Court File No. CV-23-00707394-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF TACORA RESOURCES INC.

Applicant

MOTION RECORD OF THE APPLICANT
(MFC DISPUTE RETURNABLE APRIL 16, 2023)

March 23, 2024

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TO: THE SERVICE LIST

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I N D E X

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(Applicant)

NOTICE OF MOTION
(Returnable April 16, 2024)

Tacora Resources Inc. ("**Tacora**" or the "**Company**") will make a motion before the Honourable Madam Justice Kimmel of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") on April 16, 2024, at 10:00 a.m. (ET), or as soon after that time as the motion can be heard, at 330 University Avenue, Toronto.

PROPOSED METHOD OF HEARING: The Motion is to be heard:

[ ] In writing under subrule 37.12.1(1);
[ ] In writing as an opposed motion under subrule 37.12.1(4);
[**X**] In person;
[ ] By telephone conference;
[ ] By video conference.

THE MOTION IS FOR[1]

1. If necessary, an order that the time for service of the Notice of Motion and the Motion Record of the Applicant dated March 21, 2024, is hereby abridged and validated, and further service thereof is dispensed with;

2. A declaration that:

[1] Capitalized terms used herein and not otherwise defined have the meanings ascribed to them in the affidavit of Joe Broking sworn March 21, 2024. All references to currency in this Notice of Motion are references to United States dollars, unless otherwise indicated.

(a) Tacora is not required to pay any cure costs or other amounts to 1128349 B.C. Ltd. ("**112 Ltd.**") in connection with the Transactions (as defined below) except as provided for in the Subscription Agreement (as defined below);

(b) in the alternative, the only amounts owed by Tacora to 112 Ltd. with respect to the MFC Royalty (as defined below) are those for Q2, Q3, and the stub Q4 period of 2023, which amount to C$13,827,734 (the "**Pre-Filing Payments**"); and

(c) in the further alternative, if the MFC Royalty should have been calculated pursuant to paragraph (j)(ii) of the Scully Mine Lease – which is denied by Tacora – there are no additional or incremental amounts owed to 112 Ltd.;

3. Costs of this motion on a substantial indemnity basis; and

4. Such further and other relief as this Honourable Court deems just.

THE GROUNDS FOR THE MOTION ARE

The Scully Mine Lease

5. Tacora, as lessee, and 0778539 B.C. Ltd. (formerly called MFC Bancorp Ltd.) ("**MFC**"), as lessor, are parties to an amendment and restatement of consolidation of mining leases dated November 17, 2017 (the "**Scully Mine Lease**").

6. Pursuant to the Scully Mine Lease, MFC is entitled to "Earned Royalties" of 7% of Tacora's "Net Revenues" (less certain expenses) derived from the sale of "Iron Ore Products" from the Scully Mine and paid on a quarterly basis (the "**MFC Royalty**"). Payments of the MFC Royalty are to be made to 112 Ltd., a company affiliated with MFC. The calculation of Net Revenues depends, in part, on whether Tacora sells the Iron Ore Products under an "arm's length, bona fide contract of sale".

7. "Net Revenues" is defined under the Scully Mine Lease as follows:

(j) "**Net Revenues**" shall mean:

(i) in the event that the Lessee sells Iron Ore Products under an arm's length, bona fide contract of sale, the amount per Metric Tonne (weight determined by vessel draft survey) actually received by or otherwise payable or credited to the account of the Lessee and its affiliates calculated f.o.b. Pointe Noire, Quebec or such other

applicable port on the St. Lawrence seaway from which such Iron Ore Products is shipped to the Lessee's customers (the "**Port**"), or in the case of sales ex-mine gate or ex-rail, calculated at the point of actual sale, including, without limitation, all payments, incentives, bonuses, allowances, profit sharing or other consideration received by, credited or payable to the Lessee and/or its affiliates in respect thereof, less: (A) the Deductible Expenses; and (B) any royalties or overriding royalties measured by production of Iron Ore Products that are imposed on the Lessee under applicable laws by the Province of Newfoundland and are actually paid to such Province by the Lessee in respect of such sale of such Iron Ore Products (it being acknowledged that no such royalties or overriding royalties exist on the date hereof); and

(ii) in the event that the Lessee otherwise sells Iron Ore Products, including, without limitation, in a non-arm's length transaction, the amount per Metric Tonne by reference to a standard industry publication or service containing prices or quotations of the prices at which Iron Ore Products of equivalent types and qualities are being sold or purchased at a specific point of delivery (an "**Industry Service**") or, if such Industry Service is unavailable, then by such other means, in accordance with mining industry practice, as may establish such prices or quotations of the prices at which Iron Ore Products or equivalent types are being sold and purchased, calculated at f.o.b. the Port.

8. Additionally, pursuant to section 1(d) of the Scully Mine Lease, to the extent that Tacora is required to pay any royalties to Knoll Lake Minerals Ltd. under the “Nalco Lease”, MFC agrees that Tacora shall have credit for any such payments so made against any amounts due to MFC under the Scully Mine Lease.

The Offtake Agreement

9. Tacora sells 100% of the iron ore concentrate produced at the Scully Mine to Cargill pursuant to an offtake agreement entered April 5, 2017 (as restated on November 9, 2018, and amended from time to time, the “**Offtake Agreement**”), between Tacora, as seller, and Cargill, as buyer.

10. The Offtake Agreement is an “arm’s length, bona fide contract of sale” within the meaning of the Scully Mine Lease. The Offtake Agreement is expressly referenced in the Scully Mine Lease.

11. Pursuant to the Offtake Agreement, the price that Cargill pays Tacora for its iron ore concentrate is determined by the market commodity price, less freight costs and a share of the

profits made off Cargill's sale of the iron ore concentrate to third parties (the "**Purchase Price**"). The Offtake Agreement, including the Purchase Price formula, were negotiated at arm's length by the parties in 2017.

Royalty and Interpretation Dispute

12. Tacora has historically calculated its Net Revenues (for the purposes of determining the MFC Royalty amount), in accordance with paragraph (j)(i) of the Scully Mine Lease.

13. Up until April 2023, MFC accepted the MFC Royalty on the basis of actual realizations and Tacora always paid the MFC Royalty on time and in full. However, on April 25, 2023, Tacora was encountering liquidity challenges and deferred payment of its Q1 2023 MFC Royalty payment to take advantage of a grace period provided in the Scully Mine Lease.

14. Two days later, on April 27, 2023, MFC demanded for the first time that Tacora pay what was alleged to be owed under the sub-paragraph (ii) definition of "Net Revenues" for all past royalty payments on the basis that the Offtake Agreement was a non-arm's length contract of sale. MFC alleged this amount to be "in excess of US$10 million." In August 2023, MFC commenced arbitration proceedings against Tacora, alleging the MFC Royalty was underpaid. The arbitration was stayed upon the initial order of this Court in Tacora's CCAA proceedings.

Sale Transaction

15. On October 30, 2023, this Court granted the Solicitation Order, which, among other things, approved the Solicitation Process to solicit offers or proposals for a sale, restructuring, or recapitalization transaction in respect of Tacora's assets and business operations. The Solicitation Process has concluded and Tacora has selected a bid from an ad hoc group of holders of the Company's senior secured notes and certain investors (collectively, the "**Investors**") as the "Successful Bid" under the Solicitation Process.

16. Following the selection of the Successful Bid, Tacora and the Investors entered into a subscription agreement on January 29, 2024 (the "**Subscription Agreement**").

17. The Scully Mine Lease constitutes a "Retained Contract" under the Subscription Agreement. While the Scully Mine Lease is not being assigned and there is no requirement to pay cure costs to MFC, the Subscription Agreement contemplates the payment in full of the Pre-Filing

Payments at closing. All other pre-filing claims of MFC, including MFC's claims regarding the alleged underpaid MFC Royalty, are "Excluded Liabilities" under the Subscription Agreement.

18. Tacora denies the amounts claimed by MFC, as the Offtake Agreement is "an arm's length bona fide contract of sale", and Tacora has properly calculated the MFC Royalty pursuant to paragraph (j)(i) of the Scully Mine Lease.

19. In the alternative, to the extent that additional amounts are determined to be owing to MFC, which is denied by Tacora, the amounts claimed by MFC are overstated.

OTHER GROUNDS:

1. Sections 11, 11.3 and 36 of the CCAA and the inherent and equitable jurisdiction of this Court.

2. Rules 1.04, 2.03, 3.02, 16, 37 and 39 of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, as amended.

3. Such further and other grounds as counsel may advise and this Court may permit.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the Motion:

1. Affidavit of Joe Broking sworn March 21, 2024;

2. Affidavit of Joe Broking sworn February 2, 2024;

3. Affidavit of Michael Nessim sworn February 2, 2024; and

4. Such further and other evidence as counsel may advise and this Court may permit.

March 21, 2024

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(Applicant)

Court File No. CV-23-00707394-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT TORONTO

NOTICE OF MOTION

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Counsel for the Applicant

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Applicant

AFFIDAVIT OF JOE BROKING
(Sworn March 21, 2024)

I, **JOE BROKING**, of the City of Grand Rapids, in the State of Minnesota, United States of America, MAKE OATH AND SAY:

1. I am the President and Chief Executive Officer of Tacora Resources Inc. ("**Tacora**"). I have been the President and Chief Executive Officer of Tacora since October 2021. Prior to becoming President and Chief Executive Officer, I was Executive Vice President and Chief Financial Officer of Tacora from July 2017 to October 2021. I have been a member of the company's board of directors since October 2021 and was previously a director of the board in the company's early development phase between January 17, 2017 and July 17, 2017.

2. In 2017, together with other members of management, I was responsible for the negotiation of the key contracts that led to Tacora owning and operating the Scully Mine, an iron ore concentrate producer located near Wabush, Newfoundland and Labrador, Canada (the "**Scully Mine**"). As such, I have knowledge of the matters to which I hereinafter depose, except where otherwise stated. Where I have relied upon such information, I believe such information to be true.

3. This affidavit is sworn in support of Tacora's motion for a declaration that Tacora is not required to pay the alleged underpaid royalties in connection with the transaction contemplated by the Subscription Agreement dated January 29, 2024 between Tacora and certain investors and in the alternative, that Tacora has properly calculated the MFC Royalty (as defined below) and related relief.

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4. All references to currency in this affidavit are references to United States dollars, unless otherwise indicated.

A. Background

5. As part of its acquisition of the Scully Mine assets in July 2017, Tacora was assigned as lessee to an amendment of consolidation of mining leases dated September 2, 1959 that provided the tenure and mining rights to certain premises constituting the Scully Mine. The company now known as 0778539 B.C. Ltd. (formerly called MFC Bancorp Ltd.) ("**MFC**") was the lessor and under the lease had a right to ongoing production-based royalty payments. Between July and November 2017, Tacora and MFC negotiated a restatement of the lease and ultimately entered into an amendment and restatement of consolidation of mining leases dated November 17, 2017 (the "**Scully Mine Lease**"). Attached as **Exhibit "A"** is a copy of the Scully Mine Lease.

6. The Scully Mine Lease entitles MFC to 7% of Tacora's net revenue (less certain expenses) derived from the sale of its iron ore concentrate from the Scully Mine and paid on a quarterly basis (the "**MFC Royalty**"). Payments of the royalty are to be made to 1128349 B.C. Ltd. a company affiliated with MFC. "Net Revenues" is defined in the Scully Mine Lease as follows:

> (j) "**Net Revenues**" shall mean:
>
> (i) in the event that the Lessee sells Iron Ore Products under an arm's length, bona fide contract of sale, the amount per Metric Tonne (weight determined by vessel draft survey) actually received by or otherwise payable or credited to the account of the Lessee and its affiliates calculated f.o.b. Pointe Noire, Quebec or such other applicable port on the St. Lawrence seaway from which such Iron Ore Products is shipped to the Lessee's customers (the "**Port**"), or in the case of sales ex-mine gate or ex-rail, calculated at the point of actual sale, including, without limitation, all payments, incentives, bonuses, allowances, profit sharing or other consideration received by, credited or payable to the Lessee and/or its affiliates in respect thereof, less: (A) the Deductible Expenses; and (B) any royalties or overriding royalties measured by production of Iron Ore Products that are imposed on the Lessee under applicable laws by the Province of Newfoundland and are actually paid to such Province by the Lessee in respect of such sale of such Iron Ore Products (it being acknowledged that no such royalties or overriding royalties exist on the date hereof); and
>
> (ii) in the event that the Lessee otherwise sells Iron Ore Products, including, without limitation, in a non-arm's length transaction, the amount per Metric Tonne by reference to a standard industry publication or service containing prices or quotations of the prices at which Iron Ore Products

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> of equivalent types and qualities are being sold or purchased at a specific point of delivery (an "**Industry Service**") or, if such Industry Service is unavailable, then by such other means, in accordance with mining industry practice, as may establish such prices or quotations of the prices at which Iron Ore Products or equivalent types are being sold and purchased, calculated at f.o.b. the Port.

7. Tacora has always calculated Net Revenues on the basis of actual realizations on sales of its iron ore concentrate to Cargill International Trading Pte Ltd. ("**Cargill**") pursuant to the Offtake Agreement (as defined below).

8. Up until April 2023, MFC accepted the MFC Royalty on the basis of actual realizations and Tacora paid the MFC Royalty in time and in full. However, in early April 2023, Tacora was encountering liquidity challenges as described in my affidavit sworn October 9, 2023 in connection with the commencement of these CCAA proceedings (the "**First Broking Affidavit**"). Accordingly, as a liquidity preservation effort, Tacora deferred payment of the MFC Royalty in Q1 2023 to take advantage of a grace period provided in the Scully Royalty Lease. I am advised by Heng Vuong, Chief Financial Officer of Tacora, that representatives of Tacora informed MFC of this intended deferral on April 25, 2023.

9. Two days later, on April 27, 2023, MFC demanded for the first time that Tacora pay what was alleged to be owed under the sub-paragraph (ii) definition of "Net Revenues" for all past royalty payments on the basis that the Offtake Agreement was a non-arm's length contract of sale. MFC alleged this amount to be "in excess of US$10 million." Attached as **Exhibit "B"** is a copy of MFC's demand dated April 27, 2023. Tacora subsequently paid the Q1 2023 MFC Royalty payment but again relied on the grace period for the Q2 payment. On August 22, 2023, MFC commenced arbitration proceedings alleging the MFC Royalty was underpaid. At the time Tacora entered into CCAA protection, the Q2 and Q3 2023 MFC Royalty payments remained outstanding. There also remains outstanding MFC Royalty payments for the stub period of Q4 prior to CCAA filing.

10. As explained below, MFC's bald allegation that the Offtake Agreement is not an "arm's length *bona fide* contract of sale" is not correct or supported by any evidence. The Offtake Agreement was entered into in April 2017 after months-long negotiations by arm's length parties seeking to advance their respective business interests. MFC has always been aware of the Offtake Agreement and as explained further below, reference to the Offtake Agreement and certain mechanics to the Offtake Agreement are directly incorporated into the Scully Mine Lease and calculation of the MFC Royalty.

B. The Offtake Agreement

11. Tacora sells 100% of the iron ore concentrate production at the Scully Mine to Cargill pursuant to an offtake agreement between Tacora, as seller, and Cargill, as buyer (the "**Offtake Agreement**"). Cargill in turn markets the iron ore concentrate and sells it to third parties. As I will discuss, Tacora receives a share of the profit of Cargill's sale.

12. The Offtake Agreement allows Tacora to focus on production of the iron ore concentrate by outsourcing the marketing process (inclusive of identifying buyers, promoting the product brand, and arranging sales) to Cargill. Tacora has never had an internal sales team.

13. Cargill sells Tacora's iron ore concentrate at arm's length to parties that include major European and Chinese steel producers. Tacora is not aware of any instance of Cargill selling Tacora's iron ore concentrate to an affiliated party or at a below-market price.

i. The Offtake Agreement's Purchase Price

14. The Offtake Agreement was originally entered into on April 5, 2017, was restated on November 9, 2018, and has been amended from time to time. Attached as **Exhibit "C"** is a copy of the Offtake Agreement as restated on November 9, 2018. Since December 2019, Tacora's sale of iron ore concentrate to Cargill has also been subject to a stockpile agreement between Tacora, as seller, and Cargill, as buyer (the "**Stockpile Agreement**"), which works in conjunction with the Offtake Agreement.

15. The price that Cargill pays Tacora for its iron ore concentrate is a function of the amount received from Cargill's sales to third parties. Pursuant to the Offtake Agreement, Tacora receives the market commodity price less freight costs and plus a share of the profits made off Cargill's sale of the iron ore concentrate to third parties (the "**Purchase Price**"). The bulk of the purchase price formula is determined with reference to published indices that aggregate data to provide a proxy of the market rate:

(a) The commodity price is calculated using the arithmetic mean of the published Platts 62% Index from the third calendar month after the vessel sails from the Port of Pointe Noire in Québec.

(b) The freight costs are calculated using the BECI-C3 index (Baltic Exchange Capesize Index) for routes from Tubarao, Brazil to Qingdao, China along with an

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additional amount to take into account the freight costs from Pointe Noire to Tubaro, Brazil and an ice class premium in certain winter months.

(c) The profit received at the time of the sale to a third party is determined by the sale price less the average Platts 62% Index over the pricing period plus any savings or loss realized by Cargill in respect of freight costs. Tacora's share of the profit is determined by the amount of profit realized:

(i) [redacted];

(ii) [redacted];

(iii) [redacted];

16. Because the Purchase Price incorporates the profit share element, it is not able to be calculated until Cargill negotiates a selling price and sells the vessel that is loaded with iron ore concentrate to a third-party, typically weeks or months after Tacora has delivered the iron ore concentrate to the stockpile at Pointe Noire. To provide working capital to Tacora during this period, the Offtake Agreement and Stockpile Agreement have a provisional pricing system whereby Cargill pays Tacora an amount based off market indices when the ore arrives in the Pointe Noire stockpile and the parties make true-up payments to each other on an ongoing basis to account for the rise and fall of iron ore prices during the pre-third party sale period. The final payment between the parties is a true-up payment so that Tacora has received, and Cargill, has paid the Purchase Price and no more than this amount.

17. For instance, if the price of iron ore is $120 when Tacora delivers the iron ore concentrate to the stockpile, falls to $110 during the three month quotation period following loading on a vessel, but then rises to $130 at the time Cargill sells the iron ore concentrate to a third party, then Tacora will owe Cargill payments during the quotation period (reflecting the decrease in price after receiving initial payment from Cargill) but will ultimately receive a true-up payment from Cargill at the time of the final sale (reflecting the ultimate increase in price).

18. While the provisional pricing structure adds complexity to the accounting, the revenue ultimately received by Tacora under the Offtake Agreement is the Purchase Price. The Purchase Price formula was negotiated at arm's length in 2017.

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ii. Offtake Agreement Negotiations were Conducted at Arm's Length

19. The Scully Mine had been shut down in 2014 by its former owner, Cliffs Natural Resources ("**Cliffs**"), and was for sale under a court-supervised CCAA sales process. In 2016, MagGlobal LLC ("**MagGlobal**") began to look into pursuing a bid. Larry Lehtinen, Matthew Lehtinen, and I were executives of MagGlobal or its affiliate Magnetation LLC and had experience operating an iron ore mine in Minnesota. MagGlobal is a privately-held corporation, controlled by Larry Lehtinen that is unaffiliated with Cargill.

20. On January 12, 2017, MagGlobal incorporated MagGlobal CA Inc as a Canadian vehicle for submitting a bid. Matthew, Larry, and I were all appointed as directors. In May 2017, we changed the corporation's name to Tacora and I will refer to it as such in this affidavit.

21. To demonstrate a viable business plan to the market and the court overseeing the CCAA process, it was imperative that Tacora have an offtake arrangement lined up with an established offtaker. There are very few companies who offer the offtaking services that would be needed for the technical marketing, distribution, and sale of the iron ore concentrate of the Scully Mine. Matthew, Larry, and I reached out to two such companies. We had informal conversations with one of the companies but at the time it was not interested in pursuing a deal. The other company was Cargill, one of the world's largest iron ore traders. Among other things, Cargill connects different parts of the ferrous supply chain, from iron ore mines to steel mills, essentially acting as a middleman and taking a commission for its services.

22. Cargill expressed interest in entering into an offtake arrangement and assigned its iron ore manager for the Atlantic region, Leon Davies, as the point-person for the negotiation. Neither Matthew, Larry, nor I had ever worked with Mr. Davies. Between January and April 2017, Tacora and Cargill negotiated the Offtake Agreement as arm's length parties. Cargill and Tacora conducted due diligence review of the other party's materials and services, performed their own analyses of transaction economics, exchanged offers and counters for a proposed offtaking arrangement, and were advised by separate counsel and advisory teams in the process. Tacora's objective in the negotiation was to secure an offtaking arrangement with an established offtaker who would be able to promote and sell a fledgling brand of iron ore concentrate with as little commission as possible and on otherwise reasonable terms.

23. The negotiations between Tacora and Cargill unfolded as follows:

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(a) On January 20, 2017, Mr. Davies emailed Matthew (with me cc'd) a draft term sheet. This term sheet included an iron adjustment factor within the Purchase Price to account for the quality of the iron ore in the shipment, but only set Tacora's [redacted]. Attached as **Exhibit "D"** is a copy of Mr. Davies' email dated January 20, 2017 with attachment.

(b) The [redacted] profit share was not acceptable to Tacora. On January 24, 2017, Larry sent an updated term sheet back to Mr. Davies (with me cc'd) with Tacora's proposed changes. Among other changes, Tacora removed the iron adjustment from the Purchase Price formula and raised Tacora's [redacted] Attached as **Exhibit "E"** is a copy of the email sent by Larry dated January 24, 2017 with attachments.

(c) On January 26, 2017, Mr. Davies rejected the [redacted] proposed by Tacora on the basis that it would not justify Cargill's investment in marketing the product or the risk it would assume in selling to customer. Attached as **Exhibit "F"** is a copy of the email sent by Mr. Davies to Larry (with me cc'd) dated January 26, 2017 outlining Cargill's position.

(d) On February 2, 2017, Mr. Davies came for an in-person meeting in Minnesota. I attended this meeting and, among other issues covered, Tacora and Cargill reached a tentative arrangement whereby Tacora would receive [redacted].

(e) On February 8, 2017, the parties executed a term sheet for the Offtake Agreement. Attached as **Exhibit "G"** is a copy of the executed term sheet dated February 8, 2017.

(f) On February 27, 2017, Mr. Davies shared a draft of the Offtake Agreement (draft #3) with Tacora for the first time. Attached as **Exhibit "H"** is a copy Mr. Davies' email (with me cc'd) dated February 27, 2017 with attachment.

(g) The parties continued exchanging draft agreements. On March 23, 2017, Larry sent Mr. Davies Tacora's most recent proposal for the Offtake Agreement (draft #9). Among other changes, Tacora added an additional profit share tier so that Tacora would receive [redacted]. Tacora's counsel

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in respect of the Offtake Agreement set out a summary of the major changes to the draft, which Larry included at the bottom of his email to Mr. Davies. Attached as **Exhibit "I"** is a copy of Larry's email to Mr. Davies (with me cc'd) dated March 23, 2017 with attachments

(h) On March 26, 2017, Mr. Davies sent Tacora an updated version of the draft Offtake Agreement (draft #15). Among other changes, Cargill agreed to the additional tier of Tacora profit share but changed the starting price from [redacted]. Attached as **Exhibit "J"** is a copy of Mr. Davies' email to Larry (with me cc'd) dated March 26, 2017 with attachments.

24. The parties continued to exchange draft agreements that hammered out the final details and language. Larry, as CEO of MagGlobal had ultimate decision-making authority in respect of whether Tacora would enter into the offtake arrangement with Cargill. He gave his final approval in early April and on April 5, 2017, the parties executed the Offtake Agreement. Attached as **Exhibit "K"** is a copy of the Offtake Agreement executed on April 5, 2017.

25. The first draft of the offtake term sheet used the Platts 62% Index but included an iron adjustment, so that Tacora would receive a higher amount under the "commodity price" variable of the formula if its iron exceeded 62% grade. In subsequent drafts, Tacora removed this iron adjustment in exchange for a higher percentage of the profit share. Larry, Matthew, and I viewed this as a way to simplify the formula while retaining the revenue lost from the iron adjustment via the higher profit share. In the Purchase Price formula, the index price is additive in the "commodity price" variable but subtractive in the "profit share" variable (where it is deducted from profit as a cost to Cargill). Any benefit to Tacora of using the Platts 65% Index would therefore be muted by its reduction of the "profit share" variable. I believe that if Tacora had insisted on use of a 65% index, it would have needed to accept a lower profit share from Cargill.

iii. Proterra and Cargill were Not Aligned in Interest During Offtake Negotiations

26. MagGlobal had the requisite experience to operate the Scully Mine but needed financing to put forward a successful bid within the CCAA process. In the course of looking for financing, we reached out to Proterra Investment Partners ("**Proterra**"), an international commodities and

private equities firm with a mining-specific focus. Proterra was interested in providing equity financing and we entered into material discussions in January 2017.

27. I am generally aware that Proterra was founded in or around early 2016 as a result of the Cargill corporate family spinning off certain of its private equity investment funds. However, at the time we were in negotiations with both Cargill and Proterra in early 2017 the two were independent and managed separately. Tacora negotiated the Offtake Agreement and Proterra's equity contribution separately.

28. Proterra, as a prospective shareholder, had a material interest in ensuring Tacora entered into a favourable offtake agreement, but its involvement was limited. Proterra was not involved at all in the initial term sheet negotiations between Cargill and Tacora. Proterra signed a commitment letter with Tacora in March 2017 and subsequently reviewed the first draft of the Offtake Agreement that Mr. Davies circulated at the end of February. Based on Proterra's experience in the mining space, its partners were of the opinion that Tacora could bargain for a higher percentage of the profit share than was currently set out in the draft agreement. It was Proterra's advice that led Tacora to secure the additional profit share tier (i.e., [redacted]). In other words, Proterra's involvement in the offtake negotiations led to Tacora securing more favourable terms at the direct expense of Cargill.

29. On June 2, 2017, Tacora executed an asset purchase agreement for the Scully Mine. A Proterra entity, Proterra M&M MGCA B.V. ("**Proterra Holding**"), became the majority shareholder of Tacora on July 17, 2017, one day prior to Tacora's acquisition of the Scully Mine closing. Prior to July 17, 2017, Tacora was wholly-owned by MagGlobal.

iv. Amendments to the Offtake Agreement Have Not Affected the Purchase Price

30. Since being executed on April 5, 2017, the Offtake Agreement has been restated once and amended from time to time. None of these subsequent changes has had a material impact on the Purchase Price to be paid to Tacora.

31. The Offtake Agreement was amended and restated on November 9, 2018 as part of Tacora adjusting its business plan in light of a delayed start to production. The restatement included the following changes:

(a) Minor clarifications of the purchase price calculation method were made (e.g., that the arithmetic mean should be rounded to four decimals places).

(b) A more expansive definition of the Provisional Pricing Index was provided that had no effect on the final Purchase Price calculation.

(c) The term of the contract was extended. Originally, Cargill had the option to extend the contract to the end of 2023. Pursuant to the restatement, Cargill could extend the contract to 2033.

(d) The market index used in calculating the Purchase Price was changed from TSI 62% to Platts 62% as Platts had merged its TSI 62% index and its IODEX 62% index into a singular Platts 62% index.

32. On March 2, 2020, Cargill and Tacora amended the Offtake Agreement to provide Cargill with the option to extend the term of the agreement to 'life of mine' and increased Tacora's margining threshold for provisional price repayment. This amendment provided Tacora with additional access to working capital but did not change the Purchase Price.

33. In both cases the offtake amendments were negotiated at arm's length with Tacora and Cargill engaging in back-and-forth regarding the length of the prospective term extension, Cargill's consideration, and other key terms. In both cases, the amendment was brought to the board of Tacora for review and approval.

C. Cargill Has Never Exercised Control Over Tacora

34. At the time Cargill and Tacora entered into the Offtake Agreement, the two had no other business relationship. In the years following the execution of the Offtake Agreement, Tacora and Cargill have furthered their business relationship, but:

(a) Cargill has never directly owned any issued and outstanding common shares of Tacora;

(b) Cargill never exercised control of Tacora's board; and

(c) Cargill never held the majority of Tacora's debt.

i. A Cargill Affiliate Has an Indirect Interest and Cargill Holds Preferred Shares in Tacora

35. Proterra Holding's sole shareholder at the time of the Scully Mine acquisition was a Dutch cooperative, Proterra M&M MGCA Coöperatief UA ("**Proterra Coöperatief**"). Neither Cargill nor any of its affiliates had an interest in Proterra Coöperatif in 2017.

36. In late 2018, Tacora needed to raise additional funds due to unanticipated delays in resuming mine production. As part of its fundraising efforts, Tacora received $20 million indirectly from Cargill, Incorporated ("**Cargill Inc**"), an affiliate of Cargill. Specifically, Cargill Inc. acquired a membership interest in Proterra Coöperatief and the $20 million equity contribution was subsequently passed down to Tacora. Accordingly, an affiliate of Cargill has held an indirect interest in Tacora since late 2018.

37. On an occasional basis, Tacora has asked Proterra to provide information about the shareholders and beneficial owners of Proterra Holding in response to Know-Your-Client diligence requests from banks and other financial institutions. From these requests, Tacora is aware that Cargill Inc. has maintained an approximately 10% to 11% interest in Tacora since 2018 on a look-through basis. This interest includes both direct and indirect interests in Proterra Holding.

38. Proterra Holding, as majority shareholder, has rights to seats on Tacora's board. Between November 2018 and November 2023, a Cargill employee (first Philip Mulvihill and later Mr. Davies) has occupied one of the Proterra-nominated seats. Both Mr. Mulvihill and Mr. Davies abstained from voting on issues related to the Offtake Agreement. Furthermore, Tacora has historically had a large board of directors, often exceeding nine people, and the influence of any one director has been limited. Neither Mr. Mulvihill nor Mr. Davies ever controlled a majority of votes on Tacora's board. Mr. Mulvihill served as a director from November 16, 2018 to July 3, 2023 and Mr. Davies served as a director from July 3, 2023 to November 27, 2023.

39. In November 2022, Cargill Inc. subscribed for 15,000,000 Class C Non-Voting, Redeemable, Convertible Preferred Shares in Tacora at the price of $1/share. These shares have never been converted. Tacora amended and restated its shareholders' agreement at the time of this subscription. Pursuant to the agreement, Cargill Inc. is entitled to have a director elected to Tacora board. The presence on the board of Mr. Mulvihill and later Mr. Davies was

viewed as fulfilling this requirement. There has never been a Cargill representative on the board other than Mr. Mulvihill and Mr. Davies.

ii. Cargill Does Not Control Tacora Through Funding Support

40. Since restarting mining operations in 2019, Tacora has been attempting to ramp up production of iron ore concentrate to nameplate capacity but has encountered various operational challenges. Lower production has resulted in Tacora at times needing to secure funding support. Cargill and Cargill Inc. are two of several parties that have offered funding support to Tacora. The financing provided by Cargill has included the following:

(a) In around March 2020, Proterra Holding contributed $10 million in response to a cash call. I understand a portion of this funding came from Cargill Inc.

(b) In January 2023, Cargill entered into an advance payments facility agreement (the "**Advance Payment Facility**"). In consideration, Cargill received penny warrants in Tacora that could be exercised into common shares prior to January 2025 that would represent a 10% interest in the company. In April 2023, Cargill extended the term of the Advance Payment Facility, and in consideration received penny warrants in Tacora that could be exercised into commons shares prior to April 2025 that would represent a 25% interest in the company. None of the 10% or 25% warrants have been exercised;

(c) In May 2023, Cargill and Tacora entered into the second Advance Payment Facility amendment for margin advance of up to $25 million as described in the First Broking Affidavit; and

(d) In October 2023, Cargill provided $75 million of debtor in possession financing as part of Tacora's CCAA proceeding.

41. None of Cargill's financings came with realized voting rights or ultimate control over Tacora. Tacora has never exercised its warrants in order to hold Tacora common shares and obtain voting rights. Cargill's rights under these funding support mechanisms are creditor rights. Cargill and its affiliates do not hold the majority of Tacora's debt. I describe the other debt obligations of Tacora in the First Broking Affidavit.

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D. The MFC Royalty

42. The original mining sublease related to the Scully Mine commenced in 1956. For most of its life until 2010, the mine was operated as a joint venture between Cliffs and certain steel producers. In February 2010, Cliffs, exercised a right of first refusal to acquire 100% ownership of the property. Cliffs placed the mine and concentrator on care and maintenance in February 2014 and, in 2015, commenced proceedings under the CCAA.

43. As set out above, Tacora purchased the Scully Mine out of CCAA in July 2017 with the intention of restarting mining operations. In connection with the sale, Tacora was assigned the amended and consolidated mining leases and subsequently entered into a settlement agreement with MFC. In November 2017, the parties agreed on an amendment and restatement of the consolidated leases and executed the Scully Mine Lease.

44. MFC was made aware of the Offtake Agreement and that Cargill was the offtaking party during the negotiations of the restatement of the lease and the offtake provisional pricing structure is incorporated into payment structure for the MFC Royalty. The Offtake Agreement is directly referenced in the MFC Lease and it is acknowledged that the MFC Royalty would be adjusted for certain timing considerations under the Offtake Agreement. For example, Paragraph A.(h) of the MFC Lease provides:

> (h) The Lessor and the Lessee acknowledge and agree that retroactive determinations and payments will be required from time to time with respect to Earned Royalties, given that the Cargill Agreement provides for payment to the Lessee of a Provisional Purchase Price, as defined in the Cargill Agreement) and third party service providers may invoice the Lessee for Deductible Expenses after the end of a calendar quarter, and both such factors shall impact the final determination of Net Revenues (including Deductible Expenses) hereunder; accordingly, in the event that, in respect of Iron Ore Products shipped in any calendar quarter: (i) the final Purchase Price (as defined in the Cargill Agreement) payable to the Lessee under the Cargill Agreement; and/or (ii) final invoices for Deductible Expenses are received and paid by the Lessee subsequent to the applicable Quarterly Payment Date that…[*emphasis added*]

45. Accordingly, each party acknowledges under the Scully Mine Lease that the Offtake Agreement's provisional pricing may lead to Tacora being 1) required to retroactively pay; or 2) entitled to credit, where its revenue is later trued-up at the time of final sale to a third party. However, if Tacora was only to use a market index to determine pricing, without reference to actual realizations, these timing considerations would not be relevant for the determination of Net Revenues.

46. I believe the intention of the different calculation provided under the MFC Lease for a

non-arm's length non-*bona fide* contract was to provide MFC protection if Tacora entered into a contract with a controlled affiliate to sell the ore where it could have discretion over the price. This would be the case if Tacora or its affiliates owned a steel mill, which is the case with other mining companies in the Labrador iron ore trough. Additionally, the non-arm's length provision provides a royalty calculation method if Cargill ever sold Tacora iron ore concentrate to a related party (which it has never done).

47. The Scully Mine Lease grants MFC the right to audit Tacora's books of accounts and records of its iron ore product. In October 2021, MFC retained Luc Marcil (CPA, CA-IFA, CFF) of Lepage Marcil David Forensic Accountants Inc. to conduct a forensic audit of Tacora's reported Net Revenues. Mr. Marcil conducted a detailed audit of Tacora's Net Revenues calculations and the royalties paid pursuant to the definition in (j)(i) of the Scully Mine Lease. MFC raised no concerns in connection with the forensic audit performed by Mr. Marcil, including with respect to the method of calculation.

E. Treatment of the MFC Royalty in the Proposed Transaction

48. On October 30, 2023, Tacora was granted a solicitation order in the CCAA proceedings, which, among other things, approved a process to solicit offers or proposals for a sale, restructuring, or recapitalization transaction in respect of Tacora's assets and business operations. The solicitation process has concluded and Tacora has selected a bid from an ad hoc group of holders of the Company's senior secured notes and certain investors (collectively, the "**Investors**") as the "Successful Bid" under the solicitation process.

49. Following the selection of the Successful Bid, Tacora and the Investors entered into a subscription agreement on January 29, 2024 (the "**Subscription Agreement**"). Attached as **Exhibit "L"** is a copy of the Subscription Agreement, without schedules.

50. The Subscription Agreement contemplates the payment in full of the MFC Royalty payments to MFC for the Q2, Q3 and the stub Q4 period, calculated on the basis that the Offtake Agreement is an arm's length *bona fide* contract of sale. All other pre-filing claims of MFC, including MFC's claims regarding the alleged underpaid MFC Royalty, are "Excluded Liabilities" under the Subscription Agreement.

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51. Attached as **Exhibit "M"** is a copy of the First Broking Affidavit, without exhibits.

SWORN remotely via videoconference, by Joe Broking, stated as being located in the City of Grand Rapids, in the State of Minnesota, before me at the City of Toronto, in Province of Ontario, this 21st day of March, 2024, in accordance with O. Reg 431/20, *Administering Oath or Declaration Remotely*. DocuSigned by: FB5E31A9B4154B3... Commissioner for Taking Affidavits, etc. RJ Reid | LSO #88760P	DocuSigned by: Joe Broking 0EBB6BB7AB484D8... **JOE BROKING**

This is Exhibit “A” referred to in the Affidavit of Joe Broking sworn by Joe Broking, of the City of Grand Rapids, in the State of Minnesota, United States of America, before me at the City of Toronto, in the Province of Ontario, on March 21, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

DocuSigned by:

FB5E31A9B41548B...

Commissioner for Taking Affidavits (or as may be)

AMENDMENT AND RESTATEMENT OF CONSOLIDATION OF MINING LEASES - 2017

THIS INDENTURE made and entered into as of the 17th day of November, 2017, by and between **0778539 B.C. LTD.** (formerly called MFC BANCORP LTD.), a corporation with an address of c/o 1000 Cathedral Place, 925 West Georgia Street, Vancouver, British Columbia, Canada V6C 3L2 (hereinafter called the "**Lessor**"), and **TACORA RESOURCES INC.**, a corporation incorporated under the laws of the Province of British Columbia with an address at Suite 120, 102 NE 3rd Street, Grand Rapids, Minnesota, United States of America 55744 (hereinafter called the "**Lessee**").

WHEREAS, under and pursuant to a certain Mining Lease dated June 28, 1957, by and between the Lessor (known as Canadian Javelin Limited at the time) and Wabush Iron Co. Limited ("**Wabush Iron**") (which Mining Lease, as amended by Agreement dated April 2, 1958, and by Agreement dated January 30, 1959, is hereinafter called the "**Wabush Iron Lease**"), the Lessor demised unto Wabush Iron that piece or parcel of land (hereinafter called the "**Wabush Iron Premises**") described in Schedule A to this Indenture and generally delineated in gray upon a plan (captioned "Plan Annexed to Schedule to Lease No. 2") annexed to said Schedule A; and

WHEREAS, under and pursuant to a certain Mining Lease dated June 28, 1957, by and between the Lessor and Pickands Mather & Co. and The Steel Company of Canada, Limited as lessees (which Mining Lease is hereinafter called the "**PM - Stelco Lease**"), the Lessor demised unto said lessees that piece or parcel of land (hereinafter called the "**PM - Stelco Premises**") described in Schedule B to this Indenture and generally delineated in gray upon a plan (captioned "Plan Annexed to Schedule to Lease No. 1") annexed to said Schedule B; and

WHEREAS, Pickands Mather & Co. and The Steel Company of Canada, Limited, by Assignment dated September 2, 1959 assigned the PM - Stelco Lease and the leasehold estate created thereby to Wabush Iron with the written consent of the Lessor thereto appended; and

WHEREAS, the Lessor and the Lessee desired to modify and amend certain of the provisions of the Wabush Iron Lease and of the PM - Stelco Lease, and to consolidate said Leases into one Lease covering both the Wabush Iron premises and the PM - Stelco Premises (the two said premises being hereinafter together called the "**Demised Premises**"); and

WHEREAS, on September 2, 1959, the Lessor and Wabush Iron entered into an Amendment and Consolidation of Mining Leases, whereby they amended, restated and consolidated the terms of the Wabush Iron Lease and the PM – Stelco Lease in their entirety (as amended from time to time, the "**First Amendment and Consolidation of Mining Leases**"); and

WHEREAS, the First Amendment and Consolidation of Mining Leases was further amended by the Lessor and Wabush Iron pursuant to an Amendment dated June 28, 1960, a Second Amendment dated August 31, 1960, an Amendment of Amendment and Consolidation of Mining Lease dated August 8, 1961; and

WHEREAS, pursuant to an asset purchase agreement between Wabush Iron, Wabush Resources Inc., Wabush Lake Railway Company Limited, the Lessee and Tacora Resources Inc. dated June 2, 2017, an Approval and Vesting Order of the Québec Superior Court, Commercial

Division dated June 26, 2017 and an Assignment Order of the Québec Superior Court, Commercial Division dated June 26, 2017, among other things, Wabush Iron assigned all of its rights and obligations under the First Amendment and Consolidation of Mining Leases to the Lessee; and

WHEREAS, the parties wish to amend and restate the First Amendment and Consolidation of Mining Leases in its entirety all as set forth herein.

NOW, THEREFORE, in consideration of the premises and of the mutual undertakings and agreements of the parties hereinafter set forth **IT IS AGREED** that effective from and after the date hereof the following articles, terms and provisions shall be substituted for the First Amendment and Consolidation of Mining Leases, such articles, terms and provisions being as follows:

NOW THEREFORE THIS INDENTURE WITNESSETH THAT for and in consideration of the rents and royalties and of the covenants and conditions to be paid, observed, performed and fulfilled by the Lessee hereunder, the Lessor hereby demises unto the Lessee all that piece or parcel of land hereinbefore defined as the Demised Premises, as more particularly described in the Schedules to this Indenture and generally delineated in gray upon the plans annexed thereto (which descriptions and plans are to be taken as a part hereof), TOGETHER WITH the exclusive right to explore, investigate, develop, produce, extract, remove by open pit or other method of mining, smelt, reduce and otherwise process, make merchantable, store, sell and ship all Iron Ore Products, as hereinafter defined, on , in or under the Demised Premises, TO HOLD the same unto Lessee for the term extending to and including the 20th day of May 2055, YIELDING AND PAYING therefor yearly on the 20th day of December in each and every year the rental of Three Hundred Sixty Dollars ($360.00) (Canadian Funds), less such sum as shall be expended by the Lessee after the execution of this Indenture on the prospecting, exploration, development or mining of the Demised Premises or any part thereof.

The following terms whenever used in this Indenture shall have the respective meanings hereinbelow set forth:

(a) "**Canadian Funds**" shall mean the lawful money of Canada which at the time is the legal tender for public and private debts in Canada.

(b) "**Cargill Agreement**" means the iron ore sales agreement between the Lessee and Cargill International Trading Pte Ltd. dated April 5, 2017 as the same may be amended, restated or replaced from time to time including with other parties.

(c) "**Deductible Expenses**" means in respect of each Metric Tonne of Iron Ore Products shipped from the Demised Premises, the lesser of: (a) $2.50 per Gross Ton (Canadian funds) (the "**Cap**"), with such Cap adjusted each January 1st after the 2018 year, based on the annual percentage change in the producer price index for final demand transportation and warehousing services (PPI-FD-TWS) as published by the U.S. Department of Labor Statistics; and (b) any reasonable *bona fide* vessel loading and dock handling costs, including, but not limited to, vessel demurrage, tug charges, vessel draft surveys, despatch charges, deadfreight charges, stevedoring charges, vessel security charges and dock access fees (Port of Sept-Îles) paid by or on behalf of the Lessee for the shipment of such Iron Ore

Products from the Port, as defined below, as the Lessee may use to ship Iron Ore Products pursuant to the Cargill Agreement or any other sales agreement for Iron Ore Products that are subject to this Agreement.

(d) "**Disposed Materials**" shall mean tailings stored in the Flora Lake pond or any other disposal or storage site used by the Lessee, waste rock, spoil, or other mine waste resulting from the production of Iron Ore Products,

(e) "**Iron Ore Products**" shall mean and include iron ore, crude iron bearing material including Iron Ore Concentrate, and any other metal, material or composition produced from iron ore or crude iron bearing material or otherwise.

(f) "**Iron Ore Concentrate**" shall mean an iron bearing material produced by the beneficiation of crude iron-bearing material and/or Disposed Material so as to increase the concentration with respect to the element iron.

(g) "**Metric Tonne**" shall mean two thousand two hundred four and six hundred twenty three thousands (2,204.623) pounds avoirdupois.

(h) "**Knoll Lake**" shall mean Knoll Lake Minerals Ltd. (formerly known as Newfoundland and Labrador Corporation Limited).

(i) "**Nalco Lease**" shall mean that Indenture of Lease dated May 26, 1956, as amended by Indenture dated June 28, 1957, between Knoll Lake and the Lessor (then known as Canadian Javelin Limited), leasing the Demised Premises to the Lessor.

(j) "**Net Revenues**" shall mean:

(i) in the event that the Lessee sells Iron Ore Products under an arm's length, bona fide contract of sale, the amount per Metric Tonne (weight determined by vessel draft survey) actually received by or otherwise payable or credited to the account of the Lessee and its affiliates calculated f.o.b. Pointe Noire, Québec or such other applicable port on the St. Lawrence seaway from which such Iron Ore Products is shipped to the Lessee's customers (the "**Port**"), or in the case of sales ex-mine gate or ex-rail, calculated at the point of actual sale, including, without limitation, all payments, incentives, bonuses, allowances, profit sharing or other consideration received by, credited or payable to the Lessee and/or its affiliates in respect thereof, less: (A) the Deductible Expenses; and (B) any royalties or overriding royalties measured by production of Iron Ore Products that are imposed on the Lessee under applicable laws by the Province of Newfoundland and are actually paid to such Province by the Lessee in respect of such sale of such Iron Ore Products (it being acknowledged that no such royalties or overriding royalties exist on the date hereof); and

(ii) in the event that the Lessee otherwise sells Iron Ore Products, including, without limitation, in a non-arm's length transaction, the amount per

Metric Tonne by reference to a standard industry publication or service containing prices or quotations of the prices at which Iron Ore Products of equivalent types and qualities are being sold or purchased at a specific point of delivery (an "**Industry Service**") or, if such Industry Service is unavailable, then by such other means, in accordance with mining industry practice, as may establish such prices or quotations of the prices at which Iron Ore Products or equivalent types are being sold and purchased, calculated at f.o.b. the Port.

A. **AND** the Lessee hereby covenants with the Lessor as follows:

1. That the Lessee will, during the term of this Indenture, pay to the Lessor on or before the 25th day of January, April, July and October (hereinafter called "**Quarterly Payment Dates**") in each and every year or if such day falls on a Sunday or a holiday then on the next ensuing day, as royalty for each Metric Tonne of Iron Ore Products shipped from the Demised Premises (based on weight determined from certified railroad scale at the Scully mine) during the calendar quarter immediately preceding the first day of the month in which payment is to be made as aforesaid an amount equal to seven per cent (7.0%) of the Net Revenues from Iron Ore Products produced or derived from the Demised Premises (the royalty so paid or payable being hereinafter called "**Earned Royalties**") provided, however, that, in the case of Iron Ore Products that are solely produced from Disposed Materials on a segregated basis from other sources of Iron Ore Products and which Disposed Materials originated from iron ore mining at the Demised Premises, the Earned Royalties shall be calculated at a rate of four and two-tenths percent (4.2%) of the Net Revenues from such Iron Ore Products, and further provided that, for each calendar quarter during which this Indenture remains in effect, and regardless of whether the Lessee shall conduct on the Demised Premises any mining or other operations, the Lessee shall, on each of the Quarterly Payment Dates, pay the Lessor a quarterly minimum royalty (hereinafter called "**Minimum**") equal to $812,475 (Canadian Funds), the whole subject to the following conditions, namely:

(a) If on any Quarterly Payment Date the amount payable by the Lessee to the Lessor hereunder as Earned Royalties for each Metric Tonne of Iron Ore Products shipped from the Demised Premises during the immediately preceding calendar quarter shall be less than the Minimum for such quarter, the total amount payable by the Lessee to the Lessor hereunder as royalty on such Quarterly Payment Date shall be the amount of such Minimum.

(b) If and so soon as the total amount paid by the Lessee to the Lessor by way of royalty hereunder in any calendar year shall be equal to the total of the Minimums for all four calendar quarters in such year, the Lessee's obligation to pay royalties hereunder for the remainder of such calendar year shall be limited to the amount of any Earned Royalties which shall be payable hereunder in respect of such year and which are in excess of the total of such Minimums in such year.

(c) Any amount which the Lessee shall pay to the Lessor on any Quarterly Payment Date in respect of the Minimum hereunder otherwise than in payment of Earned Royalties for shipments during the immediately preceding calendar quarter shall constitute a credit against future Earned Royalties in the same calendar year as the quarter in which such payment relates and the Lessee shall be entitled to use and apply any such credit, so far as the same will go and may be required, to the satisfaction of any Earned Royalties on which shall be payable in respect

of shipments during any subsequent quarter of the same year to the extent that such Earned Royalties shall exceed the Minimum for such quarter, provided that any such credits in respect of payments of Minimum relating to calendar quarters ending in the 2017 and 2018 calendar years may be credited only towards any Earned Royalties payable by the Lessee to the Lessor in respect of calendar quarters in the 2018 and 2019 calendar years.

(d) In the event that the Lessee is required to pay any royalties to Knoll Lake under the Nalco Lease, the Lessor agrees that the Lessee shall have credit for any such payments so made against any amounts due to the Lessor hereunder.

(e) Earned Royalties upon any Iron Ore Products obtained from the Demised Premises by the Lessee shall accrue only from the date that such products are actually shipped and for the purposes hereof such products shall be deemed to be shipped when delivered to a carrier at the Demised Premises or from stockpile grounds or the plant, as the case may be, for shipment to the consumer thereof.

(f) The amount of Iron Ore Products shipped hereunder shall be determined by railroad weights in Metric Tonnes certified by the carrier transporting the same, which shall be accepted as prima facie correct, or by weightometers, vessel draft surveys done by independent port surveyors, or such other weights as may be generally in use for such purposes, subject in any case to the right of inspection by either party and any errors discovered shall be corrected and settled for promptly. Any applicable prices from Industry Services during each quarter shall be based upon the average analyses (taken by the Lessee in the normal course or its operations) of the Iron Ore Products shipped in such calendar quarter, subject to verification by independent chemists from time to time at the request and at the expense of the Lessor if no error be found on such verification and otherwise at the expense of the Lessee and errors when discovered shall be corrected and settled for promptly.

(g) On each Quarterly Payment Date, the Lessee will submit to the Lessor a written statement of all tonnages and analyses of Iron Ore products shipped by the Lessee during the immediately preceding calendar quarter.

(h) The Lessor and the Lessee acknowledge and agree that retroactive determinations and payments will be required from time to time with respect to Earned Royalties, given that the Cargill Agreement provides for payment to the Lessee of a "Provisional Purchase Price" (as defined in the Cargill Agreement) and third party service providers may invoice the Lessee for Deductible Expenses after the end of a calendar quarter, and both such factors shall impact the final determination of Net Revenues (including Deductible Expenses) hereunder; accordingly, in the event that, in respect of Iron Ore Products shipped in any calendar quarter: (i) the final Purchase Price (as defined in the Cargill Agreement) payable to the Lessee under the Cargill Agreement; and/or (ii) final invoices for Deductible Expenses are received and paid by the Lessee subsequent to the applicable Quarterly Payment Date that:

(i) would have resulted in a greater amount of Net Revenue in a calendar quarter than the amount previously determined hereunder in calculating the amount of Earned Royalties in respect of such calendar quarter, then the Lessee shall pay to the Lessor on the next Quarterly Payment Date after such determination an additional amount of Earned Royalties equal to the applicable percentage (as utilized to calculate such Earned Royalties

under Clause 1 of Part A hereof) of the difference between the original and final calculations of Net Revenue for such calendar quarter, provided that if on any date, such additional amount of Earned Royalties exceeds $1,000,000 (Canadian Funds) based on amounts payable to the Lessee under the Cargill Agreement, then the Lessee shall pay such additional amount of Earned Royalties within 15 days of knowledge thereof; or

(ii) would have resulted in a lower amount of Net Revenue in a calendar quarter than the amount otherwise determined hereunder in calculating the amount of Earned Royalties in respect of such calendar quarter, then the Lessee shall be entitled to deduct from the amount of Earned Royalties payable to the Lessor on the next Quarterly Payment Date after such determination an amount equal to the applicable percentage (as utilized to calculate such Earned Royalties under Clause 1 of Part A hereof) of the difference between the original and final calculations of Net Revenue for such calendar quarter, provided that in no event shall the Deductible Expenses exceed the Cap.

2. That the working and getting of the Iron Ore Products shall be performed in a skillful and workmanlike manner according to the most approved practice for the time being adopted in similar mines and fields.

3. That the Lessee shall, before the 25th day of January, April, July and October in each year during the currency of this Indenture, submit a report to the Lessor showing

i. the total tonnage mined or produced during the previous calendar quarter or any part thereof included in the term;

ii. the quantity of Iron Ore Products obtained from the total tonnage mined or produced;

iii. the total tonnage mined or produced during the previous calendar quarter or any part thereof from each of tailings, waste rock, spoil and mine waste;

iv. the quantity of Iron Ore Products obtained from each of tailings, waste rock, spoil and mine waste;

v. the average iron content of the Iron Ore Products produced during the year (including reporting on a separate basis such information for Iron Ore Products produced from each of tailings, waste rock, spoil and mine waste);

vi. the Net Revenues from the sale of all Iron Ore Products, including a detailed breakdown thereof;

vii. the Deductible Expenses, including a detailed breakdown thereof;

viii. the gross value received from the sale of all Iron Ore Products;

ix. the amount and method of calculation of any tax required to be withheld by the Lessee under applicable taxation legislation;

x. a detailed breakdown of the calculation of any payments or credits under Clause 1(h) of Part A hereof;

xi. such other reasonable information requested by the Lessor in order to determine the amounts payable under this Indenture; and

xii. such other data and information as may be required of the Lessor by Knoll Lake under the provisions of the Nalco Lease.

4. That the Lessee will permit the Lessor by its duly authorized agents or representatives at all reasonable times to enter upon and inspect and examine the Demised Premises and every part thereof for the purpose of ascertaining the conditions thereof and the manner of working and managing the same, provided, however, that such inspection and examination shall in no way interfere with the working by the Lessee of the Demised Premises and shall be at the sole cost and risk of the Lessor.

5. That the Lessee will maintain throughout the term herein granted good and sufficient corner posts or mounds and boundary marks according to the most approved mining practice for the time being adopted in similar mines and fields and in accordance with The Crown Lands (Mines and Quarries) Act, Chapter 175 of The Revised Statutes of Newfoundland, 1952.

6. That except where it is necessary to employ technical experts, the Lessee shall at all times in the working and production of the iron ore employ Newfoundland workers if they are available.

7. That if the Government of the Province of Newfoundland shall at any time be desirous of acquiring any vacant lands, being part of the Demised Premises, for the purpose of building, making or erecting railways, roads, bridges or public buildings or works or for townsites or for agricultural settlements, or for sites for tourist purposes, the Lessee shall, if it has not carried out or is not proposing to carry out development thereon, release such lands to the Lessor and if the Lessee shall have improved such lands they shall be surrendered upon payment by the Lessor of fair and reasonable compensation to be agreed upon between the parties and, if not agreed upon, to be settled by arbitration in the manner provided in Section 8 I of The Newfoundland and Labrador Corporation Limited Act, 1951, the Act No. 88 of 1951 as amended by The Newfoundland and Labrador Corporation Limited (Amendment) Act, 1953, the Act No. 64 of 1953, and by The Newfoundland and Labrador Corporation Limited (Amendment) Act, 1959, the Act No. 34 of 1959.

8. That the Lessee shall keep full and proper books of account and records of all Iron Ore Products produced or shipped, all revenues received for Iron Ore Products, the Deductible Expenses hereunder and such books of account and records shall contain full particulars of all data and particulars necessary and proper for the compiling of the report referred to in Clause 3 of this Part A of this Indenture.

9. That the Lessor may by its duly authorized agents or representatives at all reasonable times inspect and audit the said books or account and records referred to in the foregoing Clause 8 of Part B of this Indenture and take extracts therefrom for the information of the Lessor.

10. The Lessee may not mix or commingle, either underground, at the surface, at processing plants or other treatment facilities or at transportation facilities or otherwise any of the Iron Ore Products extracted from the Demised Premises with any similar substances derived from any other property or other lands.

11. The Lessor holds this Indenture in trust for and on behalf of its affiliated company, 1128349 B.C. Ltd. (the "**Beneficial Holder**"), and the Lessee shall make all payments hereunder, including Earned Royalties and the Minimum, to the Beneficial Holder unless and until the Lessor and the Beneficial Holder jointly advise the Lessee in writing to otherwise make such payments. The Lessor covenants and agrees that any and all payments made by the Lessee as provided in Clause 11 of this Part A of this Indenture shall constitute proper and sufficient payment of such amounts pursuant to this Indenture.

12. The parties hereto acknowledge and agree that the obligations to pay Earned Royalties hereunder will be a covenant running with the Demised Premises, will be enforceable as an *in rem* interest in land which shall run with the Demised Premises and will be binding upon and enure to the benefit of the parties and their respective successors and permitted assigns and form an integral part of this Indenture and the lease of the Demised Premises contemplated hereunder.

13. The Lessee will have the right to engage in forward sales, futures trading or commodity options trading and other price hedging, price protection, derivatives, synthetic and speculative arrangements (the "**Trading Activities**") which may involve the possible physical delivery of Iron Ore Products. Earned Royalties will not apply to, and the Lessor will not be entitled to participate in, the profits or losses generated by the Lessee or its affiliates in such Trading Activities. If the Lessee or its affiliates engage in Trading Activities, the Earned Royalties on the Iron Ore Products underlying such Trading Activities will be determined on the basis of the value of such Iron Ore Products without regard to the price or proceeds actually received by the Lessee or any of its affiliates for or in connection with the sale, or the manner in which a sale to a third party is made by the Lessee or any of its affiliates. The aforementioned value will be determined in accordance with paragraph (ii) of the definition of "Net Revenues" herein. The parties agree that the Lessor is not a participant in the Trading Activities of the Lessee or any of its affiliates, and therefore Earned Royalties will not be diminished or improved by losses or gains of the Lessee or any of its affiliates in any such Trading Activities.

B. **AND** the Lessor hereby covenants and warrants with the Lessee as follows:

1. That the Lessor is the owner and holder of a valid leasehold estate in and to the Demised Premises under a valid and subsisting lease in respect thereof fully effective in accordance with its terms; that the Lessor has good and full right to grant to the Lessee the rights and interests herein purported to be granted free and clear of all liens and encumbrances; that the Lessor will keep the Nalco Lease in respect of the Demised Premises in full force and effect for the term hereof; that the Lessee, paying the rent and royalties hereby reserved and observing and performing and fulfilling the several covenants and conditions herein contained and on the part

of the Lessee to be paid, observed, performed and fulfilled, shall peaceably hold and enjoy the mines, premises, liberties and powers hereby demised and granted during the said term without any interruption by the Lessor or any person rightfully claiming under or in trust for it.

2. That the Lessee shall have the full and free right, liberty and license, during the continuance of this Indenture, by way or surface or subterranean operations, to work, mine, extract, remove, mill, smelt or process and sell or dispose of for the benefit of the Lessee the Iron Ore Products on, in and under the Demised Premises and to do all other acts and things as are necessary for the purpose of mining or incidental thereto.

3. That the Lessee may waste or dispose of all tailings, waste rock, spoil or Disposed Material resulting from the production of the Iron Ore Products by the Lessee in such ways as the Lessee may from time to time see fit, subject to the condition that if any Iron Ore Products are extracted from such tailings, waste rock, spoil or other mine waste by the Lessee, the Lessee shall pay to the Lessor in respect of such Iron Ore Products so extracted the royalty provided for in Part A of this Indenture.

C. **AND** it is hereby mutually agreed by and between the Parties hereto:

1. That the Lessee may at any time determine the tenancy hereby created by giving to the Lessor sixty (60) days' previous notice in writing to that effect and thereupon, provided the Lessee shall up to the date of such determination pay the rents and perform and fulfill the covenants and conditions on the part of the Lessee to be paid, performed and fulfilled, the present demise and everything herein contained shall cease and be void save in respect of any rents, royalties and other amounts which ought to be paid upon or before the determination of the tenancy.

2. That if at the determination of the tenancy there shall be Iron Ore Products which have been mined or produced before the determination of the said tenancy and not removed from the Demised Premises, the Lessee shall have the right upon the payment of royalties thereon in accordance with the provisions hereof to remove the same within a period of six (6) calendar months from the date of the determination of the tenancy and shall have full right of access to the Demised Premises for the above purpose.

3. That it shall be lawful for the Lessee to remove all buildings, plant, machinery and all articles and things of the Lessee in and upon or under the Demised Premises at any time within six (6) months after the determination of the tenancy; provided that the Lessor shall have the right by notice in writing to the Lessee to purchase all or any part of the said properties, articles and things at the then reasonable market price, to be determined, failing agreement thereon between the parties, by arbitration as hereinafter provided.

4. That if and whenever any of the rents or royalties hereby reserved or any part thereof shall be in arrears for thirty (30) days or if any covenant or condition herein contained shall not have been duly performed or observed, the Lessor, upon giving sixty (60) days' notice in writing to the Lessee that such rents or royalties have not been paid and demanding payment thereof or that any covenant or condition has not been performed or observed, may, at any time thereafter, if such payment is not made or such covenant or condition is not performed or observed within such period of notice, enter into and upon the Demised Premises or any part thereof and thereupon this demise shall absolutely determine subject to the same obligations on

the part of the Lessee as if such determination had been effected by the Lessee pursuant to the provisions of Clause 1 of this Part C and without prejudice to the right of action of the Lessor in respect of any breach of the Lessee's covenants herein contained.

5. That, notwithstanding any other provisions of this Indenture, if the amount of any rents or royalties payable in any year under this Indenture or the performance or observance of any covenant or condition contained in this Indenture is in dispute between the Lessor and the Lessee, such rents or royalties shall be deemed due and payable and such covenant or condition shall be required to be performed or observed within sixty (60) days of the date of the award of the arbitrators appointed. to decide such dispute in accordance with Clause 9 of this Part C of this Indenture; provided that the Lessee shall not be entitled to the benefit of this clause unless it has been paid the amount which it considers is payable in respect of such rents and royalties within thirty (30) days of the date upon which the said rents and royalties are payable and provided, further, that if the full amount of such rents and royalties payable under the said award shall not be paid within the sixty (60) days after the date of such award then the Lessor may exercise the rights conferred on it by Clause 4 of this Part C of this Indenture and the Lessor shall not be obliged to give the notice required thereby.

6. That should the mining operations of the Lessee cause subsidence of or other injury to the surface land of the Demised Premises, the Lessee shall not be liable to pay any compensation therefor to the Lessor.

7. Notwithstanding the foregoing, the Lessee shall timely and fully perform all reclamation required by all governmental authorities pertaining or related to the Lessee's operations or activities on or with respect to the Demised Premises or required under this Indenture. The Lessee covenants and agrees not to undertake, cause, suffer, or permit any condition or activity at, on or in the vicinity of the Demised Premises which constitutes a violation of or liability under any present or future applicable federal, provincial, or local environmental Laws, (collectively "**Environmental Obligations**"). In the event the Lessee fails to comply with any Environmental Obligations, undertakes any activity giving rise to liability under any Environmental Obligations, or otherwise breaches any Environmental Obligations, the Lessee shall promptly remedy and correct such failure to comply, satisfy such liability, cure such breach and satisfy all obligations in connection therewith. The Lessee covenants and agrees to indemnify and hold the Lessor harmless from any and all liabilities, obligations, claims (including administrative claims and claims for injunctive relief), losses, costs, damages, expenses, attorney fees and causes of action asserted against Lessee related to the Lessee's failure to comply with and satisfy Environmental Obligations or other obligations under this Indenture. The covenants and agreements of this Clause 7 of Part C shall survive any expiration or termination of this Indenture.

8. The Lessee shall at all times comply with all applicable present or future Laws relating to operations and activities on or with respect to the Demised Premises and related operations; provided, however, the Lessee shall have the right to contest any of the same if such contest does not unreasonably jeopardize the Demised Premises, the mining operations thereon or the Lessor's rights in respect of the Demised Premises or under this Agreement.

9. That if any dispute, question or difference shall arise at any time between the Lessor and the Lessee as to any matter contained in this Indenture or touching or concerning the provisions of this Indenture or the construction, meaning, operation or effect thereof or arising

out of or in relation to this Indenture, or if the parties fail to agree upon any matter reserved for their mutual agreement, then such dispute, question, difference, or agreement shall be determined by arbitration in the manner following:

The Lessor shall appoint one arbitrator, the Lessee shall appoint another, and the two arbitrators so appointed shall appoint a third arbitrator or umpire, and in the event of the Lessor or the Lessee failing to appoint an arbitrator after seven (7) clear days' notice by the Lessor or the Lessee, as the case may be, so to do, the Lessor or the Lessee may apply to a Judge of the Supreme Court of Newfoundland who may, after due notice to the Lessor or the Lessee, as the case may be, appoint such arbitrator, and the arbitrators so appointed by the Lessor or the Lessee or by the Judge shall thereupon appoint a third arbitrator or umpire, and in the event of the last mentioned arbitrators' failing to appoint a third arbitrator or umpire after seven (7) clear days' notice from the Lessor or the Lessee so to do, the Judge may, on the application of the Lessor or the Lessee, as the case may be, appoint such third arbitrator or umpire, and the award of such arbitrators any two (2) of them shall be final and binding upon the parties.

The expense of any such arbitration, including reasonable compensation for the arbitrators, shall be borne and paid equally by the parties or as the arbitrators may otherwise direct.

10. That the Lessee shall not have the right to assign the demise hereby granted or any right or interest of the Lessee therein or to sublet the Demised Premises in whole or in part excepting with the consent in writing of the Lessor, which consent shall not be unreasonably withheld; provided, however, that the Lessee may assign this Lease to a wholly-owned subsidiary or an affiliate of the Lessee on thirty (30) days' prior written notice to the Lessor, provided that any such wholly-owned subsidiary or affiliate of the Lessee: (a) has agreed in advance in writing in favour of the Lessor to be bound by the terms of this Indenture; and (b) has simultaneously acquired all of the Lessee and its other affiliates' right, title and interests in the assets comprising and used in connection with mining operations at the Demised Premises, including all equipment, licenses and permits related thereto; and further provided that no such assignment shall release or relieve the Lessee from any of its obligations under this Indenture. Subject to the foregoing, this Indenture shall enure to the benefit of and be binding upon the respective successors and assigns of the parties hereto.

11. That the Demised Premises shall revert to the Lessor if the mine has ceased to operate for ten (10) consecutive years or if the Lessee fails to recommence production at the mine by December 31, 2019.

12. Every notice, request, demand or communication required or permitted to be given under this Indenture shall be in writing and delivered by hand or facsimile transmission to the Party which it is to be given as follows:

If to the Lessor:

0778539 B.C. LTD.
c/o 1000 Cathedral Place
925 West Georgia Street
Vancouver, British Columbia
Canada V6C 3L2

Facsimile: (604) 683-3206
Attention: Michael Smith, President

with a copy (which shall not constitute notice) to:

Sangra Moller LLP
1000 Cathedral Place
925 West Georgia Street
Vancouver, British Columbia
Canada V6C 3L2

Facsimile: (604) 669-8803
Attention: H.S. Sangra

If to the Lessee:

Tacora Resources Inc.
102 NE 3rd Street
Suite 120
Grand Rapids, Minnesota
United States of America 55744

Facsimile: (218) 999-5827
Attention: Larry Lehtinen, Executive Chairman and CEO
Email: larry.lehtinen@tacoraresources.com

with a copy to:

Facsimile: (218) 999-5827
Attention: Joe Broking, CFO and Corporate Secretary
Email: joe.broking@tacoraresources.com

and:

Attention: Legal Department
Email: CorporateSecretaryNotices@tacoraresources.com

with a copy (which shall not constitute notice) to:

Stikeman Elliott LLP
5300 Commerce Court
199 Bay Street
Toronto, Ontario
Canada M5L 1B9

Facsimile: (416) 947-0866
Attention: John Ciardullo

or to such other address or facsimile number as is specified by a party hereto by notice to the other party given in accordance with this Clause 12 of this Part C of this Indenture. Any such notice, demand, request or direction shall be deemed to have been given and received if delivered, on the next business day (a "**Business Day**"), being any day except Saturday, Sunday or any day on which banks are not generally open for business in the City of St. John's Newfoundland and Labrador, the City of Toronto, Ontario or the City of Vancouver, British Columbia, after the day of delivery, and if sent by facsimile transmission, on the first Business Day after the day of transmittal.

13. This Indenture shall be construed and interpreted in accordance with the laws of the Province of Newfoundland, Canada and the federal laws of Canada applicable therein.

[Remainder of page left intentionally blank.]

14. This Indenture may be executed in counterparts and by facsimile or email and by different parties in separate counterparts, each of which when so executed shall be deemed an original and all of which, taken together, shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Parties hereto have caused this Indenture to be duly executed as of the day and year first above Written.

SIGNED, SEALED AND DELIVERED BY **0778539 B.C. LTD.** IN THE PRESENCE OF:

Notary Public for British Columbia
(affix seal or stamp)

ROD A. TALAIFAR
Barrister & Solicitor
1000 CATHEDRAL PLACE
925 WEST GEORGIA STREET
VANCOUVER, B.C. V6C 3L2
TELEPHONE: 604-662-8808

0778539 B.C. LTD.

By _____
Name: Michael Smith
Title: Authorized Signatory

SIGNED, SEALED AND DELIVERED BY **TACORA RESOURCES INC.** IN THE PRESENCE OF:

Hope Elizabeth Wilson
Notary Public for Minnesota
(affix seal or stamp)

HOPE ELIZABETH WILSON
NOTARY PUBLIC - MINNESOTA
My Commission Expires
January 31, 2019

TACORA RESOURCES INC.

By _____
Name: Larry Lehtinen
Title: Executive Chairman and CEO

14. This Indenture may be executed in counterparts and by facsimile or email and by different parties in separate counterparts, each of which when so executed shall be deemed an original and all of which, taken together, shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Parties hereto have caused this Indenture to be duly executed as of the day and year first above Written.

SIGNED, SEALED AND DELIVERED BY **0778539 B.C. LTD.** IN THE PRESENCE OF:

0778539 B.C. LTD.

_____
Notary Public for _____
(affix seal or stamp)

By _____
Name:
Title:

SIGNED, SEALED AND DELIVERED BY **TACORA RESOURCES INC.** IN THE PRESENCE OF:

TACORA RESOURCES INC.

Hope Elizabeth Wilson
Notary Public for Minnesota
(affix seal or stamp)

By Larry Lehtinen
Name: Larry Lehtinen
Title: Executive Chairman and CEO

HOPE ELIZABETH WILSON
NOTARY PUBLIC - MINNESOTA
My Commission Expires
January 31, 2019

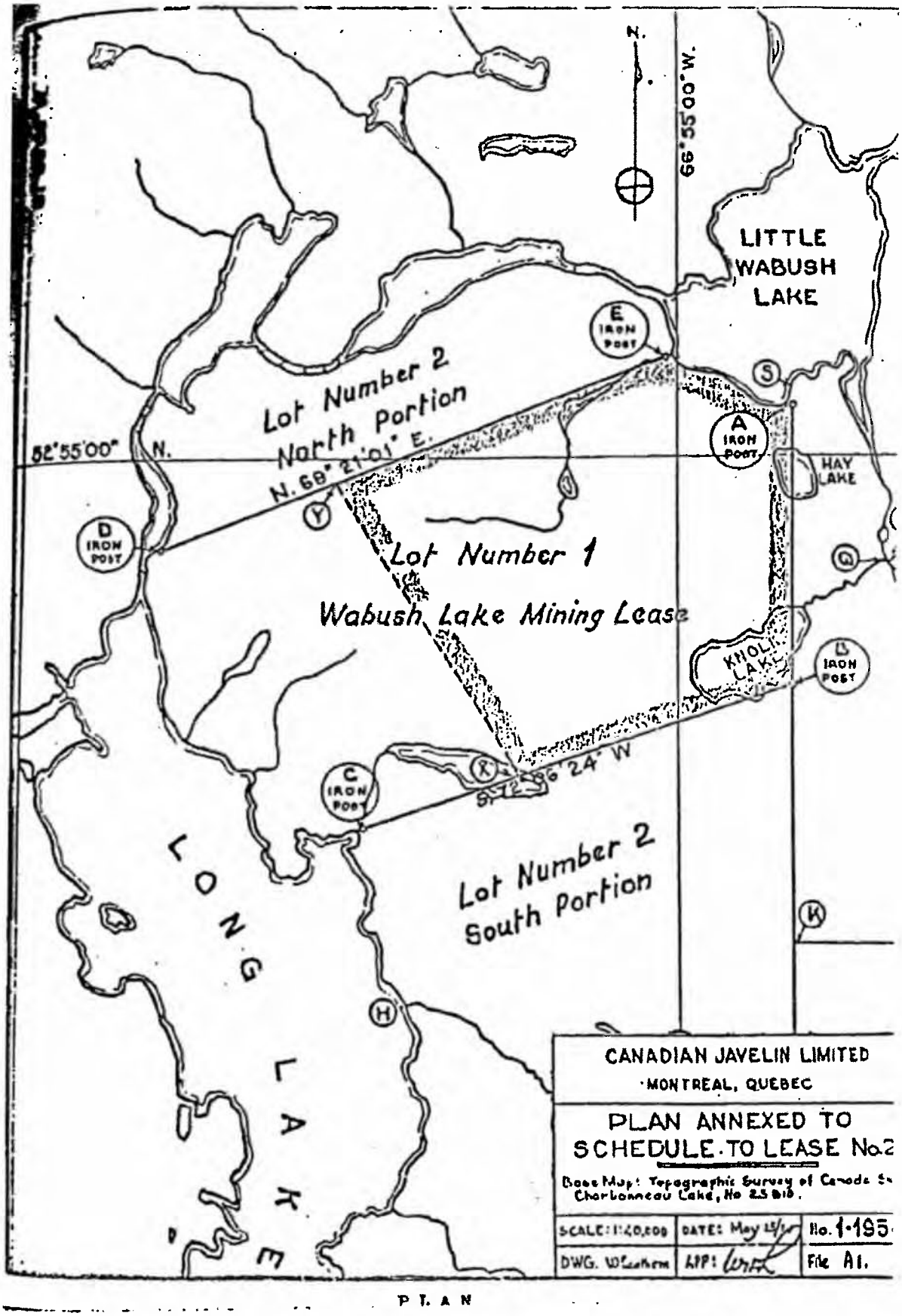
This INSTRUMENT is hereby approved
this 1st day of Mar. 20 18 by
for MINISTER OF NATURAL RESOURCES

REGISTERED: this 1st day of March 2018
In accordance with Sec. 6, the Mineral Act RSNL 1990
Vol. 34 Fol. 16 Receipt No. N/A
MANAGER-MINERAL RIGHTS
(Mineral Claims Recorder)

SCHEDULE A

A piece or parcel of land containing an area of approximately three and thirty-six hundredths (3.36) square miles situated in Labrador in the Province of Newfoundland as generally delineated and outlined in grey upon the Plan annexed to this schedule and being more particularly described as follows:

Beginning at Point A (Point A being an iron pin approximately seventy (70) feet to the South of the South shore line of Little Wabush Lake near the intersection of Parallel fifty-two degrees fifty-five minutes fourteen seconds (52°55'14") North Latitude with Meridian sixty-six degrees fifty-four minutes nine seconds (66°54'9") West Longitude, said intersection being interpolated from Topographic Survey of Canada Map Sheet No. 23B/15 Charbonneau Lake, Newfoundland, Quebec, Advance Information, Scale 1:40,000); thence running true South seven thousand five hundred ninety-six and fifty-eight hundredths (7,596.58) feet more or less to Point B (Point B being an iron pin approximately two hundred and sixty-seven (267) feet to the South of the south shore line of Knoll Lake); thence running in a Southwesterly direction along a line bearing South seventy-two degrees six minutes twenty-four seconds (72°6'24") West a distance of seven thousand eight hundred twenty-nine and forty-two hundredths (7,829.42) feet more or less to Point X; thence running in a Northwesterly direction along a line bearing North thirty-one degrees twenty-eight minutes ten seconds (31°28'10") West a distance of nine thousand three hundred thirty-four and sixty-five hundredths (9,334.65) feet more or less to Point Y; thence in a Northeasterly direction along a line bearing North sixty-nine degrees twenty-one minutes one second (69°21'1") East a distance of nine thousand six hundred and forty-five and seventeen hundredths (9,645.17) feet more or less to Point E (Point E being an iron pin on the North bank of a stream flowing into Little Wabush Lake); thence running along said last mentioned line a distance of approximately forty (40) feet to its intersection with the shore line of Little Wabush Lake; thence running Southeasterly along the South shore line of Little Wabush Lake to a point true North of Point A; thence running a distance of approximately seventy (70) feet true South to Point A, the point of beginning; all bearings being referred to the True Meridian; and subject nevertheless to the right of way of The Wabush Lake Railway Company Limited.

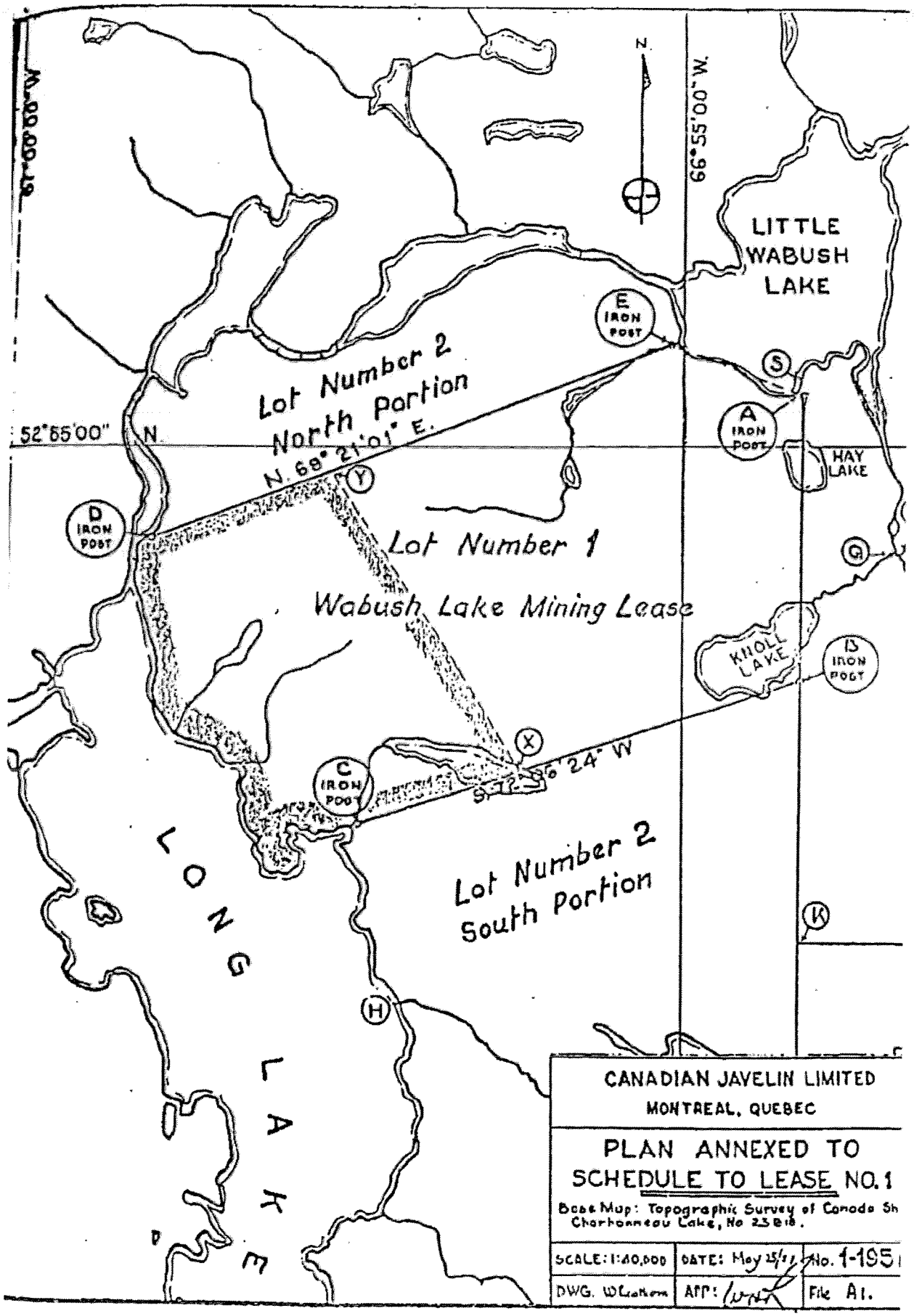


PLAN

SCHEDULE B

A piece or parcel of land containing an area of approximately two and twenty four hundredths (2.24) square miles situated in Labrador in the province of Newfoundland as generally delineated and outlined in grey upon the Plan annexed to this schedule and being more particularly described as follows:

Referring to Point A (Point A being an iron pin approximately seventy (70) feet to the South of the South shore line of Little Wabush Lake near the intersection of Parallel fifty-two degrees fifty-five minutes fourteen seconds (52°55'14") North Latitude with Meridian sixty-six degrees fifty-four minutes nine seconds (66°54'19") West Longitude, said intersection being interpolated from Topographic Survey of Canada Map Sheet No. 23B/15, Charbonneau Lake, Newfoundland, Quebec, Advance Information, Scale 1:40,000); thence running Northwesterly along a line bearing North sixty-seven degrees thirty-four minutes forty seconds (67°34'40") West a distance of three thousand five hundred sixty-eight and six hundredths (31,568.06) feet more or less to Point E (Point E being an iron pin on the North bank of a stream flowing into Little Wabush Lake); thence running Southwesterly along a line bearing South sixty-nine degrees twenty-one minutes one second (69°21'1") West a distance of nine thousand six hundred forty-five and seventeen hundredths (9,645.17) feet more or less to Point Y (Point Y being the point of beginning); thence running in a Southeasterly direction along a line bearing South thirty-one degrees twenty-eight minutes ten seconds (31°28'10") East a distance of nine thousand three hundred thirty-four and sixty-five hundredths (9,334.65) feet more or less to Point X; thence running in a Southwesterly direction along a line bearing South seventy-two degrees six minutes twenty-four seconds (72°6'24") West a distance of four thousand seven hundred twenty-six and twenty-seven hundredths (4,726.27) feet more or less to Point C (Point C being an iron pin on the South bank of a stream flowing into Long Lake); thence running in a Southwesterly direction along said last mentioned line a distance of approximately twenty (20) feet to the intersection of said last mentioned line with the East shore line of Long Lake; thence running in a Northerly direction along the East shore line of Long Lake and the East shore line of a stream flowing from Long Lake into Little Wabush Lake to the point of intersection of the aforesaid shore line of a stream running through Point D, hereinafter described, said last mentioned line having a bearing of South sixty-nine degrees twenty-one minutes one second (69°21'1") West; thence running Northeasterly along said last mentioned line a distance of approximately forty (40) feet to Point D (Point D being an iron pin); thence running in a Northeasterly direction on a line bearing North sixty-nine degrees twenty-one minutes one second (69°21'1") East a distance of five thousand seven hundred thirty-six and twenty-four hundredths (5,736.24) feet more or less to Point Y, the point of beginning; all bearings being referred to the True Meridian; and subject nevertheless to the right of way of the Wabush Lake Railway Company, Limited.



PLAN

This is Exhibit “B” referred to in the Affidavit of Joe Broking sworn by Joe Broking, of the City of Grand Rapids, in the State of Minnesota, United States of America, before me at the City of Toronto, in the Province of Ontario, on March 21, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

DocuSigned by:

FB5E31A9B41548B...

Commissioner for Taking Affidavits (or as may be)

Scully
ROYALTY LTD

April 27 2023

VIA COURIER, EMAIL AND REGISTERED POST

TACORA RESOURCES INC.
Suite 120, 102 NE 3rd Street
Grand Rapids, Minnesota
U.S.A 55744

Attention: Joe Broking, Chief Executive Officer

Dear Sirs:

Re: Amendment and Restatement of Consolidation of Mining Leases – 2017 entered into as of September 17, 2017, between 0778539 B.C. Ltd., now assigned to 1128349 B.C. Ltd. ("112") and Tacora Resources Inc. (the "Sub-Lease")

As you are aware, a quarterly royalty payment was due from Tacora Resources Inc. ("**Tacora**") to us on April 25, 2023 in respect of Earned Royalties for the calendar quarter ended December 31, 2022 pursuant to Clause A(1) of the Sub-Lease (respectively, the "**Q1 Earned Royalty Payment**") along with a production report under Clause A(3) thereof. We have not received such payment or report to date.

In addition, we previously informed you that you have underreported and underpaid Earned Royalties for all Quarterly Payment Dates since operations recommenced at the Demised Premises in 2019 (the "**Underpaid Royalties**") as a result of incorrectly calculated "Net Revenues". More specifically, Cargill International Trading Pte Ltd. ("**Cargill**") is a non-arm's length party from Tacora, including, but not limited, as a result of board representation, significant influence (including input as to management compensation) and major shareholdings. Accordingly, from at least 2019 and onwards, "Net Revenues" should have been calculated in accordance with subsection (ii) of the definition of "Net Revenues" under the Sub-Lease which applies to non-arm's length transactions, rather than subsection (i), which applies only to arm's length transactions.

We currently calculate the Underpaid Royalties to be in excess of US$10 million. Such amount has been in arrears for more than 30 days. Accordingly, this letter serves as notice pursuant to Clause C(4) of the Sub-Lease of such unpaid royalties. We hereby demand full payment of the balance of Underpaid Royalties. If such default is not cured, we reserve our rights to pursue all such remedies as may be available to us, including the termination of the Sub-Lease.

Further, if the requisite reporting and payment of the Q1 Earned Royalty Payment are not received by May 25, 2023, we intend to provide you additional notice of default in accordance with Clause C(4) of the Sub-Lease at such time.

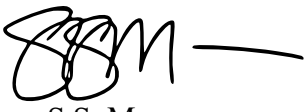
Room 2103 Shanghai Mart Tower, 2299 Yan An Road West, Changning District, Shanghai China 200336
Telephone: 1 (844) 331-3343; email: info@scullyroyalty.com

We are open to discussions with other creditors – either by phone or in-person - to discuss and resolve this situation. However, given the foregoing, we are not willing to grant any further consents to encumbrances or security interests until such time as you are no longer in default under the Sub-Lease. Further, we reserve our rights in respect of any preference payments made by Tacora, including to non-arm's length parties.

Capitalized terms not otherwise defined herein have the meanings ascribed to them in the Sub-Lease.

Regards,

1128349 B.C. LTD.

By: 

S.S. Morrow
Director

CC: Leon Davies, Cargill International Trading Pte Ltd.
CC: Wells Fargo Bank as Trustee for the 2026 Tacora Senior Secured Notes

This is Exhibit “C” referred to in the Affidavit of Joe Broking sworn by Joe Broking, of the City of Grand Rapids, in the State of Minnesota, United States of America, before me at the City of Toronto, in the Province of Ontario, on March 21, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

DocuSigned by:

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Commissioner for Taking Affidavits (or as may be)

Subject to Sealing Order

This is Exhibit “D” referred to in the Affidavit of Joe Broking sworn by Joe Broking, of the City of Grand Rapids, in the State of Minnesota, United States of America, before me at the City of Toronto, in the Province of Ontario, on March 21, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

DocuSigned by:

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Commissioner for Taking Affidavits (or as may be)

Subject to Sealing Order

This is Exhibit “E” referred to in the Affidavit of Joe Broking sworn by Joe Broking, of the City of Grand Rapids, in the State of Minnesota, United States of America, before me at the City of Toronto, in the Province of Ontario, on March 21, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

DocuSigned by:

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Commissioner for Taking Affidavits (or as may be)

Subject to Sealing Order

This is Exhibit “F” referred to in the Affidavit of Joe Broking sworn by Joe Broking, of the City of Grand Rapids, in the State of Minnesota, United States of America, before me at the City of Toronto, in the Province of Ontario, on March 21, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

DocuSigned by:

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Commissioner for Taking Affidavits (or as may be)

Subject to Sealing Order

This is Exhibit “G” referred to in the Affidavit of Joe Broking sworn by Joe Broking, of the City of Grand Rapids, in the State of Minnesota, United States of America, before me at the City of Toronto, in the Province of Ontario, on March 21, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

DocuSigned by:

FB5E31A9B41548B...

Commissioner for Taking Affidavits (or as may be)

Subject to Sealing Order

This is Exhibit “H” referred to in the Affidavit of Joe Broking sworn by Joe Broking, of the City of Grand Rapids, in the State of Minnesota, United States of America, before me at the City of Toronto, in the Province of Ontario, on March 21, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

DocuSigned by:

FB5E31A9B41548B...

Commissioner for Taking Affidavits (or as may be)

Subject to Sealing Order

This is Exhibit “I” referred to in the Affidavit of Joe Broking sworn by Joe Broking, of the City of Grand Rapids, in the State of Minnesota, United States of America, before me at the City of Toronto, in the Province of Ontario, on March 21, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

DocuSigned by:

FB5E31A9B41548B...

Commissioner for Taking Affidavits (or as may be)

Subject to Sealing Order

This is Exhibit “J” referred to in the Affidavit of Joe Broking sworn by Joe Broking, of the City of Grand Rapids, in the State of Minnesota, United States of America, before me at the City of Toronto, in the Province of Ontario, on March 21, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

DocuSigned by:

FB5E31A9B41548B...

Commissioner for Taking Affidavits (or as may be)

Subject to Sealing Order

This is Exhibit “K” referred to in the Affidavit of Joe Broking sworn by Joe Broking, of the City of Grand Rapids, in the State of Minnesota, United States of America, before me at the City of Toronto, in the Province of Ontario, on March 21, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

DocuSigned by:

FB5E31A9B41548B...

Commissioner for Taking Affidavits (or as may be)

Subject to Sealing Order

This is Exhibit “L” referred to in the Affidavit of Joe Broking sworn by Joe Broking, of the City of Grand Rapids, in the State of Minnesota, United States of America, before me at the City of Toronto, in the Province of Ontario, on March 21, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

DocuSigned by:

FB5E31A9B41548B...

Commissioner for Taking Affidavits (or as may be)

Execution Version

THE ENTITIES LISTED ON EXHIBIT "A" HERETO

AS THE INVESTORS

- AND -

TACORA RESOURCES INC.

AS THE COMPANY

SUBSCRIPTION AGREEMENT

DATED January 29, 2024

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SUBSCRIPTION AGREEMENT

This Subscription Agreement is executed on January 29, 2024, is made among:

THE ENTITIES LISTED ON EXHIBIT "A" HERETO

(hereinafter, collectively, the "**Investors**" and individually, an "**Investor**"))

-and-

TACORA RESOURCES INC., a corporation incorporated under the laws of Ontario

(hereinafter, the "**Company**")

RECITALS:

WHEREAS the Company is a private company, with a registered head office in Vancouver, British Columbia, and whose business mainly consists of operating an iron ore mine commonly known as the "Scully Mine", located near Wabush, Newfoundland and Labrador, Canada;

WHEREAS the Company has commenced proceedings (the "**CCAA Proceedings**") under the *Companies' Creditors Arrangement Act* (Canada) (the "**CCAA**") before the Ontario Superior Court of Justice (Commercial List) (the "**Court**") in order to, *inter alia*, seek creditor protection and pursue the sale, investment and services solicitation process (the "**SISP**") with a view to implementing a transaction which will allow the continuation of its business operations as a going concern;

WHEREAS the Investors entered into a Restructuring Support Agreement (as defined below) whereby they have agreed to the principal aspects of a series of transactions involving the restructuring of the Company, as modified by this Agreement, under which it is contemplated that the Investors, among other things, shall acquire all the equity interests of the Company;

WHEREAS the Investors have agreed to subscribe for and purchase from the Company, the Subscribed Shares, the Subscribed First Out SSNs, the Takeback Shares, the Takeback SSN Warrants and Takeback SSNs on the terms and conditions set out in this Agreement and in accordance with the Closing Sequence set out herein;

NOW THEREFORE in consideration of the covenants and mutual promises set forth in this Agreement (including the recitals hereof) and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

ARTICLE 1
INTERPRETATION

1.1 Definitions

In this Agreement.

"**Action**" means any claim, counterclaim, application, action, suit, cause of action, Order, charge, indictment, prosecution, demand, complaint, grievance, lawsuit, arbitration, inquiry, audit, notice of violation, proceeding, litigation, citation, summons, subpoena or investigation of any nature, civil, criminal, administrative, regulatory or otherwise, whether at Law or in equity and by or before a Governmental Entity.

"**Additional Backstop Parties** " has the meaning given to it in the Backstop Commitment Letter.

"**Administrative Expense Reserve**" means an amount equal to $9,000,000, to be paid to or retained by the Monitor on the Closing Date pursuant to Section 2.6 and held in trust by the Monitor for the benefit of Persons entitled to be paid the Administrative Expense Costs.

"**Administrative Expense Costs**" means (i) the reasonable and documented fees and costs of the Monitor and its professional advisors and the professional advisors of the Company, ResidualCo and ResidualNoteCo in each case for services performed prior to and after the Closing Date, in each case, relating directly or indirectly to the CCAA Proceedings or this Agreement, including without limitation, costs required to wind down and/or dissolve and/or bankrupt ResidualCo and ResidualNoteCo and costs and expenses required to administer the Excluded Assets, Excluded Contracts, Excluded Liabilities, ResidualCo and ResidualNoteCo; (ii) amounts owing in respect of obligations secured by the CCAA Charges; (iii) any Liability of the Company that ranks in priority to the Senior Secured Notes as determined by Final Order of the Court or pursuant to a priority claims process approved by Order of the Court; (iv) the Disputed Litigation Costs up to a maximum aggregate amount of CAD$6,176,809, which are required to be paid pursuant to Final Order of the Court, except if released to the Company pursuant to Section 2.6; and (v) costs related to a premium for a run-off policy of the Company's existing director and officer liability insurance policy, which shall be paid exclusively from the Administrative Expense Reserve.

"**Administration Charge**" has the meaning given to it in the Initial Order.

"**Affiliate**" means, with respect to any Person, any other Person who directly or indirectly controls, is controlled by, or is under direct or indirect common control with, such Person, and includes any Person in like relation to an Affiliate. A Person shall be deemed to "**control**" another Person if such Person possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of such other Person, whether through the ownership of voting securities, by contract or otherwise; and the term "**controlled**" shall have a similar meaning.

"**Agreement**" means this subscription agreement and all attachments and Exhibits, in each case as the same may be supplemented, amended, restated or replaced from time to time.

"**APF**" means the Amended and Restated Advance Payment Facility dated May 29, 2023, entered into between the Company and Cargill, as amended and/or restated from time to time.

"**Applicable Law**" means, with respect to any Person, property, transaction, event or other matter, any transnational, foreign or domestic, federal, provincial, territorial, state, local or municipal (or any subdivision of them) law (including common law and civil law), constitution, treaty, law, statute, regulation, code, ordinance, principle of common law or equity, rule, by-law (zoning or otherwise), Order (including any securities laws or requirements of stock exchanges and any consent decree or administrative Order) or other requirement having the force of law ("**Law**"), in each case relating or applicable to such Person, property, transaction, event or other matter and also includes, where appropriate, any interpretation of Law (or any part thereof) by any Person having jurisdiction over it, or charged with its administration or interpretation.

"**Approval and Reverse Vesting Order**" means an Order issued by the Court substantially in the form attached hereto as **Schedule "A"** and otherwise acceptable to the Investors, the Company and the Monitor, each acting reasonably:

(a) approving this Agreement and the Transactions;

(b) vesting out of the Company all Excluded Assets, Excluded Contracts, Excluded Liabilities and all Claims in respect of any Excluded Senior Secured Notes and discharging all Encumbrances to be Discharged;

(c) authorizing and directing the Company to file the Articles of Reorganization;

(d) terminating and cancelling all Existing Equity as well as any agreement, contract, plan, indenture, deed, certificate, subscription rights, conversion rights, pre-emptive rights, options (including stock option or share purchase or equivalent plans), or other documents or instruments governing and/or having been created or granted in connection with the share capital of the Company, if any for no consideration (other than the rights of the Investors under this Agreement, and the rights of the Participating Senior Secured Noteholders under the New Equity Offering Participation Form); and

(e) authorizing and directing the Company to issue:

(i) the Subscribed Shares and Subscribed New First Out SSNs to the Investors;

(ii) the New Equity Offering Shares (that are not Subscribed Shares) to the Participating Senior Secured Noteholders that are not Investors;

(iii) the Takeback Shares, Takeback SSN Warrants and Takeback SSNs to the Exchanging Senior Secured Noteholders;

(iv) the RCF Warrants to RCF; and

(v) any Excluded Takeback Shares, Excluded Takeback SSN Warrants and Excluded Takeback SSNs to ResidualNoteCo,

in each case, free and clear of any Encumbrances.

"**Articles of Reorganization**" means articles of reorganization to change the conditions in respect of the Company's authorized and issued share capital immediately prior to completion of the Transactions to provide for a redemption right in favour of the Company or such other provision acceptable to the Company and the Investors, acting reasonably, that would result in holders of Existing Equity ceasing to hold their Existing Equity on the Closing Time and receiving nil consideration (other than the rights of the Investors under this Agreement, the rights of the Exchanging Senior Secured Noteholders pursuant to the Approval and Reverse Vesting Order, the rights of ResidualNoteCo pursuant to the Approval and Reverse Vesting Order, and the rights of the Participating Senior Secured Noteholders under the New Equity Offering Participation Form), which shall be in form and substance satisfactory to the Investors, as confirmed in writing in advance of the filing thereof.

"**Assumed Liabilities**" means (a) Liabilities specifically and expressly designated by the Investors as assumed Liabilities in **Schedule "5"** of the Disclosure Letter; (b) Liabilities which relate to the Business under any Retained Contracts, Permits and Licenses or Permitted Encumbrances (in each case, to the extent forming part of the Retained Assets) arising out of events or circumstances that occur after the Closing and including Liabilities in respect of the Continuing Employees except as set forth in Section 5.6; (c) Cure Costs in relation to Retained Contracts, up to a maximum aggregate amount of $27,900,000 for such Cure Costs, and which Cure Costs are subject to verification and consent of the Investors, acting reasonably (the "**Cure Costs Cap**") (which Cure Costs Cap, for greater certainty, does not include the Disputed Litigation Costs); (d) all Pre-Filing Trade Amounts and Post-Filing Trade Amounts; and (e) the Excluded Ore MTM Liabilities.

"**Authorization**" means any authorization, approval, consent, concession, exemption, license, lease, grant, permit, franchise, right, privilege or no-action letter from any Governmental Entity having jurisdiction with respect to any specified Person, property, transaction or event, or with respect to any of such Person's property or business and affairs (including any zoning approval, mining permit, development permit or building permit) or from any Person in connection with any easements, contractual rights or other matters.

"**Backstop Commitment Letter**" means the backstop commitment letter entered into by the Initial Backstop Parties on November 30, 2023, as amended.

"**Backstop Parties**" means, collectively, the Initial Backstop Parties and the Additional Backstop Parties.

"**Backstopped Shares**" has the meaning given to it in the Backstop Commitment Letter.

"**Books and Records**" means all books, records, files, papers, books of account and other financial data related to the Retained Assets and Assumed Liabilities in the possession, custody or control of the Company, including Tax Returns, sales and advertising materials, sales and purchase data, trade association files, research and development records, lists of present and former customers and suppliers, personnel, employment and other records, and all records, data and information stored electronically, digitally or on computer-related media.

"**Business**" means the business and operations carried on by the Company as at the date of this Agreement and as at the date of Closing.

"**Business Day**" means any day except Saturday, Sunday or any day on which banks are generally not open for business in each of the Province of Ontario, Canada, State of New York and London, United Kingdom.

"**Cargill**" means Cargill International Trading Pte. Ltd. and/or Cargill, Incorporated, as the context provides.

"**Cargill Offtake Agreement**" means the offtake agreement between Cargill and the Company dated November 11, 2018, as amended and/or restated from time to time.

"**Cargill Stockpile Agreement**" means the iron ore stockpile purchase agreement between Cargill and the Company dated December 17, 2019, as amended and/or restated from time to time.

"**Cash Consideration**" means, collectively, the New Equity Offering Cash Consideration and the New First Out SSN Cash Consideration.

"**CCAA**" has the meaning set out in the Recitals.

"**CCAA Charges**" means the Administration Charge, the Directors' Charge, the KERP Charge and the Transaction Fee Charge.

"**CCAA Proceedings**" has the meaning set out in the Recitals.

"**Change of Control**" means:

(a) the acquisition, by whatever means, by a Person (or two or more Persons who in such acquisition have acted jointly or in concert or intend to exercise jointly or in concert any voting rights attaching to the securities acquired), directly or indirectly, of the beneficial ownership of

such number of voting securities or rights to voting securities of the Company, which together with such Person's then owned voting securities and rights to voting securities, if any, represent (assuming the full exercise of such rights to voting securities) more than 50% of the combined voting power of the Company's then outstanding voting securities and such Person's previously owned rights to voting securities;

(b) an amalgamation, arrangement, merger or other consolidation of the Company with another corporation pursuant to which the shareholders of the Company immediately prior to such transaction do not immediately thereafter own voting securities of the successor or continuing corporation which entitle them to cast more than 50% of the votes attaching to all shares in the capital of the successor or continuing corporation which may be cast to elect directors of that corporation; or

(c) a sale, lease or other disposition of all or substantially all of the assets of the Company, except where such sale, lease or other disposition is to a wholly owned subsidiary of the Company.

"**Claims**" means all debts, obligations, expenses, costs, damages, losses, Actions, Liabilities, Encumbrances (other than Permitted Encumbrances), accounts payable, indebtedness, contracts, leases, agreements, undertakings, claims, rights and entitlements of any kind or nature whatsoever (whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured or due or not yet due, in law or in equity and whether based in statute or otherwise).

"**Closing**" means the completion of the Transactions in accordance with the Closing Sequence and the other provisions of this Agreement.

"**Closing Date**" means the date on which Closing occurs.

"**Closing Deliverables**" means all contracts, agreements, certificates and instruments required by this Agreement to be delivered at or before the Closing in order to effect the Transactions.

"**Closing Sequence**" has the meaning set out in Section 7.2.

"**Closing Time**" means the time on the Closing Date at which Closing occurs, as evidenced by the Monitor's Certificate.

"**Company**" has the meaning set out in the Recitals.

"**Company Released Parties**" has the meaning set out in Section 5.8.

"**Conditions Certificates**" has the meaning set out in Section 8.4.

"**Continuing Employees**" mean Employees whose employment with the Company continues after Closing,

"**Contracts**" means all contracts, agreements, deeds, licenses, leases, obligations, commitments promises, undertakings, engagements, understandings and arrangements to which the Company is a party to or by which the Company is bound or under which the Company has, or will have at Closing, any right or liability or contingent right or liability (in each case, whether written or oral, express or implied) relating to the Business, including any Personal Property Leases, any Real Property Leases and any Contracts in respect of Employees.

"**Court**" has the meaning set out in the Recitals.

"**Credit Bid Consideration**" has the meaning set out in Section 2.2(b).

"**Cure Costs Cap**" has the meaning set out in the definition of "**Assumed Liabilities**".

"**Cure Costs**" means all monetary defaults, other than Excluded Liabilities, in relation to the Retained Contracts as at the date of Closing, other than those arising by reason only of the Company's insolvency, the commencement of the CCAA Proceedings by the Company, the Company's failure to perform a non-monetary obligation.

"**Defaulting Investor**" has the meaning set out in Section 9.1(a)(x).

"**Deposit**" means an amount equal to 10% of the Cash Consideration.

"**DIP Charge**" has the meaning given to it in the Initial Order.

"**DIP Facility**" means the credit facility provided by DIP Lender to the Company as part of the CCAA Proceedings, as described by the DIP Facility Term Sheet dated October 9, 2023 between the Company and the DIP Lender, as may be amended and/or restated from time to time in accordance with its terms, or replaced.

"**DIP Lender**" means Cargill, or any other lender under the DIP Facility from time to time.

"**Directors' Charge**" has the meaning given to it in the Initial Order.

"**Discharged**" means, in relation to any Encumbrance against any Person or upon any asset, undertaking or property, including all proceeds thereof, the full, final, complete and permanent waiver, release, discharge, cancellation, termination and extinguishment of such Encumbrance against such Person or upon such asset, undertaking or property and all proceeds thereof.

"**Disclosure Letter**" means the disclosure letter dated as of the date of this Agreement and delivered by the Company to the Investors with this Agreement.

"**Disputed Litigation Costs**" means amounts asserted against the Company in respect of the Company's ongoing litigation matters under Retained Contracts.

"**DTC**" means the Depository Trust Company, the registered holder of the Senior Secured Notes.

"**Employees**" means all individuals who, as of Closing Time, are employed by the Company, whether on a full-time or part-time basis, and whether union or non-union, and including all individuals who are on an approved and unexpired leave of absence and all individuals who have been placed on temporary lay-off which has not expired and "**Employee**" means any one of them.

"**Encumbrances**" means all claims, Liabilities (direct, indirect, absolute or contingent), obligations, prior claims, right of retention, liens, security interests, charges, hypothecs, trusts, deemed trusts (statutory or otherwise), judgments, writs of seizure or execution, notices of sale, contractual rights (including purchase options, rights of first refusal, rights of first offer or any other pre-emptive contractual rights) and encumbrances, whether or not they have been registered, published or filed and whether secured, unsecured or otherwise.

"**Encumbrances to Be Discharged**" means all Encumbrances on the Retained Assets other than Permitted Encumbrances, including without limitation, the Administration Charge, the Directors' Charge, the KERP Charge, the Transaction Fee Charge, the DIP Charge, and any other charge granted by the Court in the CCAA Proceedings.

"**Escrow Deadline**" has the meaning given to it in the Backstop Commitment Letter.

"**Exchanging Senior Secured Noteholder**" means each Investor and any other Senior Secured Noteholder that tenders or is deemed to tender its Senior Secured Notes for Takeback Shares, Takeback SSNs and Takeback SSN Warrants, in accordance with the Approval and Reverse Vesting Order and the customary protocols of the Trustee and DTC.

"**Excluded Assets**" means: (i) all rights, covenants, obligations and benefits in favour ResidualCo and ResidualNoteCo under this Agreement that survive Closing; (ii) those assets listed in **Schedule "1"** of the Disclosure Letter, an amended list of which may be delivered by the Investors no later than two (2) Business Days before the Closing Date; and (iii) the Excluded Ore.

"**Excluded Contracts**" means all Contracts that are not Retained Contracts, including those Contracts listed in **Schedule "2"** of the Disclosure Letter, an amended list of which may be delivered by the Investors no later than two (2) Business Days before the Closing Date.

"**Excluded Liabilities**" means all Claims of or against the Company relating to any Excluded Assets and Excluded Contracts as at the Closing Time, other than Assumed Liabilities, including, *inter alia*, the non-exhaustive list of those certain Liabilities set forth in **Schedule "3"** of the Disclosure Letter, all pre-filing Claims, including without limitation, any amounts owing in respect of Taxes, any and all Claims relating to any change of control provision that may arise in connection with the change of control contemplated by the Transactions and to which the Company may be bound as at the Closing Time, all Claims relating to or under the Excluded Contracts and Excluded Assets, and Liabilities for Employees whose employment with the Company or its Affiliates is terminated on or before Closing and all Liabilities to or in respect of the Company's Affiliates. Without limiting the foregoing, Excluded Liabilities includes any Claims that are not Assumed Liabilities, any Claims in respect of the Disputed Litigation Costs, the APF, the Cargill Stockpile Agreement and the Cargill Offtake Agreement, other than the Excluded Ore MTM Liabilities.

"**Excluded Ore**" means iron ore owned by Cargill and located at the stockpile at dock 30 at the Port of Sept-Iles, Quebec or on vessels arranged by Cargill pursuant to the Cargill Offtake Agreement as of the Closing Date for which Cargill has paid the Company the Stockpile Provisional Price (as defined in the Cargill Stockpile Agreement) in full.

"**Excluded Ore MTM Assets**" means amounts owing by Cargill under the Cargill Offtake Agreement in respect of mark to market payments which may be owed to the Company following the Closing Date solely in respect of Excluded Ore.

"**Excluded Ore MTM Liabilities**" means Liabilities under the Cargill Offtake Agreement in respect of mark to market payments which may be owed to Cargill following the Closing Date solely in respect of Excluded Ore.

"**Excluded Senior Secured Notes**" means the Senior Secured Notes held by Non-Exchanging Senior Secured Noteholders.

"**Excluded Takeback SSNs**" means the Takeback SSNs allocable to the Non-Exchanging Senior Secured Noteholders, if any, in accordance with their pro rata share of the principal balance of indebtedness of their Senior Secured Notes, which shall be issued to ResidualNoteCo pursuant to the Approval and Reverse Vesting Order.

"**Excluded Takeback SSN Warrants**" means the Takeback SSN Warrants allocable to the Non-Exchanging Senior Secured Noteholders, if any, in accordance with their pro rata share of the principal

balance of indebtedness of their Senior Secured Notes, which shall be issued to ResidualNoteCo pursuant to the Approval and Reverse Vesting Order.

"**Excluded Takeback Shares**" means the New Common Shares allocable to the Non-Exchanging Senior Secured Noteholders, if any in accordance with their pro rata share of the principal balance of indebtedness of their Senior Secured Notes, which shall be issued to ResidualNoteCo pursuant to the Approval and Reverse Vesting Order.

"**Existing Equity**" means any capital share, capital stock, partnership, membership, joint venture, warrant, option or other ownership or equity interest, participation or securities (whether convertible, non-convertible, voting or nonvoting, whether preferred, common or otherwise, and including share appreciation, contingent interest or similar rights). For the avoidance of doubt, Existing Equity shall include the outstanding preferred shares and warrants issued to Cargill by the Company.

"**Final Order**" means, in respect of any Court Order, that such Court Order shall not have been vacated, set aside, or stayed, and that the time within which an appeal or request for leave to appeal must be initiated has passed with no appeal or leave to appeal having been initiated.

"**Governmental Entity**" means any government, regulatory authority, governmental department, agency, commission, bureau, official, minister, Crown corporation, court, board, tribunal or dispute settlement panel or other law, rule or regulation-making organization or entity: (i) having or purporting to have jurisdiction on behalf of any nation, province, territory or state or any other geographic or political subdivision of any of them, or (ii) exercising, or entitled or purporting to exercise any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power.

"**Initial Backstop Parties** " has the meaning given to it in the Backstop Commitment Letter.

"**Initial Order**" means the Initial Order granted by the Court on October 10, 2023 in the context of the CCAA Proceedings, as amended and restated on October 30, 2023, and as such Order may be further amended, restated or varied from time to time.

"**IPO**" means the Company's first underwritten public offering under applicable securities laws of any province, territory or state.

"**Interim Period**" means the period from the date of this Agreement until the Closing Time.

"**Investment Canada Act**" means the *Investment Canada Act*, R.S.C., 1985, c. 28.

"**Investor**" and "**Investors**" have the respective meaning set out in the Recitals.

"**Investor Released Parties**" has the meaning set out in Section 5.9.

"**Javelin**" means Javelin Global Commodities (SG) Pte Ltd. or any of its designated Affiliates in accordance with Section 10.19.

"**Javelin Agreements**" means the Javelin Master Agreement, the Javelin Marketing Agreement and the Javelin Working Capital Annex.

"**Javelin Marketing Agreement**" means that certain Marketing Agreement and all ancillary documents related thereto between Javelin and the Company, substantially in the form included in the Disclosure Letter, to be entered into on the Closing Date.

"**Javelin Master Agreement**" means that certain Master Product Purchase and Sale Agreement dated on or around the date hereof, between Javelin and the Company, substantially in the form included in the Disclosure Letter, to be entered into on the Closing Date.

"**Javelin Security Agreement**" means the guaranty and security agreement between Javelin, the Company and any other grantors of security interests party thereto, to be entered into on the Closing Date on substantially the terms contained in the Restructuring Support Agreement, as modified by any Javelin Agreements or the terms and conditions hereof.

"**Javelin Working Capital Annex**" means that certain Amendment to Master Product Purchase and Sale Agreement by and between Javelin and the Company evidencing the Working Capital Facility, substantially in the form included in the Disclosure Letter, to be entered into on the Closing Date.

"**KERP Charge**" has the meaning given to it in the Initial Order.

"**Law**" has the meaning set out in the definition of "**Applicable Law**".

"**Liability**" means, with respect to any Person, any liability or obligation of such Person of any kind, character or description, whether known or unknown, absolute or contingent, accrued or unaccrued, disputed or undisputed, liquidated or unliquidated, secured or unsecured, joint or several, due or to become due, vested or unvested, executory, determined, determinable or otherwise, and whether or not the same is required to be accrued on the financial statements of such Person.

"**Management Incentive Plan** " means a management incentive plan of no more than 7.5% of the New Common Shares on terms determined by the board of directors of the Company following the Closing.

"**Material Adverse Effect**" means any change, effect, event, occurrence, state of facts or development that has or could reasonably be expected to have a material adverse effect on (i) the business, assets, liabilities, financial conditions or results of operations of the Company and its Affiliates, collectively, or (ii) prevents the ability of the Company to perform its obligations under, or to consummate the Transactions contemplated by, this Agreement, taken as a whole; in each case except to the extent that any such change, effect, event, occurrence, state of facts or development is attributable to: (a) general economic or business conditions; (b) Canada, the U.S. or foreign economies, or financial, banking or securities markets in general, or other general business, banking, financial or economic conditions (including (i) any disruption in any of the foregoing markets, (ii) any change in the currency exchange rates or (iii) any decline or rise in the price of any security, commodity, contract or index; (c) acts of God or other calamities, national or international political or social conditions, including the engagement and/or escalation by the U.S. or Canada in hostilities, whether or not pursuant to the declaration of a national emergency or war, or the occurrence of any military or terrorist attack upon the U.S. or Canada or any of their territories, possessions or diplomatic or consular offices or upon any military installation, equipment or personnel of the U.S. or Canada; (d) conditions affecting generally the industry in which the Company or any of its subsidiaries participates; (e) the public announcement of, entry into or pendency of, actions required or contemplated by or performance of obligations under, this Agreement or the Transactions, or the identity of the Parties, including any termination of, reduction in or similar adverse impact on relationships, contractual or otherwise, with any customers, suppliers, financing sources, licensors, licensees, distributors, partners, employees or others having relationships with the Company or any of its subsidiaries; (f) changes in Applicable Law or the interpretation thereof; (g) any change in applicable accounting standards or other accounting requirements or principles; (h) the failure of the Company to meet or achieve the results set forth in any internal projections (but not the underlying facts giving rise to such failure unless such facts are otherwise excluded pursuant to the clauses contained in this definition); or (i) any change resulting from compliance with the terms of, or any actions taken (or not taken) by any Party pursuant to or in

accordance with, this Agreement; provided that the exceptions set forth in clauses (a), (b), (c), (d), (f), (g) or (h) shall not apply to the extent that such event is disproportionately adverse to the Company and its Affiliates, taken as a whole, as compared to other companies in the industries in which the Company and its Affiliates operate.

"**Material Permits, Mineral Tenures, Licenses and Contracts**" means those Permits and Licenses and Contracts listed in **Schedule "9"**of the Disclosure Letter and the Mineral Tenures.

"**Mineral Tenures**" means the mining claims, leases and other property rights of the Company listed in **Schedule "8"** of the Disclosure Letter.

"**Monitor**" means FTI Consulting Canada Inc. in its capacity as monitor of the Company in the CCAA Proceedings, and shall include, as the context so requires, FTI Consulting Canada Inc., in its capacity as monitor or trustee in bankruptcy of ResidualCo and ResidualNoteCo to the extent subsequently appointed as such.

"**Monitor Released Parties**" means the Monitor and its respective Affiliates, and each of their respective current and former officers, directors, employees, shareholders, limited partners, auditors, financial advisors, legal counsel and agents.

"**Monitor's Certificate**" means the certificate, substantially in the form attached as Schedule "A" to the Approval and Reverse Vesting Order, to be delivered by the Monitor in accordance with Section 8.4, and thereafter filed by the Monitor with the Court.

"**Net Debt**" means (i) the indebtedness as of the Closing Time following completion of the Transactions owing under equipment leases which are Retained Contracts, the Takeback SSNs, New First Out SSNs, Javelin Agreements, Post-Filing Trade Amounts and the value of Excluded Ore MTM Liabilities as of Closing; *less* (ii) cash on hand as of the Closing Time following completion of the Transactions.

"**New Common Shares**" means the common equity of the Company issued on Closing pursuant to the Transactions.

"**New Equity Offering**" means the offering of an aggregate of $225,000,000 of New Common Shares by the Company issued at Closing (subject to dilution from any equity issued in connection with the Management Incentive Plan and the New Warrants).

"**New Equity Offering Additional Cash Consideration**" means an amount equal to $225,000,000 less the New Equity Offering Initial Cash Consideration and less the dollar amount of the New Equity Offering that Participating Senior Secured Noteholders, which are not Investors, fund in accordance with their New Equity Offering Participation Forms.

"**New Equity Offering Cash Consideration**" means, collectively, the New Equity Offering Initial Cash Consideration and New Equity Offering Additional Cash Consideration.

"**New Equity Offering Initial Cash Consideration**" means $179,150,000 (or such other amount as agreed to amongst the Parties not to exceed $225,000,000 less the dollar amount funded for New Equity Offering Shares in the New Equity Offering by Participating Senior Secured Noteholders), which amounts are, for greater certainty, intended to be used for the payments set forth in the Closing Sequence from the New Equity Offering Initial Cash Consideration and for payment following Closing of Cure Costs and Pre-Filing Trade Amounts.

"**New Equity Offering Documentation**" has the meaning given to it in the Backstop Commitment Letter.

"**New Equity Offering Escrow Account**" has the meaning given to it in the Backstop Commitment Letter.

"**New Equity Offering Participation Form**" has the meaning given to it in the Backstop Commitment Letter.

"**New Equity Offering Shares**" has the meaning given to it in the Backstop Commitment Letter.

"**New First Out SSN Offering Additional Cash Consideration**" means $14,550,000.

"**New First Out SSN Offering Cash Consideration**" means, collectively, the New First Out SSN Initial Cash Consideration and the New First Out SSN Additional Cash Consideration.

"**New First Out SSN Offering Initial Cash Consideration**" means $29,100,000.

"**New First Out SSN Offering**" means the offering of $45,000,000 principal amount of New First Out SSNs by the Company.

"**New First Out SSNs**" means the first out senior notes in the principal amount of $45,000,000 to be issued to the Backstop Parties on Closing, in accordance with the terms hereof and the Approval and Reverse Vesting Order. The New First Out SSNs shall be on substantially the same terms and conditions as set forth in **Schedule "D"** hereto, and such other terms and conditions as agreed to by the Investors and the Company, each acting reasonably.

"**New First Out SSN Indenture**" means the indenture governing the New First Out SSNs, which shall include the terms and conditions as set forth in **Schedule "D"** hereto, and such other terms and conditions as agreed to by the Investors and the Company, each acting reasonably.

"**New Securities**" means the Subscribed Shares, New First Out SSNs, Backstopped Shares, Takeback Shares, Takeback SSN Warrants, Takeback SSNs, RCF Warrants, Excluded Takeback Shares, Excluded Takeback SSN Warrants and Excluded Takeback SSNs.

"**New Warrants**" means the RCF Warrants and the Takeback SSN Warrants.

"**Non-Exchanging Senior Secured Noteholders**" means Senior Secured Noteholders other than Exchanging Senior Secured Noteholders.

"**Order**" means any order, directive, judgment, decree, injunction, decision, ruling, award or writ of any Governmental Entity.

"**Organizational Documents**" means any trust document, charter, certificate or articles of incorporation or amalgamation, articles of amendment, articles of association, articles of organization, articles of continuance, bylaws, as amended, partnership agreement or similar formation or governing documents of a Person (excluding individuals).

"**Outside Date**" means April 26, 2024, or such other date as the Company (with the consent of the Monitor) and the Investors may agree to in writing.

"**Participation Deadline**" has the meaning set out in the Backstop Commitment Letter.

"**Participating Senior Secured Noteholders**" means the holders of Senior Secured Notes that have completed, executed and delivered a New Equity Offering Participation Form prior to the Participation Deadline in accordance with the Backstop Commitment Letter and New Equity Offering Participation

Form and that have funded their commitments under such New Equity Offering Participation Form in accordance with the terms thereof.

"**Party**" means a party to this Agreement and any reference to a Party includes its successors and permitted assigns and "**Parties**" means more than one of them.

"**Permits and Licenses**" means the permits, licenses, Authorizations, approvals or other evidence of authority Related to the Business or issued to, granted to, conferred upon, or otherwise created for, the Company, including, without limitation, as listed in **Schedule "7"** of the Disclosure Letter.

"**Permitted Encumbrances**" means the Encumbrances related to the Retained Assets listed in **Schedule "6"** of the Disclosure Letter, an amended list of which may be agreed to by the Investors, the Company and Monitor prior to the granting of the Approval and Reverse Vesting Order.

"**Person**" is to be broadly interpreted and includes an individual, a corporation, a partnership, a trust, an unincorporated organization, a Governmental Entity, and the executors, administrators or other legal representatives of an individual in such capacity.

"**Personal Property**" means all machinery, equipment, furniture, motor vehicles and other personal property that is Related to the Business, wherever located (including those in possession of suppliers, customers and other third parties).

"**Personal Property Lease**" means a lease, equipment lease, financing lease, conditional sales contract and other similar agreement relating to Personal Property to which the Company is a party or under which it has rights to use Personal Property.

"**Pre-Filing Trade Amounts"** means the amounts identified on **Schedule "5"** of the Disclosure Letter as Pre-Filing Trade Amounts.

"**Post-Filing Trade Amounts**" means any accrued and unpaid amounts owing by the Company to third parties for leased or financed equipment and for goods and services provided to the Company by third parties in connection with the Business relating to the period from and including October 10, 2023, that are unpaid as of the Closing (but excluding, for the avoidance of doubt, the professional fees, costs and expenses secured by the Administration Charge that shall be satisfied from the New Equity Offering Initial Cash Consideration).

"**Rail Agreement**" means the Confidential Transportation Contract dated 3 November 2017 entered into between Quebec North Shore and Labrador Railway Company Inc. as carrier and Tacora Resources Inc. as shipper as amended, amended and restated, supplemented and modified from time to time.

"**RCF**" means Resource Capital Fund VII L.P. or any of its subsidiaries.

"**RCF Exit Warrants**" means the 11,750,000 warrants issued to RCF on Closing which shall vest on an Exit (to be defined therein). The exercise price shall be set on the Closing Date at $2.16. The RCF Exit Warrants shall be on substantially the same terms and conditions as set forth in **Schedule "F"** hereto, and such other terms and conditions as agreed to by the Investors and the Company, each acting reasonably.

"**RCF Performance Warrants**" means 11,750,000 warrants issued to RCF on the Closing Date with a vesting schedule subject to achieving certain key milestones as follows: (i) 50% vest whenever annualized production (over a 5-month period and using an annualization calculation to be agreed upon between the Investors) reaches 5.25 MTPA; and (ii) 50% whenever annualized production (over

a 5-month period and using an annualization calculation to be agreed upon between the Investors) reaches 6.00 MTPA. The RCF Performance Warrants shall be on substantially the same terms and conditions as set forth in **Schedule "F"** hereto, and such other terms and conditions as agreed to by the Investors and the Company, each acting reasonably.

"**RCF Warrants**" means the RCF Performance Warrants and the RCF Exit Warrants.

"**Real Property Leases**" means all leases, subleases and other occupancy Contracts with respect to all real or immovable property, and all plants, buildings, structures, improvements, appurtenances and fixtures (including fixed machinery and fixed equipment) thereon, forming part thereof or benefiting such real or immovable property.

"**Related to the Business**" means primarily (i) used in; (ii) arising from; or (iii) otherwise related to, the Business or any part thereof.

"**Released Claims**" means all Claims and Orders, contingent or otherwise, whether liquidated or unliquidated, matured or unmatured, disputed or undisputed, contractual, legal or equitable, including loss of value, professional fees, including "claims" as defined in the CCAA and including fees and disbursements of legal counsel on a full indemnity basis, and all costs incurred in investigating or pursuing any of the foregoing or any proceeding relating to any of the foregoing.

"**Released Parties**" means, collectively, the Company Released Parties, the Investor Released Parties and the Monitor Released Parties.

"**Registration Rights Agreement**" means the registration rights agreement to be entered into by the Company and the Investors on the Closing Date. The Registration Rights Agreement shall be on terms and conditions as agreed to by the Investors and the Company, each acting reasonably.

"**Representative**" when used with respect to a Person means each director, officer, employee, consultant, financial adviser, legal counsel, accountant and other agent, adviser or representative of that Person.

"**ResidualCo**" means a corporation to be incorporated by the Company in advance of Closing, to which the Excluded Assets, Excluded Contracts and Excluded Liabilities will be transferred to as part of the Closing Sequence, which shall have no issued and outstanding shares.

"**ResidualNoteCo**" means a corporation to be incorporated by the Company in advance of Closing if there are expected to be Non-Exchanging Senior Secured Noteholders on Closing, to which (i) the Claims in respect of the Excluded Senior Secured Notes will be transferred, and (ii) the Excluded Takeback SSNs, Excluded Takeback Shares and Excluded Takeback Warrants will be issued to be held in trust for the Non-Exchanging Senior Secured Noteholders, each as part of the Closing Sequence, which shall have no issued and outstanding shares.

"**Restructuring Support Agreement**" means the support agreement among the Investors dated November 30, 2023 and all schedules thereto.

"**Retained Assets**" has the meaning set out in Section 3.1(d).

"**Retained Contracts**" means those Contracts listed in **Schedule "4"** of the Disclosure Letter.

"**Retained Ore**" means any iron ore, including wet concentrate and dry concentrate, mined by the Company which is not Excluded Ore.

"**RVO Outside Date**" has the meaning set out in Section 6.1(c).

"**Senior Priority Noteholders**" means the holders of the Senior Priority Notes.

"**Senior Priority Notes**" means the 9.00% Cash / 4.00% notes due 2023 issued by the Company pursuant to the Senior Priority Notes Indenture.

"**Senior Priority Notes Indenture**" means the second supplemental indenture dated May 11, 2023 between the Company and Trustee, as amended and/or restated from time to time.

"**Senior Secured Noteholders**" means the holders of the Senior Secured Notes.

"**Senior Secured Notes**" means the 8.250% notes due 2023 issued by the Company pursuant to the Senior Secured Notes Indenture.

"**Senior Secured Notes Indenture**" means the first supplemental indenture dated May 11, 2023 between the Company and the Trustee, as amended and/or restated from time to time.

"**SISP**" has the meaning set out in the Recitals.

"**SISP Order**" means the SISP Approval Order of the Court dated October 30, 2023.

"**Subscribed First Out SSNs**" means the New First Out SSNs, to be issued by the Company to the Investors, in accordance with the terms of this Agreement.

"**Subscribed Shares**" means the New Common Shares, to be issued by the Company to the Investors, in accordance with the terms of this Agreement, which in the case of Investors other than RCF and Javelin, represents their pro rata share of the New Equity Offering Shares made available to holders of Senior Secured Notes in the New Equity Offering, and any Backstopped Shares.

"**Takeback SSN Warrants**" means the warrants to be issued to the Exchanging Senior Secured Noteholders and ResidualNoteCo, as applicable, on Closing, pursuant to the terms hereof and the Approval and Reverse Vesting Order. The Takeback SSN Warrants shall be on substantially the same terms and conditions as set forth in **Schedule "E"** hereto, and such other terms and conditions as agreed to by the Investors and the Company, each acting reasonably.

"**Takeback SSN Warrants Indenture**" means the indenture (or indentures, if necessary) governing Takeback SSN Warrants, which will include the terms and conditions as set forth in **Schedule "G"** hereto, and such other terms and conditions as agreed to by the Investors and the Company, each acting reasonably.

"**Takeback SSN and New First Out SSN Security Agreement**" means the security agreement to be entered into by the Company and any other grantors of security interests party thereto, to be entered into on the Closing Date, which will include the terms and conditions as set forth in **Schedule "G"** hereto, and such other terms and conditions as agreed to by the Investors and the Company, each acting reasonably.

"**Takeback SSNs**" means the secured notes in the principal amount of $133,000,000.00 to be issued to the Exchanging Senior Secured Noteholders and ResidualNoteCo, as applicable, on Closing, pursuant to the terms hereof and the Approval and Reverse Vesting Order. The Takeback SSNs shall be on substantially the same terms and conditions as set forth in **Schedule "G"** hereto, and such other terms and conditions as agreed to by the Investors and the Company, each acting reasonably.

"**Takeback SSNs Indenture**" means the indenture governing the Takeback SSNs.

"**Takeback Shares**" means the New Common Shares to be issued to the Exchanging Senior Secured Noteholders and ResidualNoteCo, as applicable, on Closing, pursuant to the terms hereof and the Approval and Reverse Vesting Order.

"**Target Closing Date**" means March 22, 2024, or such other date as the Company (with the consent of the Monitor) and the Investors may agree to in writing.

"**Tax Act**" means the *Income Tax Act* (Canada).

"**Tax Returns**" means all returns, reports, declarations, designations, forms, elections, notices, filings, information returns, and statements in respect of Taxes that are filed or required to be filed with any applicable Governmental Entity, including all amendments, schedules, attachments or supplements thereto and whether in tangible or electronic form.

"**Taxes**" or "**Tax**" means, with respect to any Person, all supranational, national, federal, provincial, state, local or other taxes, including income taxes, global minimum taxes, mining taxes, branch taxes, profits taxes, capital gains taxes, gross receipts taxes, windfall profits taxes, value added taxes, severance taxes, ad valorem taxes, property taxes, property transfer taxes, capital taxes, net worth taxes, production taxes, sales taxes, goods and services taxes, harmonized sales taxes, use taxes, license taxes, excise taxes, franchise taxes, environmental taxes, transfer taxes, withholding or similar taxes, payroll taxes, employment taxes, employer health taxes, governmental pension plan premiums and contributions, social security premiums, workers' compensation premiums, employment/unemployment insurance or compensation premiums, stamp taxes, occupation taxes, premium taxes, alternative or add on minimum taxes, customs duties, import and export taxes, countervailing and anti-dumping duties or other taxes of any kind whatsoever imposed or charged by any Governmental Entity and any instalments in respect thereof including amounts or refunds owing in respect of any form of COVID-19 economic support, together with any interest, penalties, or additions with respect thereto and any interest in respect of such additions or penalties and any liability for the payment of any amounts of the type described in this paragraph as a result any express or implied obligation to indemnify any other Person or as a result of being a transferee or successor in interest to any Person, whether disputed or not.

"**Transaction Fee Charge**" has the meaning given to it in the Initial Order.

"**Transaction Regulatory Approvals**" has the meaning given to it in Section 5.7.

"**Transactions**" means all of the transactions contemplated by this Agreement and the Restructuring Term Sheet, including:

(a) the New Equity Offering;

(b) the New First Out SSN Offering;

(c) repayment of amounts owing under the DIP Facility and APF (subject to set-off in accordance with the Closing Sequence);

(d) repayment to Senior Priority Noteholders of amounts owing under the Senior Priority Note Indenture;

(e) the cancellation of all Existing Equity;

(f) the issuances by the Company of the Subscribed Shares to the Investors in consideration for the New Equity Offering Initial Cash Consideration and New Equity Offering Additional Cash Consideration;

(g) the issuance of the Subscribed New First Out SSNs in consideration for the New First Out SSN Offering Cash Consideration;

(h) the issuances by the Company of the New Equity Offering Shares to the Participating Senior Secured Noteholders that are not Investors in accordance with their respective New Equity Offering Participation Forms;

(i) the assignment by the Company to ResidualCo of the Excluded Assets, Excluded Contracts and Excluded Liabilities;

(j) the assignment by the Company to ResidualNoteCo of the Claims in respect of the Excluded Senior Secured Notes;

(k) the issuances of any Excluded Takeback Shares, Excluded Takeback SSN Warrants and Excluded Takeback SSNs to ResidualNoteCo;

(l) the issuances of the RCF Warrants to RCF;

(m) the issuances of the Takeback Shares, Takeback SSNs and Takeback SSN Warrants to the Exchanging Senior Secured Noteholders;

(n) the entering into of the Javelin Agreements; and

(o) the entering into of the Unanimous Shareholder Agreement, each on and subject to the terms set forth herein, in the Approval and Reverse Vesting Order and Articles of Reorganization.

"**Trustee**" means Computershare Trust Company, N.A., in its capacity as trustee under the Senior Secured Notes and Senior Priority Notes.

"**Unanimous Shareholder Agreement**" means the unanimous shareholder agreement to be entered into, or deemed to be entered into, by the Company, the Investors and any holders of New Common Shares at the Closing Time. The Unanimous Shareholder Agreement shall be on terms and conditions as agreed to by the Investors and the Company, each acting reasonably.

"**Working Capital Facility**" means a secured credit facility to be provided pursuant to the Working Capital Term Sheet.

"**Working Capital Term Sheet**" means the working capital term sheet attached as **Schedule "C"** hereto.

1.2 Actions on Non-Business Days

If any payment is required to be made or other action (including the giving of notice) is required to be taken pursuant to this Agreement on a day which is not a Business Day, then such payment or action shall be considered to have been made or taken in compliance with this Agreement if made or taken on the next succeeding Business Day.

1.3 Currency and Payment Obligations

Except as otherwise expressly provided in this Agreement, all dollar amounts referred to in this Agreement are stated in the lawful currency of the United States.

1.4 Calculation of Time

In this Agreement, a period of days shall be deemed to begin on the first day after the event which began the period and to end at 5:00 p.m. Eastern time on the last day of the period. If any period of time is to expire hereunder on any day that is not a Business Day, the period shall be deemed to expire at 5:00 p.m. Eastern time on the next succeeding Business Day.

1.5 Additional Rules of Interpretation

(a) *Consents, Agreements, Approval, Confirmations and Notice to be Written.* Any consent, agreement, approval or confirmations from, or notice to, any party permitted or required by this Agreement shall be written consent, agreement, approval, confirmation, or notice, and email shall be sufficient.

(b) *Gender and Number.* In this Agreement, unless the context requires otherwise, words in one gender include all genders and words in the singular include the plural and vice versa.

(c) *Headings and Table of Contents.* The inclusion in this Agreement of headings of Articles and Sections and the provision of a table of contents are for convenience of reference only and are not intended to be full or precise descriptions of the text to which they refer.

(d) *Section References.* Unless the context requires otherwise, references in this Agreement to Articles, Sections or Schedules are to Articles or Sections of this Agreement, and Schedules to this Agreement.

(e) *Words of Inclusion.* Wherever the words "include", "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation" and the words following "include", "includes" or "including" shall not be considered to set forth an exhaustive list.

(f) *References to this Agreement.* The words "hereof", "herein", "hereto", "hereunder", "hereby" and similar expressions shall be construed as referring to this Agreement in its entirety and not to any particular Section or portion of it.

(g) *Statute References.* Unless otherwise indicated, all references in this Agreement to any statute include the regulations thereunder, in each case as amended, re-enacted, consolidated or replaced from time to time and in the case of any such amendment, re-enactment, consolidation or replacement, reference herein to a particular provision shall be read as referring to such amended, re-enacted, consolidated or replaced provision and also include, unless the context otherwise requires, all applicable guidelines, bulletins or policies made in connection therewith.

(h) *Document References.* All references herein to any agreement (including this Agreement), document or instrument mean such agreement, document or instrument as amended, supplemented, modified, varied, restated or replaced from time to time

in accordance with the terms thereof and, unless otherwise specified therein, includes all schedules attached thereto.

1.6 Exhibits and Schedules

(a) The following are the Exhibits and Schedules attached to and incorporated in this Agreement by reference and deemed to be a part hereof:

SCHEDULES

Exhibit "A"	Investor Entities and Allocations
Schedule "A"	Form of Approval and Reverse Vesting Order
Schedule "B"	Restructuring Support Agreement
Schedule "C"	Working Capital Term Sheet
Schedule "D"	New First Out SSNs Term Sheet
Schedule "E"	Take Back SSN Warrants Term Sheet
Schedule "F"	RCF Warrants Term Sheet
Schedule "G"	Take Back SSNs Term Sheet

(b) Unless the context otherwise requires, words and expressions defined in this Agreement will have the same meanings in the Exhibits and Schedules and the interpretation provisions set out in this Agreement apply to the Exhibits and Schedules. Unless the context otherwise requires, or a contrary intention appears, references in the Exhibits and Schedules to a designated Article, Section, or other subdivision refer to the Article, Section, or other subdivision, respectively, of this Agreement.

(c) The Disclosure Letter and all schedules thereto form an integral part of this Agreement for all purposes of it.

(d) The Javelin Agreements in the Disclosure Letter are confidential information and may not be disclosed unless: (i) it is required to be disclosed pursuant to Applicable Law, unless such Applicable Law permits the Parties to refrain from disclosing the information for confidentiality or other purposes; or (ii) a Party needs to disclose it in order to enforce or exercise its rights under this Agreement and, in that case, only to Persons to which such information must be disclosed in connection therewith.

ARTICLE 2
SUBSCRIPTION FOR SUBSCRIBED SHARES AND ASSUMPTION OF LIABILITIES

2.1 Deposit

As a deposit for the Cash Consideration, the Investors paid the Monitor on January 19, 2024 in accordance with the SISP, by wire transfer of immediately available funds, their allocation of the Deposit as set forth on Exhibit "A" hereto. The Deposit shall be held in escrow by the Monitor in an interest-bearing account on behalf of the Company and applied in accordance with this Agreement. On or before the third Business Day prior to the Closing Date, the Monitor shall provide the Investors with the amount of interest that will be accrued on the Deposit as of the Closing Date.

2.2 Subscription Price

The subscription price for the New Securities shall be an amount equal to the aggregate of the following:

(a) Cash Consideration: The Cash Consideration, which shall be paid and satisfied in accordance with Section 2.4;

(b) Credit Bid Consideration: An amount equivalent to all amounts and obligations owing by the Company to the Senior Secured Noteholders under the Senior Secured Notes and Senior Secured Notes Indenture, including the principal amount of indebtedness outstanding thereunder, interest accrued thereon as of the Closing Date (subject to the Closing Sequence), reasonable and documented fees incurred by the Exchanging Senior Secured Noteholders, plus any other fees owing by the Company which are not paid under the Closing Sequence, under the Senior Secured Notes Indenture or any other ancillary agreement or document thereto, which shall be applied and satisfied in accordance with Section 2.3 (the "**Credit Bid Consideration**"); and

(c) Assumption of Assumed Liabilities: An amount equivalent to the Assumed Liabilities which the Investors shall cause the Company to retain, on the Closing Date and in accordance with the Closing Sequence.

2.3 Credit Bid Consideration

The Investors shall cause the Credit Bid Consideration to be satisfied as follows:

(a) The Investors shall deliver, or cause to be delivered, to the Company a direction letter executed by the Trustee whereby the Trustee commits and agrees to credit bid the Credit Bid Consideration pursuant to this Agreement and the Approval and Reverse Vesting Order and take necessary or appropriate actions required to release the Company from all amounts and obligations owing by the Company to the Senior Secured Noteholders (or, if applicable, release the amounts and obligations owing by the Company to the Exchanging Senior Secured Noteholders and transfer the amounts and obligations owing by the Company to the Non-Exchanging Senior Secured Noteholder to ResidualNoteCo in accordance with the Approval and Reverse Vesting Order) under the Senior Secured Notes and Senior Secured Notes Indenture, including the principal amount of indebtedness outstanding thereunder, and interest accrued thereon as of the Closing Date (subject to the Closing Sequence), reasonable and documented fees incurred by the Exchanging Senior Secured Noteholders, plus any other fees owing by the Company which are not paid under the Closing Sequence, under the Senior Secured Notes Indenture or any other ancillary agreement or document thereto in accordance with the Closing Sequence.

(b) In exchange for the Credit Bid Consideration, the Company shall issue the Takeback Shares, the Takeback SSNs and Takeback SSN Warrants to the Exchanging Senior Secured Noteholders, and the Excluded Subscribed Shares, the Excluded Takeback SSNs and the Excluded Takeback SSN Warrants to ResidualNoteCo for the benefit of the Non-Exchanging Senior Secured Noteholders, as applicable, and each in accordance with the Closing Sequence.

2.4 Cash Subscription Amounts

The Investors shall, severally and not jointly nor jointly and severally, cause the Cash Consideration (less the Deposit plus accrued interest thereon) to be paid as follows:

(a) On the Closing Date, the New Equity Offering Initial Cash Consideration shall, in exchange for an amount of Subscribed Shares as is equal to the dollar amount of New Equity Offering Initial Cash Consideration, be paid and satisfied by each Investor as follows: (i) by the release of the portion of the Deposit in respect of the New Equity Offering Initial Cash Consideration (together with any accrued interest thereon) by the Monitor to the Company; and (ii) subject to section 7.2(a), including for any amounts set-off against Claims under the APF, by wire transfer from each Investor (such obligation will be several for each Investor on their own behalf and not jointly nor jointly or severally) in immediately available funds to the New Escrow Account by no later than the Escrow Deadline in the amount of its remaining New Equity Offering Initial Cash Consideration as set forth in Exhibit "A" hereto. The Monitor will be directed to pay all advisors' expenses, including financial advisor and legal counsel fees and expenses of the Investors, from the New Equity Offering Initial Cash Consideration and the remaining New Equity Offering Initial Cash Consideration will be used to repay the DIP Facility, APF and any other exit costs, in accordance with the Closing Sequence and the Approval and Reverse Vesting Order.

(b) The New Equity Offering Additional Cash Consideration shall, in exchange for an amount of Subscribed Shares as is equal to the dollar amount of New Equity Offering Additional Cash Consideration, be paid and satisfied by each Investor as follows: (i) by the release of the portion of the Deposit in respect of the New Equity Offering Additional Cash Consideration (together with any accrued interest thereon); and (ii) by wire transfer from each Investor (such obligation will be several for each Investor on their own behalf and not jointly nor jointly or severally) in immediately available funds to the New Equity Offering Escrow Account by no later than the Escrow Deadline in the amount of its remaining New Equity Offering Additional Cash Consideration as set forth in Exhibit "A" hereto. The Parties acknowledge that Exhibit "A" in respect of the New Equity Offering Additional Cash Consideration will be updated for the Backstop Parties to the extent Participating Senior Secured Noteholders fund commitments to acquire New Equity Offering Shares. The New Equity Offering Additional Cash Consideration will be retained by the Company as Retained Assets and will not form part of the Excluded Assets.

(c) The New First Out SSN Initial Cash Consideration shall, in exchange for $30,000,000 in principal amount of the Subscribed First Out SSNs, be paid and satisfied by each Investor as follows: (i) by the release of the portion of the Deposit in respect of the New First Out Initial Cash Consideration (together with any accrued interest thereon); and (ii) by wire transfer from each Investor (such obligation will be several for each Investor on their own behalf and not jointly nor jointly or severally) in immediately available funds to the New Equity Offering Escrow Account by no later than the Escrow Deadline in the amount of its remaining New First Outs SSN Initial Cash Consideration as set forth in Exhibit "A" hereto. The Monitor will be directed to pay the amount of the New First Out SSN Initial Cash Consideration to the Trustee, and the Trustee will be directed to use such amounts to pay all amounts owing by the Company to the Senior Priority Noteholders under the Senior Priority Notes Indenture .

(d) The New First Out SSN Offering Additional Cash Consideration (less the amount of the Deposit and any interest accrued thereon in respect of the New First Out SSN

Additional Cash Consideration) shall, in exchange for $15,000,000 in principal amount of the Subscribed First Out SSNs, be paid and satisfied by each Investor as follows: (i) by the release of the portion of the Deposit in respect of the New First Out Additional Cash Consideration (together with any accrued interest thereon); and (ii) by wire transfer from each Investor (such obligation will be several for each Investor on their own behalf and not jointly nor jointly or severally) in immediately available funds to the New Equity Offering Escrow Account by no later than the Escrow Deadline in the amount of its remaining New First Out SSN Additional Cash Consideration as set forth in Exhibit “A” hereto. The New First Out SSN Offering Additional Cash Consideration will be retained by the Company as Retained Assets and will not form part of the Excluded Assets.

The issuance of Subscribed Shares and Subscribed First Out SSNs following payment and satisfaction of the New Equity Offering Initial Cash Consideration, New Equity Offering Additional Cash Consideration, New First Out SSN Offering Initial Cash Consideration and New First Out SSN Offering Additional Cash Consideration, as applicable, in accordance with this Section shall be issued to the Investors in accordance with their allocations set forth on Exhibit "A". The actions to take place as contemplated by this Section 2.4 are interdependent and are deemed to take place as nearly as possible, simultaneously.

2.6 Administrative Expense Reserve

On the Closing Date, the Company shall pay the Monitor from cash or cash equivalents, or the Monitor shall be directed by the Company to retain a portion of the New Equity Offering Initial Cash Consideration equal to the Administrative Expense Reserve, as determined by the Company and the Investors. The Monitor shall hold in trust for the benefit of Persons entitled to be paid the Administrative Expense Costs. Any unused portion of the Administrative Expense Reserve after payment or reservation for all Administrative Expense Costs, as determined by the Monitor, shall be transferred by the Monitor to the Company. If the Company and the Investors agree at a later date to assume the Claims in respect of the Disputed Litigation Costs, any unused portion of the Administrative Expense Reserve for such Disputed Litigation Costs shall be transferred by the Monitor to the Company.

ARTICLE 3
TRANSFER OF EXCLUDED SENIOR SECURED NOTES, EXCLUDED ASSETS, EXCLUDED CONTRACTS AND EXCLUDED LIABILITIES

3.1 Transfer of Excluded Assets, Excluded Contracts and Excluded Liabilities to ResidualCo; Transfer of Excluded Senior Secured Notes to ResidualNoteCo

(a) On the Closing Date and in accordance with the Closing Sequence and pursuant to the Approval and Reverse Vesting Order, the Excluded Assets, the Excluded Contracts and Excluded Liabilities shall be transferred to and assumed by ResidualCo, and the same shall be vested in ResidualCo pursuant to the Approval and Reverse Vesting Order.

(b) On the Closing Date and in accordance with the Closing Sequence and pursuant to the Approval and Reverse Vesting Order, the Claims in respect of any Excluded Senior Secured Notes shall be transferred and assumed by ResidualNoteCo and the same shall be vested in ResidualNoteCo pursuant to the Approval and Reverse Vesting Order.

(c) Notwithstanding any other provision of this Agreement, neither the Investors nor the Company shall assume or have any Liability for any of the Excluded Senior Secured

Notes or Excluded Liabilities or any Liability related to the Excluded Contracts and the Company and its assets, undertaking, business and properties shall be fully and finally Discharged from all Excluded Senior Secured Notes and Excluded Liabilities as at and from and after the Closing Time, pursuant to the Approval and Reverse Vesting Order. For greater certainty, the Company shall be solely liable for all Tax Liabilities and Transactions Taxes, if any, arising in connection with or as a result of the transfer of the Excluded Liabilities to ResidualCo and the assumption of the Excluded Liabilities by ResidualCo.

(d) On the Closing Date, the Company shall retain, free and clear of any and all Encumbrances other than Permitted Encumbrances, all of the assets owned by it on the date of this Agreement and any assets acquired by it up to and including Closing, including the Retained Ore, Mineral Tenures, Retained Contracts, Excluded Ore MTM Assets, Permits and Licenses and Books and Records (the "**Retained Assets**"), except, however, any assets sold in the ordinary course of business during the Interim Period. For greater certainty, the Retained Assets shall not include the Excluded Liabilities, Excluded Assets or the Excluded Contracts, which the Company shall transfer to ResidualCo in accordance with Section 3.1(a) or the Claims in respect of any Excluded Senior Secured Notes, which the Company shall transfer to ResidualNoteCo in accordance with Section 3.1(b). For greater certainty, the Company shall be solely liable for all Tax Liabilities and Transactions Taxes, if any, arising in connection with or as a result of the transfer of the Excluded Assets and Excluded Contracts to ResidualCo, the transfer of any Excluded Senior Secured Notes to ResidualNoteCo, or the issuance of any Excluded Takeback Shares, Excluded Takeback SSN Warrants and Excluded Takeback SSNs to ResidualNoteCo.

ARTICLE 4
REPRESENTATIONS AND WARRANTIES

4.1 Representations and Warranties as to the Company

Subject to the issuance of the Approval and Reverse Vesting Order, the Company represents and warrants to the Investors on the date hereof and at Closing as follows and acknowledges and agrees that the Investors are relying upon such representations and warranties in connection with the Transactions:

(a) Incorporation and Status. The Company is a corporation continued and existing under the laws of the Province of Ontario, in good standing under such act and has the power and authority to enter into, deliver and perform its obligations under this Agreement.

(b) Corporate Authorization. The execution, delivery and performance by the Company of this Agreement has been authorized by all necessary corporate action on the part of the Company.

(c) No Conflict. Subject to receipt of applicable Transaction Regulatory Approvals, the execution, delivery and performance by the Company of this Agreement does not or would not with the giving of notice, the lapse of time, or both, or the happening of any other event or condition result in a breach or a violation of, or conflict with, or allow any other Person to exercise any rights under, any terms or provisions of the Organizational Documents of the Company or Applicable Law.

(d) Execution and Binding Obligation. This Agreement has been duly executed and delivered by the Company and constitutes a legal, valid and binding obligation of the

Company, enforceable against it in accordance with its terms subject only to the Approval and Reverse Vesting Order.

(e) Proceedings. As of the date hereof, other than as disclosed in **Schedule "10"** of the Disclosure Letter, there are no Actions pending against the Company with respect to, or in any manner affecting, title to the Retained Assets or which would reasonably be expected to enjoin, delay, restrict or prohibit the transfer of all or any part of the Retained Assets or the Closing of the Transactions, as contemplated by this Agreement, or which would reasonably be expected to delay, restrict or prevent or the Company from fulfilling any of its obligations set forth in this Agreement.

(f) Ownership of Retained Assets. The Company has good and valid title to its interests in the Retained Assets free and clear of all Encumbrances other than Permitted Encumbrances.

(g) Material Permits, Mineral Tenures, Licenses and Contracts. The Material Permits, Mineral Tenures, Licenses and Contracts are in full force and effect. Other than defaults that will be cured by payment of the Cure Costs, the Company is not in default or breach of any Material Permit, Mineral Tenure, License or Contract that would reasonably be expected to create a Material Adverse Effect.

(h) Compliance with Laws. Except as would not, individual or in the aggregate, have a Material Adverse Effect as of the date hereof, the Company is in compliance with all Applicable Law.

(i) Employee Matters. Except as would not, individual or in the aggregate, have a Material Adverse Effect as of the date hereof,

(i) the Company is and has been operated in all material respects in compliance with all applicable legislation relating to employees, including but not limited to employment standards, labour relations, wages and hours of work, human rights, occupational health and safety and workers' compensation;

(ii) other than as disclosed in **Schedule "5"** of the Disclosure Letter, there is no proceeding, action, suit or claim pending or threatened involving any employee of the Company;

(iii) there are no existing or, to the Company's knowledge, threatened strikes, labour disputes, work slow-downs or stoppages, grievances, controversies or other labour relations difficulties affecting the Company, and no such event has occurred within the last five (5) years; and

(iv) all amounts due and payable by the Company to its former or current employees, consultants and contractors have been paid in full and all amounts accruing due to same have been reflected in the financial records of the Company.

Additionally, the Company has provided the Investors with copies of all employment Contracts that have change of control provisions and all amendments thereto.

4.2 Representations and Warranties as to the Investors

Each Investor severally, on its own behalf only, and not jointly or jointly and severally, represents and warrants to and in favour of the Company as follows and acknowledges and agrees that the Company is relying upon such representations and warranties in connection with the Transactions.

(a) Incorporation and Status. Each Investor is duly incorporated, organized or formed (as applicable), validly existing and in good standing under the Laws of the jurisdiction of its incorporation, organization or formation and has full power and authority to enter into, deliver and perform its obligations under, this Agreement.

(b) Corporate Authorization. The execution, delivery and performance by each Investor (or its general partners or equivalent, as the case may be) of this Agreement has been authorized by all necessary corporate action.

(c) No Conflict. Subject to receipt of the Transaction Regulatory Approvals, the execution, delivery and performance by each Investor (or its general partner or equivalent, as the case may be) of this Agreement and the completion of the Transactions does not (or would not with the giving of notice, the lapse of time, or both, or the happening of any other event or condition) result in a breach or a violation of, or conflict with, or allow any other Person to exercise any rights under, any terms or provisions of the Organizational Documents of such Investor, or Applicable Law.

(d) Execution and Binding Obligation. This Agreement has been duly executed and delivered by each Investor (or its general partner or equivalent, as the case may be), and constitutes a legal, valid and binding obligation of such Investor, enforceable against it in accordance with its terms except in each case as such enforceability is limited by bankruptcy, insolvency, reorganization, moratorium or similar laws now or hereafter in effect relating to creditors' rights generally or general principles of equity and subject only to the Approval and Reverse Vesting Order.

(e) No Commissions. There are no claims for brokerage commissions, finders' fees or similar compensation in connection with the Transactions based on any arrangement or agreement which would result in Liability for the Company (other than the expenses which will be paid under the Second step of the Closing Sequence as set out in Section 7.2(b)).

(f) Proceedings. As of the date hereof, there are no Actions pending, or to the knowledge of each Investor, threatened against such Investor before any Governmental Entity, which would: (i) prevent such Investor from paying the Cash Consideration to the Monitor; (ii) prohibit or seek to enjoin, restrict or prohibit the Transactions or (iii) which would reasonably be expected to materially delay such Investor from fulfilling any of its obligations set forth in this Agreement.

(g) Investment Canada Act. Each Investor is a "Canadian" or a "WTO Investor" or a "Trade Agreement Investor" within the meaning of the Investment Canada Act.

(h) Competition Act. No Investor will individually hold more than 35% of the voting shares of the Company (within the meaning of the Competition Act) as a result of the Transactions.

(i) Consents. Except for: (i) the issuance of the Approval and Reverse Vesting Order; and (ii) any regulatory approvals required to be obtained pursuant to this Agreement, no

Authorization, consent or approval of, or filing with or notice to, any Governmental Entity, court or other Person is required in connection with the Investor's execution, delivery or performance of this Agreement and each of the agreements to be executed and delivered by the Investor hereunder, including the subscription of the Subscribed Shares hereunder.

(j) Financial Ability. The Investor has cash on hand and/or firm financing commitments in amounts sufficient to allow them to pay the balance of the Cash Consideration and all other costs and expenses in connection with the consummation of the Transactions.

(k) Securities Law Matters.

(i) Each Investor is an "accredited investor", as such term is defined in National Instrument 45-106 – *Prospectus Exemptions* of the Canadian Securities Administrators and it was not created or used solely to purchase or hold securities and acknowledges that the Subscribed Shares and the Subscribed First Out SSNs will be subject to resale restrictions under applicable securities laws, which may be indefinite under applicable Canadian securities laws.

(ii) Each Investor understands and acknowledges that no prospectus or offering memorandum has been or will be filed by the Company with any securities commission or similar regulatory authority in any jurisdiction in connection with the issuance of the Subscribed Shares and the Subscribed First Out SSNs and that the New Common Shares and New First Out SSNs, respectively, are being offered for sale only on a "private placement" basis and that the sale of the New Common Shares and New First Out SSNs is conditional upon such sale being exempt from registration requirements and requirements to file and obtain a receipt for a prospectus, and the requirement to sell securities through a registered dealer, or upon the issuance of such orders, consents or approvals as may be required to enable such sale to be made without complying with such requirements, and that as a consequence of acquiring the Subscribed Shares and the Subscribed First Out SSNs pursuant to such exemptions: (A) the Investors are restricted from using most of the civil remedies otherwise available under applicable securities laws; (B) the Investors will not receive information that would otherwise be required to be provided to it under applicable securities laws; and (C) the Company is relived from certain obligations that would otherwise apply under applicable securities laws.

4.3 As is, Where is

The Investors acknowledge and agree that they have conducted to their satisfaction an independent investigation and verification of the Company, the Business, the New Securities and the Retained Assets, and, based solely thereon and the advice of their financial, legal and other advisors, have determined to proceed with the Transactions. The Investors have relied solely on the results of their own independent investigation and verification and, except for the representations and warranties of the Company expressly set forth in Section 4.1, the Investors understand, acknowledge and agree that all other representations, warranties, guarantees, conditions and statements of any kind or nature, expressed or implied (including any relating to the future or historical financial condition, results of operations, prospects, assets or liabilities of the Company or the Business) are specifically disclaimed by the Company and its financial and legal advisors and the Monitor and its legal counsel. THE INVESTORS SPECIFICALLY ACKNOWLEDGE AND AGREE THAT, EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES OF THE COMPANY EXPRESSLY AND SPECIFICALLY

SET FORTH IN SECTION 4.1: (A) THE INVESTORS ARE ACQUIRING THE NEW SECURITIES ON AN "AS IS, WHERE IS" BASIS; AND (B) NONE OF THE COMPANY, THE MONITOR OR ANY OTHER PERSON (INCLUDING ANY REPRESENTATIVE OF THE COMPANY OR THE MONITOR WHETHER IN ANY INDIVIDUAL, CORPORATE OR ANY OTHER CAPACITY) IS MAKING, AND THE INVESTORS ARE NOT RELYING ON, ANY REPRESENTATIONS, WARRANTIES, GUARANTEES, CONDITIONS OR OTHER STATEMENTS OF ANY KIND WHATSOEVER, WHETHER ORAL OR WRITTEN, EXPRESS OR IMPLIED, STATUTORY OR OTHERWISE, AS TO ANY MATTER CONCERNING THE COMPANY, THE BUSINESS, THE NEW SECURITIES, THE RETAINED LIABILITIES, THE EXCLUDED ASSETS, THE EXCLUDED LIABILITIES, THIS AGREEMENT OR THE TRANSACTIONS, OR THE ACCURACY OR COMPLETENESS OF ANY INFORMATION PROVIDED TO (OR OTHERWISE ACQUIRED BY) THE INVESTORS OR ANY OF THEIR RESPECTIVE REPRESENTATIVES, INCLUDING WITH RESPECT TO MERCHANTABILITY, PHYSICAL OR FINANCIAL CONDITION, DESCRIPTION, FITNESS FOR A PARTICULAR PURPOSE, OR IN RESPECT OF ANY OTHER MATTER OR THING WHATSOEVER, INCLUDING ANY AND ALL CONDITIONS, GUARANTEES, STATEMENTS, WARRANTIES OR REPRESENTATIONS, EXPRESS OR IMPLIED, PURSUANT TO ANY APPLICABLE LAWS IN ANY JURISDICTION, WHICH THE INVESTORS CONFIRM DO NOT APPLY TO THIS AGREEMENT, AND ARE HEREBY WAIVED IN THEIR ENTIRETY BY THE INVESTORS.

ARTICLE 5
COVENANTS

5.1 Target Closing Date

The Parties shall cooperate with each other and shall use their commercially reasonable efforts to effect the Closing by the Target Closing Date.

5.2 Motion for Approval and Reverse Vesting Order

As soon as practicable after the date hereof the Company shall serve and file a motion seeking the issuance of the Approval and Reverse Vesting Order.

The Company shall diligently use its commercially reasonable efforts to seek the issuance and entry of the Approval and Reverse Vesting Order and each Investor shall cooperate with the Company in its efforts to obtain the issuance and entry of such Order. The Company's motion materials for the Approval and Reverse Vesting Order shall be in form and substance satisfactory to counsel to the Investors, acting reasonably. The Company will provide counsel to the Investors a reasonable opportunity to review a draft of the motion materials to be served and filed with the Court, it being acknowledged that such motion materials should be served as promptly as reasonably possible following the execution of this Agreement, and will serve such materials on the service list prepared by the Company and reviewed by the Monitor, and on such other interested parties, and in such manner, as counsel to the Investors may reasonably require. The Company will promptly inform counsel for the Investors of any and all threatened or actual objections to the motion for the issuance of the Approval and Reverse Vesting Order, of which it becomes aware, and will promptly provide to the Investors a copy of all written objections received.

5.3 Interim Period

(a) During the Interim Period, except: (i) as contemplated or permitted by this Agreement (ii) as necessary in connection with the CCAA Proceedings; (iii) as otherwise provided in the Initial Order and any other Court Orders, prior to the Closing Time; or (iv) as consented to by the Investors and the Company:

(i) the Company shall continue to maintain its Business and operations in substantially the same manner as conducted on the date of this Agreement, including preserving, renewing and keeping in full force its corporate existence as well as the Material Permits, Mineral Tenures, Licenses and Contracts;

(ii) the Company shall not transport, remove or dispose of, any of its assets out of its current locations outside of its ordinary course of Business;

(iii) the Company shall use commercially reasonably efforts to keep in full force and effect all of its existing insurance policies and give any notice or present any claim under any such insurance policies consistent with past practices of the Company in the ordinary course of business;

(iv) the Company shall not make any cash payment under the Cargill Offtake Agreement in respect of mark to market payments which may be owed to Cargill without the prior written consent of the Investors, not to be unreasonably withheld, conditioned or delayed; and

(v) Post-Filing Trade Amounts shall continue to be paid in the ordinary course of business;

(b) During the Interim Period, except as contemplated or permitted by this Agreement or any Court Order, the Company shall not enter into any non-arms' length transactions involving the Company or its assets or the Business without the prior approval of the Investors.

5.4 Company Support Obligations

(a) During the Interim Period:

(i) the Company will cooperate with the Investors with respect to all material steps required in connection with the Transactions;

(ii) the Company will negotiate in good faith all New Equity Offering Documentation with the Investors on terms consistent with the Backstop Commitment Letter and will take any and all commercially reasonable and appropriate actions in furtherance of the New Equity Offering and as agreed to with the Investors, including sending the New Equity Offering Documentation (to the extent finalized) at least 15 Business Days in advance of Closing (or such later date as agreed to between the Company, Monitor and Investors, each acting reasonably);

(iii) the Company will promptly notify the Investors, in writing, of receipt of any notice, demand, request or inquiry by any Governmental Entity concerning the Transactions or the issuance by any Governmental Entity of any cease trading or similar Order or ruling relating to any securities of the Company and its Affiliates;

(iv) the Company will take all action as may be necessary so that the Transactions will be effected in accordance with Applicable Law;

(v) the Company will execute any and all documents and perform (or cause its agents and advisors to perform) any and all commercially reasonable acts required in connection with this Agreement;

(vi) the Company and the Investors will use commercially reasonable efforts to timely prepare and file all documentation and pursue all steps reasonably necessary to obtain all required Transaction Regulatory Approvals, and material third-party consents and approvals as may be required in connection with the Transactions;

(vii) the Company and the Investors will use commercial reasonable efforts to prepare and finalize the Management Incentive Plan in advance of the Closing Time; and

(viii) the Company will promptly notify the Investors of any Material Adverse Effect occurring from and after the date hereof.

5.5 Access During Interim Period

(a) During the Interim Period, the Company shall give, or cause to be given, to the Investors, and their Representatives, reasonable access during normal business hours to the Retained Assets and Assumed Liabilities, including the Books and Records, personnel, properties, Permits and Licenses, Contracts, to conduct such investigations of the financial and legal condition of the Business and the Retained Assets as the Investors may deem reasonably necessary or desirable to further familiarize themselves with the Business and the Retained Assets, provided that the Investors shall not be entitled to any confidential, privileged or otherwise sensitive information, as determined by the Company and the Monitor, each acting reasonably. Without limiting the generality of the foregoing: (i) the Investors and their Representatives shall be permitted reasonable access during normal business hours to all documents relating to information scheduled or required to be disclosed under this Agreement and to the Employees; (ii) subject to the ongoing reasonable oversight and participation of the Company and the Monitor, and with prior notice to the Monitor, the Investors and their Representatives shall be permitted to contact and discuss the Transactions with Governmental Authorities and the Company's customers and contractual counterparties; and (iii) the Company shall instruct its executive officers and senior business managers, employees, counsel, auditors and finance advisors of the Company to reasonably cooperate with the Investors and their Representatives regarding the same. Such investigations shall be carried out at the Investors' sole and exclusive risk and cost, during normal business hours, and the Company shall co-operate reasonably in facilitating such investigations and shall furnish copies of all such documents and materials relating to such matters as may be reasonably requested by or on behalf of the Investors, provided, that: (A) such investigations will not unreasonably interfere with the Company's operations; (B) the Investors shall not conduct invasive or intrusive investigations, inspections, tests or audits in respect of the Retained Assets or Excluded Assets, without the prior written consent of the Company, which consent shall not be unreasonably withheld, and the Investors having given the Company at least two (2) Business Days' prior written notice; (C) the Investors shall provide the Company with evidence of appropriate liability insurance coverage for the Investors and their Representatives and the Company will be entitled to have a Representative present during all such tests, inspections and investigations; (D) any damage to the Retained Assets or Excluded Assets caused by such tests, land surveys, inspections and investigations will be promptly repaired by the Investors and the Investors will indemnify and save the Company harmless from all Claims imposed upon or asserted against it as a result of, in respect of or arising out of such tests, inspections and investigations, such indemnity to survive Closing or in the event this

Agreement is terminated in accordance with its terms. No investigation made pursuant to this Section 5.5 by the Investors or their Representatives at any time prior to or following the date of this Agreement shall affect or be deemed to modify any representation or warranty made by the Company herein.

5.6 Employees

Following the Closing Date, except in respect of change of control payments for senior management, which amounts shall be waived or are Excluded Liabilities, the Investors agree that the Company will continue to employ the Continuing Employees on the same terms and conditions as they currently enjoy provided such terms and conditions (and any written agreement related to same) are as set forth in the virtual data room of the Company for the Transaction as of January 26, 2024. The Investors acknowledge and agree that that the Company shall remain subject to any collective agreement of the Company and shall inherit all obligations and liabilities associated with any collective agreement which applies to the Continuing Employees.

5.7 Regulatory Approvals and Consents

(a) The Company and the Investors shall, from and after the date hereof, work together to determine whether any material Permits and Licenses required from any Governmental Entity or under any Applicable Law relating to the business and operations of the Company and its Affiliates that would be required to be obtained in order to permit the Company and the Investors to complete the Transactions, including to permit the Company and the Investors to perform their obligations hereunder and the issuing, acquisition and holding of the New Securities (the "**Transaction Regulatory Approvals**"). In the event any such determination is made, the Company and the Investors shall use commercially reasonable efforts to apply for and obtain any such Transaction Regulatory Approvals as soon as reasonably practicable, in accordance with Section 5.7(b), in each case at the sole cost and expense of the Company.

(b) The Company and the Investors shall use commercially reasonable efforts to apply for and obtain the Transaction Regulatory Approvals and shall co-operate with one another in connection with obtaining such approvals. Without limiting the generality of the foregoing, the Company and the Investors shall: (i) give each other reasonable advance notice of all meetings or other oral communications with any Governmental Entity relating to the Transaction Regulatory Approvals, as applicable, and provide as soon as practicable but in any case, if any, within the required time, any additional submissions, information and/or documents requested by any Governmental Entity necessary, proper or advisable to obtain the Transaction Regulatory Approvals; (ii) not participate independently in any such meeting or other oral communication without first giving the Company or the Investors, as applicable (or their outside counsel) an opportunity to attend and participate in such meeting or other oral communication, unless otherwise required or requested by such Governmental Entity; (iii) if any Governmental Entity initiates an oral communication regarding the Transaction Regulatory Approvals as applicable, promptly notify the Company or the Investors, as applicable, of the substance of such communication; (iv) subject to Applicable Law relating to the exchange of information, provide each other with a reasonable advance opportunity to review and comment upon and consider in good faith the views of the other in connection with all written communications (including any filings, notifications, submissions, analyses, presentations, memoranda, briefs, arguments, opinions and proposals made or submitted by or on behalf of the Company or an Investor, as applicable) with a Governmental Entity regarding the Transaction Regulatory

Approvals as applicable; and (v) promptly provide each other with copies of all written communications to or from any Governmental Entity relating to the Transaction Regulatory Approvals as applicable.

(c) Each of the Company, its Affiliates and the Investors may, as advisable and necessary, reasonably designate any competitively or commercially sensitive material provided to the other under this Section 5.6 as "Outside Counsel Only Material". Such materials and the information contained therein shall be given only to the outside legal counsel of the recipient and, subject to any additional agreements between the Company, its Affiliates and the Investors, will not be disclosed by such outside legal counsel to employees, officers or directors of the recipient unless express written permission is obtained in advance from the source of the materials or its legal counsel.

(d) The obligation of the Company, its Affiliates or an Investor to use its commercially reasonable efforts to obtain the Transaction Regulatory Approvals does not require the Company or the Investors (or any Affiliate thereof) to undertake any divestiture of any business or business segment of the Company or the Investors, to agree to any material operating restrictions related thereto or to incur any material expenditure(s) related therewith, unless agreed to by the Investors and the Company. In connection with obtaining the Transaction Regulatory Approvals, the Company shall not agree to any of the foregoing items without the prior written consent of Investors.

(e) To the extent that any of the Investors' consent in respect of the Transaction is required, each Investor agrees to provide such consent (on such terms and conditions acceptable to it, acting reasonably).

5.8 Release by the Investors

Except in connection with any obligations of the Company contained in this Agreement, any Closing Deliverables or the Approval and Reverse Vesting Order, effective as of the Closing Time, each Investor hereby releases and forever discharges the Company, the Monitor and their respective Affiliates, and each of their respective successors and assigns, and all current and former officers, directors, partners, employees, agents, financial and legal advisors of each of them (the "**Company Released Parties**"), of and from, and hereby unconditionally and irrevocably waives, any and all Released Claims that such Investor ever had, now has or ever may have or claim to have against any of the Company Released Parties in their capacity as such, for or by reason of any matter, circumstance, event, action, inaction, omission, cause or thing whatsoever arising prior to the Closing Time relating to its investments in the Company, including as Senior Secured Noteholder, save and except for Released Claims arising out of fraud or willful misconduct.

5.9 Release by the Company

Except in connection with any obligations of each Investor contained in this Agreement, any Closing Deliverables or the Approval and Reverse Vesting Order, effective as of the Closing Time, the Company and its respective Affiliates (including ResidualCo and ResidualNoteCo) hereby release and forever discharge each Investor, the Monitor and their respective Affiliates, and each of their respective successors and assigns, and all current and former officers, directors, partners, members, shareholders, limited partners, employees, agents, financial and legal advisors of each of them (the "**Investor Released Parties**"), whether in this jurisdiction or any other, whether or not presently known to them or to the law, and whether in law or equity, of and from, and hereby unconditionally and irrevocably waives, any and all Released Claims that the Company ever had, now has or ever may have or claim to have against any of the Investor Released Parties in their capacity as such, for or by reason of any matter, circumstance, event, action, inaction, omission, cause or thing whatsoever

arising prior to the Closing Time, save and except for Released Claims arising out of fraud or willful misconduct.

ARTICLE 6
INSOLVENCY PROVISIONS

6.1 Court Orders and Related Matters

(a) From and after the date of this Agreement and until the Closing Date, the Company shall deliver to counsel to the Investors drafts of any and all pleadings, motions, notices, statements, applications, schedules, reports, and other papers to be filed or submitted by the Company in connection with or related to this Agreement, for the Investors' prior review at least two (2) Business Days in advance of service and filing of such materials (or where circumstances make it impracticable to allow for two (2) Business Days' review, with as much opportunity for review and comment as is practically possible in the circumstances). The Company acknowledges and agrees (i) that any such pleadings, motions, notices, statements, applications, schedules, reports, or other papers in respect of Approval and Reverse Vesting Order shall be in form and substance satisfactory to the Investors, acting reasonably, and (ii) to consult and cooperate with the Investors regarding any discovery, examinations and hearing in respect of any of the foregoing, including the submission of any evidence, including witnesses testimony, in connection with such hearing.

(b) Notice of the motion seeking the issuance of the Approval and Reverse Vesting Order shall be served by the Company on all Persons required to receive notice under Applicable Law and the requirements of the CCAA and the Court, and any other Person determined necessary by the Company or the Investors, acting reasonably.

(c) In the event that the Approval and Reverse Vesting Order has not been issued and entered by the Court by April 1, 2024 (the "**RVO Outside Date**") or such later date agreed to in writing by the each of the Investors, in their sole discretion, the Investors may terminate this Agreement, provided that if all other conditions (including receipt of Transaction Regulatory Approvals) are satisfied, the Company shall be entitled to extend the RVO Outside Date to the Outside Date.

(d) If the Approval and Reverse Vesting Order is appealed or a motion for leave to appeal, rehearing, reargument or reconsideration is filed with respect thereto, the Company agrees to take all action as may be commercially reasonable and appropriate to defend against such appeal, petition or motion.

ARTICLE 7
CLOSING ARRANGEMENTS

7.1 Closing

The Closing shall take place virtually by exchange of documents in PDF format on the Closing Date, in accordance with the Closing Sequence (as defined below), and shall be subject to such escrow document release arrangements as the Parties may agree.

7.2 Closing Sequence

On the Closing Date, subject to the terms of the Approval and Reverse Vesting Order, Closing shall take place in the following sequence (the "**Closing Sequence**"):

(a) First, each Investor shall pay their respective unpaid balance of the New Equity Offering Initial Cash Consideration, New First Out SSN Offering Initial Cash Consideration, New Equity Offering Additional Cash Consideration and New First Out SSN Additional Cash Consideration, as set forth in Exhibit "A" hereto (and which amounts will, for greater certainty, not include any amount of the Deposit and interest accrued thereon), to be held in escrow by the Monitor, on behalf of the Company, and the entire Cash Consideration shall be dealt with in accordance with this Closing Sequence;

(b) Second, all Existing Equity (other than Existing Equity referred to in the Articles of Reorganization) as well as any agreement, contract, plan, indenture, deed, certificate, subscription rights, conversion rights, pre-emptive rights, options (including stock option or share purchase or equivalent plans), or other documents or instruments governing and/or having been created or granted in connection with the share capital of the Company shall be deemed terminated and cancelled for no consideration;

(c) Third, the Company shall be deemed to transfer to ResidualCo the Excluded Assets, the Excluded Contracts and the Excluded Liabilities, pursuant to the Approval and Reverse Vesting Order;

(d) Fourth, the Monitor shall be directed to pay all advisors' expenses (including the Company's, Monitor's and Investors' financial advisor and legal counsel fees and the reasonable expenses of the Investors related to the Transactions) from the New Equity Offering Initial Cash Consideration;

(e) Fifth, the Monitor shall retain the Administrative Expense Reserve to a separate interest-bearing account from the New Equity Offering Initial Cash Consideration;

(f) Sixth, the Monitor shall be directed to pay all amounts owing under the DIP Facility and the APF from the New Equity Offering Initial Cash Consideration, and all security and other obligations will be fully discharged and released, provided that any Claims by Tacora against Cargill, including but not limited to, the value of Excluded Ore MTM Assets as of the Closing Date, or any amounts Cargill sets off against Tacora shall be set-off against amounts owing under the APF and the DIP Facility in lieu of payment from the New Equity Offering Initial Cash Consideration (and the Investors obligations to fund the New Equity Offering Initial Cash Consideration shall be reduced pro-rata based on the allocations of the New Equity Offering Initial Cash Consideration set forth on Exhibit A hereto). The Company and each Investor acknowledge and agree that if there is a dispute with Cargill in respect of the amount to be set-off against Cargill under this step, the Cash Consideration (without deduction for the set-off amount) will be funded in accordance with this Agreement, Closing shall occur and the Monitor shall retain such disputed amount from the New Equity Offering Initial Cash Consideration and will not pay that amount to Cargill or the Company unless and until the Company, the Investors and Cargill jointly direct such payment or a Final Order of the Court directs the Monitor to release the amounts to Cargill or the Company;

(g) Seventh, the Trustee, upon receipt of the New First Out SSN Offering Initial Cash Consideration and the New Equity Offering Cash Consideration from the Monitor, shall be directed to pay all amounts owing by the Company to the Senior Priority Noteholders under the Senior Priority Notes Indenture (and any other ancillary agreement or document thereto), including the principal amount of indebtedness outstanding thereunder and interest accrued thereon as of the Closing Date, from the New First Out SSN Offering Initial Cash Consideration, and, to the extent required,

from the New Equity Offering Cash Consideration, and all security and other obligations will be fully discharged and released;

(h) Eighth, the Company shall be deemed to transfer to ResidualNoteCo all Claims in respect of any Excluded Senior Secured Notes, pursuant to the Approval and Reverse Vesting Order;

(i) Ninth, the Monitor shall release the remaining Cash Consideration, and the dollar amount of the New Equity Offering that Participating Senior Secured Noteholders fund in accordance with their New Equity Offering Participation Forms to the Company;

(j) Tenth, the Unanimous Shareholder Agreement shall be effective;

(k) Eleventh, the following shall occur concurrently:

(i) the Company shall issue the Subscribed Shares in respect of the New Equity Offering Cash Consideration and the Subscribed New First Out SSNs in respect of the New First Out SSNs Offering Cash Consideration to the Investors in accordance with their allocations set forth in Exhibit "A" hereto;

(ii) the Takeback Shares, Takeback SSNs and Takeback SSN Warrants shall be issued to the Exchanging Senior Secured Noteholders;

(iii) if necessary, any Excluded Takeback Shares, Excluded Takeback SSNs and Excluded Takeback SSN Warrants shall be issued to ResidualNoteCo;

(iv) the RCF Warrants shall be issued to RCF; and

(v) the Company shall issue the New Equity Offering Shares to Participating Senior Secured Noteholders, in accordance with their respective New Equity Participation Form.

(l) Twelfth (and simultaneously with the step above), the Trustee shall release the Company from all amounts and obligations owing by the Company to the Exchanging Senior Secured Noteholders under the Senior Secured Notes and Senior Secured Notes Indenture, including the principal amount of indebtedness outstanding thereunder and interest accrued thereon (which will be deemed to be forgiven immediately prior to this step) as of the Closing Date, plus any other fees owing by the Company which are not paid under the Closing Sequence, under the Senior Secured Notes Indenture or any other ancillary agreement or document thereto in accordance with the Closing Sequence; provided that, for the avoidance of doubt, .all amounts and obligations owing by the Company to the Non-Exchanging Senior Secured Noteholders, including the principal amount of indebtedness outstanding thereunder as of the Closing Date, plus any other fees owing by the Company, shall be transferred and assumed by ResidualNoteCo; and

(m) Thirteenth, the Articles of Reorganization will be filed.

The Investors, with the prior consent of the Company and the Monitor, acting reasonably, may amend the Closing Sequence provided that such amendment to the Closing Sequence does not materially alter or impact the Transactions or the consideration which the Company and/or its applicable stakeholders will benefit from as part of the Transactions.

7.3 The Investor's Closing Deliverables

At or before the Closing (as applicable), the Investors shall deliver or cause to be delivered to the Company (or to the Monitor, if so indicated below), the following:

(a) the aggregate of the Cash Consideration, less the Deposit and any accrued interest on the Deposit, in accordance with Section 7.2(a);

(b) with respect to Javelin only, the Javelin Agreements and Javelin Security Agreement;

(c) a counterpart signature of the Takeback SSN Warrants Indenture from the trustee therefor,

(d) a counterpart signature of the Takeback SSNs Indenture, New First Out SSN Indenture, and Takeback SSN and New First Out SSN Security Agreement from the trustee therefor;

(e) counterpart signatures from each Investor with respect to the Unanimous Shareholder Agreement;

(f) counterpart signatures from each Investor with respect to the Registration Rights Agreement]; and

(g) such other agreements, documents and instruments as may be reasonably required by the Company to complete the Transactions provided for in this Agreement, all of which shall be in form and substance satisfactory to the Parties, acting reasonably.

7.4 The Company's Closing Deliverables

At or before the Closing (as applicable), the Company shall deliver or cause to be delivered to the Investors, the following:

(a) a certificate dated as of the Closing Date and executed by an executive officer of the Company confirming and certifying that each the conditions in Sections 8.2(b) and 8.3(c) have been satisfied;

(b) counterpart signature from the Company with respect to the Unanimous Shareholder Agreement;

(c) counterpart signature from the Company with respect to the Registration Rights Agreement;

(d) counterpart signature from the Company with respect to the Javelin Agreements and the Javelin Security Agreement and all related ancillary documents;

(e) evidence satisfactory to the Investors, acting reasonably, of the filing of the Articles of Reorganization;

(f) share certificates representing the Subscribed Shares and Takeback Shares (or other acceptable evidence of ownership of the Subscribed Shares and Takeback Shares);

(g) counterpart signature from the Company with respect to the RCF Warrants and the RCF Performance Warrants;

(h) counterpart signature from the Company with respect to the Takeback SSN Warrants Indenture, and all related ancillary documents; and

(i) counterpart signature from the Company with respect to the Takeback SSNs Indenture, New First Out SSN Indenture, and Takeback SSN and New First Out SSN Security Agreement and all related ancillary documents.

ARTICLE 8
CONDITIONS OF CLOSING

8.1 Mutual Conditions

The respective obligations of each Investor and the Company to consummate the Transactions are subject to the satisfaction of, or compliance with, at or prior to the Closing Time, each of the conditions listed below:

(a) No Violation of Orders or Law. During the Interim Period, no Governmental Entity shall have enacted, issued or promulgated any final or non-appealable Order or Law which has: (i) the effect of making any of the Transactions illegal, or (ii) the effect of otherwise prohibiting, preventing or restraining the consummation of any of the Transactions.

(b) Court Approval. The following conditions shall have been met: (i) the Approval and Reverse Vesting Order shall have been issued by the Court and become a Final Order; and (ii) the Initial Order, the SISP Order and the Approval and Reverse Vesting Order shall not have been vacated, set aside or stayed.

(c) Transaction Regulatory Approvals. Each of the Transaction Regulatory Approvals shall have been obtained and shall be in force and effect and shall have not been rescinded or modified.

The Parties acknowledge that the foregoing conditions are for the mutual benefit of the Company and each Investor. Any condition in this Section 8.1 may be waived by the Company and by the Investors, in whole or in part, without prejudice to any of their respective rights of termination in the event of non-fulfillment of any other condition in whole or in part. Any such waiver will be binding on the Company or the Investors, as applicable, only if made in writing. Notwithstanding anything to the contrary contained herein, the Company and each Investor shall, subject to Section 5.7, take all such commercially reasonable actions, steps and proceedings as are reasonably within its control to ensure that the conditions listed in this Section 8.1 are fulfilled at or before the commencement of the first step in the Closing Sequence.

8.2 The Investors' Conditions

The Investors shall not be obligated to complete the Transactions, unless each of the conditions listed below in this Section 8.2 have been satisfied, it being understood that the said conditions are included for the exclusive benefit of the Investors, and may be waived by any Investor in whole or in part, without prejudice to any of its rights of termination in the event of non- fulfillment of any other condition in whole or in part. Any such waiver shall be binding on such Investor only if made in writing, provided that if such Investor does not waive a condition(s) and completes the Closing, such condition(s) shall be deemed to have been waived by such Investor. The Company shall take all such commercially reasonable actions, steps and proceedings as are reasonably within its control to ensure that the conditions listed below in this Section 8.2 are fulfilled at or before the commencement of the first step in the Closing Sequence.

(a) The Company's Deliverables. The Company shall have executed and delivered or caused to have been executed and delivered to the Investor at the Closing all the documents contemplated in Section 7.4.

(b) Rail Agreement. The Rail Agreement shall have been renegotiated on terms and conditions acceptable to the Investors, acting reasonably.

(c) Material Adverse Effect. There shall not have been any Material Adverse Effect since the date hereof.

(d) Net Debt. Net Debt immediately following the Closing Time shall not exceed $150,000,000.

(e) No New Equity Issuances. The Company shall not have issued any New Common Shares or other securities of the Company, or incurred any new debt obligations, except in each case as provided for in the Approval and Reverse Vesting Order, this Agreement and the Backstop Commitment Letter.

(f) No Breach of Representations and Warranties. Except as such representations and warranties may be affected by the occurrence of events or transactions specifically contemplated by this Agreement (including the Approval and Reverse Vesting Order), each of the representations and warranties contained in Section 4.1 shall be true and correct in all material respects (unless qualified by materiality, in which case the foregoing qualification shall not apply): (i) as of the Closing Date as if made on and as of such date; or (ii) if made as of a date specified therein, as of such date.

(g) No Breach of Covenants. The Company shall have performed in all material respects (unless qualified by materiality, in which case the foregoing qualification shall not apply) all covenants, obligations and agreements contained in this Agreement required to be performed by the Company on or before the Closing.

Each Investor acknowledges and agrees that (i) its obligations to consummate the Transactions are not conditioned or contingent in any way upon receipt of financing from a third party, and (ii) failure to consummate the Transactions as a result of the failure to obtain financing shall constitute a breach of this Agreement by the Investor which will give rise, *inter alia*, to the Company's recourses for breach.

8.3 The Company's Conditions

The Company shall not be obligated to complete the Transactions unless each of the conditions listed below in this Section 8.3 have been satisfied, it being understood that the said conditions are included for the exclusive benefit of the Company, and may be waived by the Company in whole or in part, without prejudice to any of their rights of termination in the event of nonfulfillment of any other condition in whole or in part. Any such waiver shall be binding on the Company only if made in writing, provided that if the Company does not waive a condition(s) and completes the Closing, such condition(s) shall be deemed to have been waived by the Company. Each Investor shall take all such actions, steps and proceedings as are reasonably within the Investor's control as may be necessary to ensure that the conditions listed below in this Section 8.3 are fulfilled at or before the commencement of the first step in the Closing Sequence.

(a) Investor's Deliverables. Each Investor shall have executed and delivered or caused to have been executed and delivered to the Company (with a copy to the Monitor) at the Closing all the documents and payments for the Investor contemplated in Section 7.3.

(b) No Breach of Representations and Warranties. Except as such representations and warranties may be affected by the occurrence of events or transactions specifically contemplated by this Agreement (including the Approval and Reverse Vesting Order), each of the representations and warranties contained in Section 4.2 shall be true and correct in all material respects: (i) as of the Closing Date as if made on and as of such date; or (ii) if made as of a date specified therein, as of such date.

(c) No Breach of Covenants. The Investor shall have performed in all material respects all covenants, obligations and agreements contained in this Agreement required to be performed by the Investor on or before the Closing.

8.4 Monitor's Certificate

When the conditions to Closing set out in Section 8.1, 8.2 and 8.3 have been satisfied and/or waived by the Company or the Investor, as applicable, the Company, the Investor or their respective counsel will each deliver to the Monitor confirmation in writing that such conditions of Closing, as applicable, have been satisfied and/or waived and that the Parties are prepared for the Closing Sequence to commence (the "**Conditions Certificates**"). Upon receipt of the Conditions Certificates and the receipt of the entire Cash Consideration, the Monitor shall: (i) issue forthwith its Monitor's Certificate concurrently to the Company and counsel to the Investors, at which time the Closing Sequence will be deemed to commence and be completed in the order set out in the Closing Sequence, and Closing will be deemed to have occurred; and (ii) file as soon as practicable a copy of the Monitor's Certificate with the Court (and shall provide a true copy of such filed certificate to the Company and counsel to the Investors). In the case of: (i) and (ii) above, the Monitor will be relying exclusively on the Conditions Certificates without any obligation whatsoever to verify or inquire into the satisfaction or waiver of the applicable conditions, and the Monitor will have no liability to the Company or the Investor as a result of filing the Monitor's Certificate.

ARTICLE 9
TERMINATION

9.1 Grounds for Termination

(a) Subject to Section 9.1(b), this Agreement may be terminated on or prior to the Closing Date:

(i) by the mutual agreement of the Company and the Investors;

(ii) by either the Company or the Investors, upon the termination, dismissal or conversion of the CCAA Proceedings, provided that neither Party may terminate this Agreement pursuant to this Section 9.1(a)(ii) if the termination, dismissal or conversion of the CCAA Proceedings was caused by a breach of this Agreement by such Party;

(iii) the Court grants relief terminating the Stay Period (as defined in the Initial Order) with regard to any material assets or business of the Company and any appeal periods relating thereto shall have expired;

(iv) by either the Company or the Investors, upon notice to the other Party if the Court declines at any time to grant the Approval and Reverse Vesting Order, provided that (A) the reason for the Approval and Reverse Vesting Order not being approved by the Court is not due to any act, omission or breach of this Agreement by the Party proposing to terminate this Agreement, and (B) the

Investors may not terminate this Agreement while any decision of the Court declining to grant the Approval and Reverse Vesting Order is under appeal by the Company, provided that this Agreement may be terminated under Section 9.1(a)(vii);

(v) by the Investors, if the Approval and Reverse Vesting Order has not been issued and entered by the Court by the RVO Outside Date, or such later date agreed to in writing by each of the Investors;

(vi) by either the Company or the Investors, if a Governmental Entity issues a final, non-appealable Order permanently restraining, enjoining or otherwise prohibiting consummation of the Transactions where such Order was not requested, encouraged or supported by the terminating Party, provided that the right to terminate this Agreement under this Section 9.1(a)(vi) shall not apply if an Investor or Investors have assumed another Investor's obligations hereunder in a manner that the restraint, enjoinment or other prohibition on the consummation of the Transactions would no longer apply;

(vii) by either the Company or the Investors, at any time following the Outside Date, if Closing has not occurred on or prior to 11:59 p.m. (Eastern time) on the Outside Date, provided that the reason for the Closing not having occurred is not due to any act or omission, or breach of this Agreement, by the Party proposing to terminate this Agreement;

(viii) by the Company, if there has been a material violation or breach by an Investor of any agreement, covenant, representation or warranty of the Investor in this Agreement which would prevent the satisfaction of, or compliance with, any condition set forth in Section 8.3, as applicable, by the Outside Date and such violation or breach has not been waived by the Company or cured by the Investor, or some or all of the non-breaching Investors have not assumed such Investor's obligations to acquire New Common Shares or New First Out Secured Notes under this Agreement and the Backstop Commitment Letter, as the case may be, within fifteen (15) Business Days of the Company providing notice to the Investor of such breach, unless the Company is itself in material breach of its own obligations under this Agreement at such time;

(ix) by the Investors, if there has been a material violation or breach by the Company of any agreement, covenant, representation or warranty of the Company in this Agreement which would prevent the satisfaction of, or compliance with, any conditions set forth in Section 8.2, as applicable, by the Outside Date and such violation or breach has not been waived by the Investors or cured by the Company within ten (10) Business Days of the Investors providing written notice to the Company of such breach, unless the Investor is itself in material breach of its own obligations under this Agreement at such time; or

(x) if an Investor fails or Investors fail to fund its or their Cash Consideration on or prior to the date on which Closing would have otherwise occurred (each a "**Defaulting Investor**"), by the other Investors if some or all of the non-Defaulting Investors have not assumed such Defaulting Investor's obligations to acquire New Common Shares or New First Out Secured Notes under this Agreement and the Backstop Commitment Letter, as the case may be, within

five (5) Business Days of the date on which Closing would otherwise have occurred.

(b) Prior to the Company agreeing or electing to any termination pursuant to Section 9.1(a), the Company shall first obtain the prior written consent of the Monitor.

(c) The Party desiring to terminate this Agreement pursuant to this Section 9.1 (other than pursuant to Section 9.1(a)(i) shall give written notice of such termination to the other Party or Parties, as applicable, specifying in reasonable detail the basis for such Party's exercise of its termination rights.

9.2 Effect of Termination

(a) If this Agreement is terminated pursuant to Section 9.1, all further obligations of the Parties under this Agreement will terminate and no Party will have any Liability or further obligations to any other Party hereunder, except, subject to Section 9.2(b), as contemplated in Sections 2.1 (*Deposit*), 10.6 (*Expenses*), 10.7 (*Public Announcements*), 10.8 (*Notices*), 10.12 (*Waiver and Amendment*), 10.15 (*Governing Law*), 10.16 (*Dispute Resolution*), 10.17 (*Attornment*), 10.18 (*Successors and Assigns*), 10.19 (*Assignment*), 10.20 (*No Liability; Monitor Holding or Disposing Funds*), and 10.21 (*Third Party Beneficiaries*), which shall survive such termination.

(b) If the Agreement is terminated pursuant to Section 9.1(a)(viii) or 9.1(a)(x), the Deposit plus any accrued interest shall become the property of, and shall be transferred to, the Company as liquidated damages (and not as a penalty) to compensate the Company for the expenses incurred and opportunities foregone as a result of the failure to close the Transactions. The Company agrees that, notwithstanding any other provision herein, the Deposit, plus any accrued interest, shall be the exclusive remedy as against the non-Defaulting Investors if any event described in Section 9.1(a)(viii) or 9.1(a)(x) occurs giving rise to a termination right to the Company under this Agreement. If this Agreement is terminated pursuant 9.1(a)(x), the Company may pursue any Claims of the Company as against each Defaulting Investor related to the termination of this Agreement and such Claims are fully reserved, provided that the aggregate liability for a Defaulting Investor to the Company will not, including the amount of the Deposit provided by such Defaulting Investor and the interest earned thereon, exceed an amount equal to two times the amount of the Deposit.

(c) If the Closing does not occur for any reason and the Agreement is terminated other than the Agreement having been terminated pursuant to Section 9.1(a)(viii) or 9.1(a)(x), the Deposit will be forthwith refunded in full to each Investor in accordance with their allocations set forth on Exhibit "A" (with any accrued interest, and without offset or deduction).

ARTICLE 10
GENERAL

10.1 Transaction Structure

The Investors, with the prior consent of the Company and the Monitor, acting reasonably, may amend the structure of the Transaction, including with respect to optimizing tax structures, provided that such amendment to the Closing Sequence does not materially alter or impact the Transaction or the consideration which the Company and/or its applicable stakeholders will benefit from as part of the Transaction.

10.2 Approval, Consent, Waiver, Amendment, Termination

(a) Except as may be otherwise specifically provided for under this Agreement, where this Agreement provides that a matter shall have been approved, agreed to, consented to, waived, amended or terminated by the Backstop Parties, or that a matter must be satisfactory or acceptable to the Backstop Parties, such approval, agreement, consent, waiver, amendment, termination, satisfaction, acceptance or other action shall be effective or shall have been obtained or satisfied, as the case may be, for the purposes of this Agreement where the Investors, holding at least a simple majority of the Senior Secured Notes held by the Backstop Parties, shall have confirmed their approval, consent, waiver, amendment, termination, satisfaction or acceptance, as the case may be, to the Parties, which confirmation may be delivered by email, provided, further, that any amendment to this Agreement (including any attachment hereto) that would materially and adversely affect any Backstop Party compared to any other Investor shall require the prior written consent of the adversely affected Backstop Party.

(b) To the extent that RCF or Javelin holds Senior Secured Notes, such Party shall comply with the approval, agreement, consent, waiver, amendment, termination, satisfaction, acceptance or other action requirements contemplated to be taken by the Investors in accordance with Section 10.2(a) hereto with respect to their Senior Secured Notes, if applicable.

(c) Counsel to each Investor shall be able to communicate any required approval, agreement, consent, waiver, amendment, termination, satisfaction, acceptance or other action hereunder on behalf of such Investor, provided such Investor has provided the approval, agreement, consent, waiver, amendment, termination, satisfaction, acceptance or other action hereunder to its counsel. The Investors may be able to rely on such confirmation of approval, agreement, consent, waiver, amendment, termination, satisfaction, acceptance or other action without any obligation to inquire into such counsel's authority to do so on behalf of their respective clients and such communication shall be effective for all purposes of this Agreement.

(d) For certainty, all matters to be approved, agreed to, consented to, waived, amended or terminated must be approved, agreed to, consented to, waived, amended or terminated in writing by all of the Investors, with the prior written consent of the Company and the Monitor, acting reasonably, unless otherwise set forth herein.

10.3 Form of Vesting Order

The Investors agree that if the Court declines to grant the Approval and Reverse Vesting Order because a reverse vesting Order would be inappropriate in the circumstances, the structure of the Transactions shall be converted to contemplate an asset purchase agreement and approval and vesting Order, the Parties shall amend the structure of the Transactions accordingly, so long as the material terms contained herein are continued into the amended structure of the Transactions and the availability of Permits and Licenses and tax attributes are not adversely impacted by the amended structure of the Transactions (and if the tax attributes are adversely impacted, the Investors and Company shall negotiate, in good faith, the value of such impact and will agree to revise the consideration payable under such updated structure to reflect that decrease in value solely arising from the adverse impact to the tax attributes or as a result of additional costs that may need to be incurred in connection with assigning any Permits and Licenses or applying for and obtaining any replacement Permits and Licenses).

10.4 Tax Returns

The Investors shall: (a) prepare or cause to be prepared and file or cause to be filed all Tax Returns for the Company for all Tax periods ending on or prior to the Closing Date and for which Tax Returns have not been filed as of such date; and (b) cause the Company to duly and timely make or prepare all Tax Returns required to be made or prepared by them to duly and timely file all Tax Returns required to be filed by them for periods beginning before and ending after the Closing Date.

10.5 Survival

All representations, warranties, covenants and agreements of the Company or each Investor made in this Agreement or any other agreement, certificate or instrument delivered pursuant to this Agreement shall not survive the Closing except where, and only to the extent that, the terms of any such covenant or agreement expressly provide for rights, duties or obligations extending after the Closing, or as otherwise expressly provided in this Agreement.

10.6 Expenses

Except as otherwise set forth herein, including in Section 7.2 or if otherwise agreed in writing upon amongst the Parties, each Party shall be responsible for its own costs and expenses (including any Taxes imposed on such expenses) incurred in connection with the negotiation, preparation, execution, delivery and performance of this Agreement and the Transactions (including the fees and disbursements of legal counsel, bankers, agents, investment bankers, accountants, brokers and other advisers).

10.7 Public Announcements

(a) All public announcements made in respect of the Transactions shall be made solely by the Company, provided that such public announcements shall be in form and substance acceptable to the Investors, acting reasonably. Notwithstanding the foregoing, nothing herein shall prevent a party from making public disclosure in respect of the Transactions to the extent required by Applicable Law, provided that if any disclosure is to reference a Party hereto, such Party will be provided notice of such requirement so that such Party may seek a protective order or other appropriate remedy.

(b) Subject to the above, the Investors will agree to the existence and factual details of this Agreement, the Backstop Commitment Letter and the Transactions generally being set out in any public disclosure made by the Company or an Investor, including, without limitation, press releases and court materials, and to the filing of this Agreement, the Restructuring Support Agreement and the Backstop Commitment Letter with the Court in connection with the CCAA Proceedings, provided that the Restructuring Support Agreement and the Backstop Commitment Letter shall be subject to redactions as may be necessary to protect the commercial interests of the applicable Parties.

(c) Except as required by Applicable Law, the Company shall not without the prior written consent of an Investor (not to be unreasonably withheld, conditioned or delayed), specifically name the Investor in any press release or other public announcement or statement or commentary or make any representation in relation thereto.

10.8 Notices

(a) Mode of Giving Notice. Any notice, direction, certificate, consent, determination or other communication required or permitted to be given or made under this Agreement shall be in writing and shall be effectively given and made if: (i) delivered personally; (ii) sent by prepaid courier service; or (iii) sent by e-mail, in each case, to the applicable address set out below:

if to the Company to:

Tacora Resources Inc.
102 NE 3rd Street Suite 120
Grand Rapids, Minnesota
55744 USA

Attention: Joe Broking / Heng Vuong
E-mail: Joe.Broking@tacoraresources.com
Heng.Vuong@tacoraresources.com

with a copy to:

Stikeman Elliott LLP
5300 Commerce Court West,
199 Bay St.,
Toronto, ON M5L 1B9

Attention: Ashley Taylor / Lee Nicholson
E-mail: ataylor@stikeman.com / leenicholson@stikeman.com

If to the Monitor to:

FTI Consulting Canada Inc.
79 Wellington Street West
Toronto Dominion Centre, Suite 2010, P.O. Box 104
Toronto, ON M5K 1G8

Attention: Paul Bishop / Jodi Porepa
E-mail: Paul.Bishop@fticonsulting.com / Jodi.Porepa@fticonsulting.com

with a copy to:

Cassels, Brock & Blackwell LLP
Bay Adelaide Centre
40 Temperance St. #3200,
Toronto, ON M5H 2S7

Attention: Ryan Jacobs / Jane Dietrich
E-mail: rjacobs@cassels.com / jdierich@cassels.com

If to Investors or any Investors other than Javelin and RCF:

GLC Advisors & Co., LLC
600 Lexington Avenue, 9th Floor
New York, NY 10022
Attention: Michael Sellinger / Michael Kizer
Email: michael.sellinger@glca.com / michael.kizer@glca.com

Bennett Jones LLP
3400 One First Canadian Place
P.O. Box 130
Toronto, ON M5X 1A4

Attention: Sean Zweig
E-mail: zweigs@bennettjones.com

With a copy to:

Osler, Hoskin & Harcourt LLP
First Canadian Place
100 King St. W Suite 6200
M5X 1B8

Attention: Marc Wasserman / Michael De Lellis / Justin Sherman
E-mail: mwasserman@osler.com / mdelellis@osler.com / jsherman@osler.com

If to Javelin:

Javelin Global Commodities(SG) Pte Ltd
77 Robinson Road
#06-03, Robinson 77
Singapore 068896

Attention: Peter Bradley / Spencer Sloan / Tark Miyai / Michael Foster
Email: peter.bradley@jvln.com / spencer.sloan@jvln.com / tark.miyai@jvln.com / michael.foster@jvln.com

If to RCF:

Resource Capital Fund VII L.P.
1400 Wewatta Street, Suite 850
Denver, CO 80202
USA

Attention: General Counsel
Email: RCFNotices@rcflp.com

With a copy to:

Blake, Cassels & Graydon LLP
133 Melville St #3500
Vancouver, BC V6E 4E5

Attention: Bob Wooder / Peter Rubin / Christina Huber
Email: bob.wooder@blakes.com / peter.rubin@blakes.com / christina.huber@blakes.com

Gibson, Dunn & Crutcher LLP
811 Main Street, Suite 3000
Houston, TX 77002-6117
USA

Attention: Chad Nichols / Patrick Cowherd
Email: cnichols@gibsondunn.com / pcowherd@gibsondunn.com

(b) Deemed Delivery of Notice. Any such communication so given or made shall be deemed to have been given or made and to have been received on the day of delivery if delivered, or on the day of e-mailing, provided that such day in either event is a Business Day and the communication is so delivered, e-mailed or sent before 5:00 p.m. Eastern time on such day. Otherwise, such communication shall be deemed to have been given and made and to have been received on the next following Business Day.

(c) Change of Address. Any Party may from time to time change its address under this Section 10.8 by notice to the other Parties given in the manner provided by this Section 10.8.

10.9 Time of Essence

Time shall be of the essence of this Agreement in all respects.

10.10 Further Assurances

The Company on the one hand, and the Investor on the other hand, shall, at the sole expense of the requesting Party, from time to time promptly execute and deliver or cause to be executed and delivered all such further documents and instruments and shall do or cause to be done all such further acts and things in connection with this Agreement that the other Parties may reasonably require as being necessary or desirable in order to effectively carry out or better evidence or perfect the full intent and meaning of this Agreement or any provision hereof.

10.11 Entire Agreement

This Agreement and the deliverables delivered by the Parties in connection with the Transactions constitute the entire agreement between the Parties or any of them pertaining to the subject matter of this Agreement and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, with respect to the subject matter herein. There are no conditions, representations, warranties, obligations or other agreements between the Parties with respect to the subject matter of this Agreement (whether oral or written, express or implied, statutory or otherwise) except as explicitly set out in this Agreement.

10.12 Waiver and Amendment

Except as expressly provided in this Agreement, no amendment or waiver of this Agreement shall be binding unless: (a) executed in writing by the Company and each of the Investors (including by way of email); and (b) the Monitor shall have provided its prior consent. No waiver of any provision of this

Agreement shall constitute a waiver of any other provision nor shall any waiver of any provision of this Agreement constitute a continuing waiver unless otherwise expressly provided.

10.13 Severability

Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction will, as to that jurisdiction, be ineffective to the extent of such prohibition or unenforceability and will be severed from the balance of this Agreement, all without affecting the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction.

10.14 Remedies Cumulative

The rights, remedies, powers and privileges herein provided to a Party are cumulative and in addition to and not exclusive of or in substitution for any rights, remedies, powers and privileges otherwise available to that Party.

10.15 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

10.16 Dispute Resolution

If any dispute arises with respect to the interpretation or enforcement of this Agreement, including as to what constitutes a breach or material breach of this Agreement for the purposes of Article 8 hereof, such dispute shall be determined by the Court within the CCAA Proceedings, or by such other Person or in such other manner as the Court may direct. The Parties irrevocably submit and attorn to the exclusive jurisdiction of the Court.

10.17 Attornment

Each Party agrees: (a) that any Action relating to this Agreement shall be brought in the Court, and for that purpose now irrevocably and unconditionally attorns and submits to the jurisdiction of the Court; (b) that it irrevocably waives any right to, and shall not, oppose any such Action in the Court on any jurisdictional basis, including *forum non conveniens*; and (c) not to oppose the enforcement against it in any other jurisdiction of any Order duly obtained from the Court as contemplated by this Section 10.17. Each Party agrees that service of process on such Party as provided in this Section 10.17 shall be deemed effective service of process on such Party.

10.18 Successors and Assigns

This Agreement shall enure to the benefit of, and be binding on, the Parties and their respective successors and permitted assigns.

10.19 Assignment

The Company may not assign any of its rights or delegate any of its obligations under this Agreement without the prior written consent of the other Parties. Prior to Closing, each Investor may assign, upon written notice to the Company, all or any portion of its rights and obligations under this Agreement to another Investor or an Affiliate provided that such Affiliate is capable of making the same representations and warranties herein and completing the Transactions by the Outside Date. Any purported assignment or delegation in violation of this Section 10.19 is null and void. No assignment or delegation shall relieve the assigning or delegating party of any of its obligations hereunder.

10.20 No Liability; Monitor Holding or Disposing Funds

Any obligation of or direction to the Monitor to disburse or hold funds or take any action shall be subject to the Approval and Reverse Vesting Order or other order of the Court in all respects. The Investors and the Company acknowledge and agree that the Monitor, acting in its capacity as the Monitor of the Company in the CCAA Proceedings, and the Monitor's Affiliates and their respective former and current directors, officers, employees, agents, advisors, lawyers and successors and assigns will have no Liability under or in connection with this Agreement, the Approval and Reverse Vesting Order or any other related Court orders whatsoever (including, without limitation, in connection with the receipt, holding or distribution of the Cash Consideration (including the Deposit and interest accrued thereon)), whether in its capacity as Monitor, in its personal capacity or otherwise. If, at any time, there shall exist, in the sole and absolute discretion of the Monitor, any dispute between the Company on the one hand, and the Investor on the other hand, with respect to the holding or disposition of any portion of the Cash Consideration (including the Deposit and interest accrued thereon), or any other obligation of the Monitor hereunder in respect of the Cash Consideration (including the Deposit and interest accrued thereon), or if at any time the Monitor is unable to determine the proper disposition of any portion of the Cash Consideration (including the Deposit and interest accrued thereon), or its proper actions with respect to its obligations hereunder in respect of the Cash Consideration (including the Deposit and interest accrued thereon), then the Monitor may (i) make a motion to the Court for direction with respect to such dispute or uncertainty and, to the extent required by law or otherwise at the sole and absolute discretion of the Monitor, pay the Cash Consideration (including the Deposit and interest accrued thereon) or any portion of thereof into the Court for holding and disposition in accordance with the instructions of the Court, or (ii) hold the Cash Consideration (including the Deposit and interest accrued thereon)or any portion thereof and not make any disbursement thereof until: (a) the Monitor receives a written direction signed by both the Company and the Investor directing the Monitor to disburse, as the case may be, the Cash Consideration (including the Deposit and interest accrued thereon) or any portion thereof in the manner provided for in such direction, or (b) the Monitor receives an Order from the Court, which is not stayed or subject to appeal and for which the applicable appeal period has expired, instructing it to disburse, as the case may be, the Cash Consideration (including the Deposit and interest accrued thereon) or any portion thereof in the manner provided for in the Order. For the avoidance of doubt, all references to the Deposit in this Section shall be deemed to include any accrued interest thereon.

10.21 Third Party Beneficiaries

Except with respect to: (i) the Monitor as expressly set forth in this Agreement (including Section 10.20), ResidualCo or ResidualNoteCo as it relates to all rights, covenants, obligations and benefits in favour of the Company under this Agreement that survive Closing and are transferred to ResidualCo or ResidualNoteCo as an Excluded Liability at the Closing; and (ii) ResidualCo or ResidualNoteCo as it relates to all rights, covenants, obligations and benefits in favour of the Company under this Agreement that survive Closing and are transferred to ResidualCo or ResidualNoteCo as an Excluded Asset at the Closing, this Agreement is for the sole benefit of the Parties, and nothing in this Agreement, express or implied, is intended to or shall confer upon any other Person any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

10.22 Counterparts

This Agreement may be executed in counterparts, each of which shall be deemed to be an original and both of which taken together shall be deemed to constitute one and the same instrument. To evidence its execution of an original counterpart of this Agreement, a Party may send a copy of its original signature on the execution page hereof to the other Parties by e-mail in pdf format or by other

electronic transmission and such transmission shall constitute delivery of an executed copy of this Agreement to the receiving Party.

[Remainder of page intentionally left blank. Signature page follows.]

Schedule "B"

Restructuring Support Agreement

See attached.

SUPPORT AGREEMENT

WHEREAS, on October 10, 2023, Tacora Resources Inc. ("**Tacora**" or the "**Company**") obtained protection under the *Companies' Creditors Arrangement Act* (Canada) (the "**CCAA**") pursuant to an Initial Order (as amended and restated, including by order dated October 30, 2023, the "**Initial Order**") of the Ontario Superior Court of Justice (Commercial List) (the "**CCAA Court**"). On October 30, 2023, the CCAA Court granted an order approving a sale investment and solicitation process for the business and assets of Tacora; and

WHEREAS, this support agreement dated as of November 30, 2023 (the "**Agreement**") sets out the agreement among: [redacted] and, together with [redacted], the "**AHG Noteholders**") as holders of 8.250% Senior Secured Notes due 2026 (the "**Senior Secured Notes**") and 9.00% Cash / 4.00% PIK Senior Secured Priority Notes due 2023 (the "**Senior Priority Notes**", and together with the Senior Secured Notes, the "**Notes**"), issued by Tacora; (b) Resource Capital Fund VII L.P. ("**RCF**"); and (c) **Javelin Global Commodities (SG) Pte Ltd**. ("**Javelin**" and together with the AHG Noteholders and RCF, the "**Parties**" and each, a "**Party**"), regarding the principal aspects of a series of transactions involving the restructuring of Tacora as set forth in Schedule B – *Debt and Equity Restructuring Material Terms*, Schedule C – *Javelin Marketing and Offtake Arrangement Material Terms*, Schedule D – *Working Capital Facility Material Terms* and Schedule E – *Intercreditor Agreement Material Terms* (collectively, the "**Transaction**") under which it is contemplated that, among other things, the Parties shall acquire all of the Equity Interests (as defined herein) of Tacora outstanding upon the consummation of the Transaction, all as more fully defined and described herein and in the Schedules attached hereto, each forming a part hereof (with the terms of the Transaction set out therein being the "**Transaction Terms**"), which Transaction Terms shall form the basis for the terms of, be set forth in, and be implemented pursuant to, a purchase agreement (the "**Purchase Agreement**") and other Definitive Documents (as defined below) and approval order (which may be in the form of a "reverse vesting order", the "**Approval Order**") be effected through the CCAA proceedings; and

WHEREAS, capitalized terms used but not otherwise defined in the main body of this Agreement have the meanings ascribed to such terms in Schedule A or the Transaction Terms, as applicable.

NOW THEREFORE, the Parties hereby agree as follows:

1. Transaction

The Transaction Terms as agreed among the Parties are set forth in the Schedules attached hereto, which are incorporated herein and made a part of this Agreement. In the case of a conflict between the provisions contained in the main body of this Agreement and the Schedules, the provisions of the main body of this Agreement shall govern. In the case of a conflict between the provisions contained in the text of (i) this Agreement and (ii) the Purchase Agreement and/or the Definitive Documents, the terms of the Purchase Agreement and Definitive Documents shall govern.

2. Definitive Documents

The definitive documents and agreements governing the Transaction (the "**Definitive Documents**") shall consist of: (i) the Purchase Agreement (and all supplements, including any closing steps supplements, and all exhibits thereto); (ii) the Approval Order; (iii) the corporate governance documents for the reorganized Tacora, including, but not limited to, any documents concerning preferred or common equity, such as the Shareholders' Agreement and terms of the New Tacora Shares, which shall be consistent with the governance terms contained in Schedule B; (iv) the Working Capital Facility Agreement and any security documents related thereto; (v) the Intercreditor Agreement; (vi) the Javelin Marketing and Offtake Agreement; (vii) the Javelin Master Agreement; (viii) the indenture governing the Takeback SSNs to be issued pursuant to the Restructuring Term Sheet; (viii) the Management Incentive Plan; (ix) the backstop commitment letter attached hereto as Schedule "F" (the "**Backstop Commitment Letter**"); (x) the warrant certificates for the warrants being issued to RCF and the AHG Noteholders; and (xi) such other definitive documentation relating to the Transaction as is necessary or desirable to consummate the Transaction.

(a) The Definitive Documents not executed or in a form attached to this Agreement remain subject to negotiation and completion. Upon completion, the Definitive Documents and every other document, deed, agreement, filing, notification, letter, or instrument related to the Transaction shall contain terms, conditions, representations, warranties, and covenants consistent in all material respects with the terms of this Agreement, as they may be modified, amended, or supplemented in accordance with this Agreement, and shall be subject to the approval requirements set forth herein. The Definitive Documents shall be structured in a manner that is tax efficient for the Parties.

(b) The Parties shall cooperate with each other and shall coordinate their activities (to the extent practicable) in respect of (i) the timely satisfaction of conditions with respect to the Transaction and the Definitive Documents, (ii) all matters concerning the Closing of the Transaction, and (iii) the pursuit and support of the Transaction. Furthermore, subject to the terms hereof, the Parties shall take such action as may be reasonably necessary to carry out the purposes and intent of this Agreement.

(c) Each of the Parties hereby covenants and agrees (i) to use its commercially reasonable efforts to negotiate the Definitive Documents, and (ii) to execute (to the extent they are a party thereto) and otherwise support such Definitive Documents.

3. Representations and Warranties of the Parties

Each Party hereby represents and warrants to each other Party (and acknowledges that each of the Parties are relying upon such representations and warranties) that:

(a) this Agreement has been duly executed and delivered by it, and, assuming the due authorization, execution and delivery by each of the Parties, this Agreement constitutes the legal, valid and binding obligation of the Parties, enforceable against the other Parties in accordance with its terms, subject to laws of general application and bankruptcy, insolvency and other similar laws affecting creditors' rights generally and general principles of equity;

(b) it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization and has all necessary power and authority to conduct its business as currently being conducted, and to execute and deliver this Agreement and to perform its obligations hereunder and consummate the Transaction contemplated hereby;

(c) it is a sophisticated party with sufficient knowledge and experience to evaluate properly the terms and conditions of this Agreement; it has conducted its own analysis and made its own decision to enter in this Agreement and has obtained such independent advice in this regard as it deemed appropriate; and it has not relied in such analysis or decision on any Person other than its own independent advisors;

(d) it is an "accredited investor" or "qualified institutional buyer" within the meaning of the rules of the United States Securities and Exchange Commission under the *Securities Act of 1933*, as amended, and the regulations promulgated thereunder, as modified by The Dodd-Frank Wall Street Reform and Consumer Protection Act, and an "accredited investor" within the meaning of NI 45-106 – *Prospectus Exemptions*;

(e) the execution delivery and performance by it of this Agreement does not violate any provision of law, rule, or regulation applicable to it, or its certificate of incorporation, or bylaws, or other organizational documents;

(f) to the best of its knowledge, there is no proceeding, claim or investigation pending before any Governmental Entity, or threatened against it or any of its properties that, individually or in the aggregate, could reasonably be expected to have a material adverse effect on its ability to execute and deliver this Agreement, to perform its obligations hereunder and to consummate the Transaction contemplated hereby;

(g) it is, as at the date of this Agreement, the sole legal and beneficial holder of (or has sole voting and investment discretion, including discretionary authority to manage or administer funds, with respect to) Notes in the principal amount(s) set forth on its signature page hereto and no other Notes (the aggregate amount owing in respect of the Notes and any accrued interest, its "**Debt**");

(h) if it is a holder of Notes and/or other Debt, it has the sole authority to vote or direct the voting of its Notes and other Debt;

(i) its Notes and other Debt are (or will be upon consummation of the Transaction contemplated hereby) free and clear of any pledge, lien, security interest, charge, claim, equity, option, proxy, voting restriction, right of first refusal, or other limitation on disposition, transfer, or encumbrances of any kind, that would materially jeopardize its ability to perform any of its obligations under this Agreement at the time such obligations are required to be performed; and

(j) except as contemplated by this Agreement, it has not deposited any of its Notes or Debt into a voting trust, or granted (or permitted to be granted) any proxies or powers of attorney or attorney in fact, or entered into a voting agreement,

understanding or arrangement, or granted (or permitted to be granted) any right or privilege (whether by law, pre-emptive or contractual) capable of becoming a voting trust or other agreement, with respect to the voting of its Notes or Debt where such trust, grant, agreement, understanding, arrangement, right or privilege would in any manner restrict the ability of the subject Party to comply with its obligations under this Agreement, affecting the Notes or Debt or the ability of any holder thereof to exercise all ownership rights thereto.

4. <u>Acknowledgements, Agreements, Covenants and Consents of the Parties</u>

(a) *Support of the Transaction:*

(i) the Parties shall participate in the proposed sale and investment solicitation process approved by the CCAA Court on October 30, 2023, as may be amended from time to time (the "**SISP**") in accordance with its terms which shall include: (i) a non-binding letter of intent that complies with the requirements of the SISP to be submitted by the Parties as a Phase 1 Qualified Bid (as defined in the SISP) by the Phase 1 Bid Deadline (as defined in the SISP), and (ii) unless a stalking horse bid is accepted by Tacora and the CCAA Court, a binding and irrevocable Phase 2 Bid (as defined in the SISP) that complies with the requirements of the SISP to be submitted by the Parties as a Phase 2 Qualified Bid (as defined in the SISP) by the Phase 2 Bid Deadline (as defined in the SISP);

(ii) the Parties shall pursue the Transaction and the consummation thereof in good faith by way of the Purchase Agreement and the other Definitive Documents, which shall be acceptable to the Parties, acting in a manner consistent with the terms of this Agreement and Schedules B and C attached hereto, and shall not take any action (or inaction) that is inconsistent with the terms of this Agreement;

(iii) in the event the Parties determine to proceed with a plan of arrangement (a "**Plan**") rather than the Transaction, the Parties shall:

(A) prepare and enter into any definitive documents and agreements required to implement the Plan;

(B) vote (and direct the Notes Collateral Agent under the Notes Indenture to vote) all of their claims against Tacora now or hereafter owned by such Party (or for which such Party now or hereafter has voting control over) to accept the Plan in a timely manner and in accordance with applicable procedures, as established by any meeting order of the CCAA Court; and

(C) not withdraw, amend, or revoke (and direct the Notes Collateral Agent under the Notes Indenture not to withdraw, amend, or revoke), its tender, consent, or vote with respect to the Plan; provided, however, that such vote may be revoked (and, upon such

revocation, deemed void ab initio) by such Party at any time if this Agreement is terminated with respect to such Party;

(iv) the Parties shall support any motion made in the CCAA proceedings for approval of the Transaction or any other motion advanced in furtherance of the Transaction and consistent with this Agreement;

(v) the AHG Noteholders shall instruct the Notes Collateral Agent under the Notes Indenture to take any steps necessary in furtherance of the Transaction; and

(vi) no Party shall object to, delay, impede or take any other action to interfere with the Transaction, or propose, file or support any restructuring, workout or plan of arrangement for the Company other than the Transaction, or take any other action that is materially inconsistent with its obligations under this Agreement.

(b) *Exclusivity:* during the term of this Agreement, each Party agrees to work exclusively with the other Parties with respect to the Transaction in accordance with the terms set forth in Schedules B and C and they agree that they (i) will discontinue and will not pursue any existing discussions or negotiations relating to any Other Transaction, and will not directly or indirectly, initiate or take any action to facilitate or encourage any inquiries or the making of any proposal from a person or group of persons that may be inconsistent with or limit the likelihood of the successful implementation of the Transaction, or materially and adversely affect the business, operations or financial condition of Tacora, or its affiliates (as defined in the *Canada Business Corporations Act*), taken as a whole, except as contemplated by this Agreement, and (ii) will not engage in discussions or pursue transactions with any other person pertaining to the Transaction or any Other Transaction.

(c) *Javelin Marketing and Offtake:* the Parties shall negotiate the form of a marketing and offtake agreement, which shall, upon Closing, be entered into between Javelin and Tacora pursuant to which Javelin will act as marketer of iron ore concentrate (the "**Javelin Marketing and Offtake Agreement**"), substantially on the terms contained in Schedule C and as otherwise agreed among the Parties, acting reasonably and consistently with this Agreement. Tacora's obligations under the Javelin Marketing and Offtake Agreement will be secured, subject to and pursuant to the terms of the Intercreditor Agreement.

(d) *Javelin Master Agreement:* the Parties shall negotiate the form of master purchase and sale agreement for the sale and purchase of iron ore concentrate, which shall, upon Closing, be entered into between Javelin and Tacora (the "**Javelin Master Agreement**"), substantially on the terms contained in Schedule C and as otherwise on terms agreed among the Parties, acting reasonably and consistent with this Agreement. Tacora's obligations under the Javelin Master Agreement will be secured, subject to the terms of the Intercreditor Agreement.

(e) *Working Capital Facility:* the Parties shall negotiate the form of secured financing agreement and other related documentation (the "**Working Capital Facility Agreement**"), which shall, upon Closing, be entered into between Javelin or a third-party (described below) and Tacora, substantially on the terms contained in Schedule D and as otherwise on terms agreed among the Parties, acting reasonably and consistent with this Agreement. Such Working Capital Facility to be provided by:

(i) Javelin, substantially on the terms contained in Schedule D (the "**Javelin WC Terms**"); or

(ii) any other third-party lender as otherwise agreed among the Parties, acting reasonably and consistently with this Agreement (the "**Third Party Working Capital Lender**"),

in each case, subject to the terms of the Intercreditor Agreement (as defined below).

(f) *Intercreditor Agreement:* the Parties shall negotiate the form of an intercreditor agreement, which shall, upon Closing, be entered into among:

(i) Javelin as the lender under the Javelin WC Terms, or the Third Party Working Capital Lender, as applicable;

(ii) Javelin as the marketer under the Javelin Marketing and Offtake Agreement;

(iii) Javelin as the buyer under the Javelin Master Agreement;

(iv) a collateral agent acting on the instructions of the AHG Noteholders;

(v) RCF; and

(vi) any other secured parties in the reorganized Tacora,

(the "**Intercreditor Agreement**"), substantially on the terms contained in Schedule E and as otherwise on terms agreed among the Parties, acting reasonably and consistent with this Agreement.

(g) *Shareholders' Agreement:* the Parties shall negotiate the form of a shareholders' agreement (the "**Shareholders' Agreement**"), which shall, upon Closing, be entered into among the Parties substantially on the terms contained in Schedule B and as otherwise on terms agreed among the Parties, acting reasonably and consistent with this Agreement.

(h) *Backstop Commitment Letter:* the AHG Noteholders have agreed to the Backstop Commitment Letter that is attached hereto as Schedule "F".

(i) *Notification of Other Transaction:* each of RCF, Javelin and the AHG Noteholders shall promptly (and in any event within one Business Day of receipt by the

applicable Party) notify the other Parties of any proposal in respect of any Other Transaction made to such Party.

(j) *New Tacora Shares:* each Party acknowledges that shares issued pursuant to the Purchaser Agreement (the "**New Tacora Shares**") will be issued pursuant to appliable registration and prospectus exemptions under U.S. federal and state securities laws and Canadian securities laws.

(k) *No Sale or Encumbrance:* each Party shall not, directly or indirectly, sell, assign, lend, pledge, hypothecate (except with respect to security generally applying to its investments which does not adversely affect such Party's ability to perform its obligations under this Agreement) or otherwise transfer any of its Notes or other Debt or any interest therein (or permit any of the foregoing with respect to any of its Notes or other Debt), or relinquish or restrict the Party's right to vote any of the Notes or other Debt (including without limitation by way of a voting trust or grant of proxy or power of attorney or other appointment of an attorney or attorney-in-fact), or enter into any agreement, arrangement or understanding in connection therewith, except that the Party may transfer some or all of its Debt to (i) any other fund managed by the Party for which the Party has sole voting and investment discretion, including sole discretionary authority to manage or administer funds and continues to exercise sole investment and voting authority with respect to the transferred Debt, (ii) any other Party, or (iii) any other Person provided such Person agrees to be bound by the terms of this Agreement and the other Parties consent to such transfer.

(l) *Additional Obligations Incurred Shall be Subject to this Agreement*: any additional Debt, shares, or any other indebtedness, liability or obligation of any kind that would be a claim provable within the meaning of section 2 of the *Bankruptcy and Insolvency Act* of Tacora that a Party acquires during the term of this Agreement shall be subject to this Agreement.

5. Conditions Precedent to the Transaction

The obligations of the Parties to complete the Transaction and the other transactions contemplated hereby and the consummation of the Transaction are subject to the following conditions precedent prior to or at the Closing, each of which is for the benefit of the AHG Noteholders, Javelin and RCF, and may be waived, in whole or in part, by each of the AHG Noteholders, Javelin and RCF:

(a) the CCAA court shall have granted the Approval Order approving the Transaction and such ancillary relief as is required to close the Transaction, and the implementation, operation or effect of the Approval Order shall not have been stayed, varied in a manner not acceptable to Parties, acting reasonably, vacated or subject to pending appeal and as to which order any appeal periods relating thereto shall have expired;

(b) the Definitive Documents (including the Backstop Commitment Letter) shall be in form and substance consistent with the terms of this Agreement and material terms

set forth in Schedule B, C, D and E attached hereto, and shall be satisfactory to the Parties, each acting reasonably;

(c) the Third Party Working Capital Lender, if applicable, shall be an entity that is satisfactory to the Parties, each acting reasonably;

(d) trade claims, contractual obligations of the Company and other unsecured claims against the Company shall be dealt with under the Purchase Agreement in a manner acceptable to the Parties, each acting reasonably;

(e) each Party shall have complied in all material respects with its covenants and obligations under or in respect of this Agreement;

(f) the representations and warranties of each of the Parties set forth in this Agreement shall continue to be true and correct (except to the extent such representations and warranties are by their terms given as of a specified date, in which case such representations and warranties shall be true and correct in all respects as of such date) except as such representations and warranties may be affected by the occurrence of events or transactions contemplated and permitted by this Agreement;

(g) there shall not exist or have occurred any Material Adverse Change; and

(h) there shall not be in effect any preliminary or final decision, order or decree by a Governmental Entity, no application (other than a frivolous or vexatious application by a Person other than a Governmental Entity) shall have been made to any Governmental Entity, and no action or investigation shall have been announced, threatened or commenced by any Governmental Entity, in consequence of or in connection with the Transaction that restrains, impedes or prohibits (or if granted could reasonably be expected to restrain, impede or inhibit) the Transaction or any material part thereof or requires or purports to require a material variation of the Transaction.

6. Public Disclosure

(a) Other than as is required by the CCAA Court in connection with the CCAA proceedings, no press release or other public disclosure concerning the Transaction contemplated herein, the Purchase Agreement, any other Definitive Document or any negotiations, terms or other facts with respect thereto, shall be made by a Party without previously consulting with the other Parties, except as, and only to the extent that, the disclosure is required by applicable Law, by any regulatory authority having jurisdiction over the relevant Party, or by any court of competent jurisdiction; provided, however, that the Party shall, to the extent practicable under the circumstances, provide the other Parties with a copy of such disclosure in advance of any release and an opportunity to consult with the other Parties as to the contents and to provide comments thereon.

(b) Notwithstanding the foregoing, no information with respect to the principal amount of Notes held or managed by any individual AHG Noteholder or the identity of any

individual AHG Noteholder shall be disclosed by RCF or Javelin, except as may be required by applicable Law, by any regulatory authority having jurisdiction over the relevant Party, or by any court of competent jurisdiction.

7. Further Assurances

Each Party shall do all such things in its control, take all such actions as are commercially reasonable, deliver to the other Parties such further information and documents and execute and deliver to the other Parties such further instruments and agreements as another Party shall reasonably request to consummate or confirm the transactions provided for in this Agreement, to accomplish the purpose of this Agreement or to assure to the other Party the benefits of this Agreement.

8. Approval, Consent, Waiver, Amendment, Termination

(a) Except as may be otherwise specifically provided for under this Agreement, where this Agreement provides that a matter shall have been approved, agreed to, consented to, waived, amended or terminated by the AHG Noteholders, or that a matter must be satisfactory or acceptable to the AHG Noteholders, such approval, agreement, consent, waiver, amendment, termination, satisfaction, acceptance or other action shall be effective or shall have been obtained or satisfied, as the case may be, for the purposes of this Agreement where the AHG Noteholders, holding at least a simple majority of each class of Notes held by the AHG Noteholders, shall have confirmed their approval, consent, waiver, amendment, termination, satisfaction or acceptance, as the case may be, to the Parties, which confirmation may be delivered by email, provided, further, that any amendment to this Support Agreement (including any attachment hereto) that would materially and adversely affect any Party compared to any other Party shall require the prior written consent of the adversely affected Party.

(b) To the extent RCF or Javelin holds Notes, such Party shall comply with the approval, agreement, consent, waiver, amendment, termination, satisfaction, acceptance or other action requirements contemplated to be taken by the AHG Noteholders in accordance with Section 8(a) hereto with respect to their Notes, if applicable.

(c) Counsel to each Party shall be able to communicate any required approval, agreement, consent, waiver, amendment, termination, satisfaction, acceptance or other action hereunder on behalf of such Party, provided such Party has provided the approval, agreement, consent, waiver, amendment, termination, satisfaction, acceptance or other action hereunder to its counsel. The Parties may be able to rely on such confirmation of approval, agreement, consent, waiver, amendment, termination, satisfaction, acceptance or other action without any obligation to inquire into such counsel's authority to do so on behalf of their respective clients and such communication shall be effective for all purposes of this Agreement.

(d) For certainty, all matters to be approved, agreed to, consented to, waived, amended or terminated must be approved, agreed to, consented to, waived, amended or terminated in writing by all of the Parties, i.e. each of RCF, Javelin (in its capacity

as a Party to this Agreement and as a holder of the Notes, respectively) and/or the AHG Noteholders, as applicable, unless otherwise set forth herein.

9. Termination Events

This Agreement may be terminated upon five Business Days' notice by the delivery by one or more of RCF, Javelin or the AHG Noteholders to the other Parties of a written notice in accordance with Section 13(j), upon the occurrence and, if applicable, continuation, of any of the following events:

(a) by mutual agreement between the Parties;

(b) May 1, 2024 (the "**Outside Date**");

(c) an Other Transaction is approved by the CCAA Court (regardless of whether such Other Transaction is supported by the AHG) as the successful bid in the SISP and any appeal periods relating thereto shall have expired;

(d) if no compliant bid is submitted by the Parties during (i) Phase 1 of the SISP, or (ii) Phase 2 of the SISP (assuming (A) a stalking horse bid has not been accepted by Tacora and the CCAA Court; or (B) the Phase 1 Bid was advanced to Phase 2);

(e) one or more of the other Parties takes any action inconsistent with this Agreement or fails to comply with, or defaults in the performance or observance of, any material term, condition, covenant or agreement set forth in this Agreement, which, if capable of being cured, is not cured within five Business Days after the receipt of written notice of such failure or default and provided that, for greater certainty, no cure period shall apply with respect to any termination pursuant to Sections 9(a), 9(b), 9(h), or 9(i);

(f) any representation, warranty or acknowledgement of any of the Parties made in this Agreement shall prove untrue in any material respect as of the date when made, or the breach of such representation, warranty or acknowledgement by another Party that could reasonably be expected to have a material adverse impact on the Transaction or the consummation thereof;

(g) the issuance of any final decision, order or decree by a Governmental Entity, in consequence of or in connection with the Transaction, which restrains or impedes in any material respect or prohibits the Transaction or any material part thereof or requires or purports to require a material variation of the Transaction;

(h) the CCAA proceedings are dismissed or converted, or a receiver, interim receiver, receiver and manager, trustee in bankruptcy, liquidator or administrator is appointed in respect of Tacora or its property and any appeal periods relating thereto shall have expired;

(i) the CCAA Court grants relief terminating the Stay Period (as defined in the Initial Order) with regard to any material assets or business of the Company and any appeal periods relating thereto shall have expired;

(j) the amendment, modification or filing of a pleading by Tacora seeking to amend or modify the Transaction, or any material document or order relating thereto, if such amendment or modification is not acceptable to the Parties, acting in a manner consistent with the terms of this Agreement and Schedule B, C, D, E and F attached hereto; and

(k) the conditions set forth in Section 5 are not satisfied or waived by the Outside Date or the Parties determine that there is no reasonable prospect that the conditions set forth in Section 5 will be satisfied or waived by the Outside Date.

10. Termination Upon Closing

This Agreement shall terminate automatically without any further required action or notice on Closing. For greater certainty, the representations, warranties and covenants herein shall not survive and shall be of no further force or effect from and after Closing other than as provided in Section 11.

11. Effect of Termination

(a) Upon termination of this Agreement, this Agreement shall be of no further force and effect and each Party hereto shall be automatically and simultaneously released from its commitments, undertakings, and agreements under or related to this Agreement, except for the rights, agreements, commitments and obligations under Sections 6(b) (*Public Disclosure*), 12 (*Confidentiality*), and 13 (*Miscellaneous*), all of which shall survive the termination, and each Party shall have the rights and remedies that it would have had it not entered into this Agreement and shall be entitled to take all actions, whether with respect to the Transaction or otherwise, that it would have been entitled to take had it not entered into this Agreement.

(b) Each Party shall be responsible and shall remain liable for any breach of this Agreement by such Party occurring prior to the termination of this Agreement.

12. Confidentiality

This Agreement and its contents are Common Interest Privilege Materials as defined in the Common Interest Privilege Agreement.

13. Miscellaneous

(a) *Further Acquisition of Notes Permitted*. This Agreement shall in no way be construed to preclude any AHG Noteholder from acquiring additional Notes in accordance with this Agreement, including Section 4(l), subject to compliance with applicable Securities Laws.

(b) *Headings*. The headings in this Agreement are for reference only and shall not affect the meaning or interpretation of this Agreement.

(c) *Singular, Plural, Gender*. Unless the context otherwise requires, words importing the singular shall include the plural and vice versa and words importing any gender shall include all genders.

(d) *Currency*. Unless otherwise specifically indicated, all sums of money referred to in this Agreement are expressed in lawful money of the United States of America.

(e) *Entire Agreement*. This Agreement and any other agreements contemplated by or entered into pursuant to this Agreement (which will include the Purchase Agreement), together with the exhibits hereto, constitutes the entire agreement and supersedes all prior agreements and understandings, both oral and written, among the Parties with respect to the subject matter hereof.

(f) *Relationship Among the AHG Noteholders*. The agreements, representations and obligations of the AHG Noteholders under this Agreement are, in all respects, several and not joint and several.

(g) *Signing Authority*. Any person signing this Agreement in a representative capacity (i) represents and warrants that he/she is authorized to sign this Agreement on behalf of the Party he/she represents and that his/her signature upon this Agreement will bind the represented Party to the terms hereof, and (ii) acknowledges that the other Parties hereto have relied upon such representation and warranty.

(h) *Amendments*. This Agreement may be modified, amended or supplemented as to any matter by an instrument in writing signed by the Parties.

(i) *Time of the Essence*. The Parties agree to complete the Transaction as expeditiously as possible. Any date, time or period referred to in this Agreement shall be of the essence except to the extent to which the Parties agree in writing to vary any date, time or period, in which event the varied date, time or period shall be of the essence.

(j) *Notices*. All notices, consents and other communications which may be or are required to be given pursuant to any provision of this Agreement shall be given or made in writing and shall be deemed to be validly given if served personally or by PDF/email transmission, in each case addressed to the particular Party:

(i) If to the AHG Noteholders:

GLC Advisors & Co., LLC
600 Lexington Avenue, 9th Floor
New York, NY 10022

Attention: Michael Sellinger & Michael Kizer
Email: michael.sellinger@glca.com; michael.kizer@glca.com

With a required copy (which shall not be deemed notice) to:

Osler, Hoskin & Harcourt LLP
6200 One First Canadian Place
100 King Street West
Toronto, ON M5X 1B8

Attention: Marc Wasserman and Michael De Lellis
Email: mwasserman@osler.com; mdelellis@osler.com

Bennett Jones LLP
3400 One First Canadian Place
P.O. Box 130
Toronto, ON M5X 1A4

Attention: Sean Zweig, Mike Shakra & Thomas Gray
Email: zweigs@bennettjones.com; shakram@bennettjones.com; grayt@bennettjones.com

(ii) If to RCF, at:

Resource Capital Fund VII L.P.
1400 Wewatta Street, Suite 850
Denver, CO 80202
USA

Attention: General Counsel
Email: [redacted]

With a required copy (which shall not be deemed notice) to:

Blake, Cassels & Graydon LLP
133 Melville St #3500
Vancouver, BC V6E 4E5

Attention: Bob Wooder, Trish Robertson & Peter Rubin
Email: bob.wooder@blakes.com; trisha.robertson@blakes.com; peter.rubin@blakes.com

Gibson, Dunn &Crutcher LLP
811 Main Street, Suite 3000
Houston, TX 77002-6117
USA

Attention: Chad M. Nichols & Patrick Cowherd
Email: cnichols@gibsondunn.com; pcowherd@gibsondunn.com

(iii) If to Javelin, at:

Javelin Global Commodities(SG) Pte Ltd
77 Robinson Road

#06-03, Robinson 77

Singapore 068896

Attention: [redacted]
Foster
Email: [redacted]

or at such other address of which any Party may, from time to time, advise the other Parties by notice in writing given in accordance with the foregoing. The date of receipt of any such notice shall be deemed to be the date of delivery or transmission thereof.

(k) *Enforceability*. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any rule of law or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in a mutually acceptable manner in order that the terms of this Agreement remain as originally contemplated to the fullest extent possible.

(l) *Successors and Assigns*. The provisions of this Agreement shall be binding upon and enure to the benefit of the Parties hereto and their respective successors and permitted assigns, provided that no Party may assign, delegate or otherwise transfer any of its rights, interests or obligations under this Agreement without the prior written consent of the other Parties hereto, except by the Parties as set forth and to the extent permitted in Section 4(k).

(m) *Governing Law*. This Agreement, the rights and obligations of the Parties under this Agreement, and any claim or controversy directly or indirectly based upon or arising out of this Agreement or the transactions contemplated by this Agreement (whether based on contract, tort or any other theory), including all matters of construction, validity and performance, shall in all respects be governed by, and interpreted, construed and determined in accordance with, the laws of the Province of Ontario and the federal laws of Canada applicable therein, without regard to the conflicts of law principles thereof. The Parties consent to the jurisdiction and venue of the courts of Ontario and, while the CCAA proceedings are ongoing, specifically to the jurisdiction and venue of the CCAA Court for the resolution of any such disputes arising under this Agreement. Each Party agrees that service of process on such Party as provided in Section 13(j) of this Agreement shall be deemed effective service of process on such Party.

(n) *Specific Performance*. It is understood and agreed by the Parties that money damages would not be a sufficient remedy for any breach of this Agreement by any Party and each non-breaching Party shall be entitled to specific performance and injunctive or other equitable relief as a remedy of any such breach, including an order by a court of competent jurisdiction requiring any Party to comply promptly with any of its obligations hereunder.

(o) *Waiver of Right to Trial By Jury*. The Parties waive any right to trial by jury in any proceeding arising out of or relating to this Agreement or any of the transactions contemplated by this Agreement, present or future, and whether sounding in contract, tort or otherwise. Any Party may file a copy of this provision with any court as written evidence of the knowing, voluntary and bargained for agreement between the Parties irrevocably to waive trial by jury, and that any proceeding whatsoever between them relating to this Agreement or any of the transactions

contemplated by this Agreement shall instead be tried by a judge or judges sitting without a jury.

(p) *No Third Party Beneficiaries*. Unless expressly stated herein, this Agreement shall be solely for the benefit of the Parties, and no other person or entity shall be a third-party beneficiary hereof.

(q) *Counterparts*. This Agreement may be executed by facsimile or other electronic means and in one or more counterparts, all of which shall be considered one and the same agreement.

[Signature pages follow]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement the date and year written above.

JAVELIN GLOBAL COMMODITIES (SG) PTE LTD

By: [redacted]

Name: [redacted]

Title: Director

Principal Amount of Notes: $[redacted]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement the date and year written above.

RESOURCE CAPITAL FUND VII L.P.

By: Resource Capital Associates VII L.P.,

General Partner,

By: RCFM GP L.L.C., General Partner

By: [redacted]

Name: [redacted]

Title: General Partner

Principal Amount of Notes: $[redacted]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement the date and year written above.

[redacted]

By: [redacted]
Name: [redacted]
Title: [redacted]
Principal Amount of Notes: $[redacted]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement the date and year written above.

[redacted]

By: _____
Name: [redacted]
Title: [redacted]
Principal Amount of Notes: $[redacted]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement the date and year written above.

[redacted]

By: [redacted]
Name: [redacted]
Title: [redacted]
Principal Amount of Notes: $[redacted]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement the date and year written above.

[redacted]

By: [redacted]
Name: [redacted]
Title: [redacted]
Principal Amount of Notes: $[redacted]

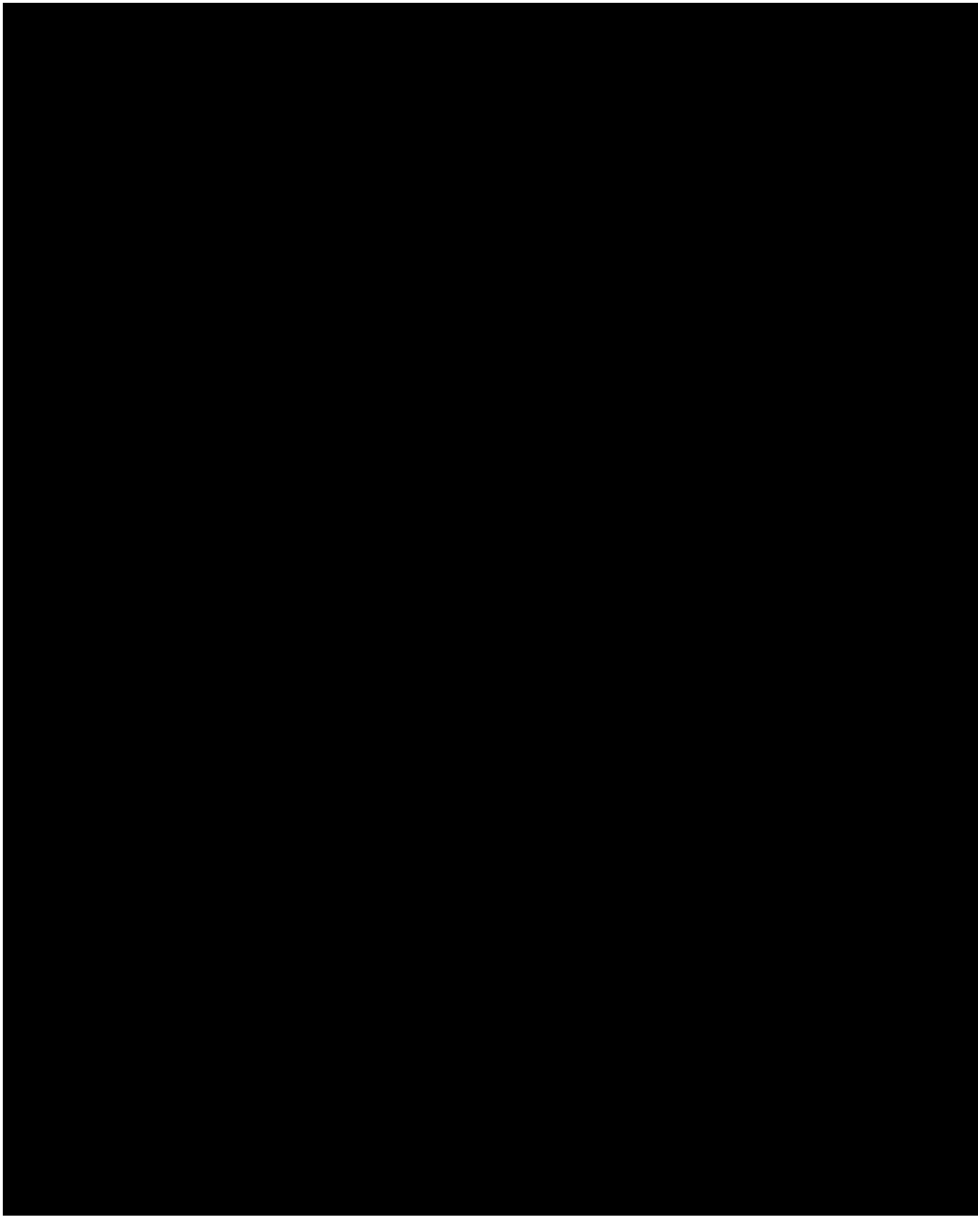
Schedule “C”

Working Capital Term Sheet

See attached.

[redacted]

EXHIBIT A



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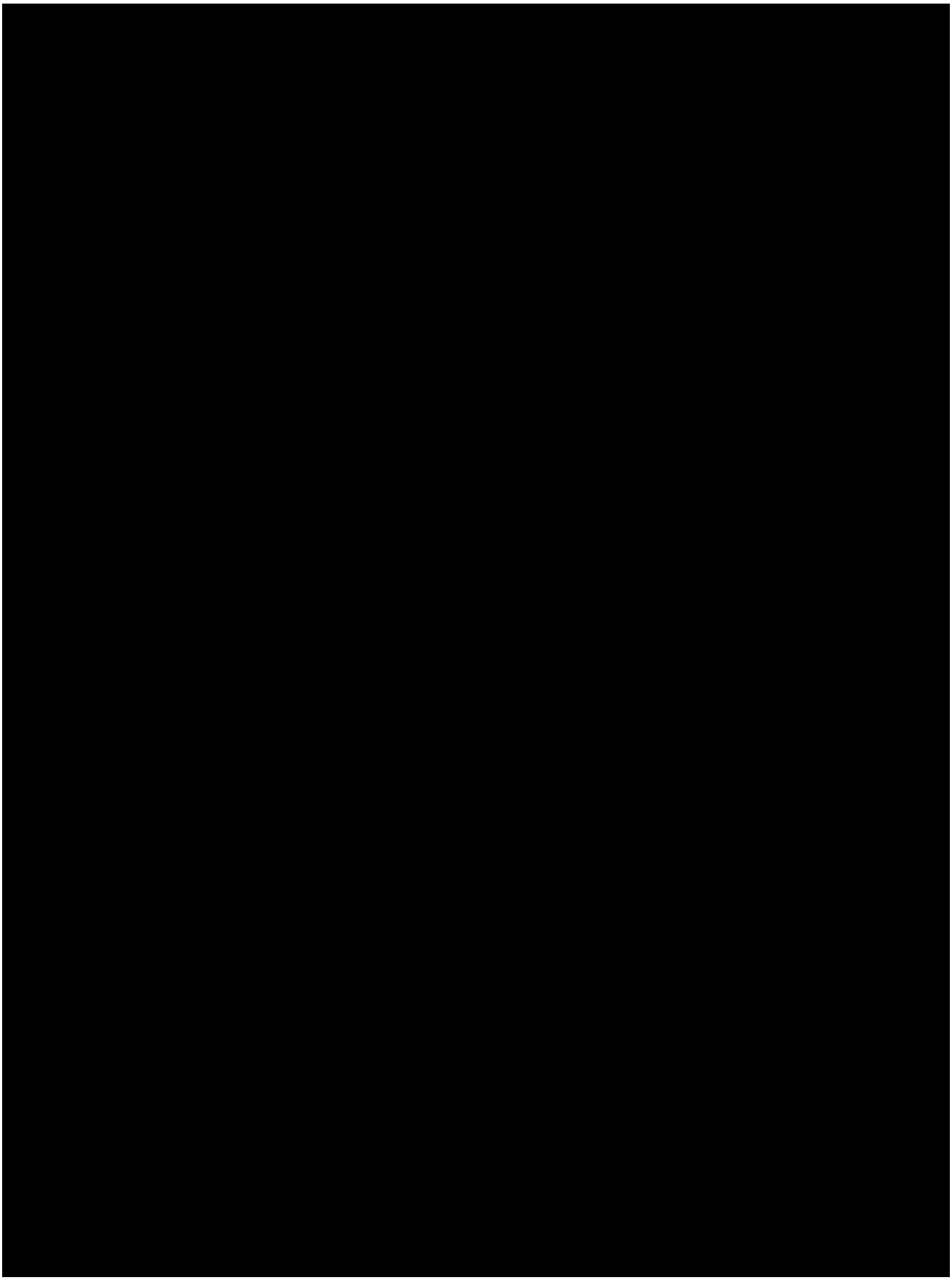

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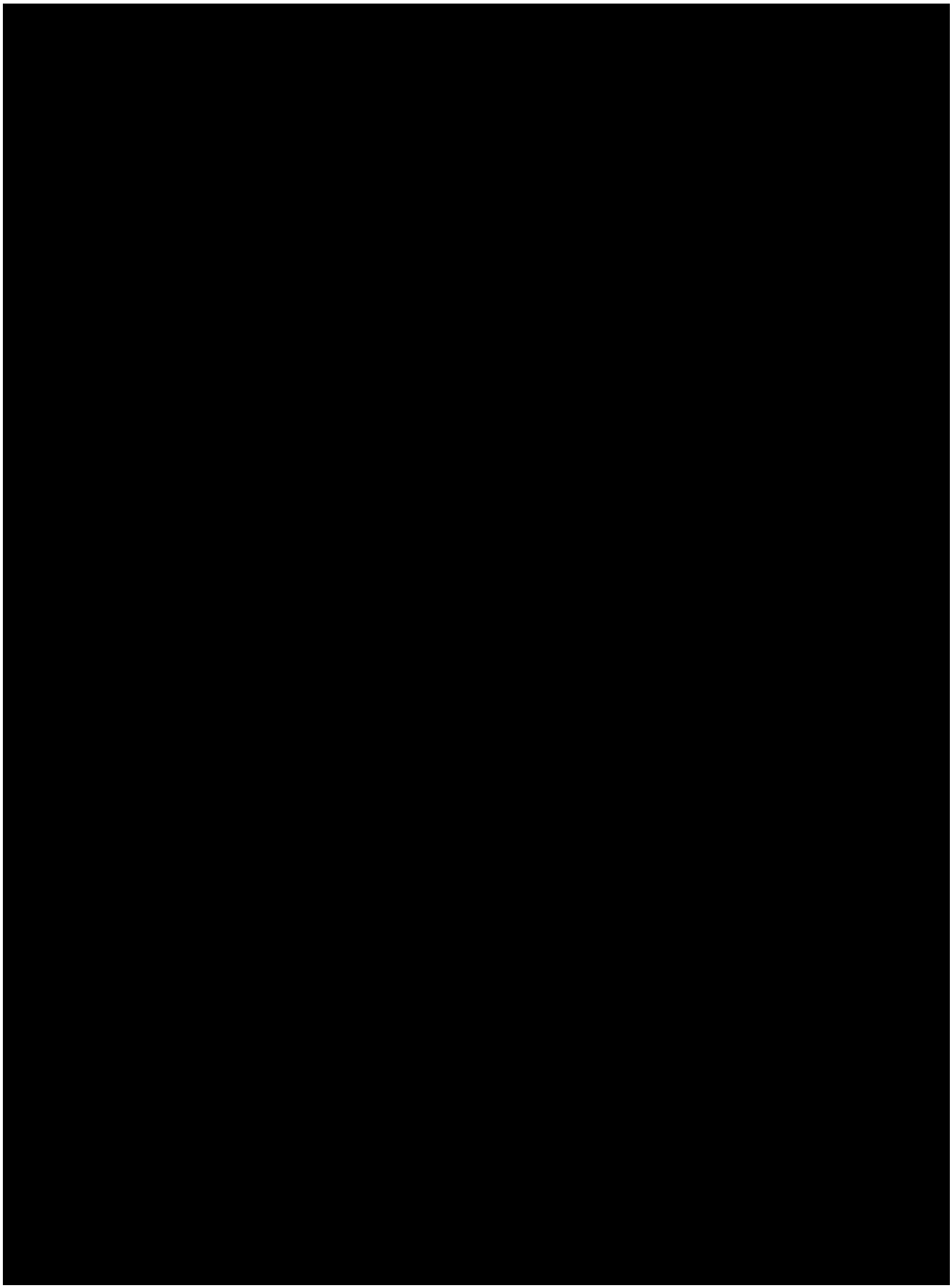

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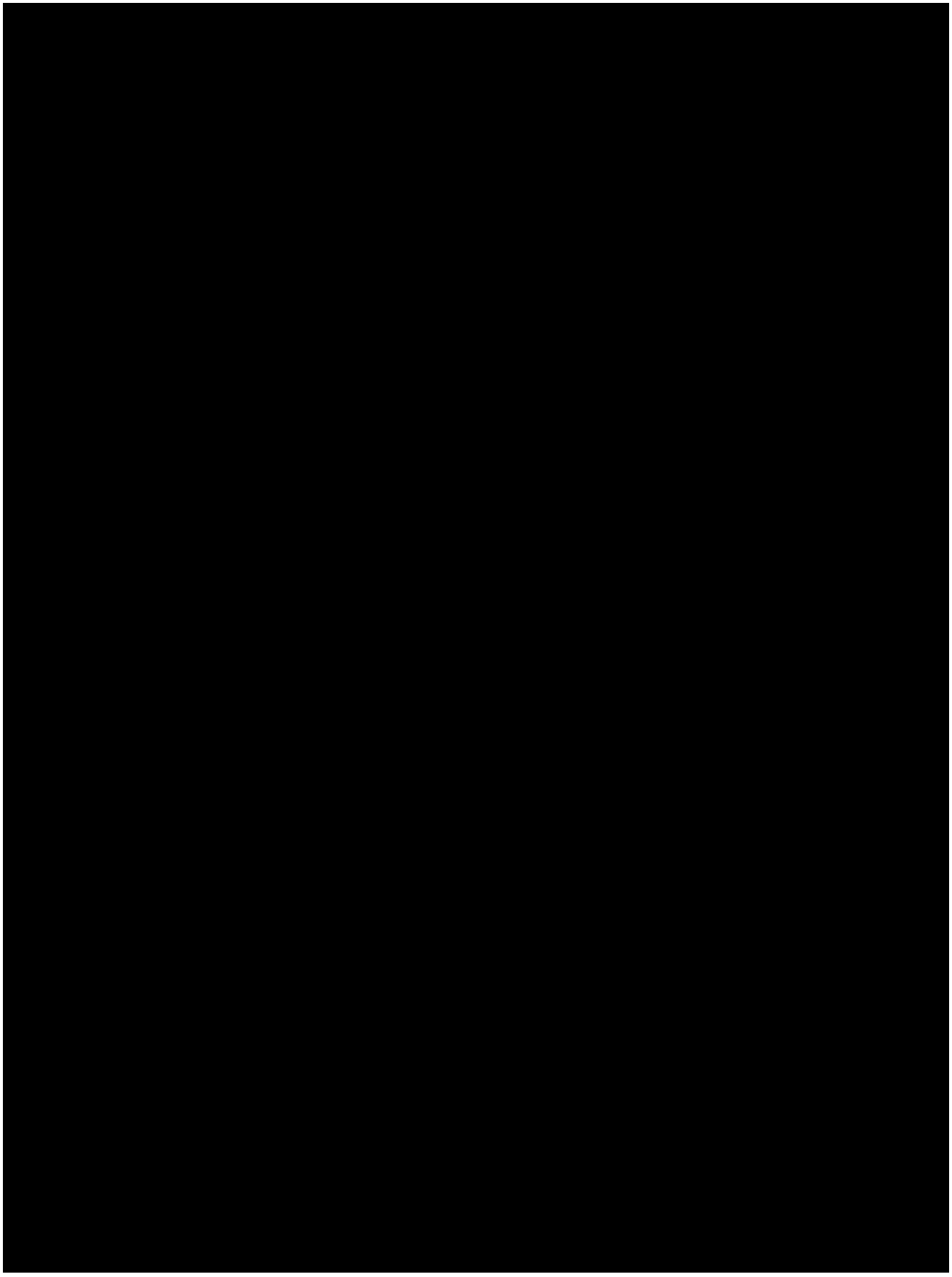

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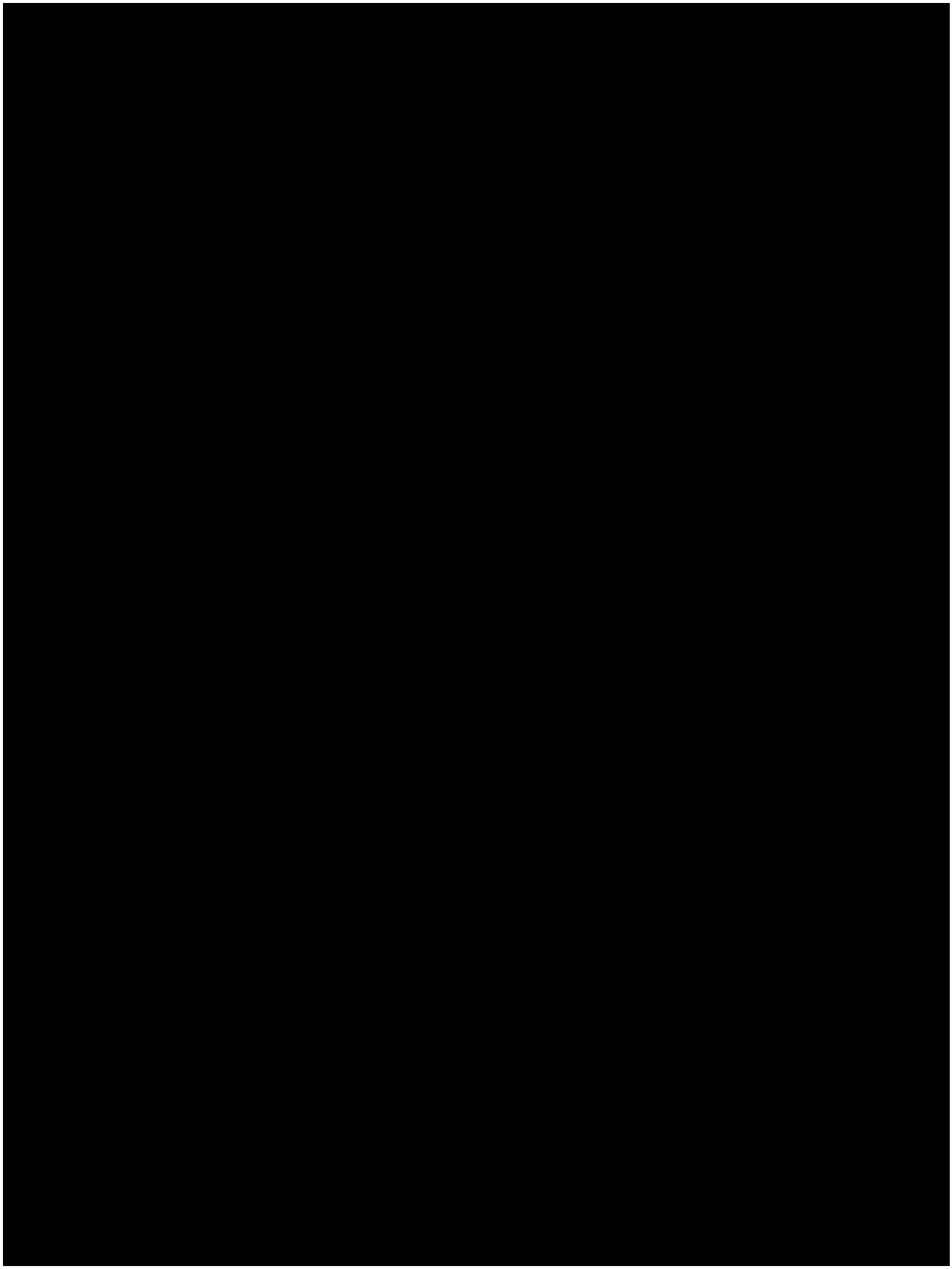

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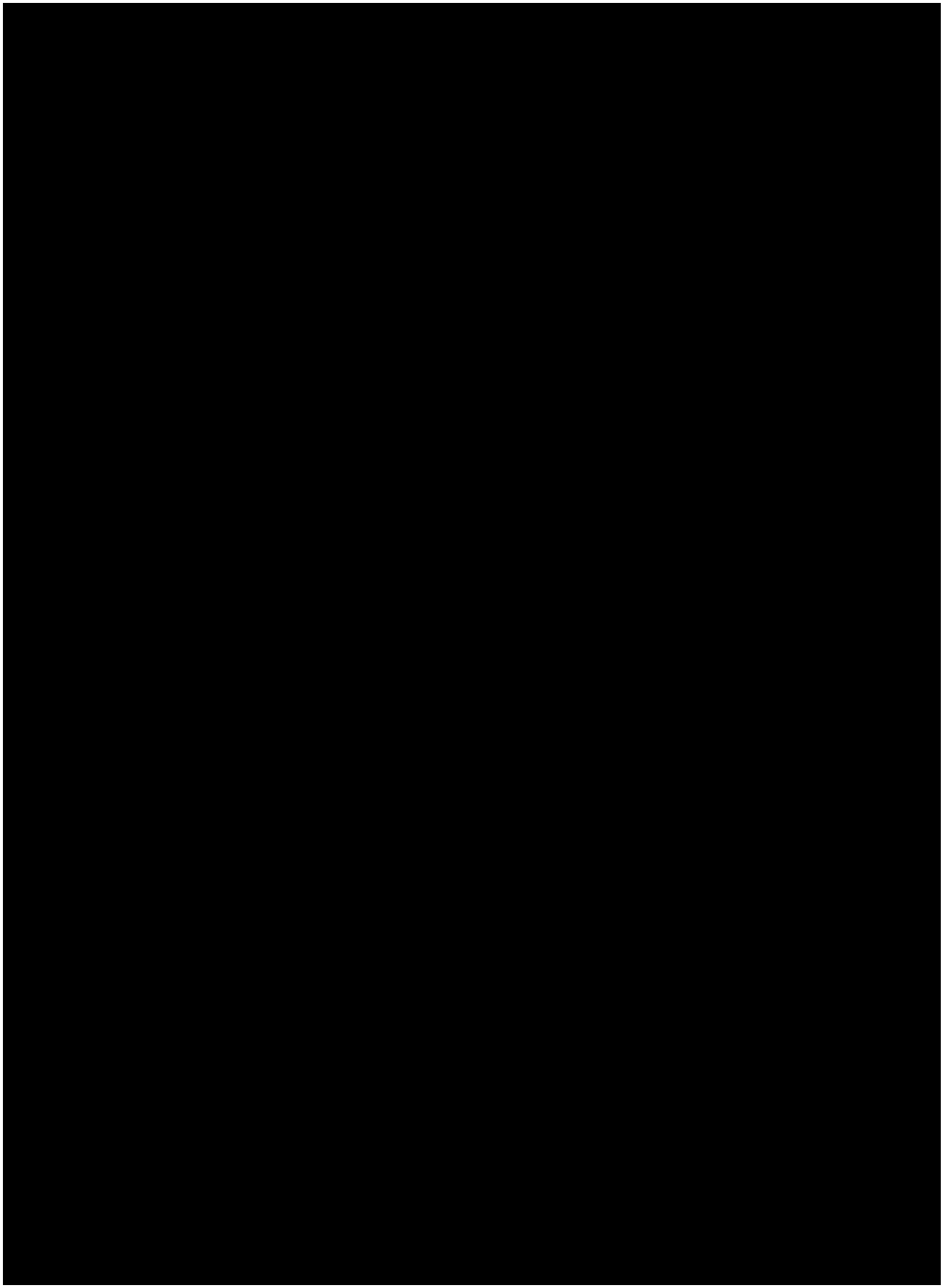

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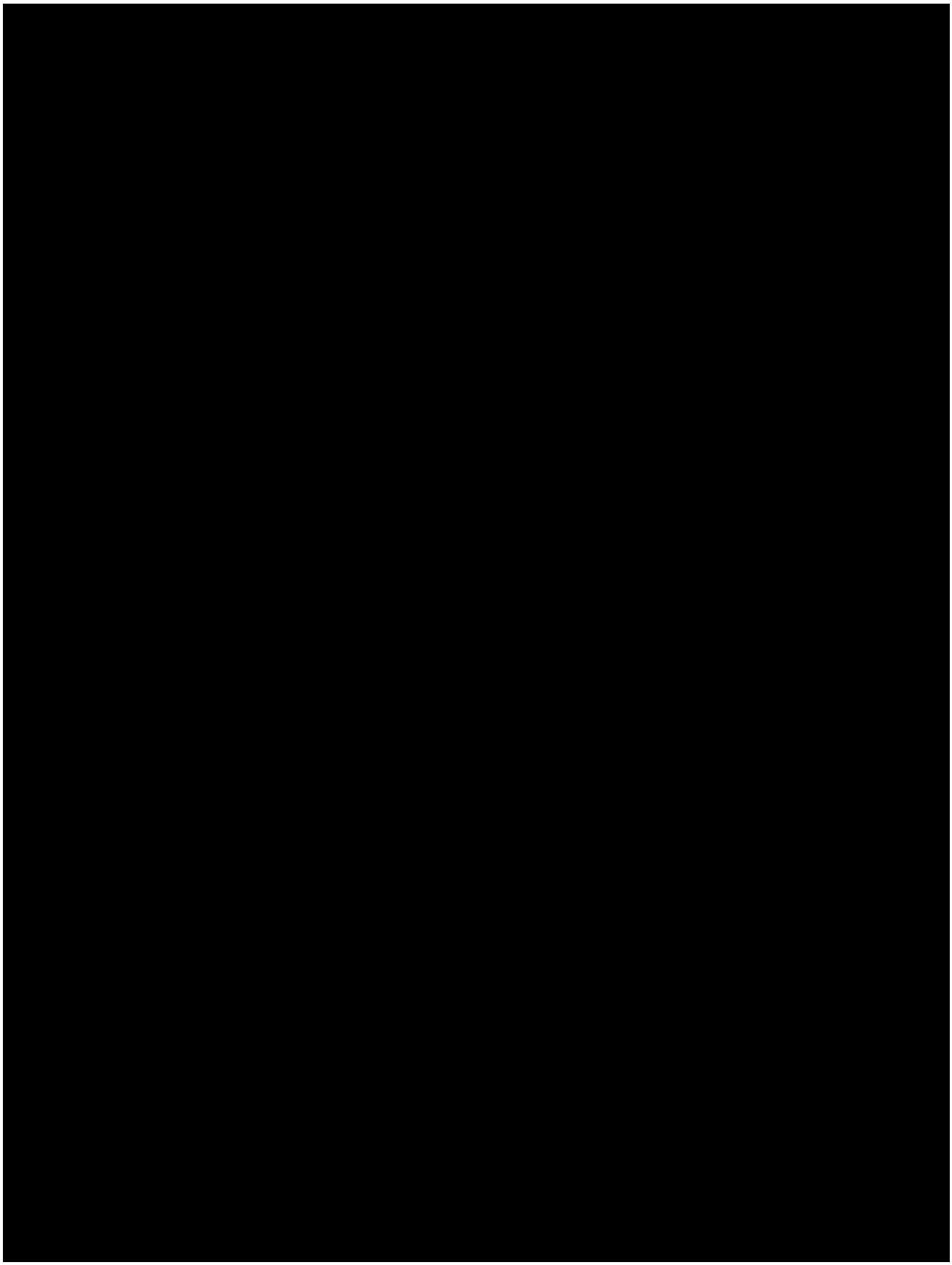

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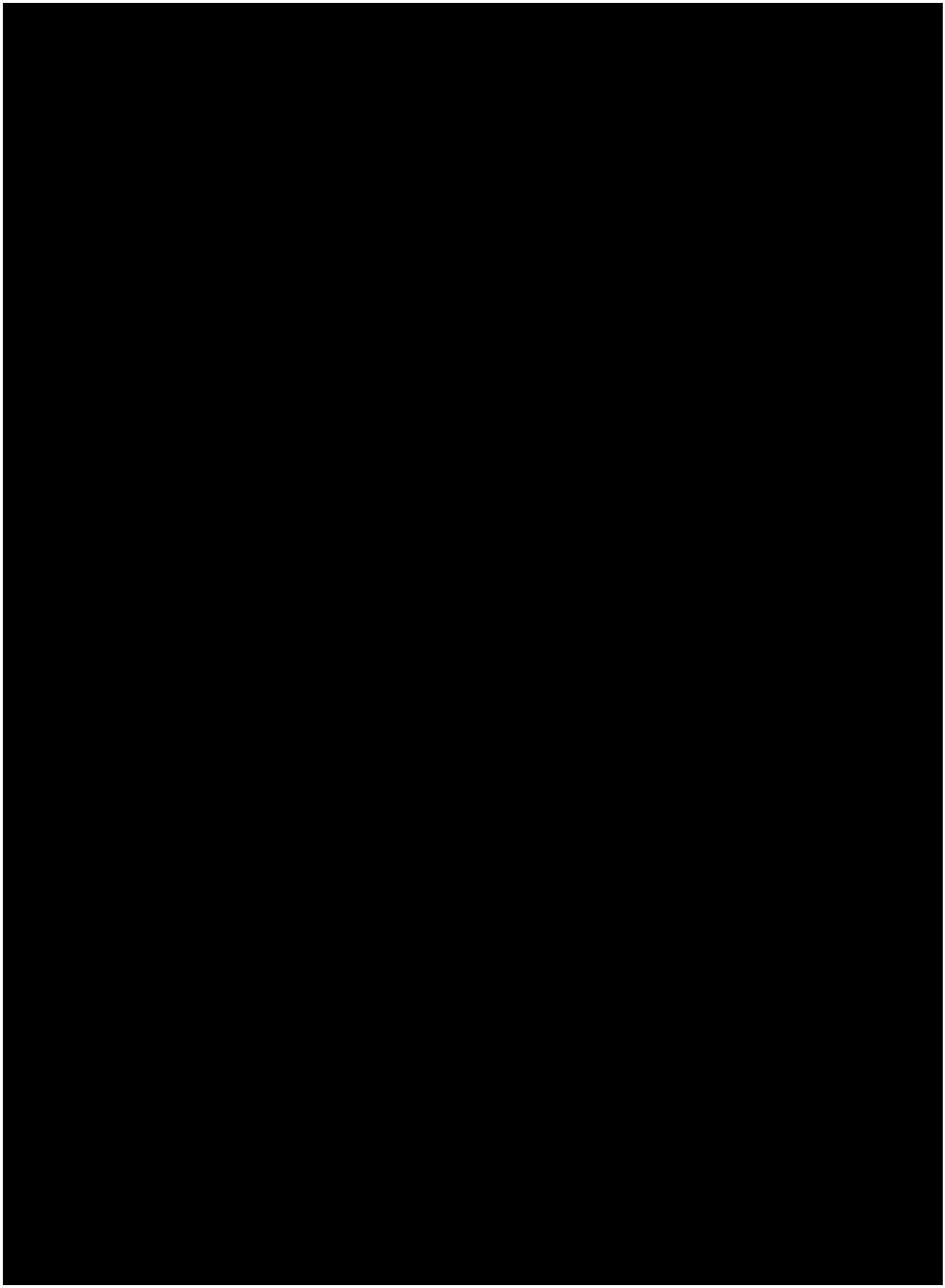

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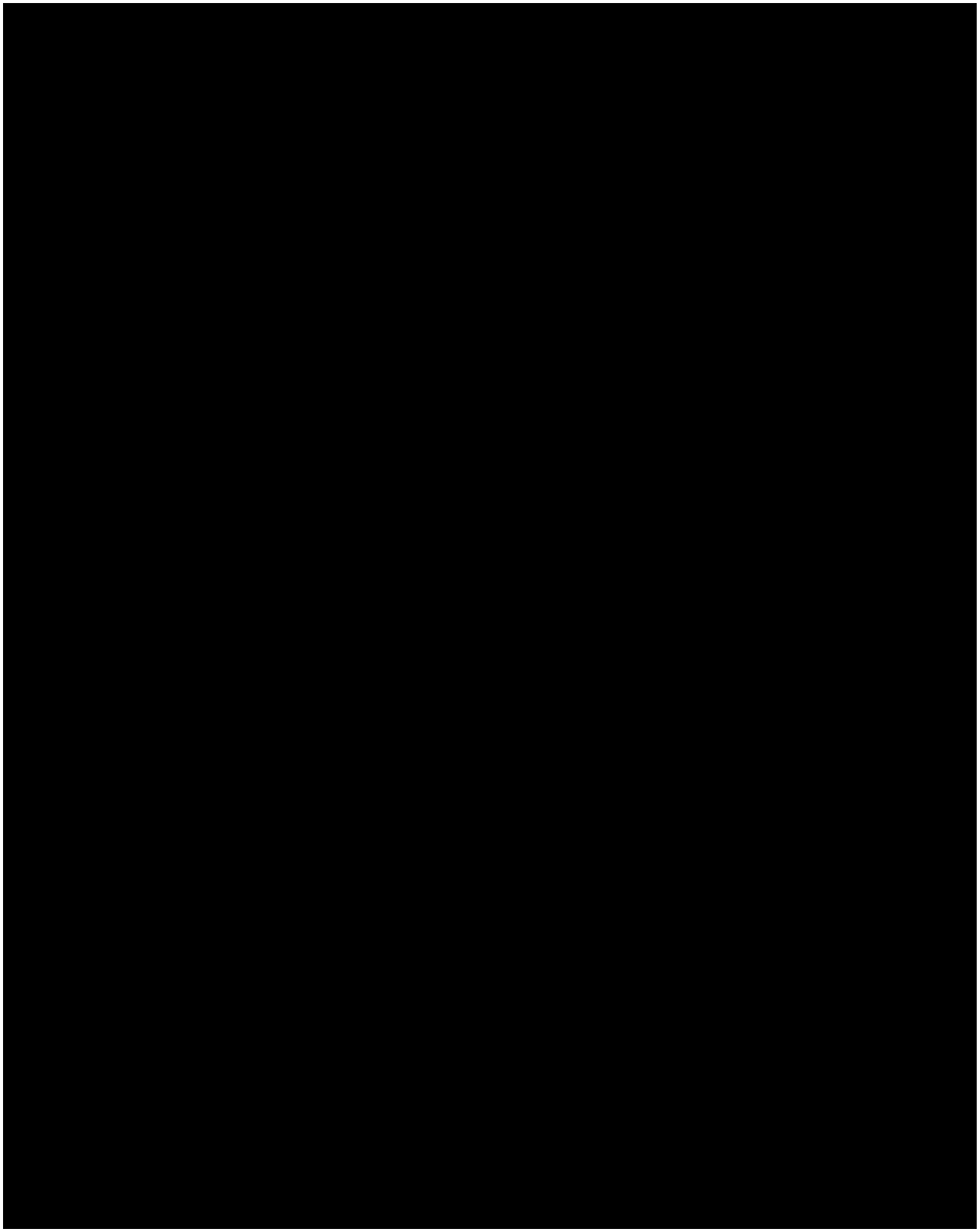

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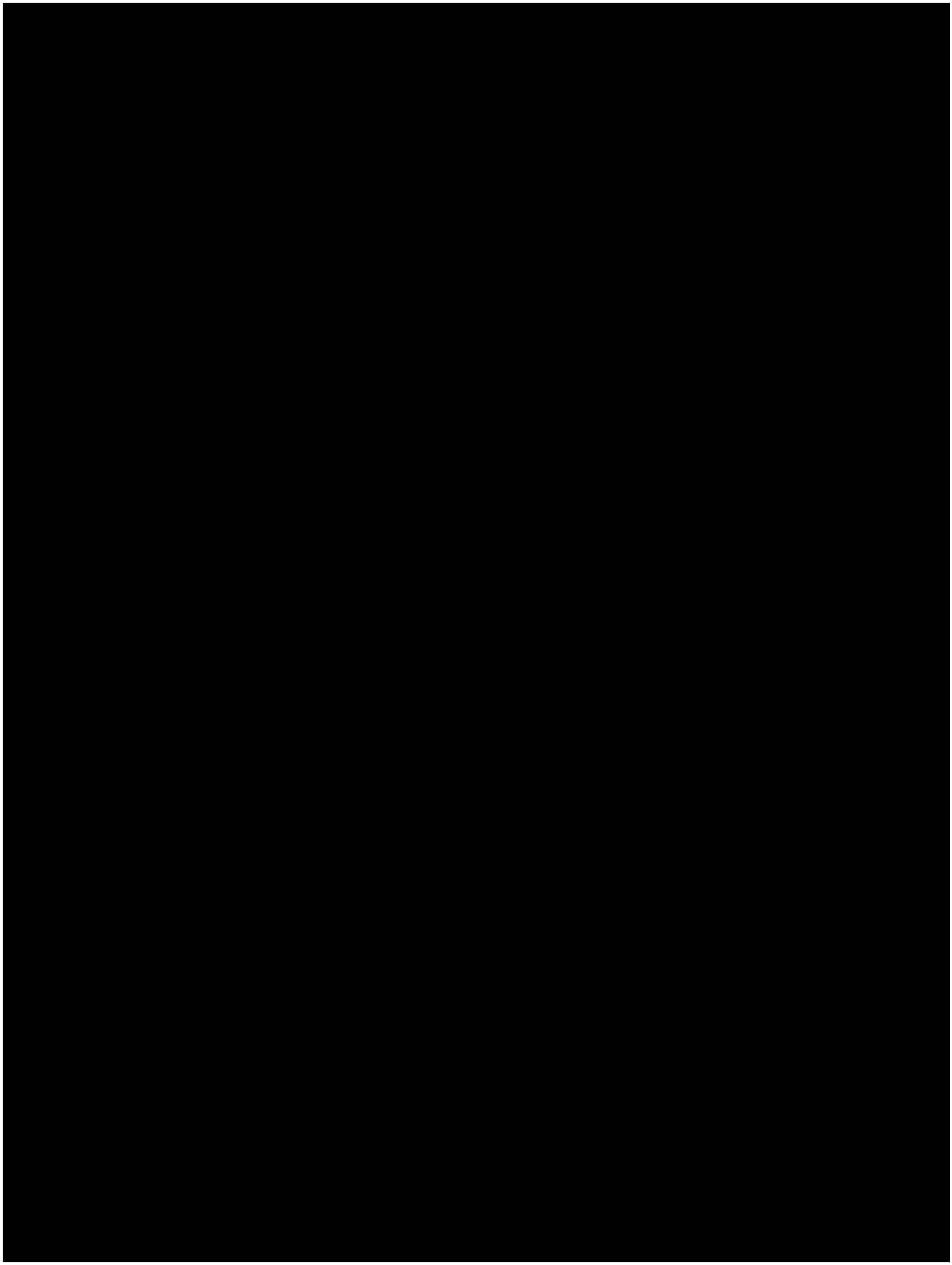

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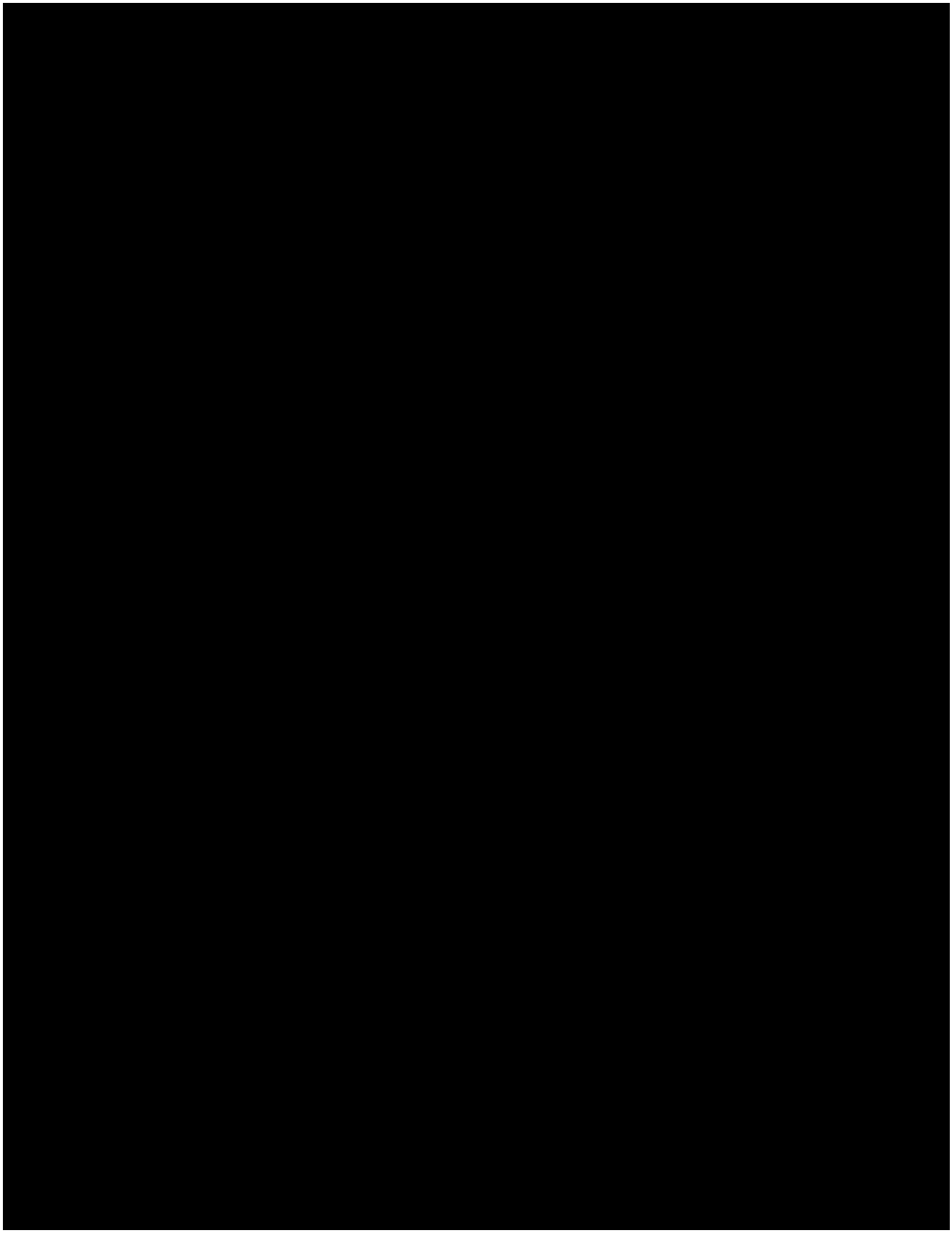

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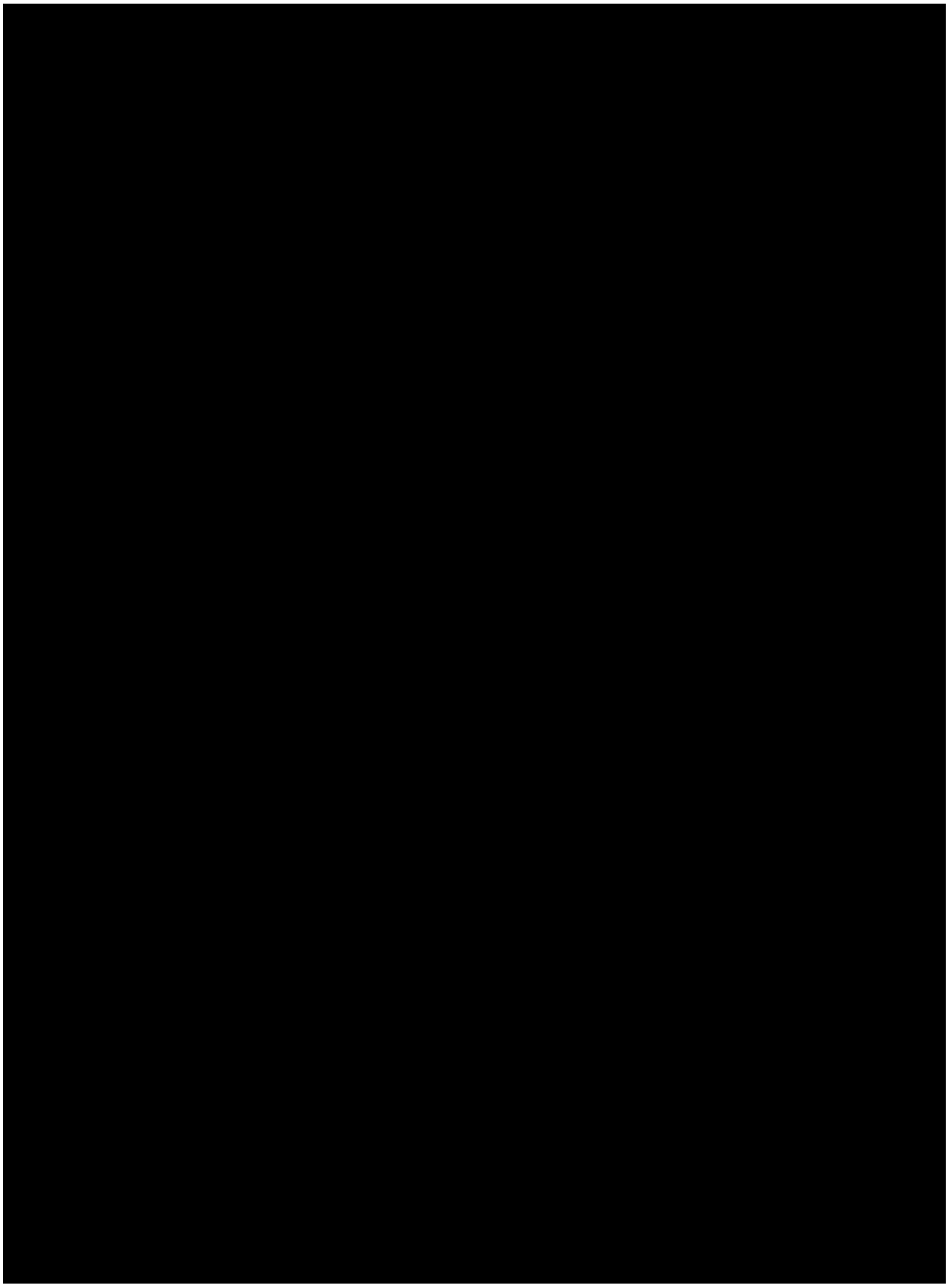

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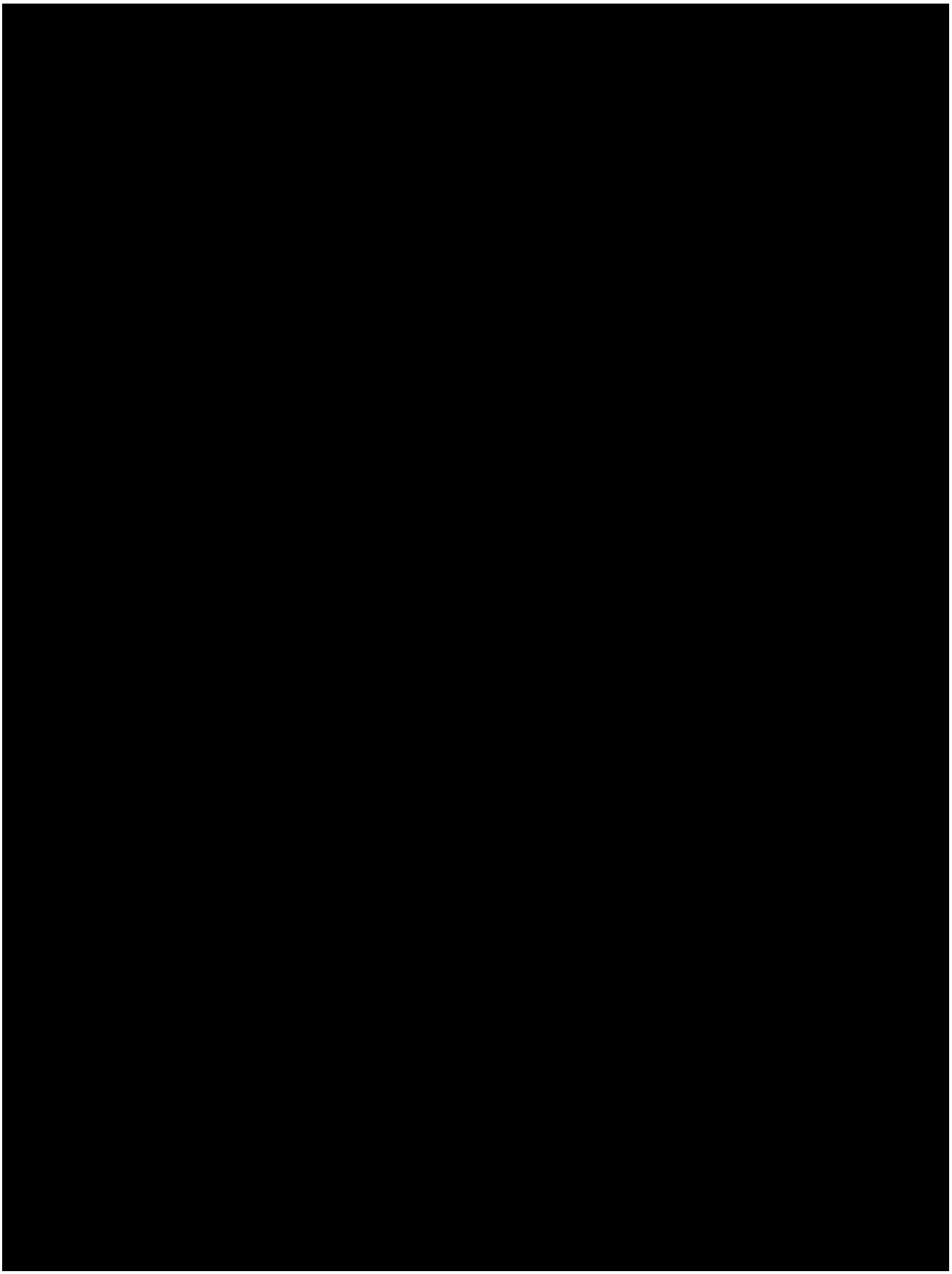

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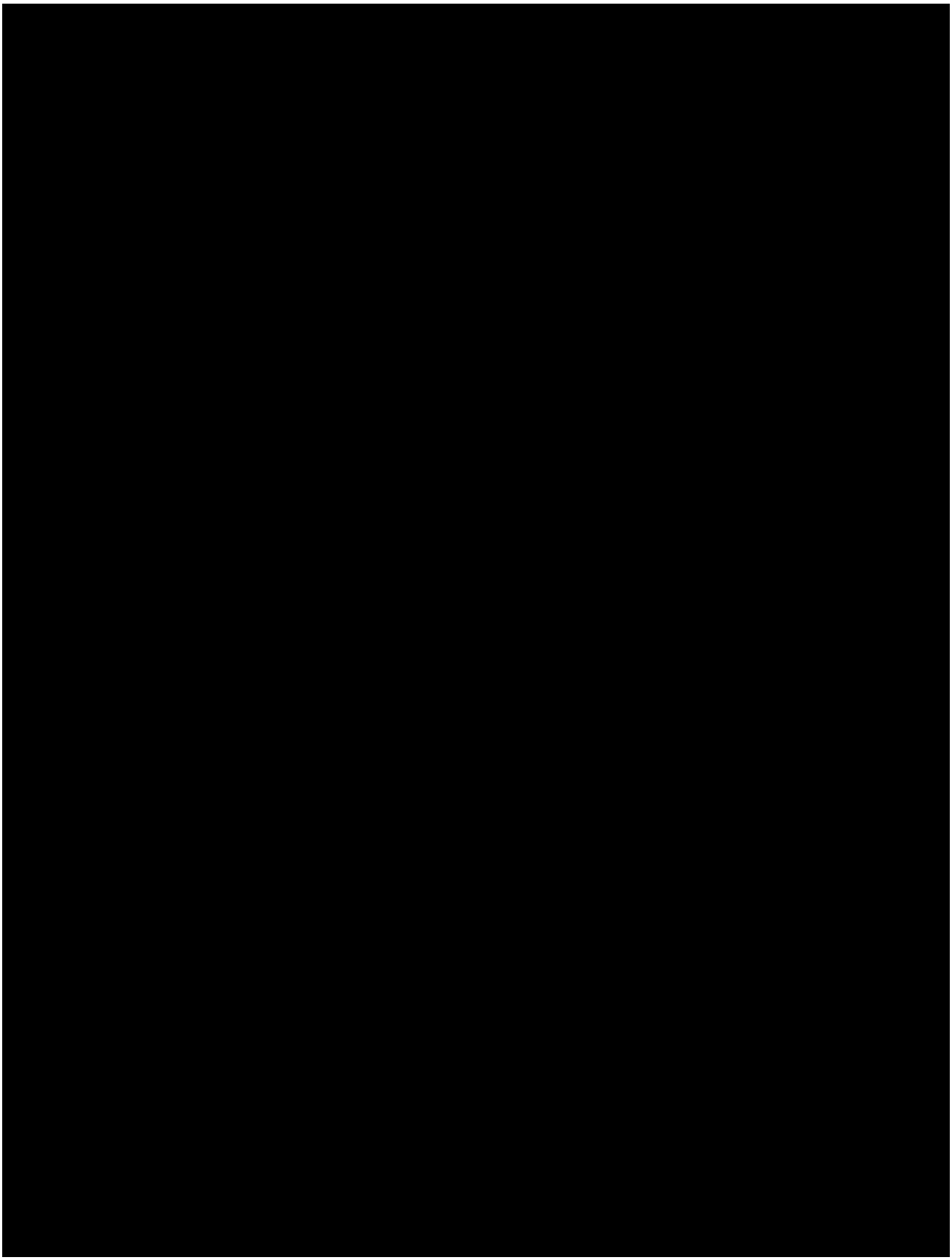

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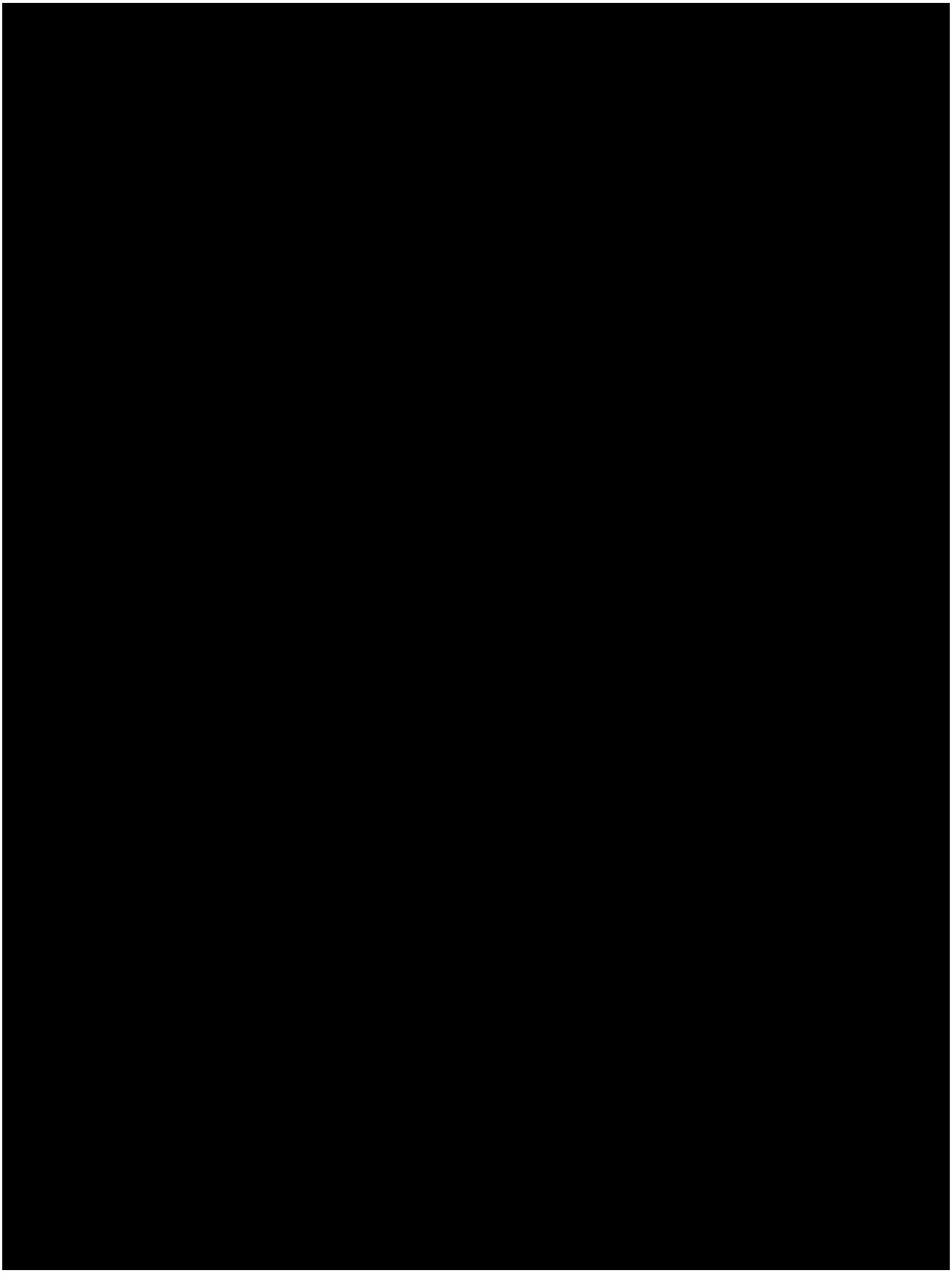

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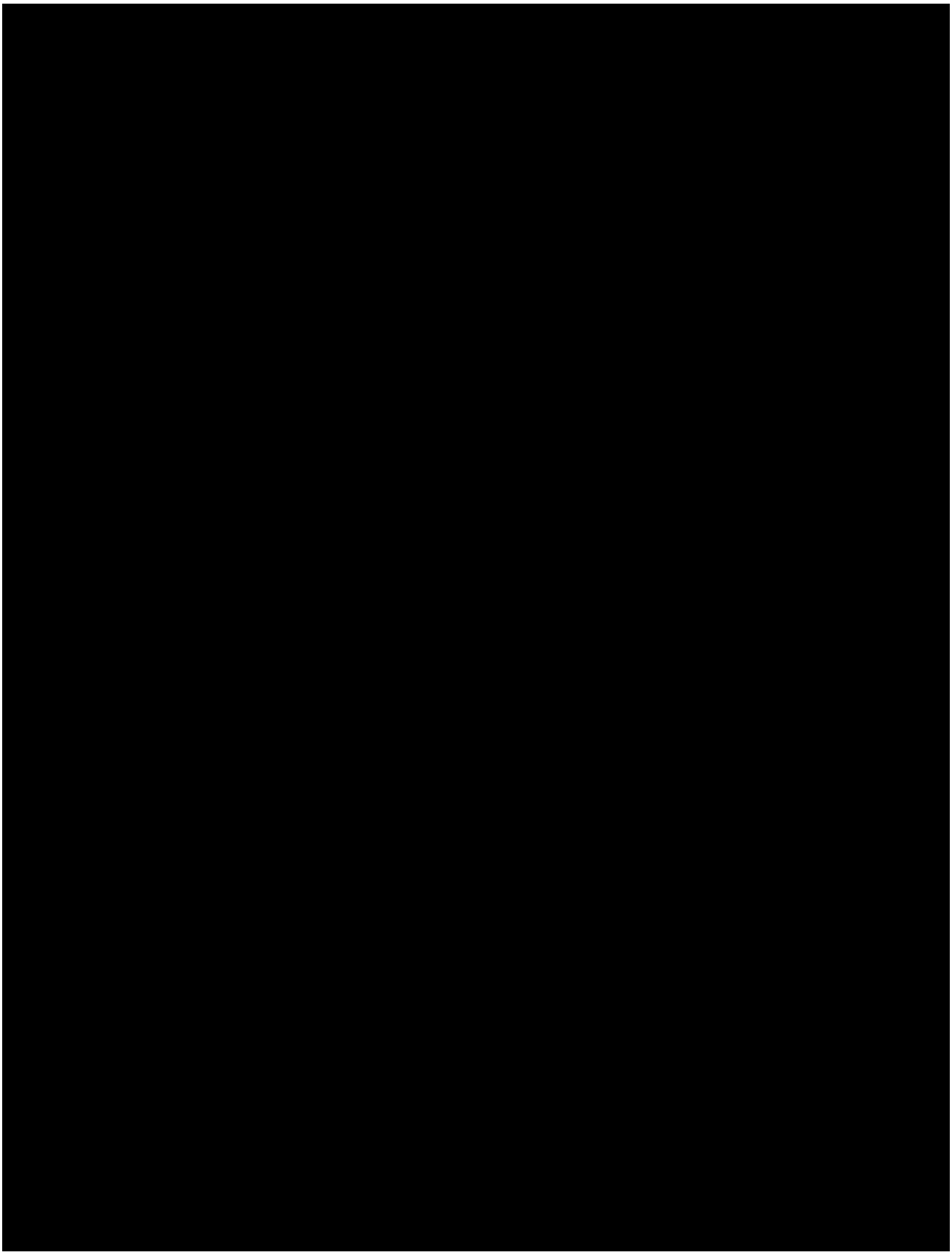

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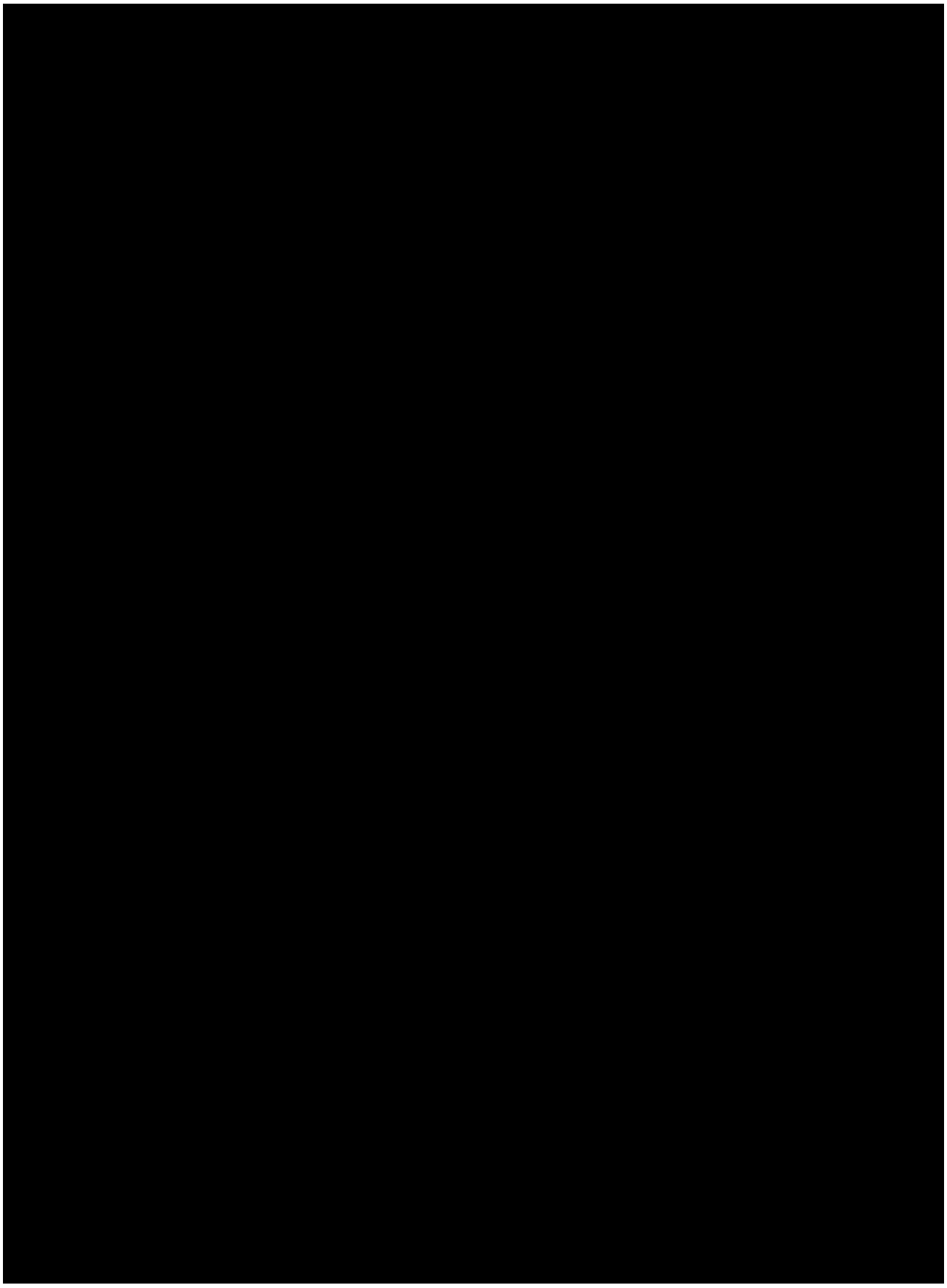

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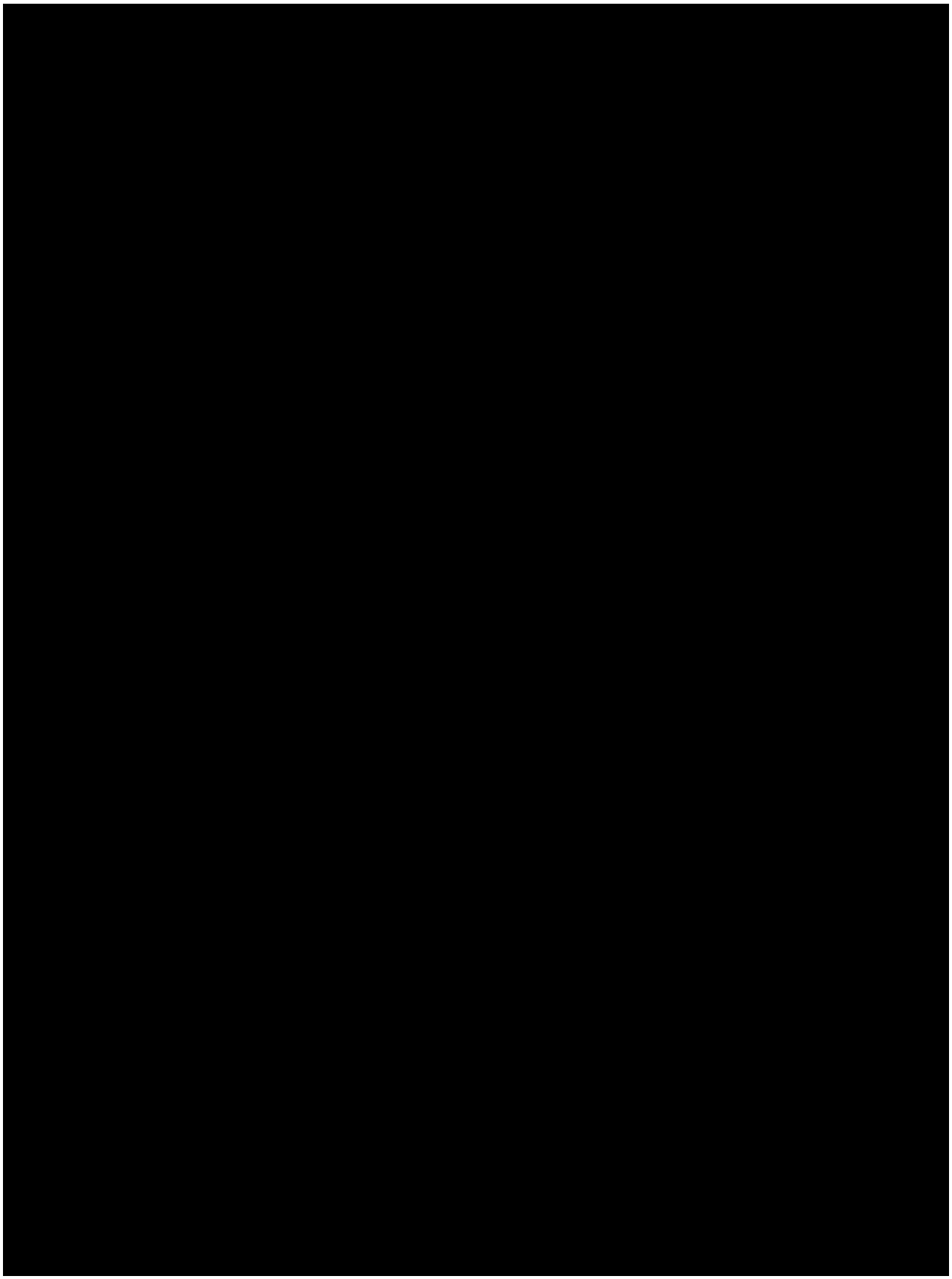

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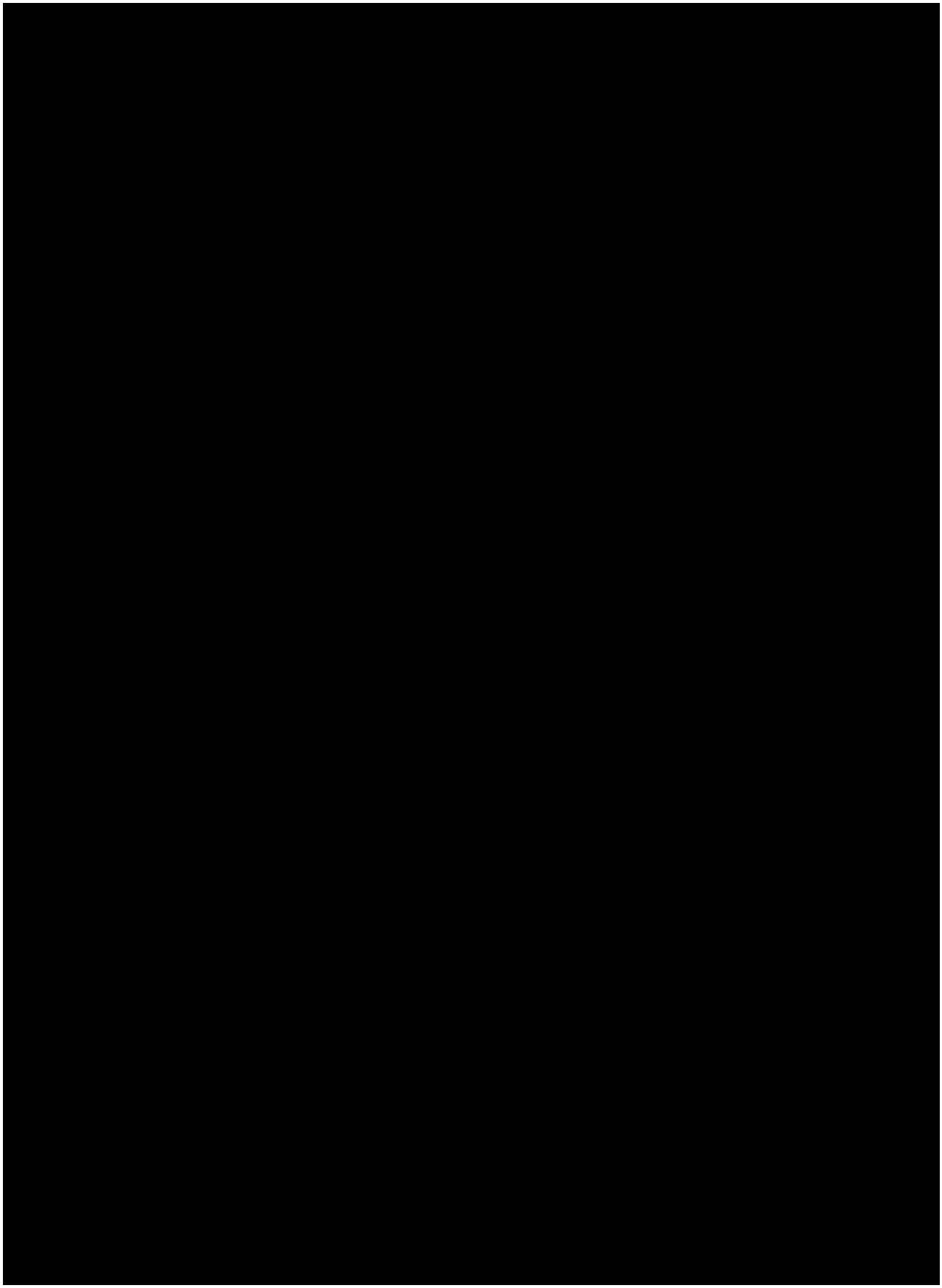

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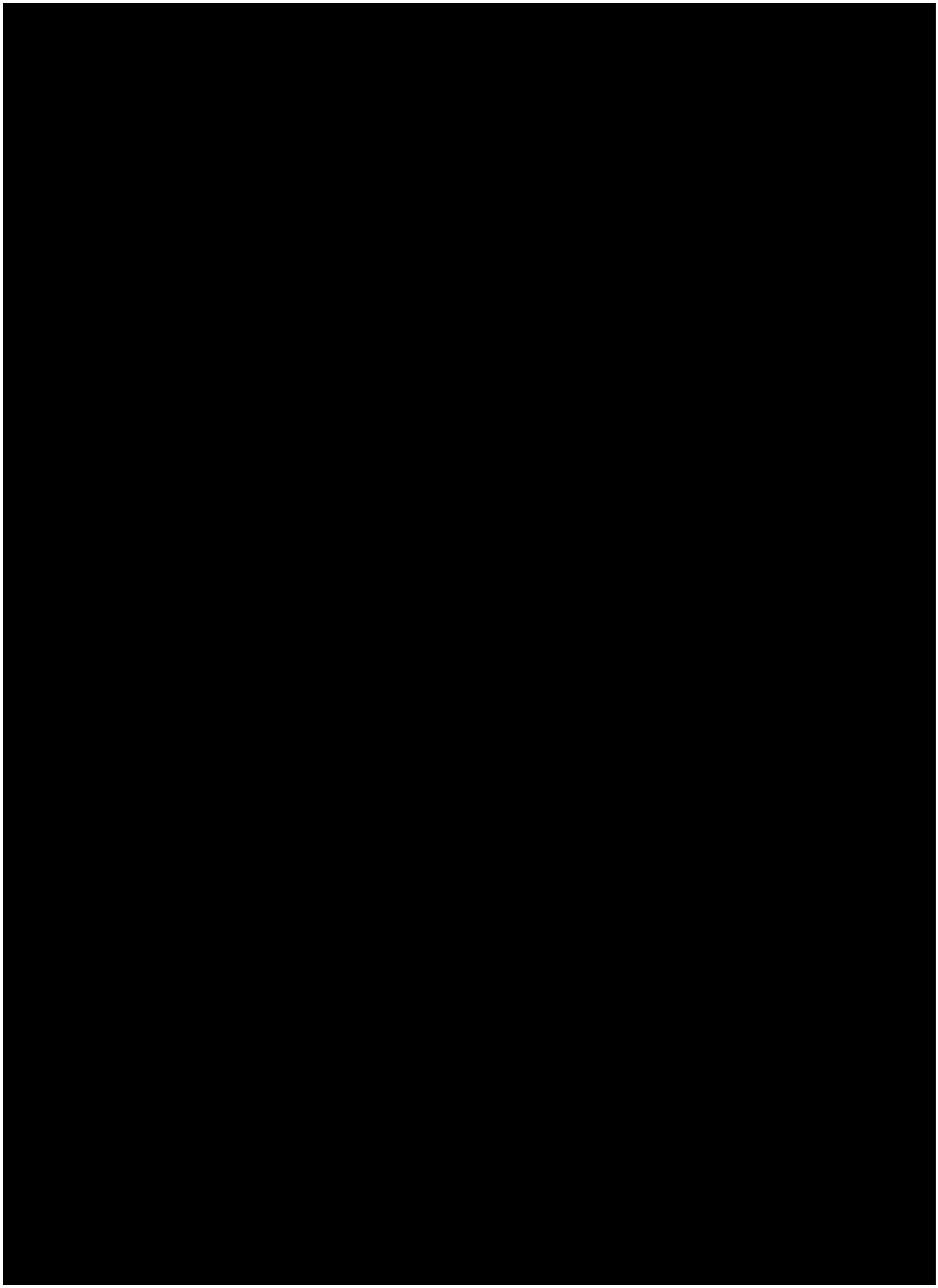

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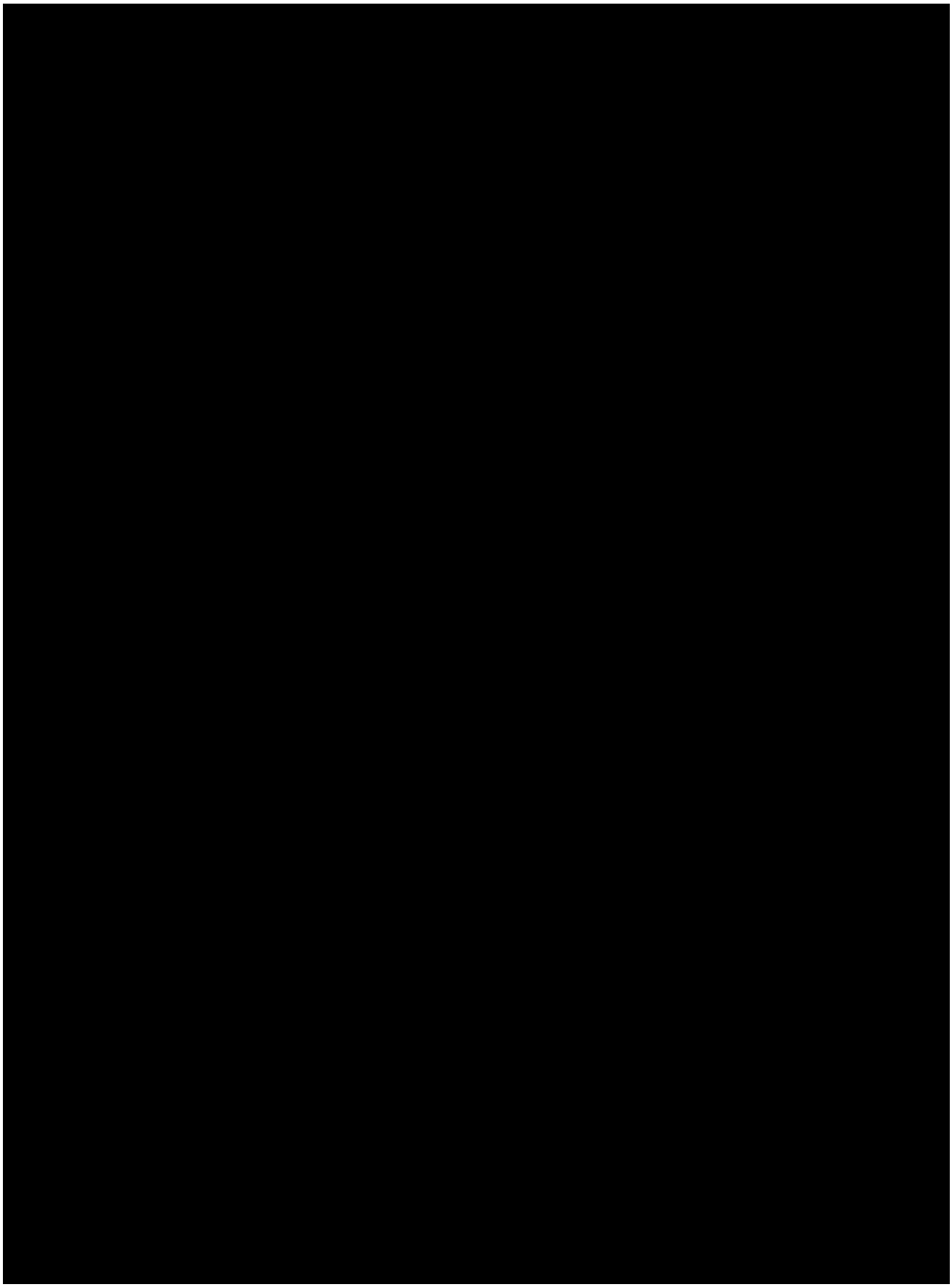

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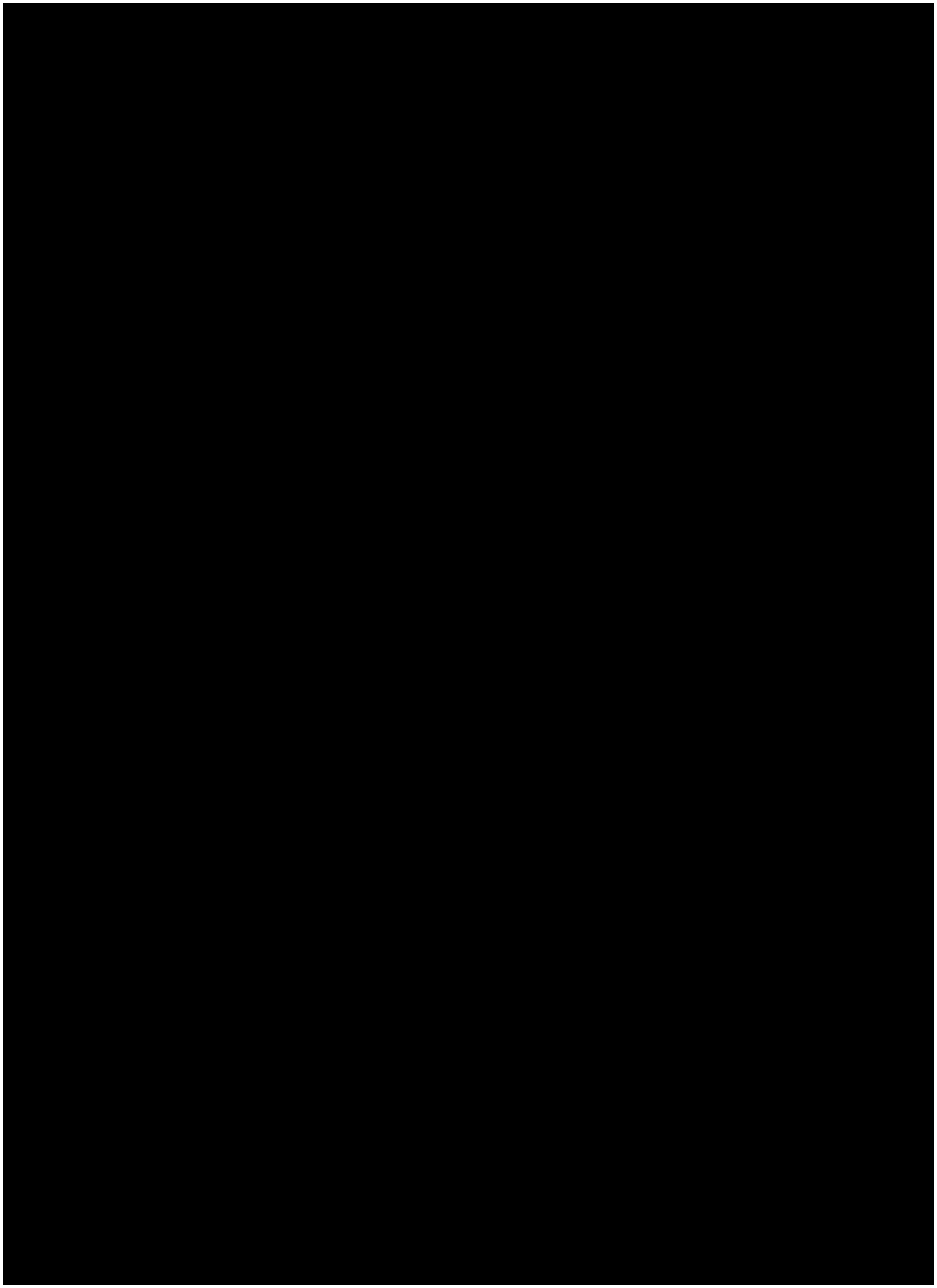

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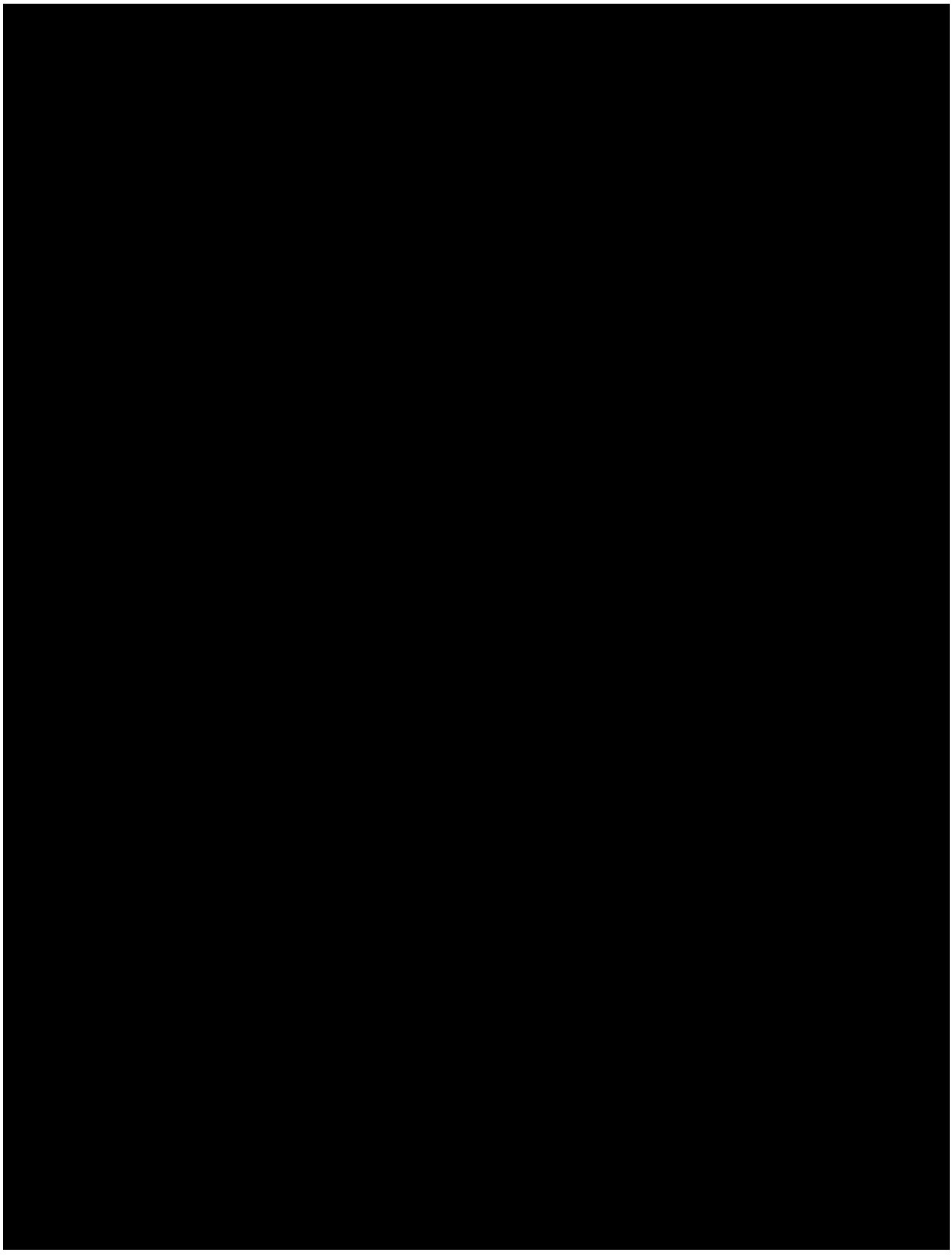

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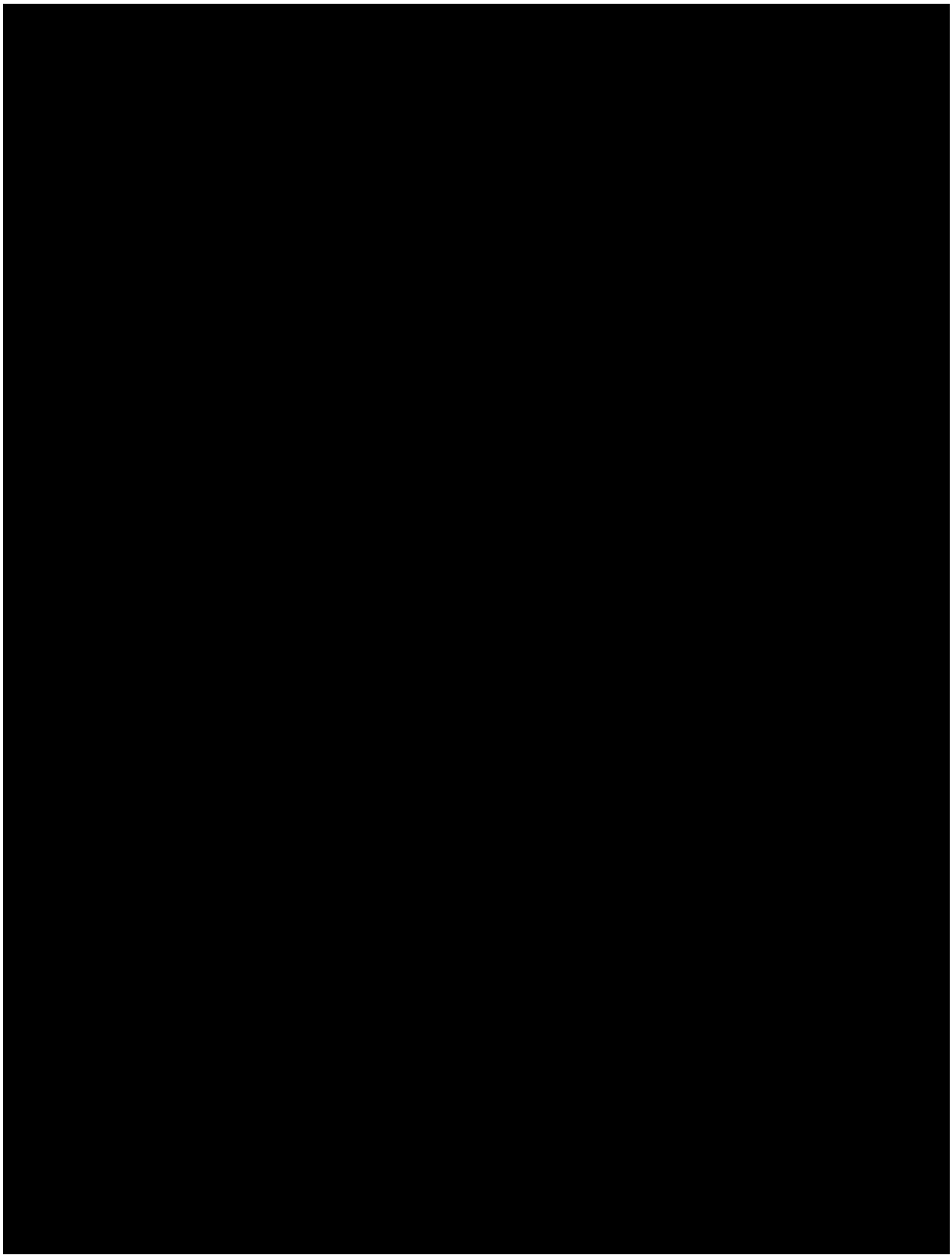

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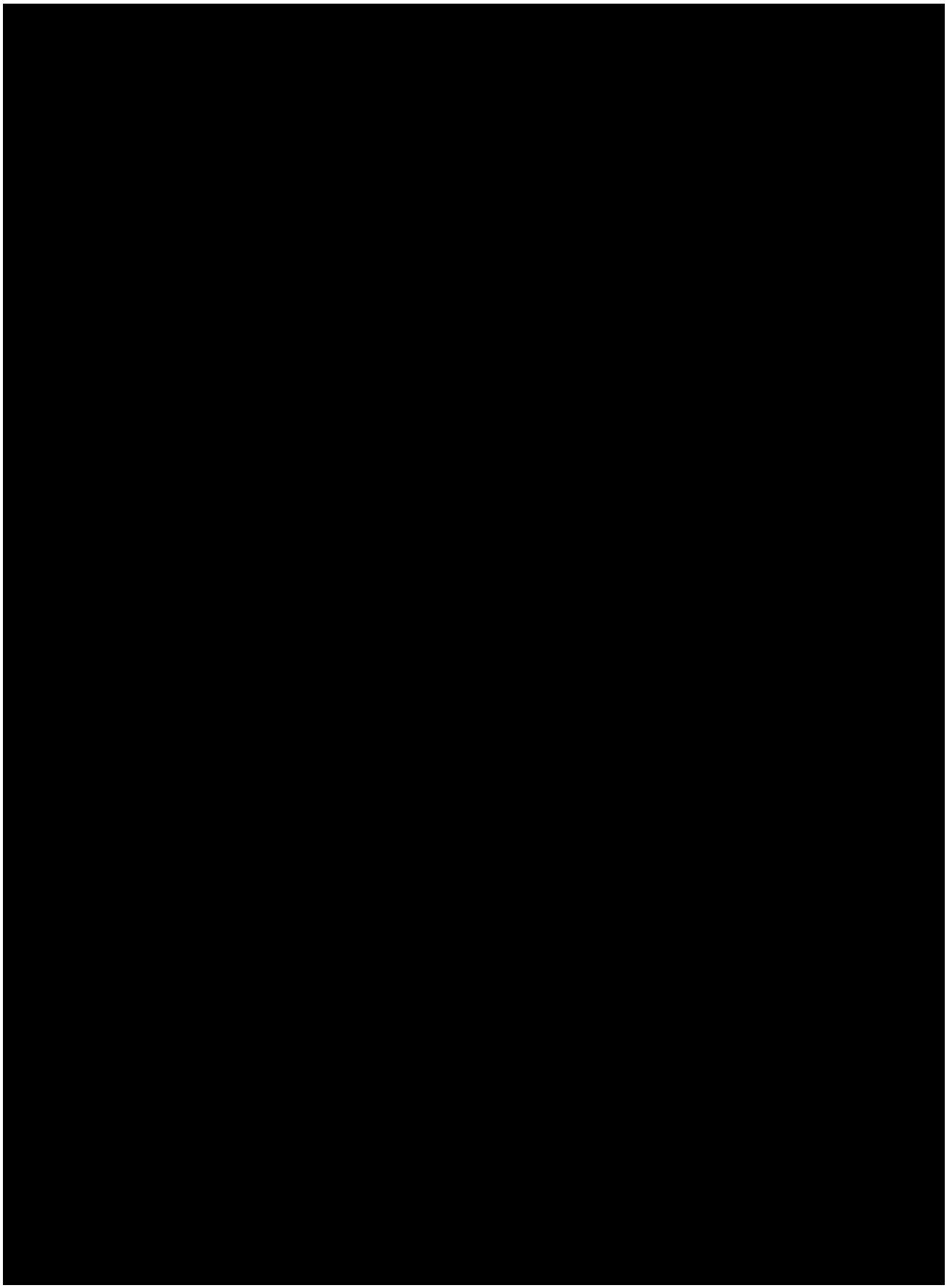

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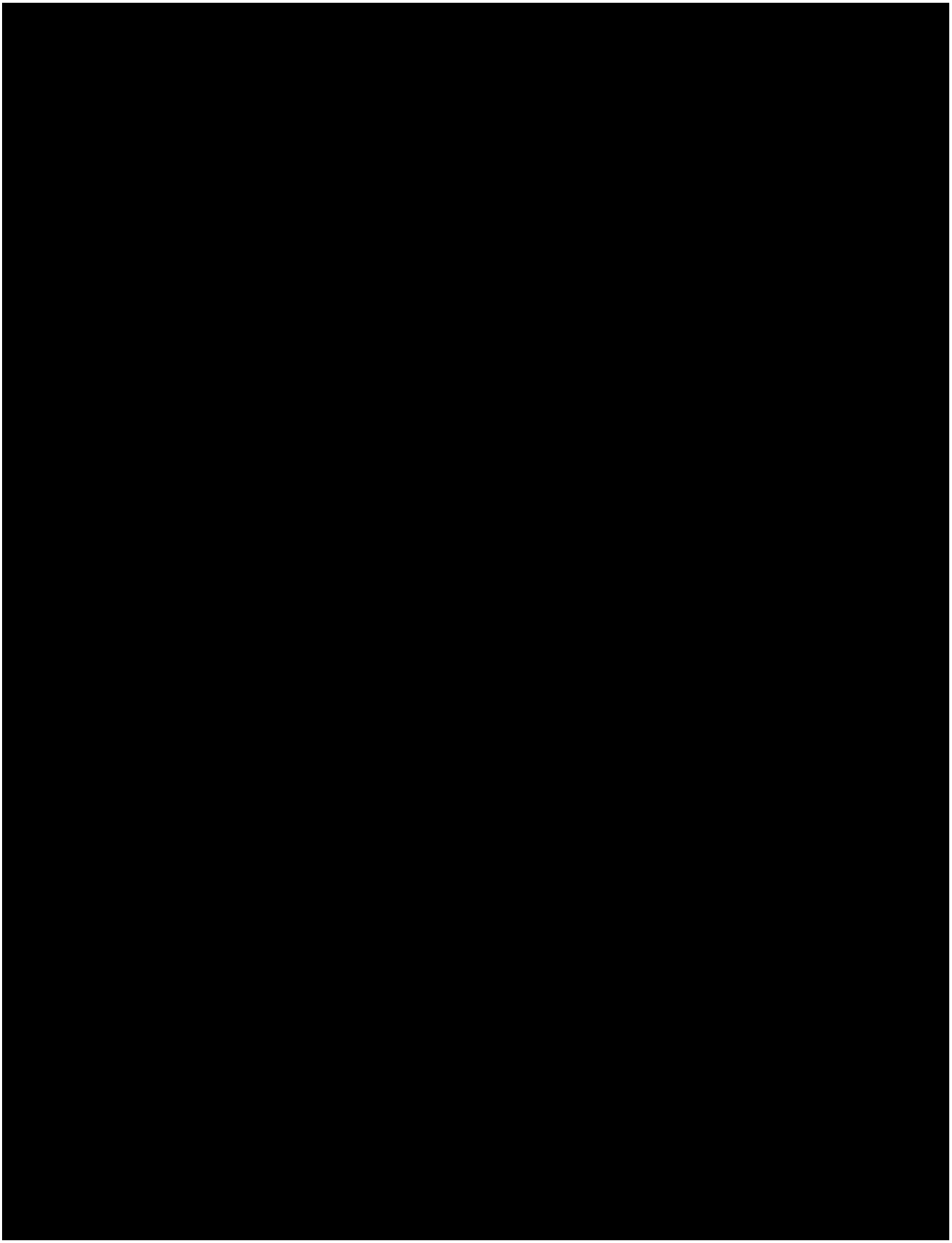

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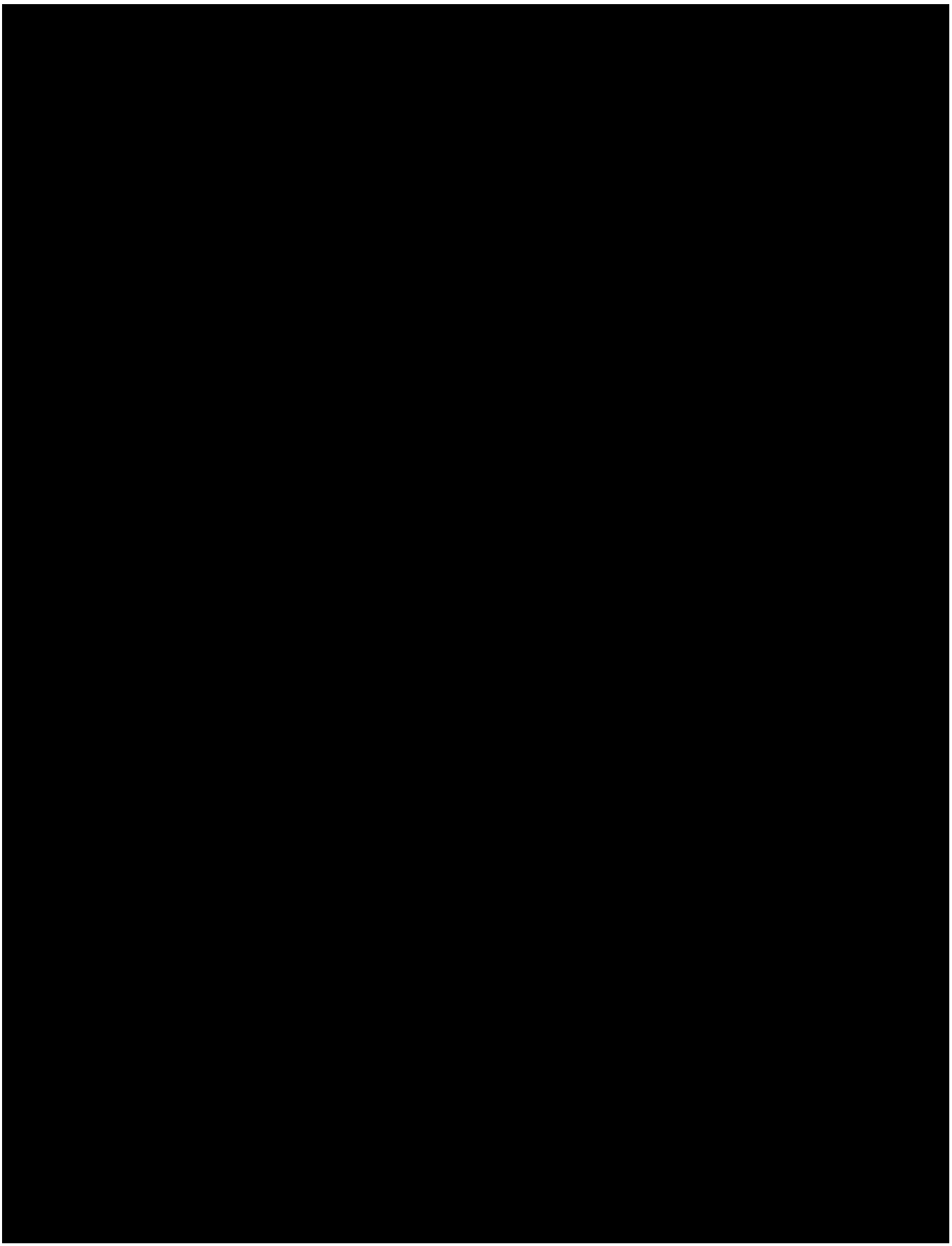

Schedule “D”

New First Out SSNs Term Sheet

See attached.

TERM SHEET – NEW FIRST OUT SENIOR SECURED NOTES

This term sheet ("***Term Sheet***") dated January 29, 2024 describes the terms and conditions of the new first out senior secured notes having the terms set forth in this Term Sheet (the "***New FO SSNs***") which the AHG Noteholders (as defined below) and any other parties to the backstop commitment letter dated November 30, 2023 (collectively, the "**New FO SSN Participants**") will be required to acquire. The Company, the guarantors signatory hereto, the Trustee and Notes Collateral Agent and the New FO SSN Participants are each referred to herein as a "***Party***" and collectively as the "***Parties***".[1]

Unless otherwise expressly indicated in this Term Sheet, capitalized terms used but not defined in this Term Sheet shall have the meaning assigned thereto in the Existing Indenture (as defined below).

Overview:	Each New FO SSN Participant shall be required to acquire a principal amount of New FO SSNs as is equal to $45,000,000 divided by the number of New FO SSN Participants.
Purpose/Use of Proceeds	To refinance the Senior Priority Notes.
Issuer:	The Company.
Guarantor(s):	To be the same at all times as guarantors of the Working Capital Facility (as defined below), if any.
Trustee and Notes Collateral Agent:	Computershare Trust Company, N.A.
Closing Date:	The date of closing of that certain transaction to recapitalize the capital structure (the "**Recapitalization Transaction**") of the Company to be agreed to among Resource Capital Fund VII L.P. ("**RCF**"), Javelin Global Commodities (SG) Pte Ltd. ("**Javelin**"), [redacted] and together with [redacted], [redacted], and [redacted], the "**AHG Noteholders**").
Principal Amount:	US$45.0 million.
OID:	97.0%.
Purchasers:	The New FO SSNs in the principal amount of US$45.0 million to be allocated evenly among the New FO SSN Participants (the "***New FO SSN Offering***"). [redacted]
Term:	Three (3) years from the date of issuance of the New FO SSNs.
Coupon:	13.000% per annum, payable semi-annually in cash.
Early Redemption:	Callable by the Company at any time at par plus accrued and unpaid interest.
Mandatory Redemption:	Non-amortizing; no mandatory redemptions. Subject to the "Early Redemption" terms described in this Term Sheet, redemption and purchase terms shall be substantially the same as in Article 3 of the Existing Indenture.

[1] Note: This draft contemplates the term sheet will be appended to the Subscription Agreement.

Collateral Security and Guarantees:

Substantively the same as that provided to the lenders under the first lien secured working capital credit facility of up to US$125 million to be provided by Javelin to the Company, or a third party acceptable to the AHG Noteholders, Javelin, and RCF (the "**Working Capital Facility**"), subject to the below.

The New FO SSNs shall be first out, but otherwise *pari passu* in priority, to the US$133.0 Takeback SSNs to be issued by the Company on the Closing Date.

An intercreditor agreement to be entered into by and among Javelin, the Company, and the Trustee and Notes Collateral Agent to achieve the lien priorities set forth herein with respect to the applicable collateral, and otherwise reasonably acceptable to the relevant parties. Customary set-off rights for secured parties to be included.

Current Assets (i.e. inventory/receivables /as extracted collateral/PP&E)		
LIEN HOLDER	**PRIORITY**[2]	**SECURED OBLIGATION**
Javelin	First	Working Capital Obligations including Working Capital Excess Obligations[3]
Javelin	First (hedging exposure to be paid out first in the waterfall)	Physical Sale Contracts Obligations and hedging exposure
Javelin	Second	Marketing Obligations
Bondholders	Second	SSN Obligations[4]

Non-Current Assets (i.e. all assets excluding Current Assets and any other security for SSN Obligations)		
LIEN HOLDER	**PRIORITY**[5]	**SECURED OBLIGATION**
Javelin	First (hedging exposure to be paid out first in the waterfall)	Physical Sale Contracts Obligations and hedging exposure
Bondholders	First	SSN Obligations[6]
Javelin	First	Working Capital Excess Obligations
Javelin	Second	Marketing Obligations
Javelin	Second	Working Capital Obligations, excluding Working Capital Excess Obligations

For the purposes of this Term Sheet:

"**Working Capital Excess Obligations**" shall mean the portion of the Working Capital Obligations constituting each and every overadvance payment made under the Working Capital Financing Agreement which is in excess of the applicable Advance Rate set out above in Schedule D (Working Capital Facility) of the Support Agreement dated as of November 30, 2023 among Javelin, the AHG Noteholders and RCF (the "**RSA**").

Qualifying SSN Obligations Refinancing: Company may enter into a refinancing of the SSN Obligations and grant security over its Current Assets and Non-Current Assets as long as Company is in (i) compliance with financial covenants and (ii) the indebtedness created as a result of such refinancing ranks in relation to the Physical Sale Contracts Obligations and hedging exposure, the Working Capital Excess Obligations, the Working

[2] All liens with the same priority shall rank *pari passu* with each other, subject to differentiation in the waterfall re: hedging exposure.
[3] Liens on Working Capital Excess Obligations subject to incurrence limits under the SSN indenture or cash collateral posted by the Company.
[4] The obligations under the Takeback SSNs and the New FO SSNs.
[5] All liens with the same priority shall rank *pari passu* with each other, subject to differentiation in the waterfall re: hedging exposure.
[6] The obligations under the Takeback SSNs and the New FO SSNs.

	Capital Obligations and the Marketing Obligations in the same manner and to the same extent as the SSN Obligations being refinanced. For greater certainty, capitalized terms used in this section entitled "Collateral Security and Guarantees" but not defined in this Term Sheet shall have the meaning assigned thereto in the RSA and the applicable Schedules thereto.
Documentation:	Subject to the terms of this Terms Sheet, substantially the same as the Existing Indenture and other Indenture Documents. For greater certainty, the redemption terms included in Article 3 of the Existing Indenture shall be modified to give effect to this Term Sheet to the extent there is an express conflict between this Term Sheet and the terms set forth in such Article 3. "**Existing Indenture**" means, collectively, that certain Amended and Restated Base Indenture, dated as of May 11, 2023 among Tacora Resources Inc., a corporation incorporated under the laws of the Province of Ontario, Canada, the guarantors from time to time party thereto and Computershare Trust Company, N.A., as supplemented by (i) the First Supplemental Indenture, dated as of May 11, 2023, (ii) the Second Supplemental Indenture, dated as of May 11, 2023 (iii) the Third Supplemental Indenture dated as of June 23, 2023, and (iv) the Fourth Supplemental Indenture dated as of September 7, 2023.
Condition Precedent:	Usual and customary for a transaction of this kind including, without limitation, execution by the Parties of definitive documentation consistent with this Term Sheet that is mutually acceptable to the Parties (the "***Definitive Documentation***").
Covenants:	The Parties shall work in good faith to execute the Definitive Documentation. Otherwise substantially the same as in the Existing Indenture provided that no financial maintenance covenants shall be included in the Definitive Documentation.
Events of Default:	Substantially the same as in the Existing Indenture.
Other Terms:	Usual and customary for transactions of this type.
Governing Law/ Jurisdiction:	New York.
Miscellaneous	The Parties may not amend this Term Sheet nor waive any provision hereof except by an instrument in writing signed by all Parties. Any failure by a Party to enforce any provision of this Term Sheet will not constitute a waiver thereof or of any other provision hereof. No Party may assign its rights or obligations hereunder without the other Party's written consent. This Term Sheet is solely between the Parties and it shall not create or give rise to (or be deemed or construed to create or give rise to) any benefit, liability or obligation of any kind, whether under this Term Sheet or under applicable law, for any person that is not a party to this Term Sheet. This Term Sheet will inure to the benefit of the Parties and their successors and permitted assigns. If any term of this Term Sheet is found by any court to be void or otherwise unenforceable, the remainder of this Term Sheet will remain valid and enforceable. This Term Sheet may be signed in multiple counterparts, each of which taken together will constitute one instrument. Each Party's delivery of an executed counterpart signature page by email or electronic signature is as effective as executing and delivering this Term Sheet in the presence of the other Party.

Schedule “E”

Take Back SSN Warrants Term Sheet

See attached.

TERM SHEET – TAKEBACK SSN WARRANTS

This term sheet ("***Term Sheet***") describes the terms and conditions of the common share purchase warrants to be issued by Tacora Resources Inc. (the "***Company***" or "***Tacora***") to holders of the 8.250% senior secured notes of the Company due 2026 ("***Senior Secured Notes***") at the closing ("***Closing***") of the transaction to recapitalize the capital structure of Tacora (the "***Recapitalization Transaction***"), as more particularly described in the Subscription Agreement dated January 29, 2024 and the schedules thereto (collectively, the "***Subscription Agreement***") to which this Term Sheet is attached. Capitalized terms used but not otherwise defined herein shall have the meaning ascribed to such terms in the Subscription Agreement.

Overview:	On Closing, $33.8 million in outstanding principal and accrued interest (as of October 10, 2023) under the Senior Secured Notes will be converted into Takeback SSN Warrants (as defined below).
Issuer:	The Company.
Holders:	Holders of Senior Secured Notes ("***Holders***").
Security:	Warrants ("***Takeback SSN Warrants***") to purchase 11.75 million common shares in the capital of the Company ("***Common Shares***"), with such number of Common Shares being based on an issue price of $1.00 per Common Share associated with the Recapitalization Transaction (the "***Base Share Price***"). To the extent that the actual Common Share price used in the Recapitalization Transaction (such price, the "***Final Share Price***") differs from the Base Share Price, the number of Common Shares issuable upon exercise of the Takeback SSN Warrants shall be recalculated by dividing 11.75 million by the ratio of the Final Share Price to the Base Share Price (such ratio, the "***Warrant Adjustment Factor***").
Exercise Price:	Based on the Base Share Price, each Takeback SSN Warrant shall entitle the Holder to receive one Common Share at an exercise price of $[2.51] per Common Share (as the same may be adjusted from time to time in accordance with the anti-dilution terms described herein, the "***Exercise Price***"). To the extent that the Final Share Price differs from the Base Share Price, the Exercise Price shall be recalculated by multiplying $[2.51] by the Warrant Adjustment Factor.
Vesting:	All of the Takeback SSN Warrants will automatically vest on an Exit.
Transfers:	The Takeback SSN Warrants shall be freely transferable, subject to applicable securities laws and subject to any transfer restrictions that apply to the Common Shares as set forth in the Unanimous Shareholder Agreement to be entered into between the Company and holders of New Common Equity at Closing.
Expiry:	The Takeback SSN Warrants shall expire 7 years from the date of Closing, subject to extension by the Board in accordance with the Unanimous Shareholder Agreement.

Voting:	The Holders shall have no voting, board or committee member appointment or similar governance rights in respect of the Takeback SSN Warrants.
Adjustments:	If at anytime, the Company proposes to take any action affecting the Common Shares, then (1) the exercise price and (2) the number of Common Shares issuable under the Takeback SSN Warrants shall be adjusted in accordance with the terms of the Unanimous Shareholders' Agreement. Following any amalgamation, merger, reorganization, arrangement, consolidation or recapitalization of the Company that does not constitute an Exit (a "***Transaction***"), upon exercise of an Takeback SSN Warrant, a Holder will be entitled to receive, in lieu of the number of Common Shares to which the Holder was theretofore entitled upon such exercise, the amount of securities or other property that such Holder would have been entitled to receive in the Transaction if such Holder had exercised such Takeback SSN Warrants immediately prior to such Transaction. The issuance of Common Shares from the Management Incentive Plan and the RCF Warrants shall not result in any adjustment to the terms of the Takeback SSN Warrants (i.e. – the Takeback SSN Warrants will be diluted by issuances of Common Shares pursuant to the Management Incentive Plan and the RCF Warrants).
Documentation:	Warrant indenture for the Takeback SSN Warrants to be in a form usual and customary for a transaction of this type and consistent in all regards with this Term Sheet.
Information Rights/Notices:	Holders of Takeback SSN Warrants to receive any information sent to holders of Common Shares, and usual and customary information rights for warrantholders.
Governing Law/Jurisdiction:	Ontario.

Schedule “F”

RCF Warrants Term Sheet

See attached.

TERM SHEET – RCF WARRANTS

This term sheet ("***Term Sheet***") describes the terms and conditions of the common share purchase warrants to be issued by Tacora Resources Inc. (the "***Company***" or "***Tacora***") to Resource Capital Fund VII L.P. ("***RCF***") at the closing ("***Closing***") of the transaction to recapitalize the capital structure of Tacora (the "***Recapitalization Transaction***"), as more particularly described in the Subscription Agreement dated January 29, 2024 and the schedules thereto (collectively, the "***Subscription Agreement***") to which this Term Sheet is attached. Capitalized terms used but not otherwise defined herein shall have the meaning ascribed to such terms in the Subscription Agreement.

Overview:	On Closing, RCF shall be entitled to 11.75 million RCF Performance Warrants (as defined below) and 11.75 million RCF Exit Warrants (as defined below).
Issuer:	The Company.
Holder:	RCF (the "***Holder***").
Security:	Warrants ("***RCF Performance Warrants***") to purchase 11.75 million common shares in the capital of the Company ("***Common Shares***"), with such number of Common Shares being based on an issue price of $[redacted] per Common Share associated with the Recapitalization Transaction (the "***Base Share Price***"). To the extent that the actual Common Share price used in the Recapitalization Transaction (such price, the "***Final Share Price***") differs from the Base Share Price, the number of Common Shares issuable upon exercise of the RCF Performance Warrants shall be recalculated by dividing 11.75 million by the ratio of [redacted] (such ratio, the "***Warrant Adjustment Factor***"). Warrants ("***RCF Exit Warrants***") to purchase 11.75 million Common Shares, with such number of Common Shares being based on the Base Share Price. To the extent that the Final Share Price differs from the Base Share Price, the number of Common Shares issuable upon exercise of the RCF Exit Warrants shall be recalculated by dividing 11.75 million by the Warrant Adjustment Factor.
Exercise Price:	Each RCF Performance Warrant shall entitle the Holder to receive one Common Share at an exercise price of [redacted] per Common Share (the "***RCF Performance Warrant Exercise Price***"). Based on the Base Share Price, each RCF Exit Warrant shall entitle the Holder to receive one Common Share at an exercise price of [redacted] per Common Share (as the same may be adjusted from time to time in accordance with the anti-dilution terms described herein, the "***RCF Exit Warrant Exercise Price***"). To the extent that the Final Share Price differs from the Base Share Price, the RCF Exit Warrant Exercise Price shall be recalculated by multiplying [redacted] by the Warrant Adjustment Factor.
Vesting:	The RCF Performance Warrants will automatically vest upon achievement of the following milestones:

	• 50% of the RCF Performance Warrants will vest whenever annualized production (over a 5-month period and using an annualization calculation to be agreed upon between the Parties) reaches [redacted] million tonnes per annum ("***MTPA***"); and • 50% of the RCF Performance Warrants will vest whenever annualized production (over a 5-month period and using an annualization calculation to be agreed upon between the Parties) reaches [redacted] MTPA. All of the RCF Exit Warrants will automatically vest on an Exit.
Transfers:	Non-transferable.
Expiry:	The RCF Performance Warrants shall expire 6 years from the date of Closing, subject to extension by the Board in accordance with the Unanimous Shareholders' Agreement. The RCF Exit Warrants shall expire 7 years from the date of Closing, subject to extension by the Board in accordance with the Unanimous Shareholders' Agreement.
Voting:	The Holder shall have no voting, board or committee member appointment or similar governance rights in respect of the RCF Performance Warrants or the RCF Exit Warrants.
Adjustments:	If at anytime, the Company proposes to take any action affecting the Common Shares, then (1) the exercise price and (2) the number of Common Shares issuable under each of the RCF Performance Warrants and the RCF Exit Warrants shall be adjusted in accordance with the terms of the Unanimous Shareholders' Agreement. The issuance of Common Shares from the Management Incentive Plan, the Takeback SSN Warrants and the RCF Exit Warrants shall not result in any adjustment to the terms of the RCF Performance Warrants (i.e. – the RCF Performance Warrants will be diluted by issuances of Common Shares pursuant to the Management Incentive Plan, the Takeback SSN Warrants and the RCF Exit Warrants). The issuance of Common Shares from the Management Incentive Plan, the Takeback SSN Warrants and the RCF Performance Warrants shall not result in any adjustment to the terms of the RCF Exit Warrants (i.e. – the RCF Exit Warrants will be diluted by issuances of Common Shares pursuant to the Management Incentive Plan, the Takeback SSN Warrants and the RCF Performance Warrants).
Documentation:	Warrant agreement for each of the RCF Performance Warrants and RCF Exit Warrants to be in a form usual and customary for a transaction of this type and consistent in all regards with this Term Sheet.
Information Rights/Notices:	Holders of RCF Performance Warrants and the RCF Exit Warrants to receive any information sent to holders of Common Shares, and usual and customary information rights for warrantholders.
Governing Law/Jurisdiction:	Ontario.

Schedule “G”

Take Back SSNs Term Sheet

See attached.

TERM SHEET – TAKEBACK SENIOR SECURITY NOTES

This term sheet ("***Term Sheet***") dated January 29, 2024 describes the terms and conditions of the transaction whereby the holders of the 8.250% Senior Secured Notes due 2026 (the "***Senior Secured Notes***") issued under that certain Amended and Restated Base Indenture, dated as of May 11, 2023 (the "***Base Indenture***") among Tacora Resources Inc., a corporation incorporated under the laws of the Province of Ontario, Canada (the "***Company***"), the guarantors from time to time party thereto and Computershare Trust Company, N.A. (the "***Trustee and Notes Collateral Agent***"), as supplemented by (i) the First Supplemental Indenture, dated as of May 11, 2023 (the "***First Supplemental Indenture***"), (ii) the Second Supplemental Indenture, dated as of May 11, 2023 (the "***Second Supplemental Indenture***"), (iii) the Third Supplemental Indenture dated as of June 23, 2023 (the "***Third Supplemental Indenture***"), and (iv) the Fourth Supplemental Indenture dated as of September 7, 2023 (the "***Fourth Supplemental Indenture"***, together with the Base Indenture, First Supplemental Indenture, Second Supplemental Indenture and Third Supplemental Indenture, the "***Existing Indenture***") will exchange Senior Secured Notes for, inter alia, takeback senior security notes having the terms set forth in this Term Sheet (the "***Notes***"). The Company, the guarantors signatory hereto, the Trustee and Notes Collateral Agent and the holders of the Senior Secured Notes are each referred to herein as a "***Party***" and collectively as the "***Parties***".[1]

Unless otherwise expressly indicated in this Term Sheet, capitalized terms used but not defined in this Term Sheet shall have the meaning assigned thereto in the Existing Indenture.

Overview:	The holders of the Senior Secured Notes will exchange 55% of the outstanding principal amount of the Senior Secured Notes plus accrued interest thereon (as of October 10, 2023 and excluding default interest) for Notes on the Closing Date (as defined below).
Issuer:	The Company.
Guarantor(s):	To be the same at all times as guarantors of the Working Capital Facility (as defined below), if any.
Trustee and Notes Collateral Agent:	Computershare Trust Company, N.A.
Closing Date:	The date of closing of that certain transaction to recapitalize the capital structure (the "**Recapitalization Transaction**") of the Company to be agreed to among Resource Capital Fund VII L.P. ("**RCF**"), Javelin Global Commodities (SG) Pte Ltd. ("**Javelin**"), [redacted] and together with [redacted]t, [redacted], and [redacted] the "**AHG Noteholders**").
Principal Amount:	US$133.0 million, being an amount equal to 55% of the outstanding principal amount of the Senior Secured Notes plus accrued interest thereon (as of October 10, 2023 and excluding default interest).
Term:	Six (6) years from the date of issuance of the Notes.
Coupon:	10.000% per annum, payable semi-annually as follows: (a) For the period up to and including the second anniversary of the date of issuance of the Notes (i) in cash at a rate of 5.000% on the outstanding principal amount of the Notes and

[1] Note: This draft contemplates the term sheet will be appended to the Subscription Agreement.

<table>
<tr><td></td><td>(ii) in PIK Interest at a rate of 5.000% on the outstanding principal amount of the Notes; and

(b) Thereafter, in cash at a rate of 10.000% on the outstanding principal amount of the Notes.</td></tr>
<tr><td>Early Redemption:</td><td>Callable by the Company at any time at par plus accrued and unpaid interest.</td></tr>
<tr><td>Mandatory Redemption:</td><td>Non-amortizing; no mandatory redemptions. Subject to the "Early Redemption" terms described in this Term Sheet, redemption and purchase terms shall be substantially the same as in Article 3 of the Existing Indenture.</td></tr>
<tr><td>Collateral Security and Guarantees:</td><td>Substantively the same as that provided to the lenders under the first lien secured working capital credit facility of up to US$125 million to be provided by Javelin to the Company, or a third party acceptable to the AHG Noteholders, Javelin, and RCF (the "Working Capital Facility"), subject to the below.

The Notes shall be second out, but otherwise pari passu in priority, to the US$30.0 million New FO SSNs to be issued by the Company on the Closing Date.

An intercreditor agreement to be entered into by and among Javelin, the Company, and the Trustee and Notes Collateral Agent to achieve the lien priorities set forth herein with respect to the applicable collateral, and otherwise reasonably acceptable to the relevant parties. Customary set-off rights for secured parties to be included.

<table>
<tr><th colspan="3">Current Assets
(i.e. inventory/receivables /as extracted collateral/PP&E)</th></tr>
<tr><th>LIEN HOLDER</th><th>PRIORITY[2]</th><th>SECURED OBLIGATION</th></tr>
<tr><td>Javelin</td><td>First</td><td>Working Capital Obligations[3] including Working Capital Excess Obligations[4]</td></tr>
<tr><td>Javelin</td><td>First (hedging exposure to be paid out first in the waterfall)</td><td>Physical Sale Contracts Obligations and hedging exposure</td></tr>
<tr><td>Javelin</td><td>Second</td><td>Marketing Obligations</td></tr>
<tr><td>Bondholders</td><td>Second</td><td>SSN Obligations[5]</td></tr>
</table>

<table>
<tr><th colspan="3">Non-Current Assets
(i.e. all assets excluding Current Assets and any other security for SSN Obligations)</th></tr>
<tr><th>LIEN HOLDER</th><th>PRIORITY</th><th>SECURED OBLIGATION</th></tr>
<tr><td>Javelin</td><td>First (hedging exposure to be paid out first in the waterfall)</td><td>Physical Sale Contracts Obligations and hedging exposure</td></tr>
<tr><td>Bondholders</td><td>First</td><td>SSN Obligations[6]</td></tr>
<tr><td>Javelin</td><td>First</td><td>Working Capital Excess Obligations</td></tr>
<tr><td>Javelin</td><td>Second</td><td>Marketing Obligations</td></tr>
<tr><td>Javelin</td><td>Second</td><td>Working Capital Obligations, excluding Working Capital Excess Obligations</td></tr>
</table>

For the purposes of this Term Sheet:</td></tr>
</table>

[2] All liens with the same priority shall rank *pari passu* with each other, subject to differentiation in the waterfall re: hedging exposure.
[3] SSN indenture to limit the aggregate principal amount of indebtedness incurred under the Working Capital Facility to not greater than US$125 million.
[4] Liens on Working Capital Excess Obligations subject to incurrence limits under the SSN indenture or cash collateral posted by the Company.
[5] The obligations under the Takeback SSNs and the New FO SSNs.
[6] The obligations under the Takeback SSNs and the New FO SSNs.

	"**Working Capital Excess Obligations**" shall mean the portion of the Working Capital Obligations constituting each and every overadvance payment made under the Working Capital Financing Agreement which is in excess of the applicable Advance Rate set out above in Schedule D (Working Capital Facility) of the Support Agreement dated as of November 30, 2023 among Javelin, the AHG Noteholders and RCF (the "**RSA**"). **Qualifying SSN Obligations Refinancing**: Company may enter into a refinancing of the SSN Obligations and grant security over its Current Assets and Non-Current Assets as long as Company is in (i) compliance with financial covenants and (ii) the indebtedness created as a result of such refinancing ranks in relation to the Physical Sale Contracts Obligations and hedging exposure, the Working Capital Excess Obligations, the Working Capital Obligations and the Marketing Obligations in the same manner and to the same extent as the SSN Obligations being refinanced. For greater certainty, capitalized terms used in this section entitled "Collateral Security and Guarantees" but not defined in this Term Sheet shall have the meaning assigned thereto in the RSA and the applicable Schedules thereto.
Documentation:	Subject to the terms of this Terms Sheet, substantially the same as the Existing Indenture and other Indenture Documents. For greater certainty, the redemption terms included in Article 3 of the Existing Indenture shall be modified to give effect to this Term Sheet to the extent there is an express conflict between this Term Sheet and the terms set forth in such Article 3.
Condition Precedent:	Usual and customary for a transaction of this kind including, without limitation, execution by the Parties of definitive documentation consistent with this Term Sheet that is mutually acceptable to the Parties (the "***Definitive Documentation***").
Covenants:	The Parties shall work in good faith to execute the Definitive Documentation. Otherwise substantially the same as in the Existing Indenture provided that no financial maintenance covenants shall be included in the Definitive Documentation.
Events of Default:	Substantially the same as in the Existing Indenture.
Other Terms:	Usual and customary for transactions of this type.
Governing Law/ Jurisdiction:	New York.
Miscellaneous	The Parties may not amend this Term Sheet nor waive any provision hereof except by an instrument in writing signed by all Parties. Any failure by a Party to enforce any provision of this Term Sheet will not constitute a waiver thereof or of any other provision hereof. No Party may assign its rights or obligations hereunder without the other Party's written consent. This Term Sheet is solely between the Parties and it shall not create or give rise to (or be deemed or construed to create or give rise to) any benefit, liability or obligation of any kind, whether under this Term Sheet or under applicable law, for any person that is not a party to this Term Sheet. This Term Sheet will inure to the benefit of the Parties and their successors and permitted assigns. If any term of this Term Sheet is found by any court to be void or otherwise unenforceable, the remainder of this Term Sheet will remain valid and enforceable. This Term Sheet may be signed in multiple counterparts, each of which taken together will constitute one instrument. Each Party's delivery of an executed counterpart signature page by email or electronic signature is as effective as executing and delivering this Term Sheet in the presence of the other Party.

This is Exhibit “M” referred to in the Affidavit of Joe Broking sworn by Joe Broking, of the City of Grand Rapids, in the State of Minnesota, United States of America, before me at the City of Toronto, in the Province of Ontario, on March 21, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

DocuSigned by:

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Commissioner for Taking Affidavits (or as may be)

Court File No.CV-23-00707394-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF TACORA RESOURCES INC.

Applicant

AFFIDAVIT OF JOE BROKING
(Sworn October 9, 2023)

I, **JOE BROKING**, of the City of Grand Rapids, in the State of Minnesota, United States of America, MAKE OATH AND SAY:

1. I am the President and Chief Executive Officer of Tacora Resources Inc. ("**Tacora**" or the "**Company**" or the "**Applicant**"). I have been the President and Chief Executive Officer of Tacora since October 2021. Prior to becoming President and Chief Executive Officer, I was Executive Vice President and Chief Financial Officer of Tacora from July 2017 to October 2021. I have also been a member of the Company's board of directors (the "**Board**") since October 2021.

2. Together with other members of management, I am responsible for overseeing the Company's operations, liquidity management and restructuring efforts. As such, I have knowledge of the matters to which I hereinafter depose, except where otherwise stated. I have also reviewed the records, press releases, and public filings of the Company and have spoken with certain of the directors, officers and/or employees of the Company, as necessary. Where I have relied upon such information, I believe such information to be true.

3. All references to currency in this affidavit are references to United States dollars, unless otherwise indicated.

4. This affidavit is sworn in support of the Applicant's application (the "**Application**") to commence proceedings (the "**CCAA Proceedings**") under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"). The Applicant is seeking an initial order (the "**Initial Order**") in the form of the draft order included at Tab 4 of the Application Record:

(a) declaring that Tacora is a debtor company to which the CCAA applies;

(b) staying proceedings and remedies taken or that might be taken against or in respect of Tacora, its assets, property, and undertakings (the "**Property**"), its business, or its directors and officers (the "**D&Os**"), except as otherwise set forth in the Initial Order (the "**Stay**"), for an initial period of ten (10) days (the "**Stay Period**");

(c) granting Tacora continued and uninterrupted access to the Bank Accounts, with the associated banks not having the power to restrict Tacora's rights in any way in respect of the Bank Accounts associated with the Cash Management System (as defined herein);

(d) appointing FTI Consulting Canada Inc. ("**FTI**" or the "**Proposed Monitor**") as an officer of this Court in these CCAA Proceedings to monitor the assets, business and affairs of Tacora (once appointed in such capacity, the "**Monitor**");

(e) approving a DIP Facility Term Sheet (the "**DIP Agreement**") entered into by Tacora on October 9, 2023 with Cargill, Incorporated ("**Cargill Inc.**", and in its capacity as the DIP lender, the "**DIP Lender**") pursuant to which the DIP Lender has agreed to advance to Tacora a total amount of up to $75,000,000 (the "**DIP Facility**"), which will be made available to Tacora during these CCAA Proceedings, of which an initial amount of $15,500,000 will be advanced to Tacora during the initial 10-day Stay Period (the "**Initial Advance**");

(f) granting the following priority charges against the Property:

i. an "**Administration Charge**" against the Property in the initial amount of $1,000,000, as security for the payment of the professional fees and disbursements incurred and to be incurred by the Proposed Monitor, counsel to the Proposed Monitor, counsel to the Company, and Greenhill in respect of its monthly advisory fee, in connection with the CCAA Proceedings both before and after the making of the Initial Order;

ii. a "**Directors' Charge**" against the Property in the initial amount of $4,600,000 in favour of Tacora's D&Os as security for the Company's obligation to indemnify such D&Os for obligations and liabilities they may

incur in such capacities after the commencement of the CCAA Proceedings, including with respect to employee vacation pay which may have accrued prior to the commencement of these proceedings, but which may become due and payable after the commencement of these proceedings, except to the extent that such obligation or liability was incurred as a result of a D&O's gross negligence or wilful misconduct; and

iii. a "**DIP Charge**" against the Property as security for Tacora's obligations under the DIP Agreement.

5. I also swear this affidavit in support of a motion (the "**Comeback Motion**"), which the Company proposes to be heard on or about October 20, 2023, for:

(a) an amended and restated Initial Order (the "**ARIO**") in the form of the draft order included at Tab 6 of the Application Record:

(i) extending the Stay Period until and including February 9, 2024;

(ii) authorizing Tacora to borrow up to $75,000,000 under the DIP Agreement;

(iii) approving the engagement letter between Tacora and Greenhill & Co. Canada Ltd. ("**Greenhill**") dated January 23, 2023 (the "**Greenhill Engagement Letter**"), pursuant to which Greenhill has agreed to provide services for, among other things, undertaking a strategic review process to explore, review, and evaluate a broad range of transaction alternatives for the Company;

(iv) approving the key employee retention plan (the "**KERP**") and authorizing the Applicant to pay an amount to secure the KERP to the Monitor (the "**KERP Funds**");

(v) granting a first-ranking "**KERP Charge**" against the KERP Funds in the amount of $3,035,000, as security for payments under the KERP; and

(vi) granting and/or maintaining the following priority charges (collectively, the "**Charges**") against the Property:

(A) the Administration Charge in the amount of $1,000,000;

(B) an increase to the Directors' Charge to $5,200,000; and

(C) a "**Transaction Fee Charge**" against the Property in the maximum amount of $5,600,000, as security for Greenhill's Transaction fee (as defined below), which ranking is set out further below.

(b) an order (the "**Solicitation Order**") in the form of draft order included at Tab 8 of the Application Record

(i) approving the sale, investment, and services solicitation process (the "**Solicitation Process**") in a form substantially similar to the form attached as Schedule "A" to the Solicitation Order; and

(ii) authorizing Tacora, Greenhill, and the Monitor to immediately commence the Solicitation Process.

I. OVERVIEW

6. Tacora is a private company that is focused on the production and sale of high-grade and quality iron ore products that improve the efficiency and environmental performance of steel making and, subject to final process verification and economic assessment, the development of a high purity manganese product for advanced battery technology. The Company owns and operates the Scully Mine (the **"Scully Mine"**), an iron ore concentrate producer located near Wabush, Newfoundland and Labrador, Canada with a production capacity of six (6) million tonnes per annum ("**Mtpa**"). The Company employs approximately 450 employees. The Company is a critical customer for several businesses in Wabush who provide goods and services to the Company and who in turn, provide employment to the local community.

7. The Scully Mine has a sixty year operating history of producing premium quality iron ore concentrate, however, it was shut down in 2014 by its former owner, Cliffs Natural Resources (now Cleveland-Cliffs Inc.), subsequently put on care and maintenance and sold under CCAA proceedings. Tacora acquired the Scully Mine on July 18, 2017, as part of the court-supervised sale process under the Cliffs CCAA. Following the acquisition, Tacora raised significant capital

and invested heavily in the Scully Mine to restart mining operations and commercial production, which was achieved in 2019 when Tacora was able to ship its first vessel of iron ore concentrate. Today, Tacora is the second largest employer in the Labrador West region and is an important part of the local and provincial economy.

8. Since restarting mining operations in 2019, Tacora has been attempting to ramp up production of iron ore concentrate to nameplate capacity of approximately 6.0 Mtpa. Despite its efforts to achieve a sustainable long-term operation, Tacora has encountered various operational challenges during the ramp up phase, and, since the third quarter of 2022, has been experiencing significant liquidity challenges due to a confluence of factors, including, capital constraints, human resources constraints, equipment failures, difficult capital project execution, various operational issues, high indebtedness and iron ore price volatility.

9. During this period of strained liquidity, Tacora has worked collaboratively with Cargill (as defined below) and an Ad Hoc Group of Senior Noteholders (the "**Ad Hoc Group**"), the Company's primary secured creditors, to address its liquidity challenges by raising additional capital, deferring various debt obligations and pursuing other initiatives. The Company also commenced a process led by Greenhill to explore various strategic alternatives for the benefit of Tacora and its stakeholders, including potential sale and recapitalization transactions. The strategic process, which is detailed further below, has produced interest from multiple parties but the Company has not been able to implement a viable transaction yet.

10. The current filing and commencement of the CCAA Proceedings stems from Tacora's need for additional capital to address an imminent liquidity shortfall resulting from the factors described herein as well as the maturity and payment due dates of various debt obligations and the Q2 2023 royalty payment owed to MFC Royalty (described below). The debt obligations include the maturity of obligations under its Advance Payments Facility totaling approximately $34.7 million on October 10, 2023, $27.5 million under its Senior Priority Notes, and an interest coupon payment under its Senior Notes totaling approximately $9.3 million, where the maturity and expiry of the applicable grace respectively occur concurrently with the maturity of the Advance Payments Facility.

11. The CCAA Proceedings will allow Tacora to access the DIP Facility and secure interim financing to ensure the Company can continue to operate the Scully Mine in the ordinary course, preserve the going-concern value of the Scully Mine and complete a strategic process

to execute upon a value-maximizing sale or recapitalization transaction for the benefit of the Company's stakeholders. During the CCAA Proceedings, the safety, health, and continued employment of our valued workforce, as well as Tacora's sound environmental practices will be maintained. Securing the benefit of the Stay and the DIP Facility under the Initial Order is critically important to allow Tacora to maintain its business and operations for the benefit of its creditors, employees, suppliers, and other stakeholders and avoid another shut down of the Scully Mine, which I believe would have a devastating impact on the local community and destroy significant value created by the mine restart. Tacora is a producer of high-quality iron ore needed for green steel production and has a bright future once it addresses its financial issues via these CCAA Proceedings.

II. TACORA

A. Tacora

12. Tacora was initially incorporated pursuant to the *Business Corporations Act* (British Columbia) ("**BCBCA**") on January 12, 2017 under the name "MagGlobal CA Inc.". Tacora subsequently changed its name to "Tacora Resources Inc." on May 16, 2017. On January 13, 2023, the Company was continued from the BCBCA to the *Business Corporations Act* (Ontario) . Tacora's registered office is located at 199 Bay Street, 5300 Commerce Court West, Toronto, Ontario. A copy of the corporate profile report for Tacora dated as of September 5, 2023 is attached hereto as **Exhibit "A".**

13. Tacora's shareholders are a collection of prominent mining investors. A capitalization table showing the Company's ownership on a non-diluted and fully diluted basis is attached hereto as **Exhibit "B".**

B. Tacora Subsidiaries

14. Tacora has three subsidiaries: (a) Knoll Lake Minerals Limited ("**Knoll Lake**"); (b) Tacora Resources LLC ("**Tacora US**"); and (c) Tacora Norway AS ("**Tacora Norway**" and together with Knoll Lake and Tacora US, the "**Tacora Subsidiaries**"). The Tacora Subsidiaries are based in Canada, the United States and Norway, respectively. None of the Tacora Subsidiaries have material assets or liabilities and, accordingly, the Tacora Subsidiaries are not Applicants in these CCAA Proceedings. A copy of the current organization chart of Tacora and the Tacora Subsidiaries is attached hereto as **Exhibit "C".**

(i) Knoll Lake

15. Knoll Lake is incorporated pursuant to the *Canada Business Corporations Act*. Knoll Lake is a non-operating subsidiary of Tacora. As part of the acquisition of the Scully Mine in 2017, Tacora acquired approximately 58.2% of the issued and outstanding shares of Knoll Lake. The ownership interest in Knoll Lake relates to a legacy asset that was included as one of several ancillary assets acquired as part of the acquisition of the Scully Mine. The other significant shareholder is 1128349 B.C. Ltd. (the beneficiary of the MFC Royalty described below), who owns approximately 39.5% of the issued and outstanding shares of Knoll Lake.

(ii) Tacora US

16. Tacora US is incorporated pursuant to the laws of the State of Delaware. Tacora US is wholly owned by Tacora. Tacora US does not have any material assets or liabilities.

17. In the ordinary course of business, Tacora does make limited payments to Tacora US to fund certain salaries and wages for certain U.S. based employees and rent for the head-office location in Grand Rapids, Minnesota. Payment is calculated using a cost-plus method. As of the date of this affidavit, there is an intercompany balance related to these transactions between Tacora and Tacora US, such that Tacora is indebted to Tacora US in the approximate amount of $800,000.

(iii) Tacora Norway

18. Tacora Norway is incorporated under the laws of Norway. On January 13, 2021, Tacora Norway was formed for the purpose of acquiring Sydvaranger Mining AS ("**Sydvaranger**"), which owned a non-operating iron ore open pit, mineral processing plant, and port in Norway (the "**Sydvaranger Mine**").

19. On February 15, 2023, following defaults under certain indebtedness owing by Sydvaranger and certain of its subsidiaries to Orion Resources Partners, OMF Fund II H Ltd. ("**Orion**"), all the issued and outstanding shares in the capital of Sydvaranger were transferred to an affiliate of Orion, as part of Tacora's liquidity preservation efforts.

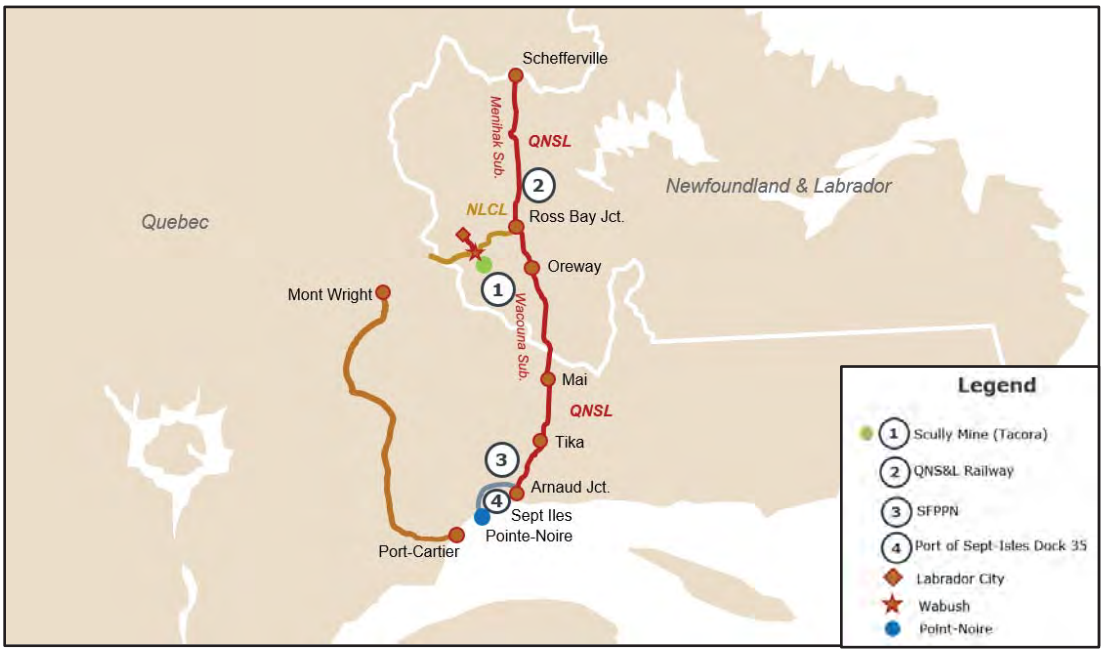
III. TACORA'S BUSINESS AND OPERATIONS

20. The Company's sole mining asset is the Scully Mine, which covers an area of approximately 32 square kilometers in the Labrador iron ore trough. The Scully Mine started operations in 1965 and closed in 2014 due to the shut down and liquidation of the Canadian operations of Cliffs Natural Resources (now Cleveland-Cliffs Inc.) which occurred under CCAA proceedings before the Superior Court of Quebec. Tacora acquired the Scully Mine on July 18, 2017, as part of the court-supervised sale process under the CCAA.

21. During the period where the Scully Mine was in operation up until 2014, it produced between 2.7 and 6 million tons of iron ore concentrate annually. Since the restart of operations in 2019, the Scully Mine produced 3.0 million tonnes in 2020, 3.2 million tonnes in 2021 and 3.1 million tonnes in 2022. The iron ore concentrate produced at the Scully Mine has an average concentrate grade of 65.9% Fe (iron) and low impurities, which is a highly desirable quality product that commands a premium price in the market relative to benchmarks due to its unique characteristics.

22. The Scully Mine is a conventional surface mining operation whereby ore is removed from the earth using drill and blast techniques and subsequently loaded with electric and diesel hydraulic shovels and transported with mining haul trucks. The ore is moved for processing to the Scully Mine plant (the "**Plant**") located on the mine site. At the Plant, the ore is crushed and subsequently subjected to mineral processing techniques to remove waste material and reduce moisture content to achieve high-grade iron ore concentrate for shipping and sale. The Plant at the Scully Mine is shown below.

23. The iron ore concentrate is shipped on a railroad via the Wabush Lake Railway to the Québec North Shore and Labrador Railway (the "**QNS&L Railway**"), which connects to Sept-Îles Junction, located on the St. Lawrence River on Quebec's north shore. From there, the iron ore concentrate is unloaded in the Port of Pointe-Noire yard (the "**Port**"), and then reclaimed onto vessels and shipped to Europe, the Middle East, and East Asia. The map below displays the transportation of iron ore concentrate from the Scully Mine to the Port.



24. Following Tacora's acquisition of the Scully Mine and completion of a mining feasibility study, Tacora focused on obtaining the necessary financing to restart the Scully Mine. Tacora was able to raise over $350,000,000 of debt and equity capital to finance the necessary restart investments at the Scully Mine which included, project detailed engineering, pit dewatering, select upgrades at the Plant, logistics related improvements, a new mining equipment fleet and implementing the necessary operating, product and marketing strategies as discussed further below.

25. On May 25, 2019, the first crude iron ore was delivered to the crusher at the Scully Mine and the first mill was successfully restarted on May 28, 2019. At the end of August 2019, Tacora shipped 69,770 wet metric tons of iron ore concentrate to its first customer in the United Kingdom. Following the restart, Tacora has continued to ramp up production at the Scully Mine

in an effort to achieve nameplate capacity of 6.0 Mtpa.

A. Rail Agreements

26. As set out above, iron ore concentrate is first shipped from the Scully Mine on the Wabush Lake Railway to the QNS&L Railway. The QNS&L Railway is the only rail transportation option available to the Scully Mine for shipping product to the Port near Sept-Îles. The Wabush Lake Railway is owned by Tacora and operated by Western Labrador Rail Services Inc. ("**WLRS**") and the QNS&L Railway is owned and operated by Québec North Shore and Labrador Railway Company, Inc ("**QNS&L**"), a wholly owned subsidiary of the Iron Ore Company of Canada who operates another mine in the Labrador iron ore trough. QNS&L is a common carrier and is a federally regulated railway offering bulk, through-freight, and way-freight rail services on the QNS&L Railway.

27. Tacora is a party to several contracts with WLRS and QNS&L for the transportation of its iron ore concentrate from the Scully Mine to the Port.

28. The primary agreement with WLRS is a railroad operation and maintenance services agreement dated as March 12, 2019 (as amended, the "**WLRS Rail Agreement"**). Pursuant to the WLRS Rail Agreement, WLRS provides Tacora with manpower and railroad services to operate the railroad track owned by Tacora between the Scully Mine and Wabush Lake Junction. The railcars used on this section of railway are rented by Tacora from QNS&L.

29. The primary agreement with QNS&L is a transportation agreement dated as of November 3, 2017 (as amended, the "**QNS&L Rail Agreement**"). The QNS&L Rail Agreement provides that QNS&L will carry iron ore concentrate produced at the Scully Mine on Tacora-supplied railcars between Wabush Lake Junction in Labrador City, Newfoundland and Labrador to the Sept-Îles Junction in Sept-Îles, Québec. Tacora and QNS&L are also party to a locomotive rental agreement dated as of November 8, 2017 pursuant to which QNS&L makes available and leases to Tacora the locomotives used by Tacora for hauling its iron ore concentrate to the Port.

30. Under the QNS&L Rail Agreement, QNS&L hauls a minimum monthly tonnage of iron ore concentrate, ensures available transportation capacity, leads and actively participates in appropriate operations management and coordination procedures between QNS&L and Tacora, and supplies sufficient labour and infrastructure as necessary to provide the rail transportation

services contemplated. The QNS&L Rail Agreement also prescribes various capacity and volume commitments on the part of each of QNS&L and Tacora, and sets forth specific maximum and minimum monthly tonnages of iron ore concentrate that may be tendered for transportation in any month.

B. Port Agreements

31. Société Ferroviaire et Portuaire de Pointe Noire s.e.c. ("**SFPPN**") operates the Port used by Tacora (which is the multi-user port located in Sept-Îles, Quebec) that provides facilities to unload iron ore concentrate from trains delivered from the QNS&L Railway. The facilities and services provided at the Port include a short line rail, product unloading, material handling, product storage, and a conveyor connection to a dock at the Port utilized by the Company. SFPPN's conveyor connection to the dock provides the Company with access to large bulk commodity carriers, including up to VLOC bulk vessels, to export the Company's product.

32. The use of the Port and the provision of services by SFPPN is set out in a long-term operational agreement with an effective date of December 22, 2022 (the "**Port Agreement**"). Pursuant to the Port Agreement, among other things, SFPPN grants Tacora guaranteed access to SFPPN's equipment, throughput and storage capacity necessary to transport iron ore concentrate to the port infrastructure. The Port Agreement has a term until December 22, 2027, but is renewed automatically for consecutive intervals of one year each until December 31, 2041, unless the parties mutually agree not to continue their relationship.

33. On April 19, 2018, Tacora also executed an assignment of contractual rights agreement with New Millennium Iron Corp. ("**NML**"), pursuant to which NML assigned 6.5 million metric tonnes of NML's Port capacity with the Sept-Iles Port Authority (the "**Port Authority**") to Tacora (the "**NML Assignment Agreement**"). The NML Assignment Agreement provided Tacora with additional Port capacity to ship the iron ore concentrate it produces. Accordingly, in November 2018, Tacora and the Port Authority entered into a contract, pursuant to which the Port Authority agreed to reserve Port capacity of 6.5 million metric tonnes of iron ore concentrate per year for Tacora. The Port Authority loads the iron ore concentrate onto the vessels for shipment to Europe, the Middle East, and East Asia.

C. Offtake Agreement & Stockpile Agreement

34. Tacora sells 100% of the iron ore concentrate production at the Scully Mine to Cargill International Trading Pte Ltd. ("**Cargill**") pursuant to an offtake agreement between Tacora, as seller, and Cargill, as buyer, dated April 5, 2017, and restated on November 9, 2018 (as amended from time to time, the "**Offtake Agreement**"). Pursuant an amendment dated March 2, 2020, the term of the Offtake Agreement was extended to a life of mine contract such that Tacora is required to sell and Cargill is required to buy all iron ore concentrate produced at the Scully Mine while it remains operational. The sale of the iron ore concentrate is also subject to a stockpile agreement between Tacora, as seller, and Cargill, as buyer, dated December 17, 2019 (the "**Stockpile Agreement**"), which works in conjunction with the Offtake Agreement.

35. As set out above, the iron ore concentrate from a stockpile located at the Port is loaded onto vessels that ship the iron ore concentrate to final customers at various locations overseas. The vessels are arranged by Cargill and Cargill markets and sells Tacora's iron ore concentrate to customers in Europe, the Middle East, and East Asia pursuant to the Offtake Agreement. Due to the high Fe (iron) content, the iron ore concentrate is marketed as high-grade premium blending concentrate that is used to upgrade other commodity grade and sub-commodity grade products, particularly from Australia.

36. Payment by Cargill to Tacora under the Offtake Agreement proceeds in roughly three stages:

(a) First, by three (3) business days prior to the first laycan (i.e., the first day a vessel may arrive at the terminal port to pick-up iron ore), the provisional purchase price is calculated. Tacora sends an invoice to Cargill once the vessel is loaded at the Port and Cargill pays Tacora for the iron ore concentrate shortly thereafter. While the Stockpile Agreement is effective the provisional price is compared to the average stockpile provisional price that was already paid with a true-up payment paid as appropriate. If the Stockpile Agreement is no longer in force, no true-up payment occurs as no prior payments will have been made for the iron ore concentrate delivered to the stockpile;

(b) Second, for tonnes on the ocean, Tacora and Cargill calculate and agree on mark-to-market amounts twice a week on Monday and Wednesday based on the average of the last five pricing days for Platts 62% Index, which is a benchmark

index used by S&P Global Commodity Insights and based on standard specifications for iron ore fines (i.e. powders). If the mark-to-market exceeds certain threshold amounts, a Margin Payment is made either to Cargill or Tacora (any payment being a "**Margin Payment**"). In general, Margin Payments are due from Cargill to Tacora if iron ore prices rise from the date of which the vessel is loaded at the Port, and Margin Payments are due to Cargill from Tacora if iron ore prices fall from the date of which the vessel is loaded at the Port; and

(c) Third, Tacora and Cargill calculate the final purchase price, which is the commodity price, less freight costs plus a profit share. The commodity price is calculated using the arithmetic mean of the Platts 62% Index from the third calendar month after the vessel sails. The freight costs are calculated using the BECI-C3 index (Baltic Exchange Capesize Index for routes from Tubarao, Brazil to Qingdao, China) and other provisions. The profit share (as defined in the Offtake Agreement), which is based on the final sales price for the final customer over a base index (which is the Platts 62% Index). Cargill and Tacora split the Profit Share based on a formula, as outlined in the Offtake Agreement. The final sales price which flows into the profit share is negotiated between Cargill and the final customer based on a third-party contract. Tacora and Cargill determine who is owed a payment in respect of a shipment after the final purchase price can be calculated and compared to the provisional purchase price and true-up sums paid for that shipment.

37. Previously under the Offtake Agreement, Margin Payments were only due if the total mark-to-market amounts owed was over $5,000,000 in Tacora's favour or $7,500,000 in Cargill's favour. This was amended pursuant to the Second APF Amendment (as defined below) under which the threshold in favour of Cargill was removed and such Margin Payments were satisfied as deemed Margin Advances (as defined below) under the Advance Payments Facility.

38. While the Stockpile Agreement is in place, rather than paying Tacora the provisional purchase price after a vessel is loaded, Cargill will pay Tacora such amount when iron ore concentrate is unloaded to a stockpile at the Port. Pursuant to the Stockpile Agreement, Tacora sends Cargill an invoice at the end of each 7-day period (typically on Monday) for the iron ore concentrate that was delivered to the stockpile during the week prior. Cargill then subsequently would pay Tacora a provisional purchase price within three (3) business days of receiving the

invoice (typically on Wednesday). Pursuant to the Stockpile Agreement, all iron ore concentrate purchased by Cargill becomes Cargill's property at the moment of unloading by Tacora to the stockpile. The Stockpile Agreement provides Tacora with significant working capital while it remains in effect. As result of the Stockpile Agreement, Tacora receives weekly cash receipts, rather than payments only when vessels are loaded, which occurs approximately every 3-4 weeks. While the Stockpile Agreement was initially scheduled to terminate on October 10, 2023, the Company will continue to have the benefit of the Stockpile Agreement during the CCAA Proceedings as a result of the Company entering into the DIP Agreement with Cargill Inc., unless an Event of Default exists under the DIP Agreement.

39. As noted above, Tacora relies on Cargill for 100% of its revenue from the Scully Mine as Cargill purchases all of the iron ore concentrate produced from the Scully Mine and Tacora does not have any other purchasers of iron ore concentrate. It is crucial for Tacora's business that the Company continue to have a source to sell its iron ore concentrate to during the CCAA Proceedings.

D. MFC Royalty

40. On November 17, 2017, Tacora entered into an amendment and restatement of consolidation of mining leases (the "**MFC Royalty**") with 0778539 B.C. Ltd. (formerly, MFC Bancorp Ltd.) ("**MFC**"), pursuant to which the parties agreed to amend and restate a lease which provided Tacora with tenure and mining rights to certain premises constituting the Scully Mine in exchange for an ongoing royalty payment based on production. A copy of the MFC Royalty is attached hereto as **Exhibit "D"**.

41. Pursuant to the MFC Royalty, Tacora is required to pay 1128349 B.C. Ltd. (the beneficiary of the MFC Royalty) 7% of its net revenue (less certain expenses determined in accordance with the calculations set out therein) derived from the sale of its iron ore concentrate. Tacora must pay these amounts on or before the 25th day of January, April, July, and October each year (the **"Quarterly Payments"**). Tacora has made the required Quarterly Payments to MFC other than the payment due July 25, 2023, which totals C$5,865,004, inclusive of a 20% withholding tax of C$1,173,000 owed to the Government of Newfoundland & Labrador if and when the payment is made. The MFC Royalty provides for a 30-day grace period before failure to make a Quarterly Payment constitutes a default and an additional 60-day notice period to cure such default before MFC may exercise remedies under the MFC

Royalty. In order to preserve liquidity and maintain operations at the Scully Mine, the Company initially determined it would be prudent to utilize the 30-day grace period. Subsequently, the Company also continued to delay such payment given the limited available liquidity for the Company.

42. On May 19, 2023, MFC commenced arbitration proceedings (the "**MFC Arbitration**") against Tacora for alleged underestimated Quarterly Payments for the duration of the MFC Royalty. MFC has alleged that the Offtake Agreement does not constitute an "arm's length, bona fide contract of sale" and accordingly, different provisions apply to the calculation of the Quarterly Payments. The underpayment amount alleged by MFC is "at least" $2,781,625. The Company vigorously contests this allegation. A tribunal of arbitrators have been appointed to preside over the MFC Arbitration but otherwise the arbitration has not materially advanced. If the MFC Arbitration proceeded in the normal course, it is anticipated that it would take until at least June 2024 before a hearing on the merits.

E. Environmental Matters

43. Tacora maintains the required permits and licenses to conduct the mining activities at the Scully Mine**.**

44. On September 28, 2017, Tacora prepared and submitted an Environmental Assessment Registration ("**EA Registration"**) to the Government of Newfoundland and Labrador in accordance with the *Newfoundland and Labrador Environmental Protection Act* (Newfoundland and Labrador). The government of Newfoundland and Labrador placed the document on a public notice period, responded to public comments, and released the reactivation project from further environmental assessment on November 21, 2017.

45. Tacora prepared and submitted a reactivation plan, a development plan, a rehabilitation and closure plan and an operating certificate of approval application to the Government of Newfoundland and Labrador that related to environmental and other operational impacts of resuming operations at the Scully Mine. Following completion of a feasibility study, Tacora received approvals in respect of its plans and application from the applicable Government of Newfoundland and Labrador authorities.

46. Pursuant to a Notice of Intention and Direction from the Department of Environment and Climate Change ("**DECC**") dated July 27, 2023, the Company was made aware of certain Total

Suspended Solids ("**TSS**") exceedances at the Scully Mine. The Company has assigned teams to develop and commence an actionable plan to mitigate its TSS exceedances and expects to share its plan with the DECC in due course.

47. I understand that the relevant municipal and provincial government authorities are supportive of Tacora's efforts to maintain compliance with all environmental requirements. Tacora is not aware of any other material environmental issues at the Scully Mine.

F. Employees

48. Tacora employs approximately 450 people, the majority of whom are full time employees. Tacora employs two (2) people on contract. The employee breakdown is set out below:

	Scully Mine	Head Office
Full Time / Part Time	Full Time: 442	Full Time: 8
Unionized / Non-Unionized	Unionized: 283 Non-Unionized: 181	Unionized: 0 Non-Unionized: 8
Salaried / Contract	Salaried: 166 Hourly: 298	Salaried: 6 Hourly: 2

49. Tacora has 13 US-based employees who primarily work from a head office based in Grand Rapids, Minnesota. These US-based employees have employment contracts with Tacora. However, payroll, payroll tax and corporate income tax filings for these employees are processed through Tacora US. Through the CCAA Proceedings, Tacora will continue to make payments on behalf of Tacora US to fund these amounts.

50. Of the employees, approximately 64% are paid on an hourly basis and approximately 36% are salaried. Approximately 283 of Tacora's hourly employees are subject to a collective

bargaining agreement (the "**CBA**") and are represented by the United Steelworkers Local 6285 (the "**USW**"). The current CBA with the USW came into effect on January 11, 2023, and remains in full force and effect until December 31, 2027.

51. Pursuant to the CBA, Tacora contributes five (5) percent of all its employees' base salary to a group registered retirement savings plan managed by Mercer Planisphere, effective as of November 1, 2017 (the "**Group RRSP**"). In fiscal year 2022, Tacora was responsible to contribute approximately $1,970,512 to the Group RRSP, which has been fully paid by Tacora. Tacora is responsible to contribute approximately $3,115,381 to the Group RRSP in fiscal year 2023. As at September 1, 2023, Tacora has contributed $2,140,381 to the Group RRSP in respect of fiscal year 2023. Payments to the Group RRSP are made following each payroll.

52. Tacora is current in the payment of wages to its employees. Accrued vacation pay as at September 1, 2023, inclusive of accruals**,** is approximately $563,369. The accrued vacation pay is broken down as follows: (a) $22,574 for Canada-based corporate employees; (b) $134,125 for US-based employees; and (c) $406,669 for employees at the Scully Mine and Plant.

53. Tacora does not have a registered pension plan.

G. Other Contractors and Consultants

54. Tacora also contracts with various local service providers that make available staff to assist Tacora with its operations on a regular basis. Certain of these contractors have staff at the Scully Mine for each shift worked by regular Tacora employees. Certain of these services providers provide general labour and others perform specialized tasks at the Scully Mine related to repair and maintenance at the Plant.

55. Additionally, in February 2023, Tacora engaged Partners in Performance ("**PIP**") to initiate an operational stabilization and turnaround program at the Scully Mine for a period of 20 weeks, commencing on February 27, 2023. PIP is a global management consulting firm providing specialized services in the metals and mining industry. PIP has had a dedicated team of individuals that are regularly on-site at the Scully Mine who have been assisting Tacora implement operation initiatives to ramp up production at the Scully Mine and also design a capital plan for required project to achieve the nameplate capacity of 6.0 Mtpa.

56. On July 21, 2023, Tacora entered into another agreement for consulting services with PIP. PIP was engaged for a period of 26 weeks, commencing on July 24, 2023. PIP is currently

providing a team that are regularly on-site at the Scully Mine to continue the operational stabilization and turnaround program and to assist Tacora develop and action a capital project plan to ramp up to 6.0 Mtpa.

57. Tacora intends to continue the engagement with PIP through these CCAA Proceedings.

H. Cash Management

58. Tacora uses a cash management system (the "**Cash Management System**") in the ordinary course of business to, among other things, collect funds and pay expenses associated with its operations. This Cash Management System provides Tacora with the ability to efficiently and accurately track and control corporate funds and to ensure cash availability.

59. As part of this Cash Management System, Tacora maintains four bank accounts (the "**Bank Accounts**"):

(a) Bank of Montreal: USD operating account;

(b) Bank of Montreal: CAD operating account;

(c) Bank of Montreal: CAD collateral account; and

(d) JPMorgan Chase: USD operating account.

60. Payments flowing to Tacora pursuant to the Offtake Agreement are received in Tacora's Bank of Montreal: USD operating account. To the extent payments are required to be made in Canadian dollars, Tacora exchanges such funds at the available rates provided by Bank of Montreal ("**BMO**") and transfers them to the CAD operating account for disbursement. There are no regular cash sweeps. The collateral account described above previously held funds to secure a corporate credit card line of credit, however, Tacora recently closed such line of credit.

61. The two BMO Bank Accounts used for operational purposes are subject to: (a) a blocked account agreement dated January 9, 2023, entered into between BMO, Tacora and the Notes Trustee (as defined herein); and (b) a blocked account agreement dated January 9, 2023, entered into between BMO, Tacora, the Notes Trustee and Cargill.

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IV. TACORA'S FINANCIAL POSITION

A. Financial Statements

62. A copy of Tacora's audited financial statements for the fiscal year ended December 31, 2022, are attached hereto as **Exhibit "E"**.

63. A copy of Tacora's unaudited monthly report for the month ended July 31, 2023, is attached hereto as **Exhibit "F"** (the "**July Balance Sheet**"). The July Balance Sheet is the most recent balance sheet prepared by the Company.

B. Assets

64. As appears from the July Balance Sheet, the assets of Tacora had an unaudited net book value of approximately $360,660,000 consisting of the following:

Assets	**Approximately ($)**
Current assets	
Cash and cash equivalents	12,466,000
Restricted cash, escrow	117,000
Receivables	8,303,000
Inventories	46,684,000
Prepaids	10,650,000
Total current assets	*78,220,000*
Non-current assets	
Mining property, land, plant & equipment	223,286,000
Port prepayments	46,024,000
Deposits	13,136,000
Total non-current assets	*282,446,000*
Total	360,666,000

B. Liabilities

65. As appears from the July Balance Sheet, the liabilities of Tacora had an unaudited net book value of approximately $427,545,000 and consisted of the following:

Liabilities	Approximately ($)
Current liabilities	
Accounts payable	36,989,000
Accrued liabilities	79,984,000
Total current liabilities	*116,973,000*
Non-current liabilities	
Debt	239,765,000
Lease liabilities	29,041,000
Royalties payable	13,125,000
Deferred tax liability	0
Rehabilitation obligation	28,641,000
Total non-current liabilities	*310,572,000*
Total	427,545,000

V. TACORA'S INDEBTEDNESS

66. The majority of Tacora's liabilities consist of its debt and lease liabilities, which are described further below.

A. Secured Obligations

67. Tacora has approximately $298 million in secured debt owing primarily to (a) holders of Senior Notes and Senior Priority Notes (each as defined below) (the "**Senior Noteholders**");

and (b) Cargill in respect of an Advance Payments Facility (as defined below). As described further below, the secured indebtedness shares the same collateral and security package and is subject to an intercreditor agreement between the parties. The secured debt and its respective priority rankings are summarized in the below chart and detailed further below:

	Cargill	Senior Noteholders
First Ranking	$4,717,648 of Margin Advances and Prepay Advances pursuant to the Advance Payments Facility	$27,521,634 of Senior Priority Notes
Second Ranking	$30,000,000 of Initial Advances pursuant to the Advance Payments Facility	$225,000,000 of Senior Notes in principal and $9,281,250 in unpaid interest
Total	$34,717,648	$261,802,884

68. Copies of personal property security searches in respect of Tacora in Ontario and Newfoundland and Labrador conducted as at August 29, 2023, and September 1, 2023, respectively, are attached hereto as **Exhibits "G"** and **"H"**.

(i) Senior Notes

69. In May 2021, Tacora issued $175,000,000 of Senior Notes bearing interest at a rate of 8.25% (the "**Initial Senior Notes**") pursuant to an indenture (the "**Senior Notes Indenture**"), among Tacora and Wells Fargo Bank, National Association, as trustee and collateral agent for the Initial Senior Notes.

70. In February 2022, Tacora issued an additional $50,000,000 of Senior Notes bearing interest at a rate of 8.25% (together with the Initial Senior Notes, the "**Senior Notes**") pursuant to a second supplemental indenture, among Tacora and Computershare Trust Company, N.A., as successor to the initial trustee, and collateral agent for the Senior Notes (the "**Notes Trustee**").

71. The aggregate principal amount outstanding pursuant to the issued Senior Notes is $225,000,000. Interest on the Senior Notes is payable semi-annually in arrears on May 15 and November 15 of each year. An interest payment which was originally due May 15, 2023, in the amount of approximately $9,281,250 remains outstanding under the Senior Notes. As set out further below, the applicable grace period under the Senior Notes Indenture with respect to the interest payment was extended to the earlier of (a) November 3, 2023; or (b) the occurrence of the termination or acceleration of the Advance Payments Facility (which currently is scheduled to occur on October 10, 2023), with the consent of the majority of Senior Noteholders as part of Tacora's liquidity preservation efforts.

72. Tacora's obligations in respect of the Senior Notes are secured by, among other things:

(a) a general security agreement dated May 11, 2021, executed by Tacora in favour of the Notes Trustee. Pursuant to the agreement, Tacora granted the Notes Trustee security interests in substantially all Tacora's present and after-acquired personal property;

(b) an assignment of material contracts dated May 11, 2021, executed by Tacora in favour of the Notes Trustee. Pursuant to the agreement, Tacora assigned all its right, title and interest in and to various material contracts to the Notes Trustee;

(c) a deed of hypothec dated August 3, 2021, executed by Tacora in favour of the Notes Trustee, as amended by a deed of correction dated August 16, 2021, between the same parties. Pursuant to the agreement, Tacora hypothecated all its present and future movable and immovable property to and in favour of the Notes Trustee;

(d) a share pledge agreement dated August 4, 2021, executed by Tacora in favour of the Notes Trustee. Pursuant to the agreement, Tacora pledged the issued and outstanding shares of Tacora Norway to and in favour of the Notes Trustee; and

(e) a debenture dated August 9, 2021, executed by Tacora in favour of the Notes Trustee, as amended by a debenture amending agreement dated February 16, 2022. Pursuant to the debenture, Tacora granted a security interest in substantially all its owned real estate holdings to and in favour of the Notes Trustee

(collectively, the "**Senior Notes Security**").

73. Copies of the above-referenced documents have not been attached to this affidavit given their length. However, copies are available upon request. Further, though a hypothec is registered in Canada, no material portion of the Property is located in Quebec. If the Stockpile Agreement is no longer in effect during the CCAA Proceedings, it is possible that there will be Property in Quebec that arises during the CCAA Proceedings as iron-ore concentrate is unloaded into the stockpile at the Port which will no longer become the property of Cargill.

(ii) Senior Priority Notes

74. As a result of Tacora's liquidity challenges (which are described in greater detail below), in May 2023, Tacora engaged with the Ad Hoc Group of the Senior Notes to raise additional capital to support the operations of the Company. Tacora and the Notes Trustee entered into an amended and restated base indenture dated May 11, 2023, as supplemented by the first supplemental indenture dated May 11, 2023, and the second supplemental indenture dated May 11, 2023 (collectively, the "**Senior Priority Notes Indenture**", and together with the Senior Notes Indenture, the "**Note Indentures**").

75. Pursuant to the Senior Priority Notes Indenture, Tacora issued $27,000,000 of senior priority notes bearing interest at a rate of 13.00%, with 9.00% being paid via cash and 4.00% being paid via payment-in-kind (the "**Senior Priority Notes**"). Interest on the Senior Priority Notes is to be paid monthly in arrears on the first business day of the month following the month in respect of which interest is being paid.

76. The terms of the Senior Priority Notes were negotiated with the Ad Hoc Group and were sold to certain holders of the Senior Notes for proceeds of $25,000,000. The Senior Priority Notes are secured by the Senior Notes Security and initially matured upon the earlier of: (a) September 8, 2023; (b) the consummation by Tacora of a restructuring or recapitalization transaction; and (c) maturity or an event of default under certain of Tacora's other debt and payment obligations. The Senior Priority Notes rank senior to the Senior Notes and the Initial Advances.

77. Initially, the grace period was thirty (30) days before an event of default occurred for non-payment of interest due under the Senior Notes and the Senior Priority Notes (May 15, 2023). However, the Senior Priority Notes Indenture extended the grace period from thirty (30)

to sixty (60) days, such that there would be no event of default under the Senior Notes and Senior Priority Notes for non-payment of interest until July 15, 2023.

78. Tacora entered into a third supplemental indenture dated June 23, 2023 (the "**Third Supplemental Indenture**") to modify the Note Indentures and to provide for, among other things: (a) the proceeds of indebtedness incurred pursuant to a Senior Secured Hedging Facility (as defined in the Senior Priority Notes Indenture) to be used to fund Tacora's working capital needs; (b) an increase in the amount of indebtedness and liens with payment priority over the Senior Priority Notes that could be incurred under the Senior Priority Notes Indenture; and (c) a further extension of the grace period before a default in the payment of interest on the Senior Notes and the Senior Priority Notes constitutes an event of default to September 12, 2023 (120 days following the original interest payment date of May 15, 2023).

79. Tacora entered into a fourth supplemental indenture dated September 8, 2023 (the "**Fourth Supplemental Indenture**") to modify the Note Indentures and to provide for, among other things, an extension to the maturity date under the Senior Priority Notes and a further extension of the grace period before a default in the payment on the Senior Notes to the earlier of (a) November 3, 2023; or (b) the occurrence of the termination or acceleration of the Advance Payments Facility.

80. Copies of the above-referenced documents have not been attached to this affidavit given their length. However, copies are available upon request.

(iii) Advance Payments Facility

81. In or around December 2022, Tacora required additional financing to fund operations through the Company's liquidity challenges. On January 3, 2023, Tacora, as seller, and Cargill, as buyer, entered into an advance payment facility agreement (as amended from time to time, the "**APF Agreement**"). Pursuant to the APF Agreement, Cargill provided Tacora with an advance payment facility (the "**Advance Payments Facility**") under which Cargill made advance payments under the Offtake Agreement in the total principal amount of $30,000,000 (the "**Initial Advances**") to Tacora. Until termination of the APF Agreement, Cargill is required to continue paying Tacora for iron ore concentrate under the Offtake Agreement and may not credit such deliveries against the outstanding balance of the Advance Payments Facility.

82. The Initial Advances consisted of three components: (a) a deemed advance of $15,000,000 that was retained by Cargill as consideration for entering into the First Offtake Amendment and guaranteeing a floor price of $105 per tonne for Platts 62% Index under the Offtake Agreement for 250,000 tonnes per month of volume shipped via vessel from January 2023 to May 2023; (b) an initial advance of $10,000,000 to fund Tacora's working capital and other expenses which was funded on January 9, 2023; and (c) a subsequent advance of $5,000,000 which was funded on February 24, 2023. The Initial Advances rank *pari passu* with the Senior Notes and junior to the Senior Priority Notes.

83. The Advance Payments Facility was originally scheduled to be repaid on or before May 1, 2023, with repayment being made, at Cargill's option, either: (a) via weekly deliveries of product in accordance with the Offtake Agreement; or (b) in cash. Tacora and Cargill entered into an amendment to the APF Agreement on April 29, 2023, which, among other things:

(a) extended the maturity date of the Advance Payments Facility from May 1, 2023 to June 14, 2023;

(b) provided that the maturity date was automatically further extended to July 14, 2023, if the applicable grace period to make interest payment due May 15 in respect of the Senior Notes was extended for the same timeframe; and

(c) issued Cargill penny warrants equal to 25% of Tacora's common shares on a fully diluted basis.

84. Subsequently, on May 29, 2023, Tacora and Cargill entered into an Amended and Restated APF Agreement (the "**Second APF Amendment**") to provide Tacora with additional liquidity. The Second APF Amendment provided for a new facility under the Advance Payments Facility whereby Cargill would make margin advances ("**Margin Advances**") of up to $25,000,000 to Tacora. The Margin Advances were primarily made to finance the Margin Payments, as described above, that may be payable to Cargill under the Offtake Agreement. The outstanding amount of Margin Advances fluctuate daily based on the Platts Index 62% price movement. The Margin Advances rank *pari passu* with the Senior Priority Note and senior to the Senior Notes and the Initial Advances. Pursuant to the Second APF Amendment, the maturity date of the Advance Payments Facility was extended to September 12, 2023.

85. On June 23, 2023, Tacora entered into a further amendment to the APF Agreement (the "**Third APF Amendment**") to provide greater flexibility to Tacora on utilizing the new margin facility provided by the Second APF Amendment. Under the Third APF Amendment, Cargill, in its sole discretion, could make additional prepay advances ("**Additional Prepay Advances**" and together with the Margin Advances, the "**Senior Priority Advances**") to Tacora utilizing any availability under the $25,000,000 facility created by the Second APF Amendment. On June 29, 2023, Cargill made an Additional Prepay Advance in the amount of $3,000,000. No further Additional Prepay Advances have been made by Cargill and the only Additional Prepay Advance was repaid by Tacora. Additional Prepay Advances are repayable upon demand and rank *pari passu* with the Senior Priority Note and the Margin Advances, and senior to the Senior Notes and the Initial Advances. A copy of the Third APF Amendment, which includes the current version of the APF Agreement is attached hereto as **Exhibit "I"**.

86. In connection with discussions and negotiations between Tacora's stakeholders regarding a potential consensual recapitalization transaction, as described below, Cargill agreed to extend the maturity date of the Advance Payments Facility from time-to-time, most recently to October 10, 2023.

87. As of the date of this affidavit, there is approximately $4.7 million of Senior Priority Advances outstanding.

88. Tacora's obligations (including the Initial Advances, Margin Advances and Additional Prepay Advances) under the APF Agreement are secured with a collateral and security package substantially similar to the Senior Notes Security, including by, among other things:

(a) a debenture dated January 9, 2023, executed by Tacora in favour of Cargill. Pursuant to the agreement, Tacora granted a security interest in substantially all of its owned real property holdings to and in favour of Cargill;

(b) a general security agreement dated January 9, 2023, executed by Tacora in favour of Cargill. Pursuant to the agreement, Tacora granted Cargill security interests in substantially all of Tacora's present and after-acquired personal property;

(c) an assignment of material contracts dated January 9, 2023, executed by Tacora in favour of Cargill. Pursuant to the agreement, Tacora assigned all its right, title,

and interest in and to various material contracts to Cargill;

(d) an assignment of insurance dated January 9, 2023, executed by Tacora in favour of Cargill. Pursuant to the agreement, Tacora assigned all its right, title, and interest in and to various insurance policies to which Tacora is a beneficiary of, to Cargill;

(e) a hypothec on movables dated January 9, 2023, executed by Tacora in favour of Cargill. Pursuant to the agreement, Tacora hypothecated all its present and future movable property to and in favour of Cargill; and

(f) a share pledge agreement dated January 9, 2023, executed by Tacora in favour of Cargill. Pursuant to the agreement, Tacora pledged a security interest in all the issued and outstanding shares of Tacora Norway to and in favour of Cargill.

89. The various rankings of the obligations set forth above are governed pursuant to an intercreditor agreement dated January 9, 2023 (the "**Initial Intercreditor Agreement**") and a collateral agency and intercreditor agreement dated May 11, 2023 (the "**Second Intercreditor Agreement**", and collectively, the "**Intercreditor Agreements**"), each between Tacora, the Notes Trustee and Cargill.

(iv) Caterpillar Equipment Leases

90. On April 15, 2019, Tacora, as lessee, and Caterpillar Financial Services Limited, as lessor ("**Caterpillar**") entered into a master lease agreement (the "**Caterpillar MLA**") providing for a lease facility in the maximum amount of $14,500,000 to finance open pit mining equipment.

91. Pursuant to the Caterpillar MLA, Caterpillar has financed various pieces of mining equipment for use at the Scully Mine. As at July 2023, the capitalized lease obligation owing by Tacora to Caterpillar is approximately $1,586,997 for mining equipment financed pursuant to the Caterpillar MLA.

92. Further, on April 6, 2023, Tacora provided a deposit in the amount of C$978,963 to Toromont Industries Ltd. ("**Toromont**"), a dealer for Caterpillar-branded equipment to purchase a Caterpillar 994K wheel loader (the "**Wheel Loader**") to replace Tacora's old equipment. Accordingly, Toromont ordered the Wheel Loader on April 6, 2023. The Wheel Loader is expected to arrive in late October 2023.

93. Tacora and Toromont reached an agreement whereby Tacora made weekly payments to Toromont up to July 24, 2023, to cover the required deposit amount of C$1,957,926.

94. The Wheel Loader is important to the continuing operation of Tacora's business, as Tacora's current piece of equivalent equipment is at the end of its useful life.

95. During the CCAA Proceedings, Tacora will use a portion of the DIP Facility, if approved by this Court, to pay the remaining 80% of the purchase price for the Wheel Loader.

(v) Komatsu Leases

96. Komatsu Financial provided financing to Tacora for the purchase of various Komatsu branded equipment and certain non-Komatsu branded equipment in connection with Tacora's mining operations at the Scully Mine.

97. Each piece of equipment was financed by Komatsu Financial, which Tacora would own after Komatsu Financial was paid in full.

98. As at July 2023, Tacora is indebted to Komatsu Financial in the approximate amount of $26,132,147 pursuant to the various sales contracts that Tacora has with Komatsu Financial in respect of the financed equipment.

(vi) Sandvik Leases

99. On August 18, 2022, Tacora, as lessee, and Sandvik Canada, Inc. dba Sandvik Financial Services Canada ("**Sandvik**") entered into a master equipment lease agreement (the "**Sandvik MLA**").

100. On August 18, 2022, Tacora and Sandvik entered into various equipment schedules as part of the Sandvik MLA. Pursuant to these equipment schedules to the Sandvik MLA, Sandvik agreed to finance the purchase of various pieces of equipment in connection with Tacora's operations at the Scully Mine.

101. As at July 2023, the capitalized lease obligation owing by Tacora to Sandvik is $1,363,256 for mining equipment financed pursuant to the Sandvik MLA and equipment schedules thereto.

B. Unsecured Obligations

(i) ACOA Debt

102. On June 15, 2021, Tacora and Atlantic Canada Opportunities Agency ("**ACOA**") entered into a contribution agreement (the "**First ACOA Agreement**"). The First ACOA Agreement accepted Tacora's previously submitted application for assistance pursuant to a national innovation program established to provide support to business productivity and scale-up.

103. Pursuant to the First ACOA Agreement, ACOA provided Tacora with C$500,000 and is required to make principal-only monthly payments in the amount of C$8,333 starting from April 1, 2022, through March 1, 2027.

104. On March 9, 2022, Tacora and ACOA entered into a second contribution agreement (the "**Second ACOA Agreement**"). The Second ACOA Agreement accepted Tacora's previously submitted application for assistance pursuant to a national initiative to support regional recovery and stimulus that positioned local economies for long-term growth by transitioning to a green economy, fostering an inclusive recovery, enhancing competitiveness, and creating jobs.

105. Pursuant to the Second ACOA Agreement, ACOA provided Tacora with C$3,300,000 in funding to support the expansion of the Scully Mining Operation's manganese reduction circuit from six to eight lines. Tacora is required to make principal-only monthly payments in the amount of C$27,500 starting July 1, 2023, through June 1, 2033.

106. On February 1, 2023, Tacora and ACOA entered into a third contribution agreement (the "**Third ACOA Agreement**"). The Third ACOA Agreement accepted Tacora's previously submitted application for assistance pursuant to a national innovation program established to provide support to business productivity and scale-up.

107. Pursuant to the Third ACOA Agreement, ACOA agreed to provide Tacora with C$1,250,000 in funding to support the assessment, design, and planning for the development of a manganese processing facility. To date, Tacora has received C$252,103 under the Third ACOA Agreement. To the extent that the Third ACOA Agreement is fully funded, Tacora is required to make principal-only monthly payments in the amount of C$17,360 starting from January 1, 2025 through December 1, 2030.

108. Tacora's obligations to ACOA under the First, Second, and Third ACOA Agreements are

unsecured.

(ii) Impact and Benefit Agreement

109. Tacora acknowledges that its operations at the Scully Mine take place on lands which the Innu Nation members have historically used for traditional purposes and lands which are of environmental, cultural, economic, and spiritual importance to the Innu Nation members. On March 21, 2018, Tacora and Innu Nation Inc. (the "**Innu Nation**") entered into an impact and benefit agreement (the "**IBA**") to establish a long-term and mutually beneficial relationship between the parties.

110. Pursuant to the terms of the IBA, Tacora makes quarterly payments to the Innu Nation based on the quantum of iron ore concentrate that it ships. Tacora pays the Innu Nation C$0.10 per tonne of iron ore concentrate shipped up to the point in time as shown on a quarterly cash flow statement when the Scully Mine cumulative cash flow becomes positive, and then C$0.25 per tonne shipped afterwards.

V. TACORA'S FINANCIAL DIFFICULTIES

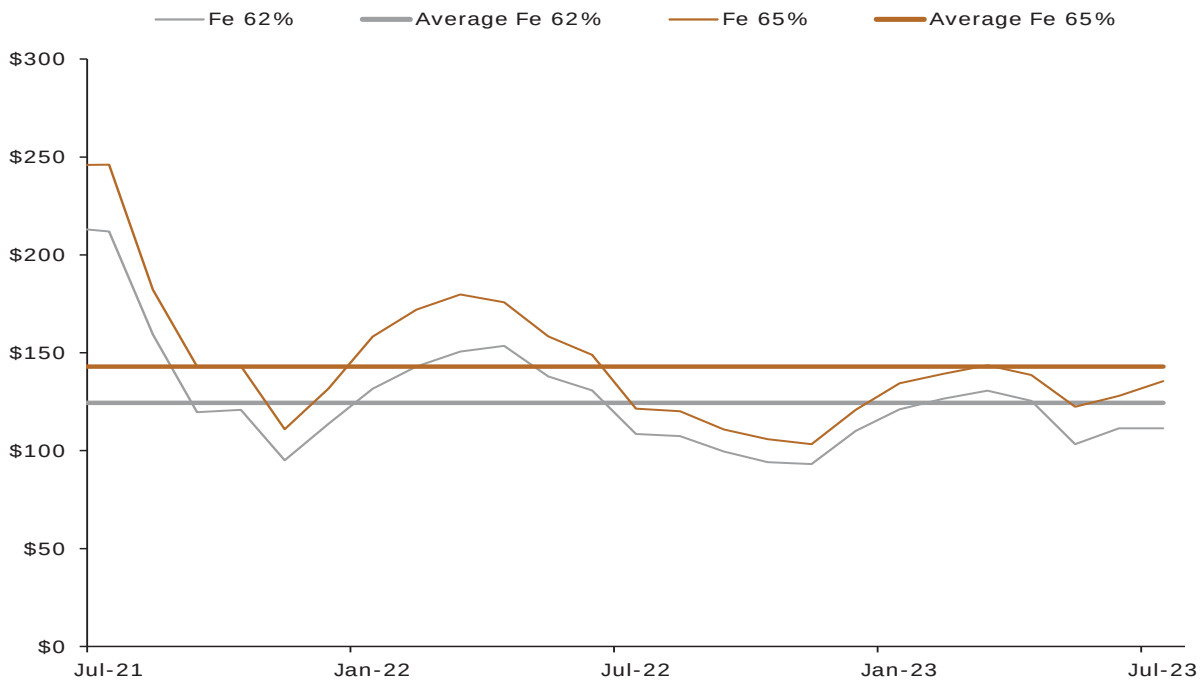
111. Since the successful re-start of operations in 2019, several factors including, capital constraints, human resources constraints, equipment failures, operational challenges and other issues have led to Tacora reaching average production levels of around 3.0 Mtpa from 2020 to 2022, which is well below its name-plate production capacity of 6.0 Mtpa resulting in high operating cash cost per tonne due to the high fixed-cost nature of Tacora's business.

112. In 2022, Tacora completed three significant capital projects: the Screen Plant, Scavenger Spirals and Manganese Reduction Circuits (together, the "**Big Three Capital Projects**") which required investment of over $60 million. The Big Three Capital Projects are critical to ramping up production at the Scully Mine to reach nameplate capacity of 6.0 Mtpa. The Screen Plant was designed to provide for extra milling capacity by separating certain ore that does not requiring milling to be processed. However, upon the Screen Plant becoming operational in August 2022, the Company suffered from extended downtime due to significant operational issues across all facets of the operation. Several design flaws were discovered with the Screen Plant and it required significant attention from management and Plant employees, diverting attention away from required preventative maintenance work throughout the Plant.

113. Tacora also suffered several other operational issues that were not directly related to the Big Three Capital projects resulting in frequent unplanned downtime and lost production. As a result of these operational challenges, production volume of iron ore concentrate was negatively impacted through the balance of 2022 resulting in higher cost of production per tonne. Iron prices also traded down from June 2022 (approximately $130/tonne) through October 2022 (approximately $76/tonne) primarily due to Covid-19 restrictions and declining real estate construction activity in China. The lower iron price environment through that period combined with higher operating cost per tonne caused Tacora to operate with negative margins per tonne. Consequently, Tacora's cash on balance sheet declined from $66 million as of Q2 2022 to $17 million as of Q3 2022. These challenges placed significant pressure on Tacora's liquidity and as described further herein, Tacora had to raise new capital in order to continue operating.

114. In early 2023, Tacora established a cross-functional task force consisting of dedicated Tacora employees supported by technical experts from Cargill and PIP to initiate an operational stabilization and turnaround program. This program led to Tacora achieving record monthly iron ore concentrate production in March, April and May, resulting in a run-rate annual production of approximately 4.8 Mtpa. However, in June, Tacora's operations were significantly and negatively affected by wildfires in Quebec which forced the QNS&L Railway to temporarily shutdown its rail haulage services. The rail shutdown prevented Tacora from delivering any iron ore concentrate to the Port for the first 10-days of June and only allowed for sporadic deliveries through the balance of the month. This effectively shut off Tacora's ability to earn revenue and generate cash in June. The disruption to the rail service also significantly disrupted the dry-end operations of the Plant which requires a consistent cycling of trains to operate smoothly. The dry-end of the Plant, where moisture is removed from processed iron ore, faced continued operational issues through the month of July and August. In addition, the iron market volatility continued with the Platts 62% Index trending down significantly from approximately $125 at the beginning of April 2023 to $99 at the beginning of May 2023.

115. Below is a chart showing the volatility and price decreases of iron ore described above and beginning July 2021 through July 2023, as measured by the Platts 62% Index and the Platts 65% Index.



116. The confluence of issues described above have significantly impacted the Company's liquidity. For over a year, the Company has had to operate with minimal amounts of cash, limiting its ability to continue necessary investments for ramp up of the Scully Mine, and requiring management to expend significant time and effort with various initiatives to obtain short-term financing injections in order to continue operating and assist with the Strategic Process described below.

VI. TACORA'S RESPONSE TO FINANCIAL DIFFICULTIES

A. Liquidity Management Efforts

117. Starting in September 2022, Tacora commenced exploring a variety of options to access additional liquidity and capital for its business to continue operating with the financial difficulties set forth above. On November 11, 2022, Tacora closed an issuance of 15,000,000 Class C Preferred Shares to Cargill for proceeds of $15,000,000. These funds were primarily used to make the semi-annual interest payment that was due in respect of the Senior Notes on November 15, 2022 and fund the Company's operations.

118. Subsequently, facing a difficult liquidity situation at 2022 year-end, Tacora negotiated and entered into the APF Agreement with Cargill on January 3, 2023 (the details of which are described above) and the initial funding closed January 9, 2023. The Advance Payments Facility, which provided the Company with critical liquidity to keep operating, initially matured on May 1, 2023 (shortly before the May 15 due date for the next interest payment in respect of the Senior Notes). In conjunction with the Advance Payments Facility or shortly thereafter, the Company also commenced various other efforts to preserve liquidity and value for stakeholders, which included:

(a) Engaging Greenhill and commencing the Strategic Process (as defined below);

(b) Negotiating amendments to the Port Agreement and Railway Agreement with SFPPN and QSN&L, respectively, which addressed payment timing to preserve additional liquidity for the Company;

(c) Transferring Sydvaranger, a former subsidiary of Tacora Norway, to Orion as Tacora had previously been funding approximately $500,000 per month to fund care and maintenance expenses at the Sydvaranger Mine and the project economics had been negatively impacted due to higher than expected capital expenditures and the decline in iron ore prices and it was unlikely Tacora would have been able to achieve the required funding was necessary to avoid defaults under the royalty agreement with Orion; and

(d) Engaging PIP, a mining operations consultant, to assist with operational turnaround and efficiency initiatives at the Scully Mine.

119. In April 2023, the Company negotiated an extension of the maturity of the Advance Payments Facility with Cargill and also commenced discussions with the Ad Hoc Group to provide additional financing and payment deferrals to the Company. The need for additional liquidity was exacerbated by the fall in iron ore prices in April and May. During this period, the Company determined it was prudent to not make the interest payment under the Senior Notes Indenture due on May 15, 2023, given the liquidity situation and ongoing discussions with the Ad Hoc Group.

120. In May 2023, with the support of the Ad Hoc Group, the Company commenced a consent solicitation to amend the Senior Notes Indenture to, among other things, (a) permit the

issuance of the Senior Priority Notes on a senior basis to the existing Senior Notes; (b) extend the interest grace period under the Senior Notes Indenture to sixty (60) days which allowed the Company to continue deferring the May 15 interest payment without an event of default until July 15; and (c) create a new basket under the Senior Notes Indenture to permit the new Senior Secured Hedging Facility (as defined in the Note Indentures) of up to $25 million that would rank *pari passu* with the Senior Priority Notes. Over 90% of the Senior Noteholders consented to the proposed amendments and the Senior Note Indenture was amended as a result. On May 11, 2023, the Ad Hoc Group purchased $27,000,000 of Senior Priority Notes immediately following closing of the consent solicitation which provided the Company with additional liquidity.

121. On May 29, 2023, Tacora utilized the new basket available under the Notes Indentures to enter into the Second APF Amendment with Cargill to provide for $25,000,000 of Margin Advances that funded Margin Payments under the Offtake Agreement and replaced a limited $7,500,000 line of credit existing under the Offtake Agreement while any Margin Advances or Additional Prepay Advances were outstanding.

122. On June 20, 2023, Tacora commenced another consent solicitation with support from the Ad Hoc Group to further amend the Note Indentures to include the modifications contemplated by the Third Supplemental Indenture, which included, among other things: (a) permitting proceeds of indebtedness incurred pursuant to the Senior Secured Hedging Facility to be used to fund Tacora's working capital needs, rather than only funding Margin Payments under the Offtake Agreement; and (b) an extension of the interest grace period to 120 days which would allow the continued deferral of the May 15 interest payment until September 12, 2023. On June 23, 2023, the consent solicitation successfully closed and the Company and Cargill concurrently effected the Third APF Amendment to permit the Additional Prepay Advances. On June 29, 2023, Cargill advanced $3,000,000 to the Company as an Additional Prepay Advance. This additional liquidity provided by Cargill was necessary for the Company to continue operating with the challenges created by the Quebec wildfires.

123. On September 6, 2023, in an effort to further discussions between Tacora's stakeholders on a consensual recapitalization transaction, Tacora commenced another consent solicitation with support from the Ad Hoc Group to further amend the Note Indentures to include the modifications contemplated by the Fourth Supplemental Indenture, which included, among other things: an extension to the maturity date under the Senior Priority Notes and a further extension of the grace period before a default in the payment on the Senior Notes and the Senior Priority

Notes constitutes an event of default to the earlier of (a) November 3, 2023; or (b) the occurrence of the termination or acceleration of the Advance Payments Facility. The additional time provided the Company with additional time to discuss with its secured creditors and another potential investor regarding a potential recapitalization transaction. On September 8, 2023, the consent solicitation successfully closed with 100% consent of holders of Senior Priority Notes and consent of holders representing over 91% of the principal amount of the Senior Notes.

124. The Company also pursued other initiatives in response to the Quebec wildfires, which included:

(a) Negotiating further payment deferrals with SFPPN and QSN&L;

(b) Negotiating payment holidays in respect of their leases with Komatsu; and

(c) Negotiating deferment of tax and capital works payments owed to the Town of Wabush pursuant to a grant-in-lieu of taxes.

125. Subsequently, to further enhance the Company's liquidity position in the face of continued negative cash flow, Cargill and the Company entered into a Wetcon Purchase and Sale Agreement (the "**Wetcon Agreement**") dated July 10, 2023, whereby Cargill agreed to purchase a stockpile of 172,000 tonnes of wet concentrate from Tacora, located at the Scully Mine. Pursuant to the Wetcon Agreement, Cargill could make an upfront payment of $5,000,000 to Tacora for 117,000 tonnes of wet concentrate. Payment of the remaining $2,300,000 is due to Tacora upon conversion and shipment of the remaining 55,000 tonnes of wet concentrate. The Wetcon Agreement also provides an option for Cargill to purchase up to an additional 53,000 tonnes of wet concentrate (for a total of 225,000 tonnes) as an additional deferred amount and contemplates that any additional wet concentrate added to the stockpile purchased by Cargill automatically becomes the property of Cargill. The Wetcon Agreement confirmed that the Stockpile Purchase Agreement would terminate on the earlier of September 12, 2023, or an event of default and acceleration of the Advance Payments Facility. The Stockpile Purchase Agreement termination date was subsequently extended on numerous occasions and most recently to October 10, 2023. As at September 4, 2023, there were approximately 194,741 tonnes of wet concentrate at the Wetcon stockpile (the "**September 4 Wetcon Amount**").

126. On September 12, 2023, as part of the discussions between Tacora's stakeholders and to assist the liquidity of the Company, the Wetcon Agreement was amended to provide that Cargill would make payment of $3,954,171.43 in full and final satisfaction of all deferred amounts owing by Cargill to Tacora under the Wetcon Agreement in respect of the September 4 Wetcon Amount.

B. Strategic Process

127. As described above, on January 23, 2023, Tacora engaged Greenhill to assist with a strategic review process to explore, review, and evaluate a broad range of alternatives for the Company, including sale opportunities or additional investment into Tacora (the "**Strategic Process**"). Greenhill also assisted the Company with the various capital raises described above to improve the Company's liquidity position.

128. Commencing in March 2023, Greenhill reached out to 31 financial and strategic parties in connection with a potential sale or financing transaction. Numerous parties executed confidentiality agreements with the Company and Greenhill and the Company facilitated due diligence for parties interested in the opportunity. The Company subsequently received several letters of intent and term sheets in respect of potential transactions. The Company executed a letter of intent for a sale of the Company and facilitated advanced due diligence for the party. However, recently, the interested party advised it was no longer interested in advancing the transaction completed by its letter of intent.

129. Most recently in the Strategic Process, Cargill, the Senior Noteholders and another party engaged in significant, advanced discussions regarding a consensual restructuring and recapitalization transaction to address Tacora's liquidity issues, over leveraged capital structure, and need for additional investment to achieve nameplate capacity of 6.0 Mtpa. The Company understood that an agreement in principle was reached between the parties in mid-September, however, following advanced discussions on a binding agreement and the Company's best efforts to encourage a consensual resolution, the parties were unable to reach agreement that would avoid the need to file for protection under the CCAA.

130. In these CCAA Proceedings, the Company intends to continue the Strategic Process, with the assistance of Greenhill, and will seek to have a Solicitation Process, in the form included in the Application Record, approved at the Comeback Motion. The proposed Solicitation Process was designed by the Company, in consultation with Greenhill, its legal

advisors, and FTI in its capacity as Proposed Monitor. The Company expects to provide further evidence regarding the proposed Solicitation Process prior to the Comeback Motion. The Solicitation Process will solicit bids in connection with potential sale or recapitalization transactions. The Solicitation Process will also contemplate that interested parties will be informed that they will be able to assume the Offtake Agreement or pair with other offtake partners as a financing source for their proposed sale or recapitalization transaction.

C. Need for CCAA Protection

131. Despite the capital previously raised by the Company, as described above, Tacora is facing another imminent liquidity crisis. Tacora is unable to fund its obligations generally as they come due. In addition, the APF Agreement is set to terminate on October 10, 2023, which will trigger the maturity of the Senior Priority Notes and the Senior Notes.

132. As set out in the cash flow projection (the "**Cash Flow Forecast**") that was prepared by the Company and reviewed by the Proposed Monitor for the period from the date of filing to March 1, 2024, a copy of which is attached hereto as **Exhibit "J"**, Tacora will have a negative cash balance for the week beginning October 15, 2023. As is clear from the Cash Flow Forecast, Tacora critically needs interim financing (including prior to the Comeback Motion) to continue operating in the ordinary course and to fund these CCAA Proceedings.

133. In addition to the liquidity constraints of the business, as described above, Tacora also has several imminent debt maturities and scheduled interest payments that it will not be able to satisfy. In particular, the following amounts become due within the next week:

(a) Approximately $34.7 million in respect of the Advance Payments Facility, including the Initial Advances and Margin Advances, which is due October 10, 2023;

(b) Approximately $27.5 million plus accrued interest in respect of the Senior Priority Notes, which, pursuant to the Fourth Supplemental Indenture, will be due on the occurrence of the termination or acceleration of the Advance Payments Facility (which is due on October 10, 2023)[1]; and

[1] Prior to the Fourth Supplemental Indenture entered into on September 8, 2023, the Senior Priority Notes matured on September 8, 2023.

(c) Approximately $9.2 million in respect of unpaid interest on the Senior Notes, where, pursuant to the Fourth Supplemental Indenture, the applicable grace period expires on the occurrence of the termination or acceleration of the Advance Payments Facility (which is due on October 10, 2023).[2]

134. In anticipation of the Company's liquidity issues and impending debt maturities and interest payments, Greenhill commenced a solicitation process to obtain debtor-in-possession ("**DIP**") financing on behalf of Tacora on August 14, 2023 (the "**DIP Process**"). Following the DIP Process and extensive arm's length negotiations to achieve the best terms possible in the circumstances, the Company selected Cargill Inc.'s proposal as the best available option and the parties worked to substantially finalize an agreement. I understand that a representative from Greenhill is swearing an affidavit to provide details on the DIP Process.

135. On October 9, 2023, Tacora entered into the DIP Agreement with Cargill Inc. A copy of the DIP Agreement (without schedules) is attached hereto as **Exhibit "K**".

136. The primary terms of the DIP Agreement are summarized immediately below:

Summary of Key Terms of the DIP Agreement	
DIP Lender	Cargill, Incorporated
Maximum DIP Facility Amount	$75,000,000 <u>Permitted Uses</u> • Pay the reasonable and documented professional and advisory fees and expenses (including legal and fees and expenses) of Tacora and the Monitor; • Pay the reasonable and documented DIP Lender Expenses; • Pay the interest, fees and other amounts owing to the DIP Lender under the DIP Agreement; and • Fund, in accordance with the DIP budget, Tacora's funding requirements during the CCAA Proceedings.
Funding/Availability	Initial Advance – $15,500,000 Subsequent Advances – Bi-weekly advances of no less than $1,000,000, with amounts determined based on the funding needs of Tacora as set forth in the DIP budget.

[2] Prior to the Fourth Supplemental Indenture entered into on September 8, 2023, the applicable grace period before an event of default occurred for unpaid interest on the Senior Notes was September 8, 2023.

Interest	Interest is payable on all amounts drawn under the DIP Facility at a rate of 10% per annum in cash. Interest on all advances under the DIP Facility are calculated and compounded on a monthly basis on the principal amount of such advances and any overdue interest remaining unpaid.
Fees	Tacora is required to pay an exit fee in an amount equal to 3% of the maximum availability of $75,000,000 to the DIP Lender (the "**Exit Fee**") as compensation for the DIP Lender's commitment to provide DIP financing to Tacora. The Exit Fee is payable upon the earlier of (a) completion of a successful Restructuring Transaction (as defined below); and (b) the indefeasible repayment in full of the DIP Facility and all other obligations of Tacora under the DIP Agreement and/or cancellation of all remaining commitments in respect thereof. The Exit Fee is only earned upon the Court issuing the ARIO.
Security	Priority DIP Charge ranking senior to all encumbrances, except: • Priority payables; • Other Charges; and • Liens in favour of secured parties that did not receive notice.
Permitted Variance (vs DIP Budget)	Up to 15% relative to the aggregate disbursements (excluding the DIP Lender Expenses (as defined in the DIP Agreement)) on a cumulative basis since the beginning of the period covered by the applicable DIP budget.
Maturity	The earlier of: • October 10, 2024; • Closing of any restructuring, financing, refinancing, recapitalization, sale, liquidation, workout, plan of compromise or arrangement in accordance with the CCAA or other material transaction of, or in respect of, Tacora or all or substantially all of Tacora's business, assets, or obligations (collectively, "**Restructuring Transactions**"); • Date on which Tacora's obligations under the DIP Agreement are voluntarily prepaid in full and the DIP Facility is terminated; • Conversion of the CCAA Proceedings into a proceeding under the *Bankruptcy and Insolvency Act*, R.S.C., 1985, c. B-3 (as

	amended); and • Occurrence of any event of default under the DIP Agreement that has not been cured.
Milestones	Tacora is permitted to pursue a Solicitation Process approved by the Court with the following milestones, which may be extended by Tacora in accordance with the proposed Solicitation Order: • The deadline for the receipt of non-binding letters of intent: (a) for potential Restructuring Transactions; and/or (b) to provide Tacora with an offtake, services or other agreement in respect of the Tacora's business, must be no later than December 1, 2023; • Final deadline for the receipt of binding bids: (a) for potential Restructuring Transactions; and/or (b) to provide Tacora with an offtake, services or other agreement in respect of Tacora's business, must be no later than January 19, 2024 (the "**Bid Deadline**"); and • Closing of transaction(s) for potential Restructuring Transactions; and/or (b) in respect of an offtake, services or other agreement in respect of the Tacora's business, must occur no later than February 29, 2024.
Other Provisions	Unless an Event of Default then exists, Cargill Inc. shall cause Cargill to continue to make the deemed Margin Advances under section 2.2 of the APF Agreement to fund any Margin Amounts (as defined therein) required to be funded from and after the Initial Order and all such Margin Advances shall be secured by the DIP Charge. Unless an Event of Default then exists, Cargill Inc. shall cause Cargill to (a) continue to provide Tacora with the services of a full time operational consultant and two (2) part-time capital project consultants, in a manner consistent with past practice, to assist with Tacora's business and operations (the "**Existing Services**"); and (b) provide other services (including consulting or advisory services or technical support) whether provided through third parties or by employees of Cargill that may be agreed by Tacora and Cargill from time to time, with consent of the Monitor (the "**Additional Services**", and together with the Existing Services, collectively, the "**Services**"). The Existing Services shall continue to be provided at no cost, consistent with past practice and the cost of the Additional Services shall be mutually agreed, with the consent of the Monitor. Provided that no Event of Default has occurred, Cargill Inc. shall cause Cargill to: (a) extend the term of the Stockpile Agreement to the maturity date under the DIP Agreement; (b) continue to perform its

	obligations under the Offtake Agreement; and (c) continue to honour and perform in respect of any existing side letters entered into between Tacora and Cargill in respect of hedges for the sale and purchase of iron ore under the Offtake Agreement. Among others, the occurrence of the following event shall constitute an Event of Default under the DIP Agreement: • The termination, suspension or disclaimer of the Existing Arrangements (as defined in the DIP Agreement), or the taking of any steps to terminate, suspend or disclaim (if permitted under the CCAA) any of the Existing Arrangements (which, for greater certainty, shall not include (a) the commencement and prosecution of the Solicitation Process, including the solicitation of an alternative offtake or service agreement, or (b) taking any step or related action pursuant to a binding agreement entered into in respect of a Restructuring Transaction at or after the Bid Deadline, including executing such agreement, seeking court approval of such binding agreement or taking any steps in connection with consummating the Restructuring Transaction pursuant to such binding agreement) in each case at or after the Bid Deadline, without prejudice to any rights that Cargill may have pursuant to section 32 (including subsection 32(9)(c)) of the CCAA or otherwise.

137. The DIP Agreement is subject to customary covenants, events of default, conditions precedent, and representations and warranties made by the Applicant to the DIP Lenders. This includes, among other things, this Court approving a DIP Charge securing all obligations of the Applicant under or in connection with the DIP Agreement.

VII. THE PROPOSED INITIAL ORDER & ARIO

A. Stay of Proceedings

138. As set out above, without the requested Stay and approval of the DIP Agreement (as defined below), the Applicant will be in default of its secured obligations and will face a liquidity crisis such that it will be unable to meet its liabilities as they become due.

139. The Applicant urgently requires the Stay to protect the value of its business which will allow it to:

(a) obtain the funding necessary to continue operations;

(b) concurrently explore potential strategic alternatives, including:

(i) additional financing or refinancing;

(ii) a sale, investment, and services solicitation process for part, all or substantially all of its assets; and

(iii) continue negotiations with stakeholders.

140. As set out in the Cash Flow Projection, with the funds to be advanced under the DIP Agreement, the Applicant expects to have sufficient cash to fund its projected operating costs during these CCAA Proceedings.

141. The Applicant therefore requests the Stay for an initial period of ten days, and, if granted by this Court, the Applicant will subsequently request an extension of the Stay Period until and including February 9, 2024 at the Comeback Motion.

B. Continued Access to Cash Management System

142. The Applicant's continued and uninterrupted access to the Cash Management System and the bank accounts associated thereunder are critical to the Applicant's ongoing business. If the Applicant's access to its bank accounts is blocked or restricted, the Applicant will not be able to operate in the normal course.

143. The Applicant therefore requests that it be granted continued access with full authority to manage its bank accounts associated with the Cash Management System, and that neither Bank of Montreal nor JPMorgan Chase will restrict the Applicant's rights in any way in respect of the bank accounts associated with the Cash Management System.

C. Appointment of FTI as Monitor

144. FTI has consented to act as the Monitor of the Applicant, subject to Court approval. FTI has retained Cassels Brock & Blackwell LLP as its counsel. A copy of FTI's consent to act is attached hereto as **Exhibit "L"**.

145. I am advised by the Applicant's legal counsel that FTI is a trustee within the meaning of section 2 of the *Bankruptcy and Insolvency Act*, R.S.C., 1985, c. B-3 (as amended) and is not subject to any of the restrictions on who may be appointed as monitor set out in section 11.7(2)

of the CCAA.

146. I understand that FTI has extensive experience in matters of this nature and is therefore well suited to this mandate.

147. FTI is familiar with the assets and operations of Tacora and its key suppliers as it was the Monitor in the Cliffs CCAA proceedings where the Scully Mine was acquired by Tacora. FTI was also previously engaged by Tacora in connection with cash flow forecasting and liquidity enhancement initiatives.

148. FTI has provided no accounting or auditing advice to the Applicant. Fees payable to FTI pursuant to its engagement letter are based on hours worked multiplied by normal hourly rates. FTI is not entitled to any success-based or other contingency-based fee with respect to any of the services provided.

149. I am advised by Nigel Meakin of FTI that the Proposed Monitor is supportive of the relief sought by Tacora in the Initial Order, as described in this affidavit. Mr. Meakin has also advised me that the Proposed Monitor will be filing a pre-filing Monitor's report in respect of such relief.

D. Approval of Greenhill Engagement and Transaction Charge

150. As set out above, Tacora engaged Greenhill to assist with initiating a strategic review process to explore, review, and evaluate a broad range of alternatives focused on ensuring its financial liquidity. A copy of the Greenhill Engagement Letter is attached hereto as **Exhibit "M"**.

151. Pursuant to the Greenhill Engagement Letter, commencing as of May 1, 2023, Greenhill is to be paid a monthly financial advisory fee of $125,000 per month in connection with its services in continuing to assist Tacora with pursuing an actionable refinancing or sale transaction. In addition to the monthly fee, the Greenhill Engagement Letter also provides for the payment of certain fees in the event that a successful transaction involving Tacora is implemented. The Greenhill Engagement Letter contemplates that a number of different fees could apply depending on the type of transaction effected.

152. The M&A Fee with respect to any M&A Transaction (each as defined in the Greenhill Engagement Letter) is a function of the transaction value multiplied by the applicable transaction fee percentage. Pursuant to the Greenhill Engagement Letter, Greenhill will be paid the following fees in the event of a successful transaction involving Tacora:

(a) $2,500,000, if the transaction value is $200,000,000 or lower;

(b) between $2,500,000 and $3,750,000, if the transaction value is between $200,000,000 and $500,000,000; and

(c) 0.75% if the transaction value is $500,000,000 or higher (which represents a minimum of $3,750,000).

153. If Tacora completes a Restructuring Transaction, pursuant to the Greenhill Engagement Letter Greenhill will be paid a Restructuring Transaction Fee (each as defined in the Greenhill Engagement Letter) equal to 1.00% of the aggregate value of the Senior Priority Notes and 0.50% of the face value of the Senior Priority Advances, subject to a minimum payment of $2,000,000.

154. Pursuant to the Greenhill Engagement Letter, Greenhill will be paid the following Financing Fees (as defined in the Greenhill Engagement Letter, and together with the M&A Fee or the Restructuring Transaction Fee, the "**Transaction Fee**") if the Company raises new capital:

(a) 1.00% of the face amount of any senior secured debt raised, including without limitation, any DIP financing raised;

(b) 2.00% of the face amount of any junior secured debt raised;

(c) 3.00% of the face amount of any unsecured or subordinated debt raised;

(d) 4.00% of any hybrid capital raised; and

(e) 5.00% of any equity capital or capital convertible into equity raised, including, without limitation, equity underlying any warrants, purchase rights or similar contingent equity securities.

155. At the Comeback Motion, in order to secure the Transaction Fee, Tacora will seek approval of the Transaction Fee Charge over the Property to the maximum amount of $5,600,000. The Transaction Fee is proposed to rank ahead of the DIP Charge.

156. I believe the granting of the Transaction Fee Charge is appropriate in the circumstances, as Greenhill has worked extensively with Tacora since its initial engagement in January 2023,

has worked diligently in soliciting proposals from several potential investors, and its continued involvement will be critical to the successful completion of a transaction as part of the CCAA Proceedings that will maximize value for all of Tacora's stakeholders.

E. KERP

157. At the Comeback Motion, Tacora will seek approval of the KERP and the related KERP Charge. Prior to the Comeback Motion, the Applicant will provide further details regarding the proposed KERP. The DIP Lender has agreed to a KERP of up to $3,035,000 for the Company's key employees (the "**Key Employees**").

158. If a KERP is not approved, I believe it is likely that certain Key Employees will pursue other employment options. In particular, skilled labour is critical to the operation of the Scully Mine and there is already a shortage of skilled labour in Wabush, Newfoundland and Labrador and the surrounding area. There are other mining operations which are relatively close to the Scully Mine and I believe Key Employees who provide skilled labour will easily secure employment with these nearby mining operations.

159. Additionally, finding alternative, qualified individuals will be challenging, disruptive, costly, and time consuming for the Applicant, particularly given the Key Employees' institutional knowledge related to the business. I also believe that the Key Employees will be critical to operational success for the business of the Company through these CCAA Proceedings. Additionally, the Key Employees will be critical to advancing the proposed sale and investment solicitation process, and such Key Employees will be required in responding to due diligence requests related to Tacora and its business.

160. The proposed ARIO contemplates that the Applicant will be authorized to the pay the KERP Funds to the Monitor and the KERP Charge will rank first on such KERP Funds.

F. Administration Charge

161. The Applicant seeks the Administration Charge on the Property in the maximum amount of $1,000,000 to secure the fees and disbursements incurred in connection with services rendered to the Applicant, both before and after the commencement of the CCAA Proceedings by:

(a) The Monitor and its counsel, Cassels Brock & Blackwell LLP;

(b) Stikeman Elliott LLP, McInnes Cooper and Davis Polk & Wardwell LLP, the Applicant's counsel; and

(c) Greenhill in respect of its Monthly Advisory Fee (as defined in the Greenhill Engagement Letter).

162. The Administration Charge is proposed to rank in priority to all other security interests, claims of secured creditors, trusts, liens, charges and encumbrances, statutory or otherwise in favour of any person, other than a person who has not received notice of the Application (the "**Encumbrances**").

163. Tacora requires the expertise, knowledge, and continued participation of the proposed beneficiaries of the Administration Charge during these CCAA proceedings in order to complete a successful restructuring. Each of the beneficiaries of the Administration Charge will have distinct roles in the Applicant's restructuring.

164. Tacora has worked with the Proposed Monitor to estimate the proposed quantum of the Administration Charge. I am advised that the Proposed Monitor believes that the Administration Charge is reasonable and appropriate in the circumstances, given the services to be provided by the beneficiaries of the Administration Charge and the complexities of the CCAA Proceeding

G. DIP Facility and DIP Charge

165. As set out above, Tacora critically needs interim financing (including prior to the Comeback Motion). Accordingly, Tacora entered into the DIP Agreement with the DIP Lender.

166. Within the initial Stay Period, Tacora is requesting authority to draw up to a maximum amount of $15,500,000 under the DIP Agreement. As shown in the Cash Flow Forecast, given Tacora's liquidity situation, the Company will require this Initial Advance under the DIP Agreement to continue operating in the ordinary course within the initial Stay Period. The Company is highly sensitive to potential production issues at the Plant and/or iron ore price movements, which are highly volatile. Accordingly, to ensure the Company is able to continue operating in the ordinary course, it requires additional funding for contingency items and sufficient minimum liquidity amounts.

167. The DIP Charge is proposed to rank behind all the other Charges. The DIP Charge will also secure (a) post-filing credit extensions from Cargill related to post-filing Margin Advances

under the Advance Payments Facility; and (b) post-filing Services, in the principal amount of $20,000,000.

168. At the Comeback Motion, Tacora will request authority to draw up to the maximum amount permitted under the DIP Agreement, being $75,000,000.

169. The Proposed Monitor has advised that it is supportive of the approval of the DIP Agreement and DIP Charge.

170. Accordingly, I believe that it is appropriate in the circumstances for this Court to approve the DIP Agreement and the DIP Charge.

H. Directors' Charge

171. To ensure the ongoing stability of the Company's business during the CCAA Proceedings, the Applicant requires the active and committed involvement of its D&Os. The D&Os have indicated, however, that due to the potential personal exposure associated with certain Company liabilities where D&Os may be liable, they cannot continue their service with the Applicant unless the Initial Order grants them certain protections commonly granted to directors and officers of companies involved in CCAA proceedings.

172. The Company maintains directors and officers' liability insurance (the "**D&O Insurance**") for the D&Os, which provide up to $10,000,000 in coverage. It is uncertain whether all claims for which the D&Os may be personally liable will be covered by the D&O Insurance given the convoluted nature of the exclusions provided for under the D&O Insurance and potential coverage positions that may be taken by the insurer. It is also uncertain whether the amount of coverage provided by the D&O Insurance will be sufficient to adequately protect the D&Os from liability and to incentivize the D&Os to continue their service with Tacora.

173. Absent approval by this Court of the Directors' Charge in the amounts set out above, I have been advised that all of Tacora's D&Os will resign, which would, in all likelihood, render these CCAA Proceedings much more challenging, and possibly much more costly, and also likely destroy potential value of the business to the detriment of Tacora's creditors and other stakeholders.

174. Accordingly, the Applicant seeks a charge on the Property in the amount of $4,600,000 to secure payment under the indemnity granted by the Initial Order in favour of the D&Os. At the

Comeback Motion, Tacora will seek to increase the Directors' Charge to $5,200,000. The Directors' Charge is proposed to rank immediately after the Administration Charge and ahead of all other Encumbrances. It is intended that the Directors' Charge will only apply in circumstances where the D&O Insurance is insufficient or ineffective.

175. The Proposed Monitor has advised that it is supportive of the proposed Directors' Charge and quantum thereof.

176. I believe that in these circumstances, the requested Directors' Charge is reasonable and adequate given, notably, the complexity of their business, and the corresponding potential exposure of Tacora's D&Os to personal liability, especially in the present context. The quantum of the Directors' Charge contemplated in the Initial Order was specifically sized by the Company, in consultation with the Proposed Monitor, based upon the potential director liabilities that could be outstanding at any time during the CCAA Proceedings.

I. Proposed Ranking of the Court-Ordered Charges

177. The proposed ranking of the Court-ordered Charges in the Initial Order is as follows:

First – Administration Charge (to the maximum amount of $1,000,000);

Second – Directors' Charge (to the maximum amount of $4,600,000); and

Third – DIP Charge.

178. The proposed ranking of the Court-ordered Charges in the ARIO is as follows:

First – Administration Charge (to the maximum amount of $1,000,000);

Second – Directors' Charge (to the maximum amount of $5,200,000);

Third – Transaction Fee Charge (to the maximum amount of $5,600,000); and

Fourth – DIP Charge.

179. Pursuant to the proposed Initial Order, the Charges on the assets and property of the Company would rank in priority to all other security interests, trusts, liens, charges, encumbrances and claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any person, notwithstanding the order of perfection or

attachment, except for (a) any secured creditor of the Company who does not receive notice of this Application; and (b) Permitted Priority Liens (as that term is defined in the DIP Agreement). The proposed ARIO contemplates that the Charges would rank ahead of all Encumbrances on a subsequent motion on notice to those persons likely to be affected thereby.

180. As set out above, the proposed ARIO provides for the granting of a first-ranking priority KERP Charge over the KERP Funds. All other Charges shall rank subordinate to the KERP Charge as against the KERP Funds in the priorities set out above.

VII. CONCLUSION

181. For the reasons set out above, I believe that it is in the interest of Tacora and its stakeholders that Tacora be granted protection under the CCAA in accordance with the terms of the proposed Initial Order and the terms of the proposed ARIO.

182. I swear this affidavit in support of the Application and for no other or improper purpose.

SWORN remotely via videoconference, by Joe Broking, stated as being located in the City of Grand Rapids, in the State of Minnesota, before me at the City of Toronto, in Province of Ontario, this 9th day of October, 2023, in accordance with O. Reg 431/20, *Administering Oath or Declaration Remotely*. DocuSigned by: 36124C4218DD47C... Commissioner for Taking Affidavits, etc. Philip Yang | LSO #82084O	DocuSigned by: 9EBB6BB7AB484D8... **JOE BROKING**

Court File No. CV-23-00707394-00CL

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF TACORA RESOURCES INC.

Applicant

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT TORONTO

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