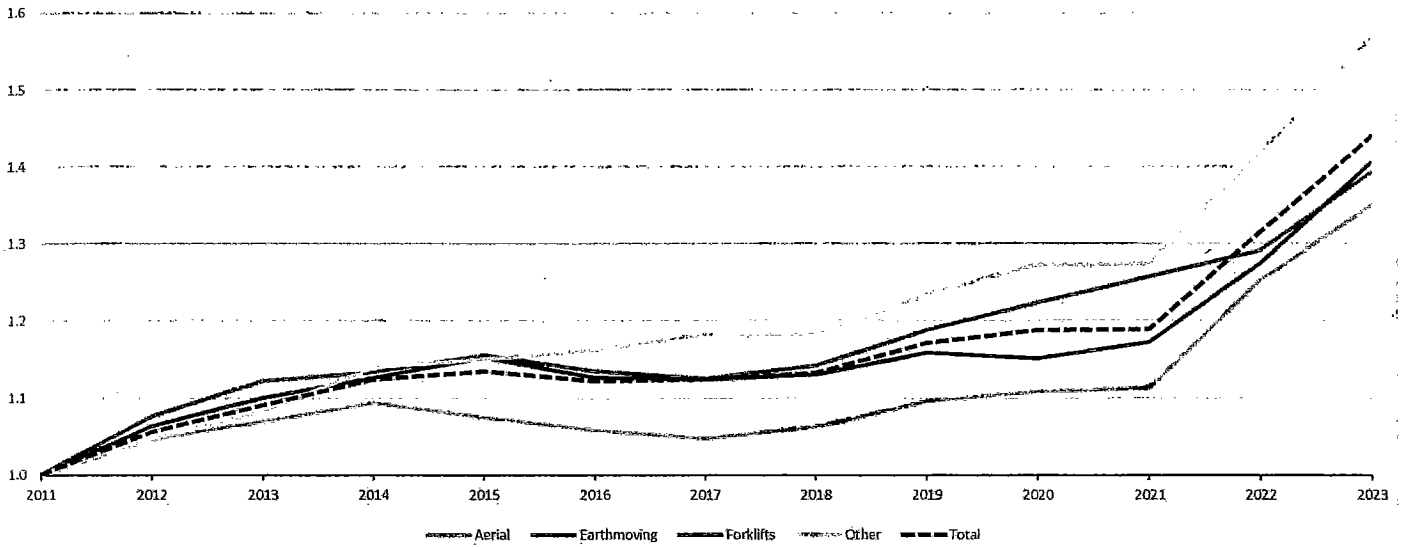
In 2023, large rental companies continue to sell their accumulated ageing equipment in the secondary markets due to their ability to acquire new equipment from an improved supply chain, resulting in an increase in the supply of used equipment.

Units Sold at Auction (By Month) & % YoY Comparison



In 2022, Original Equipment Manufacturers began to raise their equipment prices and implement dynamic pricing models like surcharges as a response to increased input costs – such as commodities, logistics, and labor – and input shortages for new equipment that resulted from a disrupted supply chain.

Rouse Inflation Index: Equipment Purchase Price



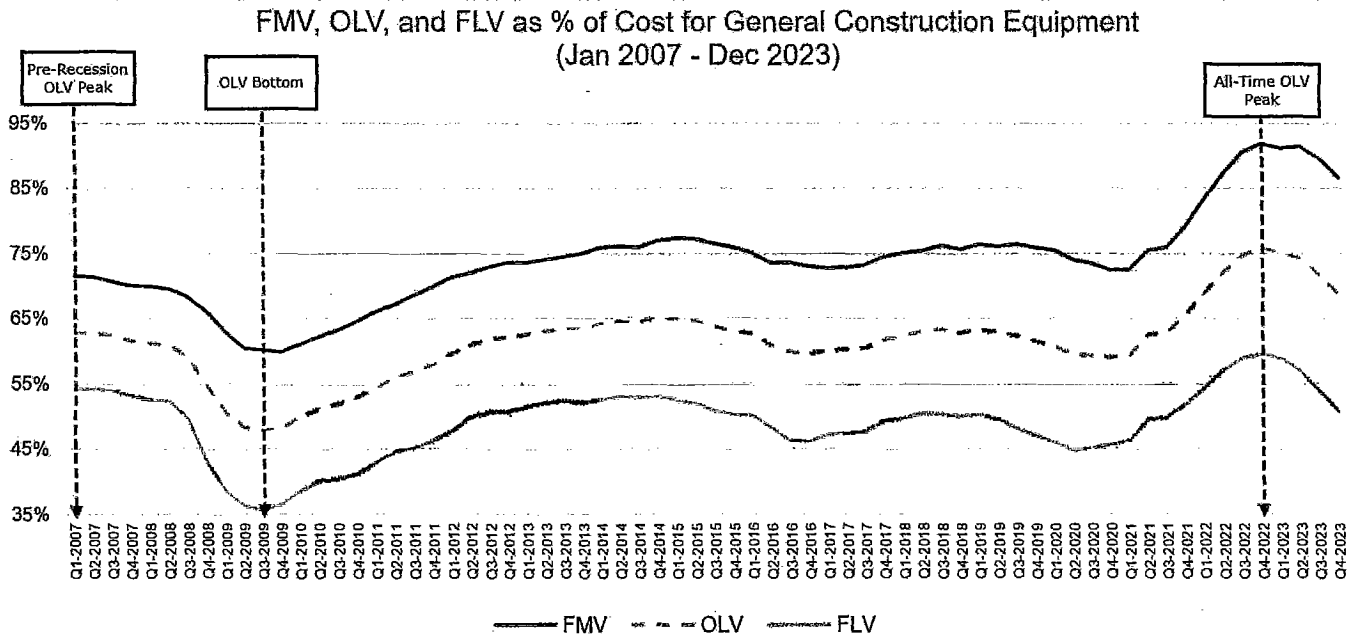
Historic Performance

Relative values in the used equipment marketplace for construction and general rental equipment were at 10-year historic highs across most of the major equipment categories at the beginning of 2007, and values reached their peak in the middle of 2007. Shortly thereafter, the housing market crashed, which led to decreased demand for earthmoving equipment, and values in earthmoving equipment started to decline. Subsequently, non-residential construction began to slow, which caused equipment demand and values in categories more closely linked with non-residential activity to decline beginning in the middle of 2008.

In September 2008, we experienced the beginning of the Global Financial Crisis; we saw major financial institutions collapse or be taken over, and the government created the bailout package to rescue the financial systems. Credit markets essentially froze – and the stock markets around the globe began to tumble. The housing and non-residential construction slowdown, lack of credit availability, and consumer confidence all played a part in propelling equipment values downward to historic lows.

April of 2009 proved to be the inflection point and used equipment values increased at a meaningful rate from April of 2009, month-over-month through the first half of 2012, which also marked a narrowing in the gap between retail and auction values. While the pace of value increases was more moderate, relative values continued to increase for the next two years, plateauing during 2014 just above the prior peak. Relative values stayed mostly flat through the end of 2014 and then remained relatively steady through the first nine months of 2015 but finished out that year with some softening that saw values decline through mid-2016. Values in 2017-18 rebounded, driven by a strengthening auction market and moderate improvements on the retail side. 2019 demonstrated a level-off in the growth and softness through the back half of the year and into 2020 as COVID-19 impacted secondary markets. Rouse observed a notable dip in equipment values and a trough in recoveries in the mid to late part of the year. In the late part of 2020 and 2021 values have strengthened as uncertainty declined and normal economic activity resumed. Relative values saw a sharp rise in 2022 and reached an all-time high in the latter part of the year, driven by a constrained supply chain and robust demand from end markets. Values began to stabilize in late 2022 and the first half of 2023 primarily due to an increase in the supply of used equipment in the secondary markets and moderate demand in end markets.

The following chart illustrates the trend of FMV, OLV and FLV from 2007 through 2023 as a percentage of cost[1] for General Construction Equipment. The index is intended to represent average recoveries where age is constant. Were an asset or entire fleet to age, values might decline even in flat to upward market conditions:



Notes:

- [1] Each monthly data point illustrated above represents the average recovery, as a percentage of cost, for ten different model years of equipment ranging from new to nine years old, with each year weighted equally
- [2] The categories contained within include, aerial equipment, telehandlers, support equipment, and small-medium earthmoving equipment, each having an equal impact

Valuation Considerations



Valuation Considerations

Fleet Profile

Myra Falls Mine Ltd.'s fleet primarily consists of underground mining machinery including [REDACTED]. The type and mix of machinery are very consistent with underground mining operations across North America. This equipment is made by well-known manufacturers [REDACTED]. In the event of a liquidation, most of this equipment would be desirable due brand mix and versatility throughout the Mining Industry.

Location of Assets

All these assets are located remotely in a provincial park. The removal of these assets from their remote location would be a painstaking process. Some of the assets such as [REDACTED] may have to be disassembled, placed on trucks, hauled away, and reassembled, which could be costly.

Liquidation Scenario

In a hypothetical liquidation scenario, these assets would need a specific buyer, such as another mining company or operation. Most of these assets are very large capacity and not all companies would require machines of this size. If this is not the case, return values could be low. Ideally, all these assets would be purchased by a single buyer who is taking over the operation, which would likely result in the highest return values. Rouse's values reflect these scenarios.

Extraordinary Assumptions

Usage: If no meter reading is provided for an asset, Rouse assumes the industry average usage for the asset. The industry average usage is tracked at the Rouse Subcategory level and is based on annualized usage.

Age: With regard to age calculation, if no acquisition date is provided for an asset, Rouse calculates the age by using the midpoint of the model year as the starting point. Similarly, if an asset has been purchased "used," Rouse calculates the age by using the midpoint of the model year as the starting point.

Condition: Rouse assumes all units are in a "rental-ready" (i.e. Good) condition, unless otherwise designated by physical inspections.

Configuration: For any asset types where Rouse tracks configuration, if no configuration detail is provided, Rouse assumes industry average configuration. The industry average configuration is tracked at the Subcategory and Make levels.

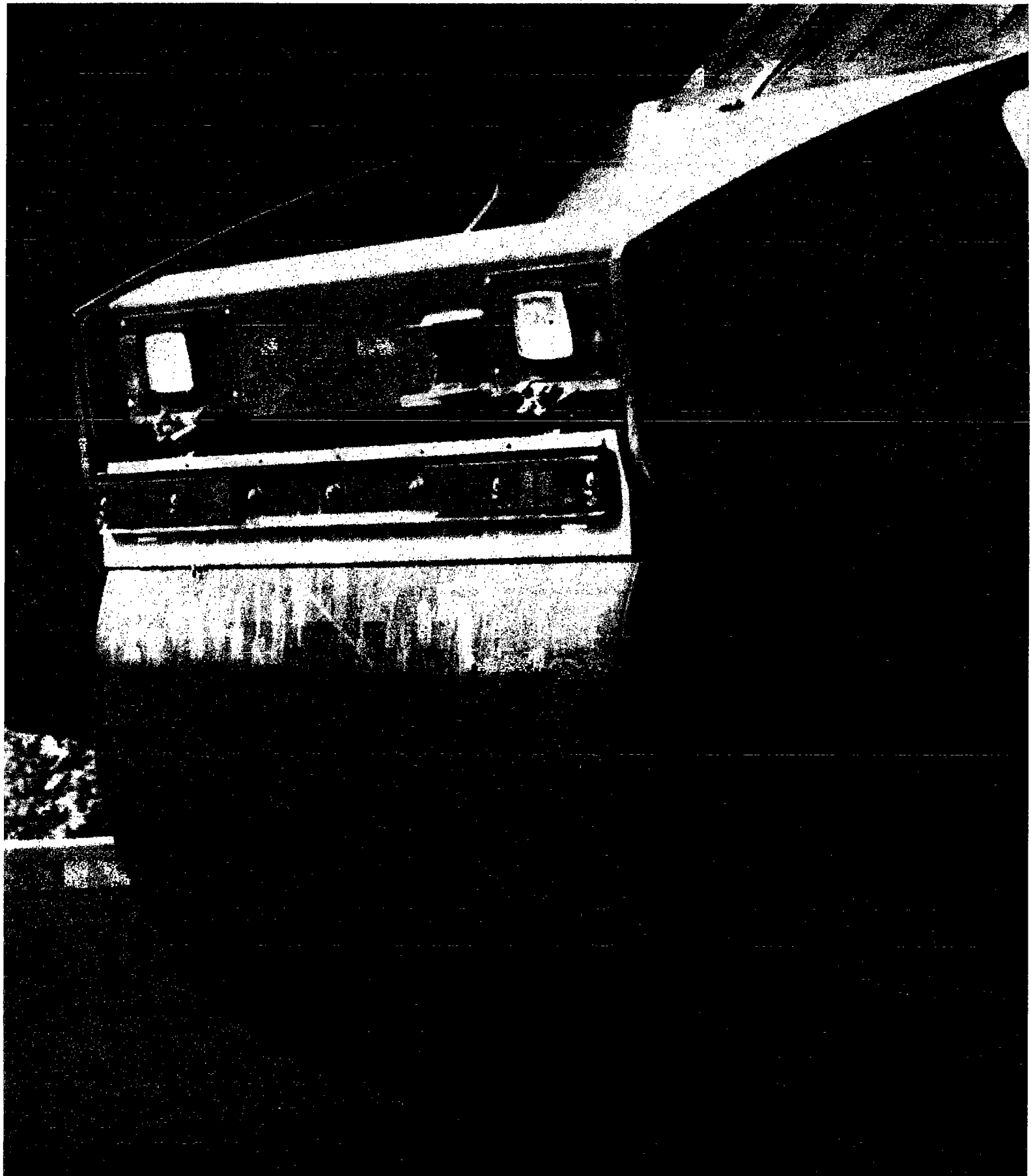
Ownership: Unless otherwise noted, Rouse assumes all assets are entirely owned and clear of any liens.

Impact of Proprietary Technology

The Equipment that is the subject of this appraisal is not characterized by any special proprietary technology or custom designs that might have an impact on its recovery.



Statement of Limiting Conditions



Statement of Limiting Conditions

ROUSE's Role and Use of the Valuation Report

Any report delivered under the terms of the engagement (a "Valuation Report") between the ROUSE entity specified in the engagement letter ("ROUSE", "us", "we" or "our") and you, the addressee, incorporates by reference this Statement of Limiting Conditions. By engaging ROUSE, you are also accepting this Statement of Limiting Conditions. If you do not accept this Statement of Limiting Conditions in its entirety, the Valuation Report must be immediately returned to us, and any copies destroyed.

Neither the appraiser nor any other employee of ROUSE has any financial interest in the assets appraised. Our Valuation Report is an unbiased expression of professional opinion. The fees payable to us are not contingent nor dependent whatsoever on the values provided.

Unless prior arrangements have been made or we are compelled by valid subpoena, court order or applicable law, the appraiser is not required to give testimony, be present in any court of law, or appear before any commission or board by reason of preparing a Valuation Report.

All analysis and conclusions set out in a Valuation Report are true and accurate to the best of the appraiser's knowledge and belief. We reserve the right to recall all copies of a Valuation Report to correct any omission or error.

The opinions expressed in a Valuation Report are valid only for the express and stated purpose of providing information and assistance to the parties to whom the report is specifically addressed. The values are not in any way, implied or expressed, to be construed, used, circulated, quoted, relied upon, or otherwise referred to for any other purpose without ROUSE's prior written permission.

Estimation Only; No Guarantee

Values assigned in a Valuation Report are amounts our appraiser would recommend to a prospective buyer as a fair price to pay under the prevailing circumstances specified in the Valuation Report, and within the parameters of the defined value concepts used in the Valuation Report, unaffected by personal interest, bias or prejudice. Those values are the appraiser's opinion based on the facts and data specified in the Valuation Report and are not a warranty or representation of fact, nor a determination of probability. As such, the reported values are estimates only. ROUSE makes no guarantees as to the actual value realizable from the sale of the assets or the price at which the assets may be purchased. ROUSE assumes no responsibility for any inability, nor has any obligation, to sell or purchase the assets at the values provided. ROUSE does not enter into in any transactions involving the disposition or financing of appraised assets.

Value Determination

The values attributed to assets in a Valuation Report are valid as of the effective date of the report. Changes in the status of the assets, the composition of the assets or changes in the market could have significant effects on values. ROUSE has not undertaken, and is under no obligation, to update, revise, reaffirm, or withdraw the Valuation Report, except as may be otherwise agreed in writing.

Where on-site inspections were performed and photographs of assets included in a Valuation Report, the photographs represent a sampling of assets viewed, were not selected based on any specific criteria and may or may not include all the photographs taken. Appraisers do not rely on the photographs to appraise assets. Photographs are used only as a visual aid to confirm or provide a general sense of condition relative to an inspector's assessment. Unless otherwise indicated in writing in the Valuation Report, only equipment assets that were present at the locations visited by ROUSE inspectors were inspected. No inspections of equipment assets that were on rent or otherwise out of the yard were performed.

As part of the engagement, Rouse has not:

- Investigated title to any of the assets. All assets are assumed to be the property of the subject organization and physically available in order to consummate the sales transaction in a timely manner;
- Considered if any liens or other encumbrances are registered against the assets other than those specified in the Valuation Report, if any;
- Considered any possible environmental or safety hazards impacting the assets;
- Determined whether the assets conform to all statutes, regulations, standards and codes that might relate to or impact their use, sale, or other disposition;
- Attributed any value to any intangibles, such as patents, trademarks, copyright, industrial designs, rights to manufacture or distribute, goodwill, and/or trade secrets; nor
- Investigated the free transferability of any software or hardware powering telematics or similar devices installed within the assets.

In general, the values assigned are based on the following:

1. The value definition(s) specified in the Valuation Report.

Where OLV is attributed to an asset in the Valuation Report, the value has been determined by the appraiser as a percentage of the FLV and FMV values of the subject asset based on the appraiser's experience and judgment. The reported OLV is not necessarily representative of the actual liquidation proceeds that may be realized from the sale of the asset.

Where NFLV, and/or NOLV or NLV, is expressed for an asset in the Valuation Report, the value is based on the disposition scenario that is described in the body of the Valuation Report and ROUSE does not express any opinion on possible proceeds that may be realized from the sale under any other form of disposition method.

2. Asset lists and other information provided by the subject organization, its representative(s) and/or lender(s). Unless otherwise indicated in writing in the Valuation Report, we have not investigated the accuracy of the information or verified the quantities of assets provided to us, nor do we have any responsibility to do so. If any information supplied to us is incorrect, then assets may receive inaccurate appraisal values. In instances where we have endeavored to independently verify the information provided, we have subjected the information to such tests as we determined, in good faith, to be appropriate and reliable to confirm its accuracy.
3. All equipment assets being in Rental Ready or Project Ready condition unless otherwise specifically noted. If assets are not considered Rental Ready or Project Ready, ROUSE may assess the value of those assets differently from equivalent Rental Ready or Project Ready assets. For our purposes, "Rental Ready" or "Project Ready" means that an equipment asset: (i) performs and operates as intended by its manufacturer; (ii) does not have any known mechanical defects; (iii) is clean; and (iv) has been subject to all safety and required manufacturer inspections and maintenance.
4. Any non-rental equipment assets are assumed to be in similar condition to equivalent rental assets.
5. All procedures necessary to preserve the value of the assets have been followed by the subject organization and/or its representative(s).
6. Certain adjustments in value, even for similar or identical assets, due to differences in required installation or removal of assets, local market demand or supply, asset condition, and other appropriate factors relating to the sale.

Any other applicable conditions, assumptions, and/or limitations affecting the values provided in this Valuation Report are defined and individually set out within the Valuation Report where such conditions, assumptions, and/or limitations are applicable.

Certification



Certification

We certify that:

1. No on-site inspections of equipment were performed.
2. The statements contained in this appraisal and upon which the opinions expressed herein are true and correct to the best of our knowledge and belief, subject to the limiting conditions set forth;
3. To the best of our knowledge and belief, no pertinent information has been overlooked or withheld; and
4. We have no interest either presently or contemplated in the property appraised or in any proceeds to be derived there from.
5. Our compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.
6. We have not conducted a previous assignment of this machinery and equipment that is the subject of this appraisal report within the three-year period preceding acceptance of this assignment.
7. We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
8. Our analysis, opinions and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
9. No person or persons other than those stated below provided significant professional input for this appraisal report.

Name	Role
Ryan Chesterton, ASA	Operations Director
Caroline Spitzer	Project Director
Noah Coleman	Senior Analyst
Mariam Botros	Project Manager

ROUSE SERVICES CANADA LTD.

I hereby certify that I reviewed this appraisal.

Ryan Chesterton

Ryan Chesterton, ASA
Operations Director

Noah M. Coleman III

Noah M. Coleman III
Senior Appraisal Analyst

Appendix – Key Definitions



Appendix – Key Definitions

Value Definitions

Fair Market Value	A professional opinion of the estimated most probable price expressed in terms of money to be realized for property in an exchange between a willing buyer and a willing seller, with equity to both, neither being under any compulsion to buy or sell, and both parties fully aware of all relevant facts as of the effective date of this report. Additionally, this value is not discounted for assembling, cleaning, security, advertising, brokerage, or other disposal costs, if any.
Orderly Liquidation Value	The estimated gross amount expressed in terms of money that the Equipment will typically realize at a privately negotiated sale, properly advertised and professionally managed by an experienced seller of property of the kind and type being sold where the liquidation sale is to take place over a reasonable time period. All Equipment to be sold piecemeal "as is where is" with the purchaser being responsible for removal of the assets at its own risk and expense.
Forced Liquidation Value	The estimated gross amount expressed in terms of money that the Equipment will typically realize at a properly conducted public auction when the seller is compelled to sell with a sense of immediacy as of a specific date. This amount does not account for Equipment make ready costs or transportation of the Equipment to the auction site. All Equipment to be sold piecemeal, "as is where is" with the purchaser being responsible for removal of the assets at purchaser's own risk and expense.

Bibliography

Appraisal Standards Board. Uniform Standards of Professional Appraisal Practice 2020-2021. Washington, DC: The Appraisal Foundation, 2019 (extended through December 31, 2022).

Experience Summary



Experience Summary

Ryan Chesterton, ASA ■ Ryan has been with Rouse Appraisals since 2017 and currently serves as a Director focusing on the valuation of machinery and equipment. His current responsibilities are focused on the management and execution of appraisals that are complete, accurate, and delivered on time. Ryan has a strong background in valuation, data analysis, strategic consulting, relationship management, and project management.

Operations Director

Ryan has experience performing and reviewing appraisals for lending institutions, private equity firms, and equipment owners worldwide ranging from single unit valuations to multi-billion dollar appraisals.

Ryan is an Accredited Senior Appraiser (ASA) with a focus Machinery and Technical Specialties (MTS). Prior to joining Rouse, Ryan began his career at KPMG and graduated from Villanova University with degrees in Finance and Accounting.

Caroline Spitzer
Project Director

Caroline Spitzer is a Director of Project Management at Rouse Appraisals with approximately 10 years of experience as a Project Manager. Caroline has been in the Construction Industry for about 4 years. Caroline has taken and passed the USPAP exam. She has worked closely with the appraisers to ensure the appraisals are completed on time. She also handles the contracts, client communication, planning the inspections, and billing. Caroline's prior background includes financing and tax credits. Caroline graduated with a B.B.A. in Business Administration and Management.

Noah Coleman
Senior Analyst

Noah Coleman is a Senior Appraisal Analyst with Rouse Appraisals with five years of experience appraising machinery and equipment. He graduated from Appalachian State University and began his machinery and equipment appraisal career with Gordon Brothers. His experience includes financial and asset valuation, data analysis, project management, and equipment inspections. His appraisal expertise is in machinery and equipment where he has appraised a wide array of assets ranging from heavy construction equipment to manufacturing equipment and his responsibilities include the valuation and analysis of appraisal projects.

Mariam Botros
Project Manager

Mariam Botros is a Project Manager at Rouse Appraisals with seven years of experience in the construction equipment industry. Prior to joining Rouse Appraisals, Mariam worked for Quinn Caterpillar, where she gained extensive knowledge regarding machinery specification and application. She works closely with the appraisers to ensure that projects are completed on time and efficiently. In addition, she is responsible for managing contracts, client communication, as well as planning inspections. Mariam earned her B.A. from the University of California San Diego.

Your Global Marketplace

Transaction Solutions

We offer multiple transaction solutions to suit your needs and get you the best returns.



A unique digital auction platform for buying and selling total-loss, damaged and low-value vehicles



Sell globally at live auction events, save time with all-inclusive service



Sell equipment quickly from your yard to a global buyer base



Sell on our 24/7 online marketplace and we'll help you sell faster



The #1 online marketplace for government surplus



Full-service project management and salvage inventory support

Insights

The industry's deepest metrics and data for equipment pricing, benchmark valuations, market trends, and more.



INDUSTRY INSIGHTS

ROUSE EQUIPMENT INSIGHTS

ROUSE RENTAL INSIGHTS

Services

Our convenient, industry-best ancillary services help make the equipment lifecycle a seamless process.



RITCHIE BROS. FINANCIAL SERVICES

RITCHIE BROS. INSPECTIONS

RITCHIE BROS. LOGISTICS

RITCHIE BROS. REFURBISHING

LISTING SERVICES



ROUSE APPRAISALS

ROUSE FLEET MANAGER



SmartEquip Catalog

SmartEquip e-Commerce

SmartEquip Procurement



VERITREAD TRANSPORT



XCIRA AUCTION MANAGEMENT

Contact your local representative today.

This is Exhibit "9" referred to in the Affidavit
of **HEIN FREY**, sworn before me at Cape Town,
South Africa, this 21 day of February, 2024.



A Notary for

FIRST AMENDMENT TO DIP FACILITY TERM SHEET

Dated: February 16, 2024.

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. The Borrower requires an extension of the Maturity Date (as defined in the DIP Facility Term Sheet); and
- C. Subject to the terms and conditions contained in this agreement (this "**Amendment**"), the parties hereto have agreed to 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 Amendment, including its preamble and recitals, have the meanings provided in the DIP Facility Term Sheet, as amended by this Amendment, as applicable.

2. AMENDMENTS TO DIP FACILITY TERM SHEET

- 2.1 **Amendments.** Subject to the satisfaction of each of the conditions to effectiveness set forth in this Amendment, the parties agree that the reference to "May 31, 2024" in paragraph (a) of the heading "**Maturity Date**" shall be deleted and replaced with "June 30, 2024".

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 Amendment):
 - 3.1.1 This Amendment has been duly authorized, executed and delivered by the Borrower;
 - 3.1.2 This 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 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 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 Amendment executed by the Borrower; and

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

5. GENERAL PROVISIONS

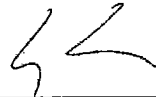
- 5.1 **Headings Etc.** The inclusion of headings in this Amendment is for convenience of reference only and does not affect the construction or interpretation hereof.
- 5.2 **Governing Law.** This Amendment is governed by, and is to be construed and interpreted in accordance with, the laws of the Province of Ontario and the federal laws of Canada applicable therein.
- 5.3 **Assignment.** This 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 Amendment, any provision of this Amendment is inconsistent with any provision of the DIP Facility Term Sheet, the relevant provision of this Amendment shall prevail.
- 5.5 **DIP Credit Documentation.** This Amendment constitutes DIP Credit Documentation for all purposes under the DIP Facility Term Sheet.
- 5.6 **Counterparts.** This 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 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 Amendment as of the date first written above.

MYRA FALLS MINES LTD.

By:

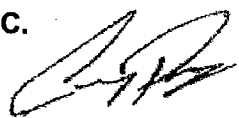

Name: Maciej Sciazko

Title: Authorized Signatory

I have the authority to bind the corporation.


TRAFIGURA US INC.

By:


Name: Corey Prologo

Title: Authorized Signatory

I have the authority to bind the corporation.


Name: Robert Kreider

Title: Authorized Signatory

I have the authority to bind the corporation.

Signature Page – Amendment to DIP Facility Term Sheet

No. S238572
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 PLAN OF COMPROMISE AND
ARRANGEMENT OF MYRA FALLS MINE LTD

AFFIDAVIT OF HEIN FREY #3

GOWLING WLG (CANADA) LLP
Barristers & Solicitors
Bentall 5, Suite 2300,
550 Burrard Street
Vancouver, BC V6C 2B5

Attention: Jonathan B. Ross

Tel: 604.683.6498 Fax: 604.683.3558

File No. A172589

MD/msh