

Mining Equipment – Invitation for Offers



Background

On December 18, 2023, Myra Falls Mine Ltd. ("**MFM**") sought and obtained an initial order (the "**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 ("**CCAA**"). Pursuant to the Initial Order FTI Consulting Canada Inc. was appointed monitor (the "**Monitor**") of MFM.

The Monitor is assisting MFM in seeking offers to assign MFM's right, title and interest in certain mining equipment (the "**Sandvik Equipment**") leased by Sandvik Canada Inc. ("**Sandvik**").

Asset Description

The Sandvik Equipment is comprised of the following:

- 2021 Sandvik Underground Development Drill Rig (model DL432i)
- 2021 Sandvik Underground Haul Truck (model TH545)
- 2021 Sandvik Underground Haul Truck (model TH545)
- 2022 Sandvik Underground Haul Truck (model TH545i)

Offer Process for the Equipment

Any interested party may request access to an electronic data room including photographs of the Sandvik Equipment, equipment hours and other details.

Site visits to inspect the Sandvik Equipment can be arranged upon request to the Monitor.

The timeline for the process is as follows:

- July 8 to July 18, 2024 – access to the electronic data room and due diligence
- **July 19, 2024 (4pm Pacific Daylight Time) – deadline for submitting offers**
- July 20, 2024 to July 22, 2024 – finalize a binding lease assignment
- August 2, 2024 – anticipated Court approval
- August 14, 2024 – closing of lease assignment

MFM may at any time extend, alter or modify the time periods set out herein in its sole discretion. MFM reserves its right not to accept any offers and may withdraw from the process altogether without ascribing any reason thereto and without any liability to any interested party.

Required Terms and Conditions

In order for an offer to be considered by MFM, the following terms and conditions must be included:

- assumption of the current lease or execution of a new lease in respect of the Sandvik Equipment
- minimum payment of \$2,000,000 to Myra Falls Mine Ltd. by guaranteed funds at closing (Aug. 14, 2024)
- payment of all outstanding lease arrears to Sandvik
- payment of buyout amounts due to Sandvik
- a guarantee acceptable to Sandvik, in its discretion, sufficient to release the current guarantee provided by Trafigura
- all equipment shall be acquired “as-is / where-is” and must be removed from the MFM yard at the Myra Falls Mine site at the purchasers expense by August 15, 2024
- any purchaser must pay legal fees associated with the transaction
- all offers are subject to Court approval

A summary of the estimated amounts owed by lease is below, subject to a true-up of any further accrued amounts and applicable taxes owing to Sandvik:

Sandvik Equipment Summary					
Equipment Description	Contract Number	Lease Arrears	Ongoing Lease Payment	Buyout Amount	Lease Expiry
Sandvik DL432i	47200358	\$ 331,701.51	\$ 47,385.93	\$ 215,918.92	6/15/2025
Sandvik TH545	47200332	71,542.17	N/A	100,000.00	Expired 4/1/2024
Sandvik TH545	47200355	147,660.30	N/A	100,000.00	Expired 6/1/2024
Sandvik TH545i	47202014	287,000.00	41,000.00	216,117.00	5/15/2025
Total		\$ 837,903.98	\$ 88,385.93	\$ 632,035.92	

Inquiries or requests for information relating to the Sandvik Equipment should be directed to the Monitor at the contact details at the bottom of this page.

Records relating to the CCAA proceedings can be found on the Monitor’s website (<http://cfcanada.fticonsulting.com/myrafalls>).



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