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
(APPROVAL AND REVERSE VESTING ORDER)

February 2, 2024

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TO: THE SERVICE LIST

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(Applicant)

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I N D E X

TAB	DOCUMENT
B.	Exhibit “B” – Press Release with AccessWire issued November 3, 2023
C.	Confidential Exhibit “C” – Greenhill’s Analysis of the Phase 2 Bids
4.	Affidavit of Dr. Sharon Brown-Hruska affirmed February 2, 2024
A.	Expert Report of Dr. Sharon Brown-Hruska
B.	Instruction Letter of Stikeman Elliott LLP to Dr. Sharon Brown-Hruska
C.	Form 53 - Acknowledgement of Expert Duty of Dr. Sharon Brown-Hruska
5.	Draft Approval and Reverse Vesting Order

TAB 1

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(Applicant)

NOTICE OF MOTION
(APPROVAL AND REVERSE VESTING ORDER)

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 a date to be scheduled by the Court or as soon after that time as the Motion can be heard.

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.

at the following location:

330 University Avenue, Toronto, Ontario.

THE MOTION IS FOR[1]

1. An order in the form of the draft order included at Tab 5 of the Motion Record:

   (a) approving the Subscription Agreement entered into between Tacora, as issuer, and a consortium consisting of the Ad Hoc Group, RCF and Javelin (collectively, the "**Investors**"), as investors, dated January 29, 2024;

   (b) approving the Transactions contemplated in the Subscription Agreement and authorizing and directing Tacora to take such additional steps and execute such additional documents as are necessary or desirable for completion of the Transactions;

   (c) granting Releases in favour of the Released Parties from the Released Claims;

   (d) sealing the confidential exhibits and appendices related to the Bids received in the Solicitation Process; and

   (e) such further and other relief as this Honourable Court deems just.

THE GROUNDS FOR THE MOTION ARE:

Background

1. Tacora is a private company focused on the production and sale of high-grade and quality iron ore products that improve the efficiency and environmental performance of steel making. The Company is the second largest employer in the Labrador West region, employing approximately 460 employees, and is an important part of the local and provincial economy of Newfoundland.

2. On October 10, 2023, Tacora sought and obtained protection under the CCAA pursuant to the Initial Order granted by this Court (as amended and restated on October 30, 2023).

3. On October 30, 2023, this Court granted the Solicitation Order, which, among other things: (a) 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; and (b)

[1] Capitalized terms used herein and not otherwise defined have the meanings ascribed to them in the Affidavit of Joe Broking sworn February 2, 2024, and the Affidavit of Michael Nessim sworn February 2, 2024 (the "**Nessim Affidavit**"), as applicable.

authorized and directed Tacora, Greenhill and the Monitor to immediately commence the Solicitation Process.

4. The current Stay Period expires March 18, 2024.

5. The Solicitation Process has concluded and Tacora now seeks this Court's approval of the Successful Bid (as defined below), the Subscription Agreement and the Transactions contemplated therein through the proposed Approval and Reverse Vesting Order.

Pre-Filing Strategic Process

6. The Company engaged Greenhill in January 2023 to undertake the Pre-Filing Strategic Process to explore, review, and evaluate a broad range of alternatives for the Company, including sale opportunities or additional investments into Tacora.

7. Commencing in March 2023, Greenhill reached out to 30 strategic and financial (including RCF but excluding the existing stakeholders and any potential offtake parties) in connection with a potential sale or financing transaction with respect to the Company.

8. Ultimately, Tacora was unable to reach an agreement with any of the interested parties and discussions between Cargill and the Ad Hoc Group on a consensual transaction to avoid the need to file for protection under the CCAA failed.

Conduct of the Solicitation Process

9. Following the issuance of the Solicitation Order, Greenhill launched the Solicitation Process on October 31, 2023. The Solicitation Process and the SISP Procedures were designed to be broad in order to provide Tacora and interested parties with the opportunity to pursue a range of Opportunities and transaction structures, including replacing the Offtake Agreement.

10. Over 130 Potential Bidders were contacted by Greenhill following the commencement of the SISP.

11. On December 1, 2023, the Phase 1 Bid Deadline, Greenhill, Stikeman and the Monitor received seven non-binding Bids.

12. On January 19, 2024, the Phase 2 Bid Deadline, Greenhill received three Phase 2 Bids, which included the Investors' Bid, a Bid from Cargill and a Bid from Bidder #3. The Investors' Bid was the only Phase 2 Qualified Bid which was actionable for the Company.

13. Following the Phase 2 Bid Deadline, Greenhill and Stikeman in coordination with the Monitor and its counsel and with assistance from management, reviewed and assessed the Phase 2 Bids and the transaction documents submitted. Greenhill and the Company's advisors also participated in follow-up calls with each of the Phase 2 Bidders to provide feedback on key issues with respect to each Phase 2 Bid and ask clarifying questions.

14. On January 24, 2024, the Board held a meeting to review and assess the Phase 2 Bids and consider next steps and the path forward following the Phase 2 Bid Deadline. The Board meeting was adjourned following initial deliberations, and continued on January 28, 2024, and again on January 29, 2024.

15. On January 29, 2024, the Board, with the benefit of advice and recommendations from Greenhill and Stikeman and in consultation with the Monitor, exercised its good faith business judgement and determined that the Investors' Phase 2 Qualified Bid should be declared the Successful Bid under the Solicitation Process. Additionally, the Board determined not to declare a Back-Up Bid.

16. On January 29, 2024, the Subscription Agreement was entered into between Tacora and the Investors. The execution of the Subscription Agreement represents the culmination of extensive solicitation efforts on the part of Tacora and Greenhill, which commenced in March 2023 and continued after the commencement of the CCAA Proceedings in accordance with the Solicitation Process.

Reverse Vesting Structure and Benefits of the Transactions

17. The Transactions contemplated in the Subscription Agreement have been structured as a "reverse vesting" transaction. The benefits of a reverse vesting structure to Tacora and its stakeholders include, among others:

(a) allowing Tacora, who operates in a highly regulated environment, to maintain its licenses and permits that are required to maintain its mining operations and allow Tacora to perform exploration work on various parts of the Scully Mine, as well as other forest resource licenses and fire permits, without the probable and potentially

significant risks and costs associated with getting same transferred to a third party;

(b) maintaining various contracts with commercial counterparties, without the uncertainty of needing consents to assign, re-establish, or enter into new arrangements; and

(c) permitting the preservation of Tacora's tax attributes, which each of the Phase 2 Bidders confirmed were necessary to maintain in order to provide the value contemplated by their Bids.

18. The benefits of the Transactions include the following, among others:

(a) payment in full in cash of all Tacora's senior priority debt, including the DIP Facility (estimated to be approximately $72 million as of targeted Closing Date), the Senior Priority Notes which total approximately $29 million, and the Senior Secured Hedging Facility (as defined in the Note Indentures) which totals approximately $6 million;

(b) payment in full in cash of the APF (including the Post-Filing Credit Extensions) net of any set-off claims against Cargill;

(c) the cancellation of the Senior Secured Notes through the mechanism of the Investors' credit bid, in exchange for the Takeback Shares, the Takeback SSNs and the Takeback Warrants;

(d) assumption of all Tacora's equipment capital leases, including the payment of all amounts outstanding under the leases, which indebtedness totals approximately $28 million;

(e) assumption of all outstanding Pre-Filing Trade Amounts and Post-Filing Trade Amounts;

(f) continued employment of all current employees;

(g) provision of a new working capital facility of up to $100 million for ongoing operational costs, deferred maintenance costs and capital expenditures;

(h) funding of an Administrative Expense Reserve to fund, among other things, necessary wind-down costs; and

(i) a new marketing arrangement for the sale of iron ore to Javelin through the Javelin Agreements.

19. As a result of the Transactions, Tacora will be positioned to continue operating as a going concern as the second largest employer in the Labrador West region, preserving employment for all its approximately 460 employees and ongoing business relationships for all or virtually all its suppliers of goods and services on a long term basis.

20. Completing the Transactions under a "reverse vesting" structure will not result in any material prejudice or impairment to any of Tacora's creditors' rights that they would not otherwise suffer under an asset sale structure.

Releases

21. The Applicants are seeking the issuance of the Releases in favour of the Released Parties, being:

(a) Tacora, ResidualCo, and ResidualNoteCo and their respective present and former directors, officers, employees, legal counsel and advisors;

(b) the Monitor, its legal counsel, and their respective present and former directors, officers, partners, employees and advisors;

(c) the Notes Trustee and its respective present and former directors, officers, partners, employees and advisors; and

(d) the Investors and their respective present and former directors, officers, employees, legal counsel and advisor,

from any and all present and future liabilities of any nature or kind in connection with the CCAA Proceedings, the Subscription Agreement and related documents, and Tacora's assets, business or affairs.

22. The Released Claims also explicitly carve out any claims resulting from: (a) fraud or wilful misconduct; and (b) that are not permitted to be released pursuant to section 5.1(2) of the CCAA.

23. The Released Parties made significant and material contributions in connection with Tacora's efforts to address its financial difficulties, the Pre-Filing Strategic Process, the Solicitation Process, the CCAA Proceedings, and the Transactions, which provide for a going concern solution for Tacora's business and represents the best alternative reasonably available to Tacora in the circumstances.

Sealing of Confidential Exhibits

24. Tacora is seeking to seal the confidential exhibit to the Nessim Affidavit and the confidential appendix(cies) in the Monitor's Third Report, to be filed.

25. Disclosure of the information contained in the confidential exhibits and the confidential appendix(cies) at this time could pose a serious risk to the objective of maximizing value in these CCAA Proceedings, including because disclosure of the economic terms of the Phase 2 Bids received in the Solicitation Process may impair any efforts to remarket the Company if the Transactions do not close.

OTHER GROUNDS:

26. The provisions of the CCAA, including sections 11 and 36, and the inherent and equitable jurisdiction of this Court.

27. Section 137(2) of the *Courts of Justice Act*, R.S.O. 1990, c C.43.

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

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

2. the Affidavit of Michael Nessim sworn February 2, 2024;

3. the Affidavit of Dr. Sharon Brown-Hruska sworn February 2, 2024;

4. the Third Report of the Monitor, to be filed; and

5. such further and other evidence as counsel may advise and this Court may permit.

February 2, 2024

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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.

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT TORONTO

NOTICE OF MOTION
(APPROVAL AND REVERSE VESTING ORDER)

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TAB 2

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 February 2, 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**" 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. Capitalized terms used herein and not otherwise defined have the meanings ascribed to them in my affidavit sworn on October 9, 2023 (the "**First Broking Affidavit**"), A copy of the First Broking Affidavit (without exhibits) is attached hereto as **Exhibit "A"**. All references to currency in this affidavit are references to United States dollars, unless otherwise indicated.

4. I swear this affidavit in support of a motion by Tacora for the issuance of an order (the "**Approval and Reverse Vesting Order**"), among other things:

(a) approving the subscription agreement entered into between Tacora, as issuer, and a consortium consisting of the Ad Hoc Group, RCF VII CAD LLC (an affiliate of Resource Capital Fund VII L.P. ("**RCF**")), and Javelin Global Commodities (SG) Pte Ltd. ("**Javelin**"), as investors (collectively, the "**Investors**") dated January 29, 2024 (the "**Subscription Agreement**");

(b) approving the transactions (the "**Transactions**") contemplated in the Subscription Agreement and authorizing and directing Tacora to take such additional steps and execute such additional documents as are necessary or desirable for the completion of the Transactions;

(c) granting releases (the "**Releases**") in favour of: (i) Tacora, ResidualCo, and ResidualNoteCo (both as defined below) and their respective present and former directors, officers, employees, legal counsel and advisors; (ii) the Monitor, its legal counsel, and their respective present and former directors, officers, partners, employees and advisors; (iii) the Notes Trustee and its respective present and former directors, officers, partners, employees and advisors; and (iv) the Investors and their respective present and former directors, officers, employees, legal counsel and advisors (collectively, the "**Released Parties**"), from any and all present and future liabilities of any nature or kind in connection with the CCAA Proceedings, the Subscription Agreement and related documents, and Tacora's assets, business or affairs (collectively, the "**Released Claims**");

(d) extending the Stay Period to facilitate closing of the Transactions; and

(e) sealing the confidential exhibits related to the Bids received in the Solicitation Process and the Cargill Agreements (as defined below).

I. BACKGROUND

A. Initial Order and Stay Extension Order

5. Tacora is a private company focused on the production and sale of high-grade and quality iron ore products that improve the efficiency and environmental performance of steel making. The Company is the second largest employer in the Labrador West region, employing

approximately 460 employees, and is an important part of the local and provincial economy of Newfoundland.

6. As of the commencement of the CCAA Proceedings, Tacora had approximately $298 million in secured debt. As of the date of this affidavit, Tacora has drawn approximately $66 million under the DIP Facility. Tacora's secured debt is owing primarily to (a) holders of Senior Notes and Senior Priority Notes; and (b) Cargill in respect of an Advance Payments Facility and the DIP Facility. As described in the First Broking Affidavit, the secured indebtedness (other than the DIP Facility) shares the same collateral and security package and is subject to an intercreditor agreement between the parties. The secured debt (not including accrued interest) and its respective priority rankings are summarized in the below chart and detailed in the First Broking Affidavit:

	Cargill	**Senior Noteholders**
First Ranking	$65,600,000 of Advances under the DIP Facility	
Second Ranking	$4,717,648 of Margin Advances and Prepay Advances pursuant to the Advance Payments Facility	$27,521,634 of Senior Priority Notes
Third 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	$100,317,648	$261,802,884

7. In the First Broking Affidavit, I described, among other things, the events leading up to the Company's CCAA filing, the urgent need for relief under the CCAA, and the Company's intention to conduct a court-approved Solicitation Process to secure a going concern solution that would maximize value for Tacora and its stakeholders.

8. On October 10, 2023, Tacora sought and obtained protection under the CCAA pursuant to the Initial Order granted by this Court, which, among other things:

(a) appointed FTI as Monitor of the Applicant;

(b) granted a stay of proceedings in favour of the Applicant and its D&Os until and including October 20, 2023;

(c) approved the DIP Agreement entered into on October 9, 2023, between Tacora and Cargill Inc., as the DIP Lender, pursuant to which Tacora was authorized to borrow up to the Initial Advance of $15,500,000, and granted a corresponding DIP Charge in the principal amount of the Initial Advance and the Post-Filing Credit Extensions up to the maximum principal amount of $20,000,000; and

(d) granted the Administration Charge in the amount of $1,000,000 and the Directors' Charge in the amount of $4,600,000.

9. On October 13, 2023, this Court granted the Stay Extension Order, extending the Stay Period from October 20, 2023, to and including October 27, 2023. The Stay Extension Order facilitated a deferral of the Comeback Motion from October 19, 2023, to October 24, 2023, in order for the motion to proceed in a more orderly manner.

10. On October 27, 2023, this Court granted an order extending the Stay Period from October 27, 2023, to and including October 31, 2023, pending the release of this Court's decision with respect to the ARIO and the Solicitation Order.

11. On October 30, 2023, this Court granted the ARIO, which, among other things:

(a) extended the Stay Period until and including February 9, 2024;

(b) authorized Tacora to borrow up to $75,000,000 under the DIP Agreement;

(c) approved the Greenhill Engagement Letter and granted the corresponding Transaction Fee Charge up to the maximum principal amount of $5,600,000, as security for Greenhill's Transaction Fee;

(d) approved the KERP and granted a first-ranking KERP Charge against the KERP Funds in the amount of $3,035,000, as security for payments under the KERP; and

(e) increased the Directors' Charge from $4,600,000 to $5,200,000.

12. Additionally, on October 30, 2023, this Court granted the Solicitation Order, which, among other things: (a) 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; and (b) authorized and directed Tacora, Greenhill and the Monitor to immediately commence the Solicitation Process.

13. On January 24, 2024, this Court granted: (a) an order extending the Stay Period from February 9, 2024, to and including March 18, 2024, to provide Tacora sufficient time to complete the Solicitation Process and seek approval of the Successful Bid; and (b) an order approving the Premium Finance Agreement which provides Tacora with financing to renew certain property insurance policies.

14. A copy of the Solicitation Order (which includes the Solicitation Process as a Schedule) is attached hereto as **Exhibit "B"**. Copies of all filings in the CCAA Proceedings, are available on the Monitor's website at: http://cfcanada.fticonsulting.com/Tacora

15. The Solicitation Process has concluded and Tacora now seeks this Court's approval of the Successful Bid (as defined below), and the Transactions contemplated therein through the proposed Approval and Reverse Vesting Order.

II. DESCRIPTION OF SOLICITATION EFFORTS

A. The Pre-Filing Strategic Process

16. As set out in the First Broking Affidavit, prior to initiating these CCAA Proceedings, the Company engaged Greenhill in January 2023 to formally commence a strategic process to explore, review, and evaluate a broad range of alternatives for the Company, including sale opportunities or additional investments into Tacora (the "**Pre-Filing Strategic Process**"). The Pre-Filing Strategic Process is described in the Affidavit of Michael Nessim sworn February 2, 2024 (the "**Nessim Affidavit**").

17. Starting in July 2023, following the initial phase of the Pre-Filing Strategic Process and the failure to complete a sale of Tacora to an interested party who executed a letter of intent, Cargill and the Ad Hoc Group commenced discussions regarding a consensual restructuring and recapitalization transaction for the Company. Cargill and the Ad Hoc Group had also

previously engaged in discussions as early as March, 2023. These later discussions between Cargill and the Ad Hoc Group eventually involved RCF as a potential new equity participant. RCF has previously been contacted by Greenhill in the Pre-Filing Strategic Process and had separately engaged in discussions with Cargill regarding a transaction. These discussions continued almost through to the commencement of the CCAA Proceedings and culminated in a meeting between Cargill, RCF and the Ad Hoc Group on October 3, 2023. During this time the Company fully supported achieving a consensual resolution between the parties and encouraged both Cargill and the Ad Hoc Group to be flexible and offer the concessions necessary to reach an acceptable transaction to restructure and recapitalize Tacora outside of a CCAA proceeding. However, following the October 3 meeting between the parties it became clear that the parties would be unable to reach an agreement and Tacora would need to commence these CCAA Proceedings in order to obtain the necessary financing to fund operations and to conduct a competitive solicitation process to determine the best transaction available in the circumstance to permit the continued operation of Tacora and necessary investment in the Scully Mine.

B. Conduct of the Solicitation Process[1]

18. On October 30, 2023, the Court granted the Solicitation Order, which, among other things, authorized Tacora to undertake a sale, investment and services solicitation process (the "**Solicitation Process**" or the "**SISP**") to solicit interest in, and opportunities for: (a) a sale of all or substantially all, or certain portions of the Property or the Business; or (b) an investment in, restructuring, recapitalization, refinancing or other form of reorganization of Tacora or its Business as a going concern, or a combination thereof (collectively, the "**Transaction Opportunity**"). The Solicitation Process also provided the ability for interested parties to investigate and conduct due diligence regarding an opportunity to arrange an offtake, service or other agreement in respect of the Business (the "**Offtake Opportunity**" and together with the Transaction Opportunity, the "**Opportunity**").

19. In short, the Solicitation Process was designed to be broad and provide Tacora with the latitude to pursue a range of transactions, including an asset sale, a share sale (including a reverse vesting structure) or a plan of arrangement.

20. Below is a high-level summary of the conduct of the Solicitation Process. A detailed

[1] All capitalized terms used in this subsection and not otherwise defined have the meanings ascribed to them in the Solicitation Process.

summary of the conduct of the Solicitation Process is set forth in the Nessim Affidavit. I understand that the Monitor will provide further details and its comments on the Solicitation Process in a report to be filed with the Court.

(i) Phase 1

21. On December 1, 2023, the Phase 1 Bid Deadline, Tacora received seven non-binding term sheets, which consisted of: (a) two letters of intent ("**LOIs**") that expressed an interest in both the Transaction Opportunity and the Offtake Opportunity; (b) three LOIs that expressed an interest solely in the Transaction Opportunity; and (c) two indications of interest that expressed an interest solely in the Offtake Opportunity.

22. Following the Phase 1 Bid Deadline, Greenhill, in consultation with Tacora's counsel, Stikeman Elliott LLP ("**Stikeman**"), management of the Company and the Monitor, assessed the seven Bids received in accordance with the Solicitation Process. Following that assessment and review and consideration by the Board, five of the Phase 1 Bids were determined to be Phase 1 Qualified Bids. Greenhill advised six of the Phase 1 Bidders and Financing Parties interested in the Offtake Opportunity that, in order to pursue a standalone proposal, they would need to significantly improve the terms of their Bids to enhance the value available to Tacora's stakeholders. Greenhill also proposed an alternative option for these Phase 1 Bidders and Financing Parties to join in a potential consortium bid with Cargill in an effort to enhance the potential value that could be offered by these Phase 1 Bidders and Financing Parties.

(ii) Phase 2

23. On January 19, 2024, the Phase 2 Bid Deadline, Tacora received three Phase 2 Bids, which included:

(a) the Investors' Bid for all the shares of Tacora, which is described in detail below;

(b) a Bid from Cargill for all the assets of Tacora; and

(c) a Bid from "**Bidder #3**" for all the shares of Tacora pursuant to a reverse vesting order.

24. On January 24, 2024, the Board held a meeting with the Company's advisors, Greenhill and Stikeman, the Monitor and counsel to review and assess the Phase 2 Bids and determine

whether each of these Bids constituted a Phase 2 Qualified Bid and consider next steps and the path forward following the Phase 2 Bid Deadline (the "**January 24 Board Meeting**").

25. At the January 24 Board Meeting, the Company, with input and advice from Greenhill and Stikeman, and in consultation with the Monitor, determined that only the Investors' Bid met all of the requirements for a Phase 2 Qualified Bid. Under the Solicitation Process, in order to constitute a Phase 2 Qualified Bid, a Phase 2 Bid was required to, among other things:

(a) be binding and irrevocable until the selection of the Successful Bidder;

(b) be in the form of duly authorized and executed transaction agreements;

(c) include written evidence of a firm commitment for financing or other evidence of an ability to consummate the proposed transaction;

(d) not be subject to the outcome of unperformed due diligence, internal approvals, or contingency financing;

(e) set forth in detail any conditions to closing or required approvals, the anticipated time frame and any anticipated impediments for obtaining such approvals;

(f) fully disclose the identity of each entity that will be entering into the transaction or the financing (including through the issuance of equity and/or debt in connection with such Bid) or that is sponsoring, participating or benefiting from such Bid; and

(g) be accompanied by a non-refundable cash Deposit equal to ten percent (10%) of the total cash component of the purchase price or investment contemplated under the Phase 2 Bid.

26. At the January 24 Board Meeting, the Company, with input and advice from Greenhill and Stikeman, and in consultation with the Monitor, also assessed the merits of each of the Phase 2 Bids with reference to the non-exhaustive list of considerations set out in the Solicitation Process, to evaluate whether to waive compliance with the qualification criteria for Cargill and/or Bidder #3 and also whether to declare the Investors' Bid the Successful Bid, including:

(a) the purchase price and net value of the Bid (including assumed liabilities and other obligations to be performed by the Phase 2 Bidder);

(b) whether the Bid included a firm, irrevocable commitment for financing of the transaction;

(c) the claims likely to be created by such Bid in relation to other Bids;

(d) the counterparties to the transaction identified, or not identified, in the Bid;

(e) the terms of the transaction documents;

(f) the closing conditions and other factors affecting the speed, certainty and value of the transaction;

(g) the planned treatment of stakeholders, including employees;

(h) the assets included or excluded from the Bid;

(i) any restructuring costs that would arise from the Bid;

(j) the likelihood and timing of consummating the transaction; and

(k) whether the Bid provides the capital sufficient to implement post-closing measures and transactions.

27. The Phase 2 Bid submitted by Cargill was contingent on raising new equity financing and contained a number of other problematic features, including:

(a) the Bid was structured as an asset sale but contained a condition that requires that the purchaser be satisfied, in its sole discretion, that the Company's tax attributes be preserved in all material respects and available to be utilized by the purchaser, which is not possible in an asset sale. Cargill referenced in their bid letter that their Phase 2 Bid could be implemented in a different manner but no definitive documents were provided in respect of such alternative structures;

(b) the Bid did not specify the new equity participants to be new majority owners of the Company (or the purchaser) following Closing as the Bid was contingent on raising new equity from third parties. This adversely impacted the Company's ability to evaluate necessary regulatory approvals and the ability and willingness

of the potential equity participants to provide further necessary financing for the business;

(c) the Bid contained conditions which were likely not achievable based on the Company's analysis, including, among other things, (i) a minimum cash condition; (ii) a condition to maintain tax attributes (as noted, a different structure would have been required to preserve tax attributes); and (iii) a financing condition to raise new equity;

(d) the Bid contained no commitment from Cargill (or any other equity participant) to provide any new capital to the Company; and

(e) even assuming the contingent financing could be raised from third parties, the Bid did not provide sufficient financing to adequately capitalize the Company to fund required capital expenditures and operating costs necessary to achieve the required "ramp up" of production at the Scully Mine to allow for the business to sustainably operate in the future.

28. The Phase 2 Bid submitted by Bidder #3, among other things:

(a) contemplated reinstatement of Tacora's DIP facility and all of Tacora's other secured debt, including debt obligations which had matured, and was contingent on obtaining extensions of such debt obligations;

(b) required certain key contracts of Tacora to be renegotiated on terms acceptable to Bidder #3;

(c) did not provide for the assumption or payment of the Company's trade claims; and

(d) did not provide for sufficient financing to fund emergence costs and required capital expenditures and operating costs.

29. Following this assessment and careful consideration of all alternatives available to Tacora, the Board, with input and advice from Greenhill and Stikeman, and in consultation with the Monitor, exercised its good faith business judgement and determined that it was not in the Company's interest to waive any requirements of the Solicitation Process to qualify those Bids

at that time. As part of this assessment, consideration was given to the structure of the Investors' Bid (which requires a new marketing agreement for the sale of iron ore) and the unsecured claim created by excluding the current Offtake Agreement under the Transactions. The January 24 Board Meeting adjourned without a final decision on declaring a Successful Bid and Tacora's advisors were instructed to respond to Cargill and Bidder #3 outlining the concerns regarding their Phase 2 Bids (which was consistent with the feedback provided to Cargill prior to the January 24 Board Meeting) and to continue negotiations with the Investors regarding their Phase 2 Qualified Bid to secure the best terms for the Company available in the circumstances.

30. On January 25, 2024, Stikeman, on behalf of the Company, communicated to Cargill that its Phase 2 Bid did not constitute a Phase 2 Qualified Bid (which followed previous feedback provided to Cargill's advisors on January 22 and 23, 2024). A copy of the January 25 letter sent by Stikeman to counsel to Cargill is attached hereto as **Exhibit "C"**. On January 27, 2024, counsel to Cargill sent a letter to Stikeman, a copy of which is attached hereto as **Exhibit "D"**. Stikeman responded to counsel for Cargill in a letter dated January 28, 2024, reiterating the feedback previously provided by the Company, a copy of which is attached hereto as **Exhibit "E"**. Additional e-mail correspondence between the parties is attached hereto as **Exhibit "F"**.

31. On January 28, 2024, the Board continued the January 24 Board Meeting and their review and assessment of the Bids, and considered the correspondence received from counsel to Cargill, before adjourning without determining the Successful Bid. On January 29, 2023, I understand that representatives of Cargill met with the Monitor and its counsel to discuss, among other things, their Phase 2 Bid and concerns regarding the current process and decision-making in the Solicitation Process. In the evening of January 29, 2024, the Board again resumed the January 24 Board Meeting to evaluate the Bids and consider declaring a Successful Bid following advancement in negotiations with the Investors regarding their Phase 2 Qualified Bid.

32. At the meeting on January 29, 2024, the Board received an update from the Monitor on its discussions with Cargill. The Board was also informed that Cargill would like to meet directly with the Board and management to discuss their Bid (which request was previously made in their correspondence). The Board considered this request and ultimately determined, with input from Tacora's advisors, that such a meeting was not necessary or appropriate. Having

considered the advice and recommendations from Greenhill and Stikeman and in consultation with the Monitor, the Board exercised their good faith business judgement and unanimously determined that the Investors' Phase 2 Qualified Bid should be declared the Successful Bid under the Solicitation Process. Additionally, the Company did not declare a Phase 2 Bid submitted by Cargill or Bidder #3 as a Back-Up Bid as neither met the necessary criteria to constitute a Phase 2 Qualified Bid.

33. In making the decision not to waive strict compliance with the Phase 2 Qualified Bid requirements for Cargill and Bidder #3 or further extend deadlines in the Solicitation Process, the Board exercised their business judgement and considered, among other things, that each of those Bids was not actionable due to uncertain conditions which were contingent on factors outside of the Company's control and that even if such conditions could be satisfied, there was insufficient capital for post-closing measures.

34. The conditions to Cargill's Phase 2 Bid required all new cash contemplated by the Bid to be raised as equity from third party sources; none of which had been committed. The Company, with the advice of Greenhill and Stikeman, and with the benefit of the Monitor's views, did not have confidence that such financing could be achieved in the circumstances and further delay to the SISP to allow for continued solicitation of potential equity financing for the Bid posed material risks for the Company given operational and iron ore price uncertainty and continuing negative cash flow from operations. This assessment was informed by advice from Greenhill and management of the Company considering, among other things, (a) the potential equity financing parties that Cargill was engaging with and their involvement in the Pre-Filing Strategic Process, the Solicitation Process and the DIP solicitation process; (b) the Company's past efforts to raise capital with the current capital structure and the Offtake Agreement; (c) the need to execute upon a transaction and emerge from these CCAA Proceedings in a timely manner, and (d) Cargill's unwillingness to backstop any new equity commitment, which indicated uncertainty as to whether they could raise this capital. The condition remained in Cargill's Bid notwithstanding the fact that Cargill had the financial wherewithal to backstop the equity commitment and sufficient time to seek an equity partner in parallel with moving for court approval and closing of the transaction.

35. The conditions to Bidder #3's Phase 2 Bid would have required extensive negotiations with the Ad Hoc Group and Cargill, the outcome of which is highly uncertain and would result in inevitable delays. I understand that Tacora's advisors communicated these significant

deficiencies to Bidder #3 following the Board meeting on January 28, 2024.

36. In addition to the deficiencies of the other Phase 2 Bids, the Investors' Phase 2 Qualified Bid represents a successful outcome to the SISP for the Company and its stakeholders. The Investors' Bid continued to be the best and only actionable Bid in the circumstances and was superior to the other Phase 2 Bids as the Investors Bid, among other things:

(a) represents the highest total bid value of the Phase 2 Bids;

(b) provides a significant Deposit to the Company demonstrating the Investors' commitment to closing the Transactions;

(c) results in the lowest amount of funded debt remaining on the Company's balance sheet post-closing and extended the maturity dates of such debt which better aligned with the Company's business plan and anticipated "ramp up" over the next several years;

(d) reduces the Company's annualized debt service from $21.2 million pre-filing to $12.6 million post-emergence to allow for additional funding to be used for necessary operating costs and capital expenditures;

(e) provides for repayment in full of all the Company's secured debt in cash or through the mechanism of the credit bid by the Investors (who control approximately 92.4% of the Senior Notes);

(f) provides for the assumption of, *inter alia*, the Company's Pre-Filing Trade Amounts, Post-Filing Trade Amounts, and the payment in full of the Company's Cure Costs, subject to the Cure Costs Cap of $27,900,000 (each as defined in the Subscription Agreement);

(g) includes a firm, irrevocable commitment to finance the Transaction;

(h) contains limited conditions to closing and no expected regulatory approvals;

(i) provides sufficient equity and new debt to fund emergence costs and the Company's ongoing operational costs;

(j) provides significant new capital to partially fund the Company's contemplated capital expenditure plan to ramp up production at the Scully Mine; and

(k) provides for the ongoing employment of all the Company's employees.

37. On January 29, 2024, the Subscription Agreement was entered into between Tacora and the Investors. A copy of the Subscription Agreement (without Schedules) is attached hereto as **Exhibit "G"**.

III. RELIEF SOUGHT

A. Approval of the Subscription Agreement[2]

(i) Key Terms of the Subscription Agreement

38. The key terms of the Subscription Agreement are summarized below.

Key Terms	Subscription Agreement
Investors	The Ad Hoc Group which holds an aggregate of approximately 88.7% of the Senior Notes and together with RCF and Javelin (holding in aggregate 92.4% of the Senior Notes).
Purchased Assets	The New Securities, which includes, among other things, the Subscribed Shares, Backstopped Shares, Takeback Shares, Takeback SSN Warrants and RCF Warrants. The New Securities include all the issued outstanding equity interests in the Company on closing. All contracts, other than the Excluded Contracts will remain with the Company. Excluded Liabilities include, without limitation, all Claims relating to any Excluded Assets and Excluded Contracts, other than Assumed Liabilities, including 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.
Purchase Price	The subscription price for the New Securities consists of the (1) Cash Consideration; (2) Credit Bid Consideration; and (3) Assumption of Assumed Liabilities. (1) Cash Consideration ($268,650,000)

[2] All capitalized terms used in this subsection and not otherwise defined have the meanings ascribed to them in the Subscription Agreement.

	The Cash Consideration consists of $225 million of equity through the New Equity Offering Cash Consideration and $45 million principal amount of debt through the $43,650,000 of New First Out SSN Cash Consideration. (2) Credit Bid Consideration (approximately $250 million) 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. (3) Assumption of Assumed Liabilities Assumed Liabilities are discussed in greater detail below.
Deposit	$26,865,000
Transaction Structure	Reverse vesting structure.
Regulatory Approvals	The Company and the Investors are to work together to determine whether any material Permits and Licenses required from any Governmental Authority or under any Applicable Law relating to the business and operations of the Company are required to be obtained in order to permit the Company and the Investors to complete the Transaction.
Outside Date for Closing	April 26, 2024
Employees	All employees will continue to be employed by the Company on the same terms and conditions as they currently enjoy, except in respect of change of control payments for senior management, which amounts shall be waived or are Excluded Liabilities. The Investors acknowledge and agree that the Company shall remain subject to any collective agreement with the Company and shall inherit all obligations and liabilities associated with any collective agreement which applies to the Continuing Employees.
Assumed Liabilities	• All liabilities in respect of Continuing Employees; • 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 change of control payments for senior management; • Cure Costs in relation to Retained Contracts, up to a maximum aggregate amount of $27,900,000 for such Cure Costs; • The Pre-Filing Trade Amounts and Post-Filing Trade Amounts; and • The Excluded Ore MTM Liabilities.
Administrative Expense Reserve	On the Closing Date, the Monitor shall be paid an Administrative Expense Reserve equal to $9 million 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. The Administrative Expense Costs include: • 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, relating directly or indirectly to the CCAA Proceedings or the Subscription 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; • Amounts owing in respect of obligations secured by the CCAA Charges; • 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; • Disputed Litigation Costs up to a maximum aggregate amount of C$6,176,809; and • 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.
Key Conditions to Closing	• Court approval of the Approval and Reverse Vesting Order which becomes a Final Order (not vacated, set aside, or stayed, and 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); • The Rail Agreement shall have been renegotiated on terms and conditions acceptable to the Investors, acting reasonably; and • Net Debt immediately following the Closing Time shall not exceed $150 million.
New Offtake and Working Capital Facility	Company will enter into the Javelin Agreements with Javelin, which include the Javelin Master Agreement, the Javelin Working Capital Annex, and the Javelin Marketing Agreement (new offtake agreement). The Javelin Agreements provide for, among other things: • Javelin to act as marketer of iron ore concentrate; • The sale and purchase of iron ore concentrate; and • A secured working capital facility of up to $100 million for the Company.

39. The execution of the Subscription Agreement represents the culmination of extensive solicitation efforts on the part of Tacora and Greenhill, which commenced in March 2023 and continued after the commencement of the CCAA Proceedings in accordance with the Solicitation Process.

40. I believe that the Pre-Filing Strategic Process leading up to the commencement of the CCAA Proceedings and the conduct of the Court-approved Solicitation Process resulted in a broad and robust canvassing of parties potentially interested in Tacora's business and assets. Further, I believe that the timelines under the Solicitation Process were sufficient to allow all potentially interested parties to properly participate. I am advised by the Monitor that it also believes the timelines and terms of the Solicitation Process were made well known to all participants and were reasonable in the circumstances.

41. The benefits of the Transactions include the following, among others:

(a) payment in full in cash of Tacora's senior priority debt, including the DIP Facility (estimated to be approximately $72 million as of the targeted Closing Date), the Senior Priority Notes which total approximately $29 million, and the Senior Secured Hedging Facility (as defined in the Note Indentures) which totals approximately $4.7 million;

(b) payment in full in cash of the APF (including the Post-Filing Credit Extensions) net of any set-off claims against Cargill;

(c) the cancellation of the Senior Secured Notes through the mechanism of the Investors' credit bid, in exchange for the Takeback Shares, the Takeback SSNs and Takeback Warrants;

(d) assumption of all Tacora's equipment capital leases, including the payment of all amounts outstanding under the leases in cash, which indebtedness totals approximately $28 million;

(e) assumption of all outstanding Pre-Filing Trade Amounts and Post-Filing Trade Amounts;

(f) continued employment of all current employees;

(g) provision of a new working capital facility of up to $100 million for ongoing operational costs, deferred maintenance costs and capital expenditures;

(h) funding of an Administrative Expense Reserve to fund, among other things, necessary wind-down costs; and

(i) the offtake arrangements with Javelin through the Javelin Agreements.

42. The Transactions result in a reduction of Tacora's pre-filing indebtedness of approximately $119.3 million, from approximately $325.6 million to $206.3 million.

43. The Transactions contemplate the replacement of the Offtake Agreement with a new offtake agreement to be provided by Javelin. The Transactions also contemplate that the Offtake Agreement and its associated obligations will be transferred and "vested out" to ResidualCo (as defined below). The unsecured claim in favour of Cargill against ResidualCo from this transfer and "vesting out" will not be satisfied. It is important to note that neither of the Phase 2 Bids submitted by Cargill or Bidder #3 proposed to pay out in full in cash Tacora's other secured or priority claims, unlike the Bid by the Investors, which does.

44. As a result of the Transactions, Tacora will be well positioned to continue operating as a going concern as the second largest employer in the Labrador West region, preserving

employment for all its approximately 460 employees and ongoing business relationships for all or virtually all its suppliers of goods and services.

(ii) Reverse Vesting Structure

45. The Transactions contemplated in the Subscription Agreement have been structured as a "reverse vesting" transaction. Instead of an asset sale where all purchased assets are purchased and transferred to the purchaser "free and clear" of encumbrances and all excluded assets, the Transactions contemplate a share transaction whereby:

(a) the Investors will subscribe for and purchase various Securities of Tacora, who will, in turn, cancel and terminate all of its existing equity securities. As a result, the Investors and other holders of Senior Secured Notes that receive Takeback Shares will become the sole shareholders of Tacora; and

(b) all Excluded Assets, Excluded Contracts, Excluded Liabilities, and Excluded Senior Notes will be transferred and "vested out" to corporations to be incorporated by Tacora in advance of the Closing Date ("**ResidualCo**" in relation to the Excluded Assets, Excluded Contracts, and Excluded Liabilities, and "**ResidualNoteCo**" in relation to the Excluded Senior Notes), so as to allow the Investors to acquire Tacora's business and assets on a "free and clear basis".

46. Tacora operates in a regulated environment where it is required to maintain various permits and licenses to maintain its mining operations. Tacora maintains eight material permits and licenses and six mining claims, leases, and other property rights that are required to maintain its mining operations and allow Tacora to perform exploration work on various parts of the Scully Mine, as well as other forest resource licenses and fire permits (collectively, the "**Permits and Licenses**"). Each of these Permits and Licenses would need to be in place for any prospective purchaser to continue operations at the Scully Mine.

47. I am advised by Beth McGrath of McInnes Cooper that the transfer of many of these Permits and Licenses under a traditional asset sale transaction structure requires the consent of the relevant government authority or lessor, and in some cases, requires advance discussions between a purchaser and the relevant government authority or lessor. This process may be complicated by the fact that several of the Permits and Licenses are issued by different government departments (both federal and provincial), some of which have no prescribed

transfer process.

48. It is my belief that the ability to transfer these permits and licenses to a third-party purchaser and the timing of any such transfer is uncertain and has the potential to be significantly delayed. For example, the transfer of many Permits and Licenses may require that a purchaser satisfy the relevant governmental authority that its scope of operations will be substantially the same as Tacora, and could potentially give rise to an assessment of whether the purchaser will be required to facilitate consultation with indigenous or community groups. There are also governmental approvals that Tacora is seeking that are critical to future operations of the Scully Mine that may be delayed further due to the logistics of transferring an application that has been underway for approximately 2 years for approval, which has not yet been obtained.

49. Accordingly, the Subscription Agreement was structured as a reverse vesting transaction because: (a) it will permit Tacora to maintain its Permits and Licenses and contracts with various commercial counterparties without the probable and potentially significant risks and costs associated with delays in attempting to transfer same, allowing for the seamless continuation of operations at the Scully Mine; and (b) it will preserve Tacora's tax attributes.

50. As outlined in the First Broking Affidavit, fluctuations in the price of iron ore can have a significant impact on Tacora's liquidity. Given the volatile nature of the iron ore market, highlighted by the decrease in the price of iron ore since the beginning of January 2024 (from approximately $144/tonne on January 3, 2024, to $132/tonne on January 31, 2024), the uncertainty associated with securing the transfer of Permits and Licenses and the potential for delays in such transfers creates significant risk and uncertainty for the Company and its stakeholders.

51. The reverse vesting structure will also permit the preservation of Tacora's tax attributes, which include:

(a) net operating losses in the approximate amount of $450 million;

(b) undepreciated capital cost in the approximate amount of $182 million;

(c) share issuance costs in the approximate amount of $15 million;

(d) Canadian exploration expenses in the approximate amount of $1.1 million; and

(e) Canadian development expenses in the approximate amount of $17 million.

52. I understand that the Subscription Agreement was structured as a reverse vesting transaction because: (a) it will ensure that Tacora continues to enjoy the benefits of its Permits and Licenses and contracts with various commercial counterparties and avoid the risks associated with attempting to transfer same; and (b) it will permit the preservation of Tacora's tax attributes. I further understand that the advantages associated with a reverse vesting structure were an important consideration for the Investors in pricing their Phase 2 Qualified Bid.

53. The Subscription Agreement provides that to the extent the proposed Approval and Reverse Vesting Order is not granted, and the structure of the Transaction is converted into an asset sale, the parties thereto shall amend the structure of the Transactions accordingly, so long as 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 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). However, I believe that if the Approval and Reverse Vesting Order is not granted, a conversion of the Transactions into an asset sale structure would re-open negotiations with the Investors, add significant risks and uncertainties to the closing of the Transactions and could result in a material deterioration in value being offered by the Investors for the benefit of Tacora and its stakeholders.

54. I do not believe that completing the Transactions under a "reverse vesting" structure will result in any material prejudice or impairment to any of Tacora's creditors' rights, including Cargill, that they would not otherwise suffer under an asset sale structure. For example, I understand creditors whose liabilities will be vested out of Tacora into ResidualCo would experience the same treatment if the transaction was implemented through an asset transaction. Further, I understand the Subscription Agreement maintains the rights that creditors would otherwise have in an asset sale transaction. For example, though no assignment of contracts is contemplated as part of the Transactions, the Subscription Agreement provides for the payment of all Cure Costs owing under the Retained Contracts (up to a maximum aggregate amount of $27,900,000) and payment of Pre-Filing Trade Amounts as an Assumed Liability (up to a maximum aggregate amount of $26,525,915), which I understand would otherwise be

required in an asset sale transaction.

55. Finally, based on my involvement with the Pre-Filing Strategic Process and the Solicitation Process, I believe that:

(a) the process leading to the proposed Transactions, which began with the Pre-Filing Strategic Process, was reasonable in the circumstances;

(b) Tacora's secured creditors, including Cargill, were actively involved in the Pre-Filing Strategic Process;

(c) the Monitor was actively involved in the Solicitation Process and was consulted by Tacora throughout;

(d) the consideration to be received by the Company in respect of the Transactions is reasonable and fair, considering the market value of the Company and the broad canvassing of potentially interested parties during the Pre-Filing Strategic Process and the Solicitation Process;

(e) Tacora has now tested the market on two separate occasions with the benefit of experienced advisors. The Transactions, if approved by this Court, will result in a going concern solution for Tacora's business and represent the best possible outcome for Tacora, its creditors, and other stakeholders in the circumstances; and

(f) the Monitor and Tacora's major secured creditor group, the Senior Noteholders, are supportive of the relief sought on this motion, and each other secured creditor of Tacora, including Cargill, will be paid in full in respect of their secured debt.

B. Replacement of Offtake Agreement

56. In the First Broking Affidavit, I provided a summary overview of the Offtake Agreement and the Stockpile Agreement. Copies of the Offtake Agreement, the Stockpile Agreement, and the amendment to the Offtake Agreement extending the term to a "life-of-mine" agreement (collectively, the "**Cargill Agreements**") are collectively attached hereto as **Confidential Exhibit "H"**. Below are further details on these contracts.

(i) Process of Shipment & Stockpile Agreement

57. Pursuant to the Offtake Agreement, Tacora is obligated to sell 100% of the iron ore concentrate production at the Scully Mine to Cargill for the life of the Scully Mine. The sale of the iron ore concentrate is subject to the Stockpile Agreement, which works in conjunction with the Offtake Agreement.

58. The iron ore concentrate from the Scully Mine is loaded onto a train that travels to the Port and unloaded from the train and placed into a stockpile at the Port. Pursuant to the Stockpile Agreement, Tacora sends Cargill an invoice at the end of each seven-day period (typically on Monday) for the iron ore that was shipped to the stockpile during the prior week. Cargill pays Tacora a provisional purchase price within three working days of receiving the invoice (typically on Wednesday). Pursuant to, and subject to the specific terms of, the Stockpile Agreement, all iron ore purchased by Cargill becomes Cargill's property at the moment of delivery by Tacora to the stockpile.

59. The iron ore concentrate from the stockpile located at the Port is loaded onto vessels that ship the iron ore concentrate to final customers at various locations overseas.

(ii) Volume of Sales

60. The Offtake Agreement requires Tacora to produce, at a minimum, four million wet metric tonnes ("**WMT**") of iron ore concentrate each "**Contract Year**" (being each calendar year from 2019-2024). The precise volume of sales in the 4 – 6 million WMT range is referred to as the "**Nominated Tonnage**", which is nominated by Tacora in its sole discretion to Cargill at least three calendar months prior to the start of a Contract Year.

61. Tacora may also be obligated to supply iron ore concentrate in excess of the Nominated Tonnage, as the Offtake Agreement provides Cargill with an option to buy any iron ore concentrate produced from the Scully Mine in excess of the Nominated Tonnage per Contract Year. Tacora may be liable to Cargill for damages under certain conditions relating to shortfall or changes in production.

(iii) Payments

62. Payment by Cargill to Tacora under the Offtake Agreement proceeds in three stages:

(a) first, by three 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 the provisional price 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 by Cargill or Tacora. In general, Margin Payments are due from Cargill to Tacora if iron ore prices rise from the date on 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 was 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) 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.

(iv) Amendments and Side Letters

63. At various stages following the inception of the Offtake Agreement, when the Company determined in its good faith business judgement to mitigate the risk of price fluctuations of the Platts 62% Index, the Company would enter into side letters with Cargill to change the pricing mechanism under the Offtake Agreement for specific periods of time and specified quantities of iron ore to be sold under the Offtake Agreement. The Company entered into thirteen side letters prior to the commencement of the CCAA Proceedings. When the Company sold iron ore to Cargill pursuant to the Offtake Agreement without any side letters in place, the Company was exposed to all price fluctuations in the Platts 62% Index following the date of delivery of the iron ore to Cargill under the Stockpile Agreement and the Offtake Agreement.

64. These side letters were designed to supplement and provide risk-sharing arrangements for specific transactions that were executed under the Offtake Agreement. Some examples include:

(a) the amendment dated March 10, 2022, has the concept of a “Fixed Price” per dry metric ton (“**DMT**”), which impacts the calculation of the final purchase price by replacing the Platts 62% Index value with the Fixed Price; and

(b) the amendment dated May 15, 2023, also includes the concept of a “Fixed Price” per DMT, which replaced the Platts 62% Index value with the Fixed Price.

65. None of the side letters fixed the final price received by Tacora under the Offtake Agreement, which always continued to include a profit share component based on Cargill’s sales to end users of the iron ore.

66. As of February 1, 2024, all amendments and side letters with respect to changing the Platts 62% Index aspect of the pricing formula under the Offtake Agreement are no longer in effect. Accordingly, only the base formula provisions in the Offtake Agreement apply with respect to the price of iron ore sold to Cargill, which does not provide any price protection, hedging, or other risk mitigation to Tacora.

(v) New Javelin Marketing Agreements

67. As set out above, the Solicitation Process specifically contemplated the ability of potential bidders to examine the Offtake Opportunity and determine whether the Offtake Agreement should be assumed, or a new offtake agreement should be entered into. For instance, an LOI could only be considered a Phase 1 Qualified Bid if it met the requirement of, among other things, identifying whether the Phase 1 Bidder intended to assume or maintain the existing Offtake Agreement with Cargill on its existing terms or any proposed amendments, and if not, whether the Phase 1 Bidder anticipated requiring to be paired with a financing party interested in the Offtake Opportunity. As set out above, only the LOI from Cargill contemplated assumption of the Offtake Agreement.

68. As referenced above, the Subscription Agreement provides that the Offtake Agreement and the Stockpile Agreement are Excluded Liabilities which are to be transferred to ResidualCo. Additionally, on closing of the Transactions, the Company will enter into the Javelin Agreements (as defined in the Subscription Agreement and described above). The Javelin Agreements provide for a number of advantages to the Company relative to the current Offtake Agreement with Cargill.

69. The benefits and advantages of the Javelin Agreements include, among other things:

(a) Cost: The Javelin Agreements provide for a lower total cost for the marketing and sale of iron ore relative to the current Offtake Agreements. Tacora expects that this lower cost will translate into higher long-term profitability for the Company. These benefits will also grow significantly if either interest rates fall or Tacora no longer requires working capital financing, which would be expected following the "ramp up" of production and if iron ore prices remain high over a sustained period of time.

(b) Flexibility: The Javelin Agreements have a fifteen year term as opposed to being a "life-of-mine" contract like the current Offtake Agreement. These agreements also provide that Tacora has an option to terminate on the later of six years or delivery of 27 million tonnes of iron ore concentrate. The shorter term coupled with the option to terminate provides more flexibility and optionality for the Company with respect to Tacora's operations (for example, Tacora has an option to develop its own marketing force upon termination of the Javelin Agreements)

or execute on a strategic transaction. In the Pre-Filing Strategic Process, certain parties indicated that an inability to replace or renegotiate the Offtake Agreement with Cargill and sell the iron ore for their own account was problematic in any acquisition of or investment into Tacora.

(c) Transparency: The Javelin Agreements have an "open-book" approach wherein Tacora approves all transactions with end-customers, which provides Tacora with greater visibility on the sale of its iron ore concentrate. Currently, Cargill does not provide this type of transparency to Tacora.

C. Need for Expedited Emergence from CCAA

70. I am concerned about the significant damage that will result to Tacora and its stakeholders if Tacora cannot emerge from these CCAA Proceedings as a going concern in an expedited manner.

71. As outlined above, the volatile nature of the iron ore market, which is difficult to mitigate through hedging activities while the CCAA Proceedings are ongoing, can have a rapid and significant negative impact on Tacora's already limited liquidity. As set out above, iron ore prices have already fallen from approximately $144/tonne on January 3, 2024, to $132/tonne on January 31, 2024. If iron ore prices fell by a similar amount over the next several weeks, Tacora could run out of excess liquidity (inclusive of remaining availability under the DIP Facility) by the start of April and would require additional funding from the existing DIP Lender or a new DIP lender to continue operating in the normal course.

72. However, even on the assumption that Tacora can access additional incremental liquidity through additional financing to maintain operations, Tacora and its stakeholders will be prejudiced if the Transactions cannot close quickly. In the First Broking Affidavit, I described how Tacora has been attempting to ramp up production of iron ore concentrate to nameplate capacity of approximately 6.0 Mtpa and the need for additional capital investments to be made during this ramp up phase, which could not be made given Tacora's significant liquidity challenges. The Company's contemplated capital expenditure plan to ramp up production at the Scully Mine requires the Company to make such capital investments as soon as possible. The Transactions provide significant new capital to partially fund the Company's contemplated capital expenditure plan—but such necessary capital investments cannot be made until the Transactions close. Further, any additional debt incurred by Tacora under the DIP Facility will

result in less available capital for these capital investments, which are critical for the sustainability and stability of Tacora's operations moving forward, as the Company will continue to operate at a deficit until it can ramp up production to levels where the Company operates at a profit.

73. Tacora's numerous trade creditors, many of which are small businesses, have not been paid amounts owing prior to the commencement of these CCAA Proceedings. The Company has encountered questions and resistance from certain suppliers who are extending credit to the Company. The Transactions provide for the assumption of the Company's pre-filing trade amounts, post-filing trade amounts, and payment in full of all cure costs in relation to contracts being retained under the Subscription Agreement. Expedited closing of the Transactions will alleviate the concerns of and provide certainty to Tacora's trade creditors, as these creditors will be addressed in accordance with the Subscription Agreement, while having the benefit of continuing to supply on a long-term basis to a much stronger and well-capitalized Tacora.

74. Further, as the second largest employer in the Labrador West region, a delayed emergence from these CCAA Proceedings will result in uncertainty for a significant number of employees. Multiple employees have resigned during these CCAA Proceedings, and I understand that most of these employees have communicated that the uncertainty relating to the CCAA Proceedings was a key reason for their resignation**.** The Transactions provide for the ongoing employment of all the Company's employees—expedited closing of same will have a positive impact on this significant stakeholder group.

D. Releases

75. As set forth in the draft Approval and Reverse Vesting Order, the Applicants are seeking the issuance of the Releases in favour of the Released Parties, being:

(a) Tacora, ResidualCo, and ResidualNoteCo and their respective present and former directors, officers, employees, legal counsel and advisors;

(b) the Monitor, its legal counsel, and their respective present and former directors, officers, partners, employees and advisors;

(c) the Notes Trustee and its respective present and former directors, officers, partners, employees and advisors; and

(d) the Investors and their respective present and former directors, officers, employees, legal counsel and advisors.

76. The Releases in favour of the Released Parties are being sought in order to achieve certainty and finality for the Released Parties in the most efficient and appropriate manner given the circumstances.

77. The Released Parties made significant and material contributions in connection with Tacora's efforts to address its financial difficulties, the Pre-Filing Strategic Process, the Solicitation Process, the CCAA Proceedings, and the Transactions, which provide for a going concern solution for Tacora's business and represents the best alternative reasonably available to Tacora in the circumstances.

78. During these CCAA Proceedings, many of the Released Parties were a necessary part of the successful restructuring and continued in their capacity as directors and/or officers, despite the increase in risk and scrutiny due to the insolvency proceedings. The CCAA Proceedings resulted in the Transactions, which represent a going concern outcome where the Investors are paying in full in cash or assuming most of Tacora's liabilities, and all of Tacora's approximately 460 employees preserve their employment.

79. The Released Parties are not named in any existing or threatened litigation involving the Applicant. Tacora is not aware of any potential claims against the Released Parties. The Released Claims also explicitly carve out any claims resulting from: (a) fraud or wilful misconduct; and (b) that are not permitted to be released pursuant to section 5.1(2) of the CCAA.

80. Throughout the CCAA Proceedings, Tacora issued press releases announcing that it had filed for CCAA protection, commenced the Solicitation Process and entered into the transactions to sell its business to the Investors. Further, each of the parties who have commenced or threatened litigation against the Applicant will receive notice of this motion.

E. Sealing

81. I understand that the Nessim Affidavit includes a summary of the Phase 2 Bids and the Monitor may include one or more Confidential Appendices in its report and other materials may contain confidential information regarding the economic terms of the three Phase 2 Bids. The Applicant will be seeking to have such confidential information sealed until further Order of the

Court. I believe that disclosure of the confidential information regarding the Phase 2 Bids at this time could pose a serious risk to the objective of maximizing value in these CCAA Proceedings, including because disclosure of the economic terms of the Phase 2 Bids received in the Solicitation Process may impair any efforts to remarket the Company if the Transactions do not close.

82. The Applicant has filed **Confidential Exhibit "H"**, being copies of the Cargill Agreements, under seal, because the Applicant understands that Cargill may seek a sealing order in respect of these Cargill Agreements.

IV. CONCLUSION

83. For the reasons set out above, I believe that it is in the best interests of Tacora and its stakeholders that the Approval and Reverse Vesting Order be granted.

84. I swear this affidavit in support of the Applicant's motion seeking approval of the Approval and Reverse Vesting Order 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 2nd day of February, 2024, in accordance with O. Reg 431/20, *Administering Oath or Declaration Remotely*.	
Rambaran	DocuSigned by: Joe Broking 9EBB6BB7AB484D8...
Commissioner for Taking Affidavits, etc. Natasha Rambaran | LSO #80200N	**JOE BROKING**

EXHIBIT "A"
referred to in the Affidavit of
JOE BROKING
Sworn February 2, 2024

A Commissioner for Taking Affidavits
Natasha Rambaran | LSO #80200N

Court File No.

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.

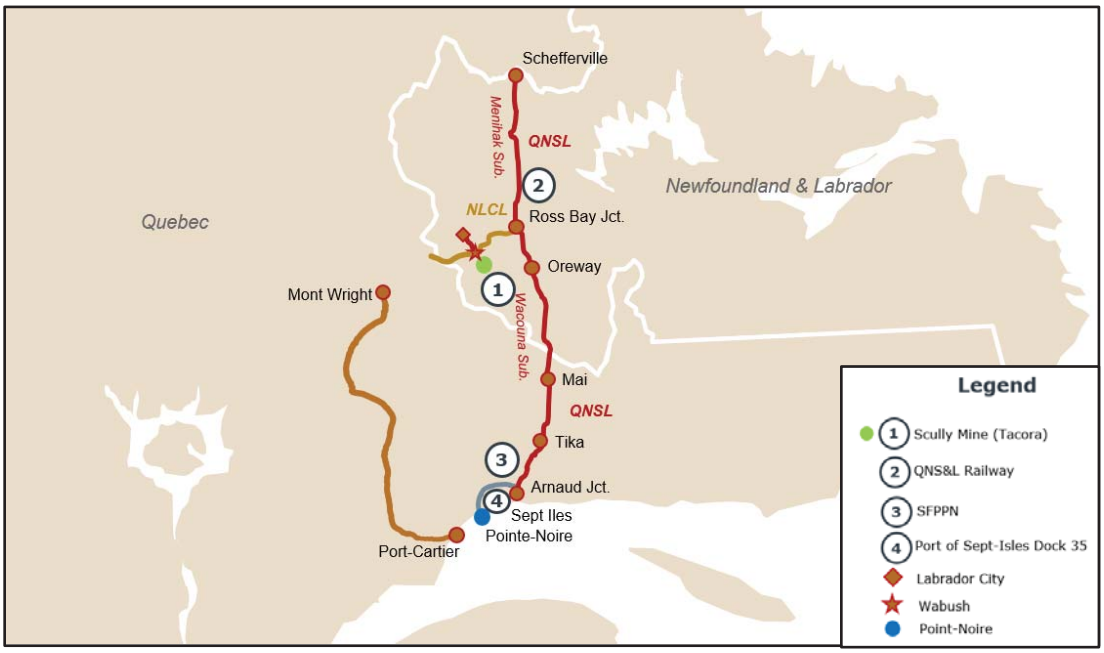
III. TACORA'S BUSINESS AND OPERATIONS

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.

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

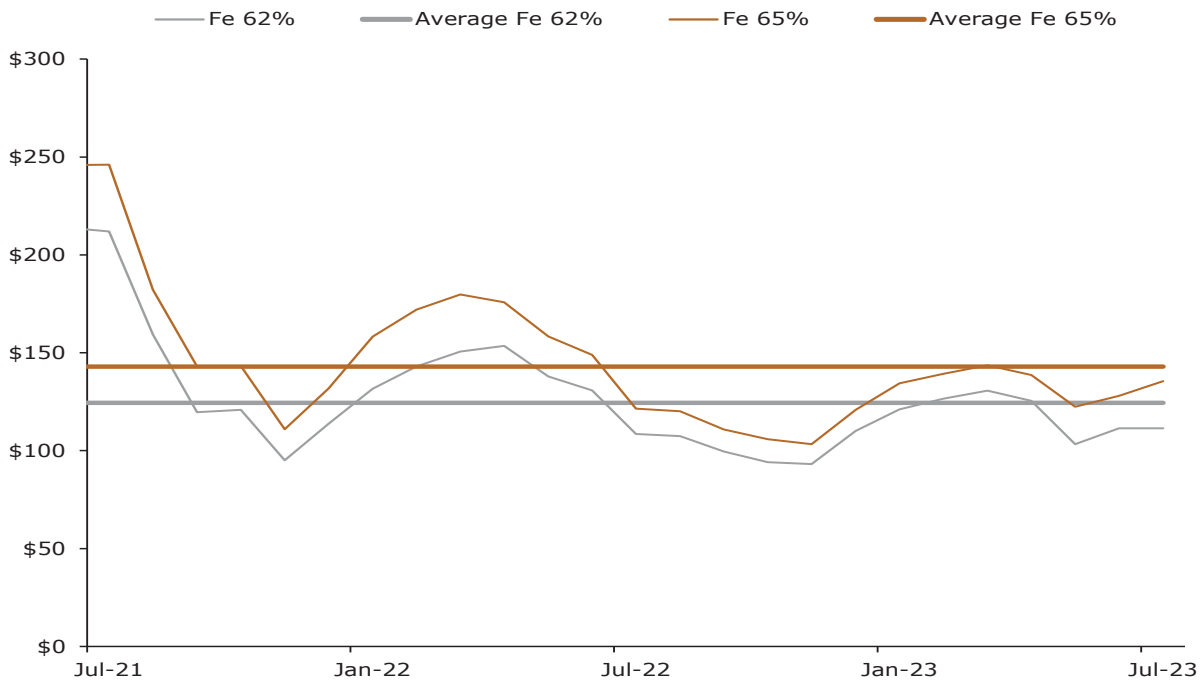
111. Since the successful re-start of operations in 2019, several factors including, capital constraints, human resources constraints, equipment failures, operational challenges and other issues have led to Tacora reaching average production levels of around 3.0 Mtpa from 2020 to 2022, which is well 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**

EXHIBIT "B"
referred to in the Affidavit of
JOE BROKING
Sworn February 2, 2024

N Rambaran

A Commissioner for Taking Affidavits
Natasha Rambaran | LSO #80200N

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE MADAM	)	MONDAY, THE 30TH
JUSTICE KIMMEL	)	DAY OF OCTOBER, 2023
	)	

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)

ORDER
(Solicitation Order)

THIS MOTION, made by Tacora Resources Inc. (the "**Applicant**"), for an Order approving, the procedures for a sale, investment, and services solicitation process in respect of the Applicant attached hereto as Schedule "A" (the "**Solicitation Process**") was heard on October 24, 2023 at 330 University Avenue, Toronto, Ontario with reasons released this day.

ON READING the Application Record of the Applicant dated October 9, 2023 (the "**Application Record**"), the Affidavit of Joe Broking sworn October 9, 2023, the Affidavit of Chetan Bhandari sworn October 9, 2023, the Supplementary Application Record of the Applicant dated October 15, 2023 (the "**Supplementary Application Record**"), the Affidavit of Joe Broking sworn October 15, 2023 (the "**Second Broking Affidavit**"), the Affidavit of Chetan Bhandari sworn October 15, 2023, the Affidavit of Philip Yang sworn October 15, 2023, the consent of FTI Consulting Canada Inc. ("**FTI**") to act as Court-appointed monitor of the Applicant (in such capacity, the "**Monitor**"), the Pre-Filing Report of the Proposed Monitor dated October 10, 2023, the First Report of the Monitor dated October 20, 2023, the Motion Record of the Ad Hoc Group of Noteholders (the "**Ad Hoc Group**") dated October 16, 2023, the Affidavit of Thomas Gray sworn October 16, 2023, the Brief of Transcripts and Exhibits, including the transcripts from the Examinations of Leon Davies held October 18, 2023, Chetan Bhandari held October 18, 2023, Paul Carrelo held October 19, 2023 and Joe Broking held October 19, 2023, and on hearing the submissions of counsel for the Applicant, counsel for the Monitor, counsel for Cargill, Incorporated

and Cargill International Trading Pte Ltd., and counsel for the Ad Hoc Group, and such other counsel and parties as listed on the Counsel Slip, with no one else appearing although duly served as appears from the affidavits of service of Natasha Rambaran and the affidavit of service of Philip Yang, filed,

SERVICE AND DEFINITIONS

1. **THIS COURT ORDERS** that the time for service and filing of the Notice of Application, the Application Record and the Supplementary Application Record is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.

2. **THIS COURT ORDERS** that capitalized terms used in this Order and not otherwise defined herein shall have the meanings ascribed to them in the Solicitation Process.

APPROVAL OF THE SOLICITATION PROCESS

3. **THIS COURT ORDERS** that the Solicitation Process attached hereto as Schedule "A" is hereby approved and the Applicant, Financial Advisor, and Monitor are hereby authorized and directed to implement the Solicitation Process pursuant to the terms thereof. The Financial Advisor, Applicant, and Monitor are hereby authorized and directed to take any and all actions as may be necessary or desirable to implement and carry out the Solicitation Process in accordance with its terms and this Order.

4. **THIS COURT ORDERS** that the Financial Advisor, Applicant, and the Monitor are hereby authorized and directed to immediately commence the Solicitation Process.

5. **THIS COURT ORDERS** that each of the Financial Advisor, Applicant, Monitor and their respective affiliates, partners, directors, employees, agents and controlling persons shall have no liability with respect to any and all losses, claims, damages or liabilities, of any nature or kind, to any person in connection with or as a result of the Solicitation Process, except to the extent such losses, claims, damages or liabilities result from the gross negligence or wilful misconduct of the Financial Advisor, Applicant, or Monitor, as applicable, in performing their obligations under the Solicitation Process, as determined by this Court.

6. **THIS COURT ORDERS** that, pursuant to section 3(c) of the Electronic Commerce Protection Regulations, Reg. 81000-2-175 (SOR/DORS), the Financial Advisor, Applicant, and Monitor are authorized and permitted to send, or cause or permit to be sent, commercial electronic

messages to an electronic address of prospective bidders or offerors and to their advisors, but only to the extent required to provide information with respect to the Solicitation Process in these proceedings.

7. **THIS COURT ORDERS** that notwithstanding anything contained herein or in the Solicitation Process, the Financial Advisor and Monitor shall not take possession of the Property or be deemed to take possession of the Property.

PROTECTION OF PERSONAL INFORMATION

8. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5, the Financial Advisor, Applicant, Monitor, and their respective advisors are hereby authorized and permitted to disclose and transfer to prospective Solicitation Process participants (each, a "**Solicitation Process Participant**") and their advisors personal information of identifiable individuals ("**Personal Information**"), records pertaining to the Applicant's past and current employees, and information on specific customers, but only to the extent desirable or required to negotiate or attempt to complete a transaction under the Solicitation Process (a "**Transaction**"). Each Solicitation Process Participant to whom any Personal Information is disclosed shall maintain and protect the privacy of such Personal Information and limit the use of such Personal Information to its evaluation of a Transaction, and if it does not complete a Transaction, shall return all such information to the Financial Advisor, Applicant, or Monitor, or in the alternative destroy all such information and provide confirmation of its destruction if required by the Financial Advisor, Applicant, or Monitor. The Successful Transaction Bidder shall maintain and protect the privacy of such information and, upon closing of the Transaction contemplated in the Successful Transaction Bid, shall be entitled to use the personal information provided to it that is related to the Business and/or Property acquired pursuant to the Solicitation Process in a manner that is in all material respects identical to the prior use of such information by the Applicant, and shall return all other personal information to the Financial Advisor, Applicant, or Monitor, or ensure that all other personal information is destroyed and provide confirmation of its destruction if requested by the Financial Advisor, Applicant, or Monitor.

GENERAL

9. **THIS COURT ORDERS** that the Applicant or the Monitor or any interested party may from time to time apply to this Court to amend, vary or supplement this Order or for advice and directions in the discharge of their powers and duties under the Solicitation Process.

10. **THIS COURT ORDERS** that this Order shall have full force and effect in all provinces and territories in Canada.

11. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States of America, or in any other foreign jurisdiction, to give effect to this Order and to assist the Applicant, Monitor, and their respective agents in carrying out the terms of this Order. All courts, tribunals, and regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Financial Advisor, Applicant, and Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Financial advisor, Applicant, Monitor, and their respective agents in carrying out the terms of this Order.

12. **THIS COURT ORDERS** that the Applicant and Monitor be at liberty and are hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order.

13. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. on the date of this Order.

Digitally signed
by Jessica Kimmel
Date: 2023.10.31
11:07:08 -04'00'

Schedule "A"

Procedures for the Sale, Investment and Services Solicitation Process

Tacora Resources Inc. ("**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. Tacora currently sells 100% of the iron ore concentrate production of the Scully Mine, an iron ore concentrate mine located near Wabush, Newfoundland and Labrador, Canada (the "**Scully Mine**"), pursuant to the Offtake Agreement with Cargill.

On October 10, 2023, Tacora commenced proceedings (the "**CCAA Proceedings**") under the *Companies' Creditors Arrangement Act* (Canada) (the "**CCAA**") before the Ontario Superior Court of Justice (Commercial List) in the City of Toronto (the "**Court**") pursuant to an order granted by the Court on the same day (as may be amended or amended and restated from time to time, the "**Initial Order**").

Pursuant to the Initial Order, FTI Consulting Canada Inc., a licensed insolvency trustee, was appointed as monitor in the CCAA Proceedings (in such capacity, the "**Monitor**"). Greenhill & Co. Canada Ltd. (the "**Financial Advisor**") is acting as Tacora's financial advisor and investment banker.

On October 30, 2023, the Court granted an order (the "**Solicitation Order**"), authorizing Tacora to undertake a sale, investment and services solicitation process (the "**Solicitation Process**") to solicit offers or proposals for a sale, restructuring or recapitalization transaction in respect of Tacora's assets (the "**Property**") and business operations (the "**Business**"). The Solicitation Process will be conducted by the Financial Advisor with the Monitor in the manner set forth in these procedures (the "**Solicitation Procedures**").

Defined Terms

1. Capitalized terms used in these Solicitation Procedures and not otherwise defined herein have the meanings given to them in Appendix "A".

Solicitation Procedures

Opportunity

2. The Solicitation Process is intended to solicit interest in, and opportunities for: (a) a sale of all, substantially all, or certain portions of the Property or the Business; or (b) an investment in, restructuring, recapitalization, refinancing or other form of reorganization of Tacora or its Business as a going concern, or a combination thereof (the "**Transaction Opportunity**").

3. The Solicitation Process will also provide the ability for interested parties to investigate and conduct due diligence regarding an opportunity to arrange an offtake, service or other agreement in respect of the Business (the "**Offtake Opportunity**" and together with the Transaction Opportunity, the "**Opportunity**")).

General

4. The Solicitation Procedures describe the manner in which prospective bidders may

gain access to due diligence materials concerning Tacora, the Business and the Property, the manner in which interested parties may participate in the Solicitation Process, the requirements of and the receipt and negotiation of Bids received, the ultimate selection of a Successful Bidder and the requisite approvals to be sought from the Court in connection therewith.

5. Tacora, in consultation with the Monitor and the Financial Advisor, may at any time and from time to time, modify, amend, vary or supplement the Solicitation Procedures, without the need for obtaining an order of the Court or providing notice to Phase 1 Bidders, Phase 2 Bidders, the Successful Bidder and the Back-Up Bidder, provided that the Financial Advisor and the Monitor determine that such modification, amendment, variation or supplement is expressly limited to changes that do not materially alter, amend or prejudice the rights of such bidders and that are necessary or useful in order to give effect to the substance of the Solicitation, the Solicitation Procedures and the Solicitation Order.

6. Except as set forth in these Solicitation Procedures, nothing in this Solicitation Process shall prohibit a secured creditor of Tacora (a) from participating as a bidder in the Solicitation Process, or (b) committing to Bid its secured debt, including a credit bid of some or all of its outstanding indebtedness under any loan facility (inclusive of interest and other amounts payable under any loan agreement to and including the date of closing of a definitive transaction) owing to such party in the Solicitation Process.

7. Tacora, in consultation with the Financial Advisor and the Monitor, shall have complete discretion with respect to the provision of any information to any party or any consultation rights in connection with the Solicitation Process, provided that, no information regarding any Bids received shall be provided to any stakeholder of Tacora or their respective advisors, provided further that, the Monitor may (but is not required to) share Bids with advisors to the Ad Hoc Group and/or Cargill following the Phase 2 Bid Deadline on such terms and conditions they may deem appropriate, if (a) in the case of the Ad Hoc Group, each member of the Ad Hoc Group, other noteholders and the trustee on behalf of noteholders and their affiliates and related parties have not participated in any Bid, including as a Financing Party; and (b) in the case of Cargill, Cargill and its affiliates and related parties have not participated in any Bid, including as a Financing Party.

8. Notwithstanding anything to the contrary in these Solicitation Procedures, Tacora and the Financial Advisor, in consultation with the Monitor, may attempt to negotiate a stalking horse bid (a "**Stalking Horse Bid**") prior to the Phase 1 Bid Deadline to provide certainty for Tacora and the Property/Business during the Solicitation Process. If Tacora, with the approval of the Monitor, determines that it is appropriate to utilize a Stalking Horse Bid, such Stalking Horse Bid shall be subject to approval by the Court and Tacora shall bring a motion before the Court on notice to the service list in these CCAA Proceedings seeking approval to use the Stalking Horse Bid as a "stalking horse" in the Solicitation Process, together with approval of any necessary consequential amendments to these Solicitation Procedures. All interested parties that have executed an NDA in connection with this Solicitation Process shall be promptly informed of any such motion, Court approval for the use of the Stalking Horse Bid and any related amendments to these Solicitation Procedures. The terms of any Stalking Horse Bid must, at a minimum, meet all requirements under these Solicitation Procedures, including, for greater certainty, the criteria applicable to a Phase 2

Qualified Bid (which must provide for payment in cash of all obligations (unless the DIP Lender agrees otherwise) owing under the DIP Agreement in full).

Timeline

9. The following table sets out the key milestones under this Solicitation Process, which may be extended from time to time by Tacora, in consultation with the Financial Advisor and with the consent of the Monitor, in accordance with the Solicitation Process:

Event	Timing
Phase 1	
1. Notice Monitor to publish a notice of the Solicitation Process on the Monitor's Website Financial Advisor / Tacora to publish notice of the Solicitation Process in industry trade publications, as determined appropriate Financial Advisor to distribute Teaser Letter and NDA (if requested) to potentially interested parties	No later than five (5) days following issuance of the Solicitation Order.
2. Phase 1 - Access to VDR Phase 1 Bidders provided access to the VDR, subject to execution of appropriate NDAs	October 30, 2023 to December 1, 2023
3. Phase 1 Bid Deadline Deadline for Phase 1 Bidders to submit non-binding LOIs in accordance with the requirements of section 23	By no later than December 1, 2023 at 12:00 p.m. (Eastern Time)
4. Notification of Phase 1 Qualified Bid Deadline to notify a Phase 1 Bidder whether it has been designated as a Phase 2 Bidder invited to participate in Phase 2	By no later than December 6, 2023, at 12:00 p.m. (Eastern Time)
Phase 2	
5. Phase 2 Bid Deadline Phase 2 Bid Deadline (for delivery of definitive offers by Phase 2 Qualified Bidders in accordance with the requirements of section 34)	By no later than January 19, 2024, at 12:00 p.m. (Eastern Time)

6. Definitive Documentation Deadline for completion of definitive documentation in respect of a Successful Bid and filing of the Approval Motion	By no later than February 2, 2024
7. Approval Motion Hearing of Approval Motion in respect of Successful Bid (subject to Court availability)	Week of February 5, 2024
8. Outside Date – Closing Outside Date by which the Successful Bid must close	February 23, 2024 (subject to customary conditions related to necessary and required regulatory approvals acceptable to Tacora, in consultation with the Financial Advisor and the Monitor, in their sole discretion)

Solicitation of Interest

10. As soon as reasonably practicable, but, in any event, by no later than five (5) days after the granting of the Solicitation Order:

    (a) the Financial Advisor, in consultation with the Monitor and Tacora, will prepare a list of potential bidders, including (i) parties that have approached Tacora, the Financial Advisor, or the Monitor indicating an interest in the Opportunity, (ii) parties suggested by Tacora's secured creditors or their advisors, (iii) local and international strategic and financial parties, including offtakers and streamers, who the Financial Advisor, in consultation with Tacora and the Monitor, believes may be interested in the Opportunity; (iv) Cargill and the Ad Hoc Group; and (v) parties that showed an interest in Tacora and/or its assets prior to the date of the Solicitation Order including by way of the previous, out-of-court strategic review process, in each case whether or not such party has submitted a letter of intent or similar document (collectively, the "**Potential Bidders**");

    (b) a notice of the Solicitation and any other relevant information that the Monitor considers appropriate regarding the Solicitation Process, in consultation with Tacora and the Financial Advisor, will be published by the Monitor on the Monitor's Website;

    (c) a notice of the Solicitation Process and any other relevant information that the Financial Advisor, in consultation with Tacora and the Monitor, considers appropriate may be published by the Financial Advisor in one or more trade industry and/or insolvency-related publications as may be considered appropriate by the Financial Advisor; and

    (d) the Financial Advisor, in consultation with Tacora and the Monitor, will prepare (i) a process summary (the "**Teaser Letter**") describing the Opportunity, outlining the process under the Solicitation Process and inviting recipients of the Teaser Letter to express their interest pursuant to the Solicitation Process;

and (ii) a form of non-disclosure agreement in form and substance satisfactory to the Financial Advisor, Tacora, the Monitor, and their respective counsel (an "**NDA**").

11. The Financial Advisor will cause the Teaser Letter to be sent to each Potential Bidder by no later than five (5) days after the Solicitation Order and to any other party who requests a copy of the Teaser Letter or who is identified to the Financial Advisor or the Monitor as a potential bidder as soon as reasonably practicable after such request or identification, as applicable. A copy of the NDA will be provided to any Potential Bidder that requests a copy of same.

Phase 1: Non-Binding LOIs

Phase 1 Due Diligence

12. In order to participate in the Solicitation Process, and prior to the distribution of any confidential information, a Potential Bidder (each Potential Bidder interested in the Transaction Opportunity who has executed an NDA with Tacora, a "**Phase 1 Bidder**") must deliver to the Financial Advisor an executed NDA (with a copy to the Monitor).

13. Notwithstanding any other provision of this Solicitation Process, prior to Tacora executing an NDA with any Potential Bidder, Tacora, in consultation with the Financial Advisor and the Monitor, may require evidence reasonably satisfactory to Tacora, in consultation with the Financial Advisor and the Monitor, of the financial wherewithal of the Potential Bidder to complete on a timely basis a transaction in respect of the Opportunity (either with existing capital or with capital reasonably anticipated to be raised prior to closing) and/or to disclose details of their ownership and/or investors.

14. A confidential virtual data room (the "**VDR**") in relation to the Opportunity will be made available by Tacora to Phase 1 Bidders and Financing Parties (including those interested in the Offtake Opportunity) that have executed the NDA in accordance with Section 12 as soon as practicable. Following the completion of "Phase 1", but prior to the completion of "Phase 2", additional information may be added to the VDR to enable Phase 2 Qualified Bidders to complete any confirmatory due diligence in respect of Tacora and the Opportunity. The Financial Advisor, in consultation with Tacora and the Monitor, may establish or cause Tacora to establish separate VDRs (including "clean rooms"), if Tacora reasonably determines that doing so would further Tacora's and any Phase 1 Bidder's compliance with applicable antitrust and competition laws, would prevent the distribution of commercially sensitive competitive information, or to protect the integrity of the Solicitation Process and Tacora's restructuring process generally. Tacora may also, in consultation with the Financial Advisor and the Monitor, limit the access of any Phase 1 Bidder to any confidential information in the VDR where Tacora may also, in consultation with the Financial Advisor and the Monitor, reasonably determine that such access could negatively impact the Solicitation Process, the ability to maintain the confidentiality of the information, the Business or its value.

15. Tacora, in consultation with the Financial Advisor and the Monitor, may (but is not required to) provide management presentations to Phase 1 Bidders. Any communications between Phase 1 Bidders and management of Tacora shall be supervised by representatives of the Financial Advisor and the Monitor, provided that such discussions shall remain confidential and shall not be disclosed without the

consent of the parties to the discussion. In connection with the foregoing, the Financial Advisor and the Monitor shall continue to have duties to the Court to ensure that the Solicitation Process proceeds in a manner that complies with the CCAA and the terms of the Solicitation Process. The provisions of this section are subject to further order of the Court.

16. The Financial Advisor, Tacora, the Monitor, and their respective employees, officers, directors, agents, other representatives and their respective advisors make no representation, warranty, condition or guarantee of any kind, nature or description as to the information contained in the VDR or made available in connection with the Solicitation Process. All Phase 1 Bidders (and Financing Parties) must rely solely on their own independent review, investigation and/or inspection of all information and of the Property and Business in connection with their participation in the Solicitation Process.

Communication Protocol

17. Each Phase 1 Bidder and Financing Party is prohibited from communicating with any Potential Bidder or another Phase 1 Bidder or Financing Party and their respective affiliates and their legal and financial advisors regarding the Opportunity during the term of the Solicitation Process, without the consent of the Financial Advisor and the Monitor, except as provided in these Solicitation Procedures. Notwithstanding the terms of any NDA entered into by a Phase 1 Bidder or Financing Party, all Phase 1 Bidders and Financing Parties shall comply with these Solicitation Procedures.

18. Any party interested in providing debt financing (a "**Debt Financing Party**"), equity financing (an "**Equity Financing Party**") or financing through an offtake or similar agreement (including a stream or royalty agreement) in respect of the Offtake Opportunity (an "**Offtake Financing Party**" and together with Debt Financing Parties, Equity Financing Parties, the "**Financing Parties**" and each, a "**Financing Party**") shall execute a NDA with Tacora or a joinder to a NDA with the Phase 1 Bidder which the Financing Party is interested in providing financing to, prior to receiving distribution of any confidential information.

19. Each Debt Financing Party must indicate to the Financial Advisor and the Monitor whether such Debt Financing Party is acting exclusively with a Phase 1 Bidder or conducting due diligence with the expectation of providing potential debt financing to potentially multiple Phase 1 Bidders. If a Debt Financing Party is acting exclusively with a Phase 1 Bidder, the Debt Financing Party may communicate with such Phase 1 Bidder but shall not communicate with another Phase 1 Bidder and their respective affiliates and their legal and financial advisors regarding the Opportunity during the term of the Solicitation Process. If the Debt Financing Party is not acting exclusively with a Phase 1 Bidder, the Debt Financing Party may communicate with multiple Phase 1 Bidders, provided that Debt Financing Party confirms in writing to the Financial Advisor and the Monitor that the Debt Financing Party has appropriate internal controls and processes to ensure information related to Bids or potential Bids (including the identity of Potential Bidders and/or Phase 1 Bidders) is not shared with multiple Phase 1 Bidders.

20. Each Offtake Financing Party must indicate to the Financial Advisor and the Monitor whether such Offtake Financing Party is acting exclusively with a Phase 1 Bidder or

conducting due diligence with the expectation of providing potential financing through an offtake or similar agreement (including a stream or royalty agreement) to potentially multiple Phase 1 Bidders. If an Offtake Financing Party is acting exclusively with a Phase 1 Bidder, the Offtake Financing Party may communicate with such Phase 1 Bidder but shall not communicate with another Phase 1 Bidder and their respective affiliates and their legal and financial advisors regarding the Opportunity during the term of the Solicitation Process. If an Offtake Financing Party is not acting exclusively with a Phase 1 Bidder, the Offtake Financing Party shall submit an Offtake IOI and may communicate with Phase 1 Bidders with the consent of the Financial Advisor and the Monitor on such terms and conditions as the Financial Advisor and the Monitor deem appropriate.

21. Each Equity Financing Party must indicate to the Financial Advisor and the Monitor whether such Equity Financing Party is acting exclusively with a Phase 1 Bidder or conducting due diligence with the expectation of providing potential equity financing to potentially multiple Phase 1 Bidders. If an Equity Financing Party is acting exclusively with a Phase 1 Bidder, the Equity Financing Party may communicate with such Phase 1 Bidder but shall not communicate with another Phase 1 Bidder and their respective affiliates and their legal and financial advisors regarding the Opportunity during the term of the Solicitation Process. If an Equity Financing Party is not acting exclusively with a Phase 1 Bidder, the Equity Financing Party shall submit an Equity Financing IOI and may communicate with Phase 1 Bidders with the consent of the Financial Advisor and the Monitor on such terms and conditions as the Financial Advisor and the Monitor deem appropriate.

Phase 1 Bids

22. If a Phase 1 Bidder wishes to submit a bid in respect of the Transaction Opportunity (a "**Bid**"), it must deliver a non-binding letter of intent (an "**LOI**") (each such LOI, in accordance with section 23 below, a "**Phase 1 Qualified Bid**") to the Financial Advisor (including by email) with a copy to the Monitor (including by email) so as to be received by the Financial Advisor not later than 12:00 p.m. (Eastern Time) on December 1, 2023, or such other date or time as may be agreed by Tacora, in consultation with the Financial Advisor, and with the consent of the Monitor (the "**Phase 1 Bid Deadline**").

23. An LOI submitted by a Phase 1 Bidder will only be considered a Phase 1 Qualified Bid if the LOI complies at a minimum with the following:

    (a) it has been duly executed by all required parties;

    (b) it is received by the Phase 1 Bid Deadline;

    (c) it clearly indicates that:

        (i) the Phase 1 Bidder is (A) seeking to acquire all or substantially all of the Property or Business, whether through an asset purchase, a share purchase or a combination thereof (either one, a "**Sale Proposal**"); or (B) offering to make an investment in, restructure, recapitalize or refinance Tacora or the Business (a "**Recapitalization Proposal**").

    (d) in the case of a Sale Proposal, the Bid includes:

(i) the purchase price or price range and key assumptions supporting the valuation and the anticipated amount of cash payable on closing of the proposed transaction;

(ii) details regarding any consideration which is not cash;

(iii) any contemplated purchase price adjustment;

(iv) a specific indication of the expected structure and financing of the transaction (including, but not limited to the sources of financing to fund the acquisition);

(v) a description of the Property that is subject to the transaction and any of the Property expected to be excluded;

(vi) a description of those liabilities and obligations (including operating liabilities and obligations to employees) which the Phase 1 Bidder intends to assume and those liabilities and obligations it does not intend to assume and are to be excluded as part of the transaction, and shall specifically identify whether the Phase 1 Bidder intends to assume or maintain the existing Offtake Agreement on its existing terms or any proposed amendments, and if not, whether the Phase 1 Bidder anticipates requiring to be paired with a Financing Party interested in the Offtake Opportunity in connection with their proposed Bid;

(vii) information sufficient for Tacora, in consultation with the Financial Advisor and the Monitor, to determine that the Phase 1 Bidder has sufficient financial ability to complete the transaction contemplated by the Sale Proposal;

(viii) a description of the Phase 1 Bidder's intentions for the Business, including any plans or conditions related to Tacora's management and employees;

(ix) an outline of any additional due diligence required to be conducted in order to submit a final and binding offer; and

(x) any other terms or conditions of the Sale Proposal that the Phase 1 Bidder believes are material to the transaction.

(e) in the case of a Recapitalization Proposal, the Bid includes:

(i) a description of how the Phase 1 Bidder proposes to structure and finance the proposed investment, restructuring, recapitalization or refinancing (including, but not limited to the sources of financing to fund the transaction);

(ii) the aggregate amount of the equity and/or debt investment to be made in Tacora or its Business;

(iii) details on the permitted use of proceeds;

(iv) a description of those liabilities and obligations (including operating liabilities and obligations to employees) which the Phase 1 Bidder intends to assume and those liabilities and obligations it does not intend to assume and are to be excluded as part of the transaction, and shall specifically identify whether the Phase 1 Bidder intends to assume or maintain the existing Offtake Agreement on its existing terms or any proposed amendments and if not, whether the Phase 1 Bidder anticipates requiring to be paired with a Financing Party interested in the Offtake Opportunity in connection with their proposed Bid;

(v) information sufficient for Tacora, in consultation with the Financial Advisor and the Monitor, to determine that the Phase 1 Bidder has sufficient ability to complete the transaction contemplated by the Recapitalization Proposal;

(vi) the underlying assumptions regarding the pro forma capital structure;

(vii) a description of the Phase 1 Bidder's intentions for the Business, including any plans or conditions related to Tacora's management and employees;

(viii) the equity, if any, to be allocated to the secured creditors, unsecured creditors, shareholders and/or any other stakeholder of Tacora;

(ix) an outline of any additional due diligence required to be conducted in order to submit a final and binding offer; and

(x) any other terms or conditions of the Recapitalization Proposal which the Phase 1 Bidder believes are material to the transaction.

(f) it provides written evidence, satisfactory to Tacora, in consultation with the Financial Advisor and the Monitor, of its ability to consummate the transaction within the timeframe contemplated by these Solicitation Procedures and to satisfy any obligations or liabilities to be assumed on closing of the transaction, including, without limitation, a specific indication of the sources of capital and, to the extent that the Phase 1 Bidder expects to finance any portion of the purchase price, the identity of the financing source and the steps necessary and associated timing to obtain the capital;

(g) it provides any relevant details of the previous investments or acquisitions, or any other experience a Phase 1 Bidder in the mining industry, including the date, nature of the investment, amount invested, geography and any other relevant information related to such investment;

(h) it identifies all proposed material conditions to closing including, without limitation, any internal, regulatory or other approvals and any form of consent, agreement or other document required from a government body, stakeholder or other third party, and an estimate of the anticipated timeframe and any anticipated impediments for obtaining such conditions, along with information sufficient for Tacora, in consultation with the Financial Advisor, and the Monitor, to determine that these conditions are reasonable in relation to the Phase 1

Bidder;

(i) it includes a statement disclosing any connections or agreements between the Phase 1 Bidder, on the one hand, and Tacora, its shareholders, creditors and affiliates and all of their respective directors and officers and/or any other known Phase 1 Bidder, on the other hand;

(j) it includes an acknowledgement that any Sale Proposal and/or Recapitalization Proposal is made on an "as-is, where-is" basis; and

(k) it contains such other information as may be reasonably requested by Tacora, in consultation with the Financial Advisor and the Monitor.

Assessment of Phase 1 Bids

24. Following the Phase 1 Bid Deadline, Tacora, in consultation with the Financial Advisor and the Monitor, will assess the LOIs received by the Phase 1 Bid Deadline and determine whether such LOIs constitute Phase 1 Qualified Bids.

25. Tacora, in consultation with the Financial Advisor and the Monitor, may following the receipt of any LOI, seek clarification with respect to any of the terms or conditions of such LOI and/or request and negotiate one or more amendments to such LOI prior to determining if the LOI should be considered a Phase 1 Qualified Bid.

26. Tacora, in consultation with the Financial Advisor, and with the consent of the Monitor, may (a) waive compliance with any one or more of the requirements specified above and deem such non-compliant bid to be a Phase 1 Qualified Bid; or (b) reject any LOI if it is determined that such Bid does not constitute a Phase 1 Qualified Bid, is otherwise inadequate or insufficient, or is otherwise contrary to the best interests of Tacora and its creditors and other stakeholders.

Financing Opportunity

27. To assist the Financial Advisor and the Monitor in making a determination of whether to introduce any Offtake Financing Party interested in the Offtake Opportunity to any Phase 1 Bidders, such parties may provide the Financial Advisor and the Monitor, prior to the Phase 1 Bid Deadline, an indication of interest in respect of the Offtake Opportunity (an "**Offtake IOI**"), which includes:

(a) the product to be purchased from Tacora and any required specifications;

(b) the term of the contract, including all options to extend;

(c) the committed volume of product to be purchased, including market price and hedged price (if applicable);

(d) product pricing terms, including price indices to be used, premiums, hedging terms (if any);

(e) delivery and payment terms, including delivery point for product;

(f) other services that the Phase 1 Bidder anticipates providing to Tacora, including

any working capital financing;

(g) any proposed capital investment by the bidder and the form of such investment, including the criteria set forth in Sections 23(e)(ii), (iii) and (ix); and

(h) an outline of any additional due diligence required to be conducted in order to submit a final and binding offer.

28. To assist the Financial Advisor and the Monitor in making a determination of whether to introduce any Equity Financing Party interested in the Opportunity to any Phase 1 Bidders, such parties may provide the Financial Advisor and the Monitor, prior to the Phase 1 Bid Deadline, an indication of interest in respect of the Opportunity (an "**Equity Financing IOI**"), which includes:

(a) a description of how the Equity Financing Party proposes to structure and finance the proposed investment (including, but not limited to the sources of financing to fund the transaction);

(b) the aggregate amount of the equity investment to be made in Tacora or its Business;

(c) details on the permitted use of proceeds;

(d) the underlying assumptions regarding the pro forma capital structure; and

(e) an outline of any additional due diligence required to be conducted in order to commit to providing financing.

Selection of Phase 2 Bidders

29. The Financial Advisor shall notify each Phase 1 Bidder in writing as to whether the Phase 1 Bidder has been determined to be permitted to proceed to Phase 2 (each a "**Phase 2 Bidder**") by no later than December 6, 2023, at 12:00 p.m. (Eastern Time) or such other date or time as may be agreed by Tacora, in consultation with the Financial Advisor, and with the consent of the Monitor.

Phase 2 – Formal Binding Offers

Phase 2 Due Diligence

30. Each Phase 2 Bidder shall be invited to participate in on-site tours and inspections at the Scully Mine (within reason and not at the expense of Tacora maintaining "business as usual" operations, and at the sole cost and expense of such bidder).

31. Tacora, in consultation with the Financial Advisor and the Monitor, shall allow each Phase 2 Bidder such further access to due diligence materials and information relating to the Property and Business as they deem appropriate in their reasonable business judgment and subject to competitive and other business considerations.

32. Phase 2 Bidders shall have the opportunity (if requested by such party) to meet with management of Tacora. Any communications or meetings between Phase 2 Bidders and management of Tacora shall be supervised by representatives of the Financial

Advisor and the Monitor, provided that the discussions shall remain confidential and shall not be disclosed without the consent of the parties to the discussion. In connection with the foregoing, the Financial Advisor and the Monitor shall continue to have duties to the Court to ensure that the Solicitation Process proceeds in a manner that complies with the CCAA and the terms of these Solicitation Procedures. The provisions of this section are subject to further order of the Court.

33. Each Phase 2 Bidder will be prohibited from communicating with any other Phase 2 Bidder and their respective affiliates and their legal and financial advisors regarding the Transaction Opportunity during the term of the Solicitation Process, without the consent of Tacora and the Monitor, in consultation with the Financial Advisor. Such communications shall only occur on such terms as Tacora, the Financial Advisor and the Monitor may determine.

Phase 2 Bids

34. A Phase 2 Bidder that wishes to make a definitive transaction proposal (a "**Phase 2 Bid**") shall submit a binding offer that complies with all of the following requirements to the Financial Advisor (including by email) with a copy to the Monitor (including by email) so as to be received by the Financial Advisor not later than 12:00 p.m. (Eastern Time) on January 19, 2024, or such later date determined by Tacora, in consultation with the Financial Advisor and with the consent of the Monitor (the "**Phase 2 Bid Deadline**"). Such Phase 2 Bid shall be a "**Phase 2 Qualified Bid**" if it meets all of the following criteria:

(a) it is received by the Phase 2 Bid Deadline;

(b) the Bid complies with all of the requirements set forth in respect of Phase 1 Qualified Bids other than the requirements set out in Sections 23(b) and 23(d)(ix) herein;

(c) the Bid is binding and includes a letter confirming that the Phase 2 Bid is irrevocable until the selection of the Successful Bidder and the Back-Up Bidder, if any, provided that if such Phase 2 Bidder is selected as the Successful Bidder or the Back-Up Bidder, its offer shall remain irrevocable until the earlier of (a) completion of the transaction with the Successful Bidder, and (b) February 23, 2024, subject to further extensions as may be agreed to under the applicable transaction agreement(s), with the consent of the Monitor;

(d) the Bid is in the form of duly authorized and executed transaction agreements, and in the case of:

(i) a Sale Proposal, the Bid includes an executed share or asset purchase agreement, including all exhibits and schedules contemplated thereby (other than exhibits and schedules that by their nature must be prepared by Tacora), together with a blackline to any model documents provided by Tacora during the Solicitation Process; and

(ii) a Recapitalization Proposal, the Bid includes the draft transaction documents contemplated to effect the Recapitalization Proposal, including all exhibits and schedules contemplated thereby (other than

exhibits and schedules that by their nature must be prepared by Tacora), together with a blackline to any model documents provided by Tacora during the Solicitation Process;.

(e) the Bid includes written evidence of a firm commitment for financing or other evidence of ability to consummate the proposed transaction satisfactory to Tacora, in consultation with the Financial Advisor and the Monitor;

(f) the Bid is not subject to the outcome of unperformed due diligence, internal approval(s) or contingency financing;

(g) any conditions to closing or required approvals, including any agreements or approvals with unions, regulators or other stakeholders, the anticipated time frame and any anticipated impediments for obtaining such approvals are set forth in detail, such that Tacora, the Financial Advisor and the Monitor, can assess the risk to closing associated with any such conditions or approvals;

(h) the Bid fully discloses the identity of each entity that will be entering into the transaction or the financing (including through the issuance of equity and/or debt in connection with such Bid and whether such party is assuming the Offtake Agreement on its existing terms, assuming the Offtake Agreement with amendments agreed to by Cargill or entering into an offtake or similar agreement with another party in connection with the Bid), or that is sponsoring, participating or benefiting from such Bid, and such disclosure shall include, without limitation: (i) in the case of a Phase 2 Bidder formed for the purposes of entering into the proposed transaction, the identity of each of the actual or proposed direct or indirect equity holders of such Phase 2 Bidder and the terms and participation percentage of such equity holder's interest in such Bid; and (ii) the identity of each entity that has or will receive a benefit from such Bid from or through the Phase 2 Bidder or any of its equity holders and the terms of such benefit;

(i) the Bid provides a detailed timeline to closing with critical milestones;

(j) the Bid is accompanied by a non-refundable good faith cash deposit (the "**Deposit**"), equal to 10% of the total cash component of the purchase price or investment contemplated under the Phase 2 Bid which shall be paid to the Monitor and held in trust pursuant to Section 44 hereof until the earlier of (i) closing of the Successful Bid or Back-Up Bid, as applicable; and (ii) rejection of the Phase 2 Bid pursuant to Section 43; and

(k) The Bid includes acknowledgements and representations of the Phase 2 Bidder that: (i) it had an opportunity to conduct any and all due diligence desired regarding the Property, Business and Tacora prior to making its offer; (ii) it has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Property in making its Bid; and (iii) it did not rely upon any written or oral statements, representations, warranties, or guarantees whatsoever, whether express, implied, statutory or otherwise, regarding the Business, Property or Tacora or the completeness of any information provided in connection therewith, except to the extent otherwise provided under any definitive transaction agreement executed by Tacora.

Assessment of Phase 2 Bids

35. Following the Phase 2 Bid Deadline, Tacora in consultation with the Financial Advisor and the Monitor, will assess the Phase 2 Bids received by the Phase 2 Bid Deadline and determine whether such Bids constitute Phase 2 Qualified Bids.

36. Tacora, in consultation with the Financial Advisor, and with the consent of the Monitor, may waive strict compliance with any one or more of the requirements specified above and deem such non-compliant Bid to be a Phase 2 Qualified Bid.

37. Phase 2 Bids may not be modified, amended, or withdrawn after the Phase 2 Bid Deadline without the written consent of Tacora, in consultation with the Financial Advisor and with the consent of the Monitor, except for proposed amendments to increase the purchase price or otherwise improve the terms of the Phase 2 Bid for Tacora,its creditors and other stakeholders.

38. Tacora, in consultation with the Financial Advisor and with the consent of the Monitor, may reject any Phase 2 Bid if it is determined that such Bid does not constitute a Phase 2 Qualified Bid, is otherwise inadequate or insufficient, or is otherwise contrary to the best interest of Tacora and its creditors and other stakeholders.

Evaluation of Qualified Bids and Subsequent Actions

39. Following the Phase 2 Bid Deadline, Tacora, the Financial Advisor and the Monitor will review the Phase 2 Qualified Bids. In performing such review and assessment, the Financial Advisor, Tacora, and the Monitor may evaluate the following non-exhaustive list of considerations: (a) the purchase price and net value (including assumed liabilities and other obligations to be performed by the Phase 2 Bidder); (b) the firm, irrevocable commitment for financing of the transaction; (c) the claims likely to be created by such Bid in relation to other Bids; (d) the counterparties to the transaction; (e) the terms of transaction documents; (f) the closing conditions and other factors affecting the speed, certainty and value of the transaction; (g) planned treatment of stakeholders, including employees; (h) the assets included or excluded from the Bid; (i) any restructuring costs that would arise from the Bid; (j) the likelihood and timing of consummating the transaction; (k) the capital sufficient to implement post-closing measures and transactions; and (l) any other factors that the Financial Advisor, Tacora, and Monitor may deem relevant in their sole discretion.

40. Following evaluation of the Phase 2 Qualified Bids, Tacora may, in consultation with the Financial Advisor and the Monitor, undertake one or more of the following steps:

    (a) accept one of the Phase 2 Qualified Bids (the "**Successful Bid**" and the offeror making such Successful Bid the "**Successful Bidder**") and take such steps as may be necessary to finalize definitive transaction documents for the Successful Bid with Successful Bidder;

    (b) continue negotiations with Phase 2 Bidders who have submitted a Phase 2 Qualified Bids with a view to finalizing acceptable terms with one or more of Bidders that submitted Phase 2 Qualified Bids; or

(c) schedule an auction with all Bidders that submitted Phase 2 Qualified Bids to determine the Successful Bid in accordance with auction procedures determined by the Financial Advisor and the Monitor, in consultation with Cargill and the Ad Hoc Group, provided they or any of their members are not Bidders that submitted Phase 2 Qualified Bids, which procedures shall be provided to all Bidders that submitted Phase 2 Qualified Bids at least four (4) Business Days prior to an auction.

41. Tacora, in consultation with the Financial Advisor and the Monitor, may select the next highest or otherwise best Phase 2 Qualified Bid which is a Sale Proposal or Recapitalization Proposal to be a back-up bid (the "**Back-Up Bid**" and such bidder, the "**Back-Up Bidder**"). For greater certainty, Tacora shall not be required to select a Back-Up Bid.

42. If a Successful Bidder fails to consummate the Successful Bid for any reason, then the Back-Up Bid will be deemed to be the Successful Bid and Tacora will proceed with the transaction pursuant to the terms of the Back-Up Transaction Bid. Any Back-Up Bid shall remain open for acceptance until the completion of the transaction with the Successful Bidder.

43. All Phase 2 Qualified Bids (other than the Successful Bid and the Back-Up Bid, if applicable) shall be deemed rejected by Tacora on and as of the date of the execution of the definitive documents contemplated by the Successful Bid by Tacora.

44. All Deposits will be retained by the Monitor and deposited in a trust account. The Deposit (without interest thereon) paid by the Successful Bidder and Back-Up Bidder whose bid(s) is/are approved at the Approval Motion will be applied to the purchase price to be paid or investment amount to be made by the Successful Bidder and/or Back-Up Bidder, as applicable upon closing of the approved transaction and will be non-refundable, other than in the circumstances set out in the Successful Bid or the Back-Up Bid, as applicable. The Deposits (without interest) of Qualified Bidders not selected as the Successful Bidder and Back-Up Bidder will be returned to such bidders within five (5) Business Days after the selection of the Successful Bidder and Back-Up Bidder or any earlier date as may be determined by the Monitor, in consultation with the Financial Advisor and Tacora. The Deposit of the Back-Up Bidder, if any, shall be returned to such Back-Up Bidder no later than five (5) Business Days after closing of the transaction contemplated by the Successful Bid .

45. If a Successful Bidder or Back-Up Bidder breaches its obligations under the terms of the Solicitation Process, its Deposit shall be forfeited as liquidated damages and not as a penalty, without limiting any other claims or actions that Tacora may have against such Successful Bidder or Back-Up Bidder and/or their affiliates.

46. If no Phase 2 Qualified Bids are received by the Phase 2 Bid Deadline, the Solicitation Process shall automatically terminate.

Approval Motion

47. Prior to the Approval Motion, the Monitor shall provide a report to the Court providing information on the process and including its recommendation in connection with the relief sought at the Approval Motion. At the Approval Motion, Tacora shall seek the Approval Order.

48. The consummation of the transaction contemplated by the Successful Bid, or the Back-Up Bid if the Successful Bid does not close, will not occur unless and until the Approval Order is granted.

"As Is, Where Is"

49. Any sale of the Business and/or Property or any investment in Tacora or its Business will be on an "as is, where is" basis and without surviving representations or warranties of any kind, nature, or description by the Financial Advisor, Tacora, or Monitor, or their advisors or agents, except to the extent otherwise provided under any definitive sale or investment agreement with the Successful Bidder executed by Tacora. None of the Financial Advisor, Tacora, or Monitor, or their advisors or agents, including the Financial Advisor, make any representation or warranty as to the information contained in the Teaser Letter, any management presentation or the VDR, except to the extent otherwise provided under any definitive sale or investment agreement with the Successful Bidder executed by Tacora. Each Phase 2 Bidder is deemed to acknowledge and represent that: (a) it has had an opportunity to conduct any and all due diligence regarding the Business and Property prior to making its Phase 2 Bid; (b) it has relied solely on its own independent review, investigation, and/or inspection of any documents and/or the Business and Property in making its Bid; and (c) it did not rely on any written or oral statements, representations, promises, warranties, conditions or guaranties whatsoever, whether express, implied, by operation of law or otherwise, regarding the Business and Property, or the completeness of any information provided in connection therewith, except to the extent otherwise provided under any definitive sale or investment agreement executed by Tacora.

No Entitlement to Expense Reimbursement or Other Amounts

50. Phase 1 Bidders and Phase 2 Bidders shall not be entitled to any breakup fee, termination fee, expense reimbursement, or similar type of payment or reimbursement.

Jurisdiction

51. Upon submitting an LOI or a Phase 2 Bid, the Phase 1 Bidder or the Phase 2 Bidder, as applicable, shall be deemed to have submitted to the exclusive jurisdiction of the Court with respect to all matters relating to the Solicitation Process and the terms and conditions of these Solicitation Procedures, any Sale Proposal or Recapitalization Proposal.

52. For the avoidance of doubt, the approvals required pursuant to the terms hereof are in addition to, and not in substitution for, any other approvals required by the CCAA or any other statute or as otherwise required at law in order to implement a Successful Bid.

53. Neither Tacora, the Financial Advisor nor the Monitor shall be liable for any claim for a brokerage commission, finder's fee or like payment in respect of the consummation of any of the transactions contemplated under the Solicitation Process arising out of any agreement or arrangement entered into by the parties that submitted the Successful Bid and Back-Up Bid.

54. The Monitor shall supervise the Solicitation Process as outlined herein. In the event that there is disagreement or clarification is required as to the interpretation or application of this Solicitation Process the responsibilities of the Monitor, the Financial Advisor or Tacora hereunder, the Court will have jurisdiction to hear such matter and provide advice and directions, upon application of the Monitor or Tacora or any other interested party with a hearing which shall be scheduled on not less than three (3) Business Days' notice.

APPENDIX A

DEFINED TERMS

(a) "**Ad Hoc Group**" means the ad hoc group of holders of the Senior Notes and Senior Priority Notes issued by Tacora.

(b) "**Approval Motion**" means the motion seeking approval by the Court of the Successful Bid with the Successful Bidder, and if applicable, any Back-Up Bid if the Successful Bid is not consummated.

(c) "**Approval Order**" means an order of the Court approving, among other things, if applicable the Successful Bid and the consummation thereof, and if applicable, any Back-Up Bid if the Successful Bid is not consummated;

(d) "**Back-Up Bid**" shall have the meaning attributed to it in Section 41;

(e) "**Back-Up Bidder**" shall have the meaning attributed to it in Section 41;

(f) "**Bid**" shall have the meaning attributed to it in Section 22

(g) "**Business**" shall have the meaning attributed to it in the preamble;

(h) "**Business Day**" means a day, other than a Saturday, Sunday or a statutory holiday, on which banks are generally open for business in Toronto, Ontario;

(i) "**Cargill**" means Cargill International Trading PTE Ltd. and its affiliates.

(j) "**CCAA**" shall have the meaning attributed to it in the preamble;

(k) "**Court**" shall have the meaning attributed to it in the preamble;

(l) "**Debt Financing Party**" **s**hall have the meaning attributed to it in Section 18;

(m) **"DIP Agreement"** means the DIP Loan Agreement between Tacora and Cargill, Incorporated, dated October 9, 2023, as may be amended from time to time;

(n) "**Equity Financing IOI**" **s**hall have the meaning attributed to it in Section 28;

(o) "**Equity Financing Party**" **s**hall have the meaning attributed to it in Section 18;

(p) "**Financial Advisor"** shall have the meaning attributed to it in the preamble;

(q) "**Financing Party**" **s**hall have the meaning attributed to it in Section 18;

(r) "**Initial Order**" shall have the meaning attributed to it in the preamble;

(s) **"LOI" s**hall have the meaning attributed to it in Section 22;

(t) "**Monitor**" shall have the meaning attributed to it in the preamble;

(u) "**Monitor's Website**" means http://cfcanada.fticonsulting.com/Tacora;

(v) "**NDA"** shall have the meaning attributed to it in Section 10(d);

(w) "**Offtake Agreement**" means the Restatement of the Iron Ore Sale and Purchase Agreement dated November 11, 2018, as amended;

(x) "**Offtake Financing Party**" **s**hall have the meaning attributed to it in Section 18;

(y) "**Offtake IOI**" **s**hall have the meaning attributed to it in Section 27;

(z) "**Offtake Opportunity**" shall have the meaning attributed to it in Section 3;

(aa) "**Opportunity**" shall have the meaning attributed to it in Section 3;

(bb) "**Phase 1 Bid Deadline**" shall have the meaning attributed to it in Section 22;

(cc) "**Phase 1 Bidder**" shall have the meaning attributed to it in Section 12;

(dd) "**Phase 1 Qualified Bid**" shall have the meaning attributed to it in Section 22;

(ee) "**Phase 2 Bid**" shall have the meaning attributed to it in Section 34;

(ff) "**Phase 2 Bid Deadline**" shall have the meaning attributed to it in Section 34;

(gg) "**Phase 2 Bidder**" shall have the meaning attributed to it in Section 29;

(hh) "**Phase 2 Qualified Bid**" shall have the meaning attributed to it in Section 34;

(ii) "**Potential Bidder"** shall have the meaning attributed to it in Section 10(a);

(jj) "**Property**" shall have the meaning attributed to it in the preamble;

(kk) "**Recapitalization Proposal**" shall have the meaning attributed to it in Section 23(c)(i);

(ll) "**Sale Proposal**" shall have the meaning attributed to it in Section 23(c)(i);

(mm) "**Scully Mine**" shall have the meaning attributed to it in the preamble;

(nn) "**Solicitation Order**" shall have the meaning attributed to it in the preamble;

(oo) "**Solicitation Process**" shall have the meaning attributed to it in the preamble;

(pp) "**Solicitation Procedures**" shall have the meaning attributed to it in the preamble;

(qq) "**Stalking Horse Bid**" shall have the meaning attributed to it in Section ;

(rr) "**Successful Bid**" shall have the meaning attributed to it in Section 40; and

(ss) "**Successful Bidder**" shall have the meaning attributed to it in Section 40.

(tt) "**Teaser Letter**" shall have the meaning attributed to it in Section 10(d);

(uu) "**Transaction Opportunity**" shall have the meaning attributed to it in Section 2.

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)

PROCEEDINGS COMMENCED AT TORONTO

ORDER
(Solicitation Order)

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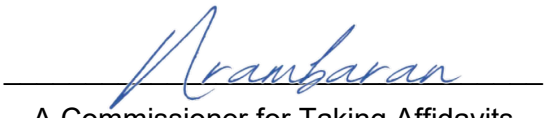
Counsel to Tacora Resources Inc.

EXHIBIT "C"
referred to in the Affidavit of
JOE BROKING
Sworn February 2, 2024



A Commissioner for Taking Affidavits
Natasha Rambaran | LSO #80200N

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January 25, 2024 **By Email**
File No.: 1426331002

Robert Chadwick and Caroline Descours
Goodmans LLP
Bay Adelaide Centre – West Tower
333 Bay Street, Suite 3400
Toronto, ON M5H 2S7

Dear Rob and Caroline:

Re: Tacora Resources Inc. (the "Company") – Cargill Phase 2 Bid

As discussed during our call on Monday and the subsequent call involving Greenhill & Co. Canada Ltd., Jefferies LLC, the Monitor and the Monitor's counsel on Tuesday of this week, the Phase 2 Bid (the "**Cargill Bid**") submitted by Cargill, Incorporated, Cargill International Trading PTE Ltd. and 1000771978 Ontario Limited (collectively, the "**Cargill Entities**") does not meet all of the criteria set forth in the Sale, Investment and Services Solicitation Process approved by the Honourable Madam Justice Kimmel on October 30, 2023, necessary to qualify as a Phase 2 Qualified Bid. In particular, the Cargill Bid is subject to the outcome of contingency financing and fails to disclose the identity of each entity that will be entering into the transaction or the financing or that is sponsoring, participating or benefiting from the Bid. The Recapitalization Transaction Agreement provides the following condition in favour of Cargill:

> **9.1 Purchaser's Conditions**
>
> The Purchaser shall not be obligated to complete the Transaction unless, at or before the Closing Time, each of the following conditions in this Section 9.1 have been satisfied, it being understood that the said conditions are included for the exclusive benefit of the Purchaser, and may be waived by the Purchaser 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, such waiver to be binding on the Purchaser only if made in writing. The Vendor shall take all such actions, steps and proceedings as are reasonably within its control, subject to the CCAA and any Order of the Court, as may be necessary to ensure that the conditions listed below in this Section 9.1 are fulfilled at or before the Closing Time.
>
> > (13) *Additional Equity Commitment*. The Transaction Sponsor shall have obtained commitments to purchase equity of the Purchaser in connection with the implementation of the Transaction (including from any potential Equity Electing Noteholders) in an aggregate amount of at least $85 million on substantially the same terms as the Transaction Sponsor's equity investment in the Purchaser (or such other terms agreed among the Transaction Sponsor and such equity investors) (the "**Additional Equity Commitment**") by no later than the date that is three weeks following the execution of this Agreement by the Parties.

During our calls, you acknowledged that the Cargill Entities have the financial wherewithal to backstop the equity commitment and could seek an equity partner in parallel with moving for court approval of the transaction and closing the transaction, which together are expected to take longer than the three weeks provided for in the condition. We understand that for commercial reasons, the Cargill Entities are unwilling to backstop the equity commitment.

In addition to failing to satisfy all of the required criteria to constitute a Phase 2 Qualified Bid, the Cargill Bid contains a number of problematic features, including, among other things:

1. The Cargill Bid is presented as an asset sale with the Purchaser purchasing from the Vendor all of the Vendor's right, title and interest in and to the Purchased Assets. However, the Recapitalization Transaction Agreement also contains a condition [Sections 2.5, 7.2 and 9.1(10)] that requires that the Purchaser be satisfied, in its sole discretion, that the Tax Attributes of the Vendor be preserved in all material respects and available to be utilized by the Purchaser. As discussed, it is impossible to preserve the Tax Attributes through an asset sale.

2. The failure to identify the majority owner of the business following completion of the Cargill Bid makes it impossible to evaluate the regulatory approvals necessary to complete the transaction contemplated by the Cargill Bid or the likelihood of obtaining such approvals. Further, the failure to identify the new majority owner also undermines the Company's ability to evaluate the ability and willingness of the new owners to commit further financing that may be necessary to support the business, which is particularly relevant given the contemplated reinstatement of the senior secured notes.

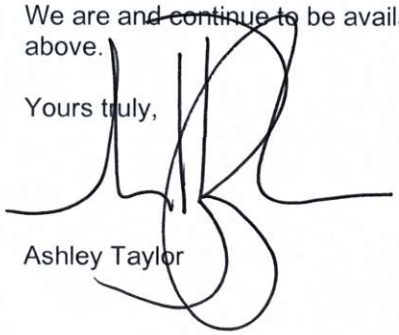
3. The contemplated upsizing of the margining facility to $75 million referenced in the cover letter to the Cargill Bid is not permitted under the existing indenture in respect of the senior secured notes (which is contemplated to remain in full force and effect under the Cargill Bid) unless Snowcat Capital Management LP, Brigade Capital Management, LP, and funds managed by CrossingBridge Advisors, LLC and Cohanzick Management, LLC consent.

4. The Cargill Bid contains a condition requiring that immediately prior to Closing the Vendor has minimum cash on hand of $45,000,000 [Section 9.1(9)]. Based on the Company's current cash flow forecast and the modelling of the Cargill Bid, the Company expects that only approximately US$20 million will remain on hand at Closing and therefore the Company will be unable to meet this condition. Further, this modelling assumes that pre-filing trade payables will not be paid on or shortly following Closing and does not contemplate the establishment of an administrative expense reserve to fund necessary wind-down costs.

5. The previous issue highlights a larger concern with the Cargill Bid. The Cargill Bid does not provide the Company with sufficient capital to allow the Company to satisfy the funding needs of the business, including servicing the retained debt contemplated by the Cargill Bid.

We are and continue to be available if you would like to discuss the Cargill Bid or the issues outlined above.

Yours truly,



Ashley Taylor

cc: Lee Nicholson, *Stikeman Elliott LLP*
Paul Bishop and Jodi Porepa, *FTI Consulting Canada Inc.*
Ryan Jacobs and Jane Dietrich, *Cassels Brock & Blackwell LLP*
Michael Nessim, Usman Masood, Chetan Bhandari, *Greenhill & Co. Canada Ltd.*

EXHIBIT "D"
referred to in the Affidavit of
JOE BROKING
Sworn February 2, 2024

A Commissioner for Taking Affidavits
Natasha Rambaran | LSO #80200N

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Barristers & Solicitors

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January 27, 2024

Via Email

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

Attention: Ashley Taylor

Dear Ashley:

Re: Tacora Resources Inc. ("the Company") - Cargill Phase 2 Bid

This letter is in response to your letter of Thursday, January 25th and my responding email and our ongoing discussions. We think open and constructive dialogue is the path to success. An exchange of letters and emails between us risk a higher level of misinterpretation or making wrong assumptions. We fear your letter of January 25, 2024 currently represents that path.

There are material decisions for the Company and its stakeholders to make and all parties need to be giving due process to making informed decision with the best available information. Cargill wants to ensure there is nothing lost in translation. Cargill has been a committed partner to Tacora – and has a history of working with Tacora to solve operational liquidity and capital structure issues – which benefit all stakeholders.

As such, Cargill is prepared to increase the size of the DIP Facility in order to ensure the Company has stability and the time required to consider all options to be able to maximize value for all stakeholders. To the extent, the Company requires additional funding in order to ensure it maximize its value – Cargill will work with Tacora to mutually solve such key stability and liquidity matters. Cargill requested yesterday, and the Company said it would provide us an updated cashflow forecast through the end of April. Cargill is committed to ensure Tacora has the proper liquidity in the CCAA proceedings.

To discuss all of the foregoing, we request to meet in person immediately with the Company and its advisors. We would also request that the CEO and the two directors of Tacora attend such meeting. We understand the Board has not made any decision and is deliberating on key restructuring matters. We believe the meeting outlined herein should proceed prior to any Board decision. Our clients have a significant economic interest in the result of any decision made by the Board.

In the spirit of meeting together and having an open and mutual dialogue to solve issues, we offer below a summary response to matters outlined in your letter of yesterday.

First, we do not agree the Cargill Recapitalization Transaction does not meet the Phase 2 criteria in the SISP. Separately, the SISP specifically provides that the Company has the ability to waive any requirements under the SISP which is a normal feature of any SISP. It is appropriate for the Company to consider that in pursuing its fiduciary duties to find a transaction to maximize value. We again request a markup of the Cargill Recapitalization Transaction Agreement or a complete issues list. The Company has not provided a detailed response to the Cargill Recapitalization Transaction Agreement in over one week. Our client remains willing to engage to solve any open matters.

We continue to make positive steps in respect of satisfying all conditions in the Cargill Recapitalization Transaction Agreement – including to satisfy the Additional Minimum Equity condition. We have advanced matters this week and we can confirm we have multiple meetings scheduled next week. We can update you in detail on such matters anytime. Cargill also reserves the right to waive such conditions as matters advance and progress.

Cargill believes that agreement on a consensual value-maximizing transaction remains achievable, and a value-destructive CCAA proceeding with conflicts can be avoided, but only with proper engagement from the Company and its advisors. Failure to adequately engage with Cargill is unjustifiable.

We read your letter to state expressly that the material value of Tacora's tax attributes can only be preserved as part of a CCAA plan or a CCAA Reverse Vesting Order. We have been clear to Tacora and its advisors, for an extended period of time, that based on the circumstances of the Tacora case, the structure of the claims and potential claims and the value of Tacora, a Court will not approve an opposed CCAA Reverse Vesting Order, which is an "exceptional remedy". A transaction with this condition will be "doomed to fail" if at the time you are seeking such exceptional remedy – Tacora is creating significant unsecured claims. We will work with Tacora to solve this material condition and reduce closing risk to any transaction. We do not believe the risk of this condition is contained in the Cargill Recapitalization Transaction. The Cargill Transaction Agreement structure reduces such key risk and provides greater transaction certainty.

We will identify the Additional Minimum Equity parties as soon as they are available as part of satisfying our condition in the Cargill Recapitalization Transaction Agreement. We do not expect any delay or concern in this area on the regulatory side. Our current list of parties has been disclosed to Tacora in our transaction documents submitted on January 19, 2024.

We believe you misunderstood the hedging structure proposed by Cargill. It would in all respects comply with the Indenture. We would not be utilizing the existing margining facility for such new hedges. They would be provided under new instruments to Tacora in full compliance with the Indenture. Furthermore, as we have previously communicated, Cargill strongly believes that it is

uniquely positioned to provide both short-term and long-term hedging for Tacora, which will provide critical benefits to the Company, including derisking its cashflow, liquidity, and business plan, as well as preserving and maximizing the value of Tacora.

The closing cash condition can be adjusted with input from Tacora. It seems that our post closing minimum cash condition in our agreement was confused by the Company with the Company's cash immediately pre closing. Cargill and other equity parties have the same interest in ensuring the Company is properly funded on a go-forward basis. The Company's cashflow projections changed in the downside last week (a new document was only posted to the data room late last week) and we understand the cashflows are again changing based on operational issues involving rail movements and plugged crushers which may have a negative effect on cash flows. Please provide us your model based on the Cargill Bid and we will ensure we reach agreement on this matter.

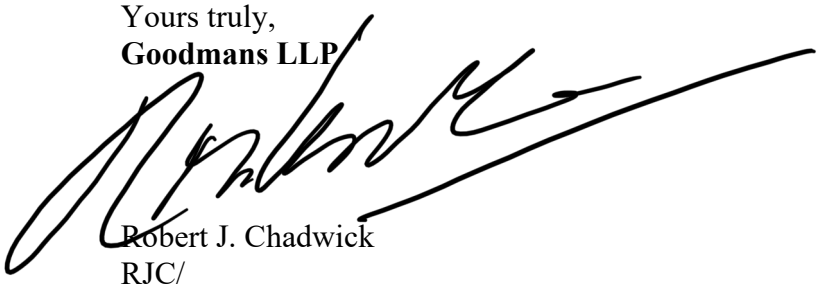
A recapitalization transaction completed with Cargill will have the proper capital structure on exit, proper closing liquidity and the financial resources and tools for Tacora to successfully complete its business plan. Cargill is a proven leader and operator in the business community. Such key matters will be achieved with 100% certainty in all circumstances. Cargill's reputation and resources are fully behind the proposed recapitalization transaction.

Under the SISP, the Company has restricted any dialogue with the notes. As you know, any successful restructuring requires engagement with parties to find solutions. We request the ability to speak to counsel to the notes to see if we can avoid contested value destructive litigation. We would like the opportunity to speak with counsel to the notes immediately.

We remind the Board and the Company's management of their fiduciary duties to preserve and maximize the value of the Company for all of its stakeholders. The Board's fiduciary duties require it to review any and all restructuring transactions to ensure that the Company's interests (and those of its primary stakeholders) are protected. It is therefore critical for the Company and the Board to recognize the value of Cargill's proposal and respond with the highest level of urgency by providing a considered response. There are significant and overwhelming benefits to the Cargill proposed transaction.

We continue to be available to discuss matters which benefit the Company and to advance outstanding matters to a resolution in order to provide the Company stability and certainty as well as protect the interests of stakeholders. We look forward to engaging immediately.

Yours truly,
Goodmans LLP



Robert J. Chadwick
RJC/

cc: Caroline Descours, *Goodmans LLP*
Lee Nicholson, *Stikeman Elliott LLP*
Paul Bishop and Jodi Porepa, *FTI Consulting Canada Inc.*
Ryan Jacobs and Jane Dietrich, *Cassels Brock & Blackwell LLP*
Michael Nessim, Usman Masood, Chetan Bhandari, *Greenhill & Co. Canada Ltd.*
Jeremy Matican, *Jefferies*

EXHIBIT "E"
referred to in the Affidavit of
JOE BROKING
Sworn February 2, 2024

A Commissioner for Taking Affidavits
Natasha Rambaran | LSO #80200N

Stikeman Elliott

Stikeman Elliott LLP
Barristers & Solicitors
5300 Commerce Court West
199 Bay Street
Toronto, ON Canada M5L 1B9

Main: 416 869 5500
Fax: 416 947 0866
www.stikeman.com

Ashley Taylor
Direct: 416 869 5236
ataylor@stikeman.com

January 28, 2024 **By Email**
File No.: 1426331002

Robert Chadwick and Caroline Descours
Goodmans LLP
Bay Adelaide Centre – West Tower
333 Bay Street, Suite 3400
Toronto, ON M5H 2S7

Dear Rob and Caroline:

Re: Tacora Resources Inc. (the "Company") – Cargill Phase 2 Bid

We are in receipt of your letter dated January 27, 2024. Defined terms used but not defined herein shall have the meanings given to such terms in our letter dated January 25, 2024.

As discussed on Monday and Tuesday last week, and as stated in our January 25 letter, the Cargill Phase 2 Bid does not meet the criteria set forth in the Sale, Investment and Services Solicitation Process approved by the Honourable Madam Justice Kimmel on October 30, 2023, necessary to qualify as a Phase 2 Qualified Bid. In particular, the Cargill Bid is subject to the outcome of contingency financing and fails to disclose the identity of each entity that will be entering into the transaction or the financing or that is sponsoring, participating or benefiting from the Bid. In your January 27 letter, you state that you do not agree with that conclusion, yet you have provided no explanation as to why.

In addition to failing to satisfy the required criteria to constitute a Phase 2 Qualified Bid, the Cargill Bid contains a number of problematic features, which are outlined in our January 25 letter. As indicated in our January 25 letter, the Company's advisors are willing to have a discussion with Cargill's advisors to elaborate on this feedback. You have requested a detailed markup of the Recapitalization Transaction Agreement or a complete issues list on that agreement. Until Cargill addresses the theshold issue of committed financing for its Phase 2 Bid, along with addressing the commercial issues raised in our January 25 letter, exchanging drafts will not advance matters and wastes the limited time and resources of the Company. Time is of the essence for the Company. Any delay creates additonal risk to a successful emergence from the CCAA proceedings.

We continue to be available if you would like to discuss the feedback previously provided on Cargill's Phase 2 Bid or any of the issues referred to above.

Yours truly,

Ashley Taylor

cc: Lee Nicholson, *Stikeman Elliott LLP*
Paul Bishop and Jodi Porepa, *FTI Consulting Canada Inc.*
Ryan Jacobs and Jane Dietrich, *Cassels Brock & Blackwell LLP*
Michael Nessim, Usman Masood, Chetan Bhandari, *Greenhill & Co. Canada Ltd.*

EXHIBIT "F"
referred to in the Affidavit of
JOE BROKING
Sworn February 2, 2024

A Commissioner for Taking Affidavits
Natasha Rambaran | LSO #80200N

From:	Chadwick, Robert
To:	Ashley Taylor
Cc:	Lee Nicholson; Paul Bishop (paul.bishop@fticonsulting.com); Jodi B. Porepa (jodi.porepa@fticonsulting.com); Ryan Jacobs (rjacobs@cassels.com); Jane Dietrich (jdietrich@cassels.com); Michael Nessim; Usman Masood (usman.masood@greenhill.com); Chetan Bhandari; Jeremy Matican; Descours, Caroline
Subject:	RE: Tacora - Cargill Letter
Date:	Thursday, January 25, 2024 6:24:49 PM

We acknowledge receipt of your letter. We will review with Cargill and respond in more detail to the letter and other matters tomorrow once we speak to Cargill. From our view, there are a number of factual and interpretation statements contained in the letter which will need to be corrected as they are not accurate. We also did not receive a response to our email of this morning and wanted to follow up on next steps. We are prepared to work with you and the Company to ensure the Company can complete a value maximizing transaction and take into account the interest of Cargill and other key stakeholders. We also welcome any of your comment on the complete Recapitalization Transaction Agreement in order to advance matters. We have provided you a word version of the agreement (as requested by you) so would like to ensure we have a complete markup or issues list in order that we can work together to satisfy a mutually acceptable transaction agreement. Please let us know once you are available to advance matters in a productive fashion. We are available.

From: Ashley Taylor <ATAYLOR@stikeman.com>
Sent: Thursday, January 25, 2024 4:16 PM
To: Chadwick, Robert <rchadwick@goodmans.ca>; Descours, Caroline <cdescours@goodmans.ca>
Cc: Lee Nicholson <leenicholson@stikeman.com>; Paul Bishop (paul.bishop@fticonsulting.com) <paul.bishop@fticonsulting.com>; Jodi B. Porepa (jodi.porepa@fticonsulting.com) <jodi.porepa@fticonsulting.com>; Ryan Jacobs (rjacobs@cassels.com) <rjacobs@cassels.com>; Jane Dietrich (jdietrich@cassels.com) <jdietrich@cassels.com>; Michael Nessim <michael.nessim@greenhill.com>; Usman Masood (usman.masood@greenhill.com) <usman.masood@greenhill.com>; Chetan Bhandari <chetan.bhandari@greenhill.com>
Subject: FW: Tacora - Cargill Letter

Please see the attached letter.

Ashley Taylor

Mobile: +1 416 450 6627
Office: +1 416 869 5236
Email: ataylor@stikeman.com

From:	Chadwick, Robert
To:	Ashley Taylor
Cc:	Descours, Caroline; Lee Nicholson; Paul Bishop (paul.bishop@fticonsulting.com); Jodi B. Porepa (jodi.porepa@fticonsulting.com); Ryan Jacobs (rjacobs@cassels.com); Jane Dietrich (jdietrich@cassels.com); Michael Nessim; Usman Masood (usman.masood@greenhill.com); Chetan Bhandari
Subject:	Re: Tacora - Cargill Phase 2 Bid
Date:	Monday, January 29, 2024 1:40:48 PM

We can agree to disagree on the point below in your email. Our email of last night is our understanding. You may also recall you advised us on the late afternoon of Monday January 22, 2024 that you understood that Cargill may not be in a position to amend the terms of the Recapitalization Transaction Agreement in advance of the Company's 8am Board meeting on January 24, 2024 (which was the case). We also understand you did not have instructions at that time to make that formal request- as it was more of a discussion and clarification and addressing issues and concerns. We also advised you that it would be helpful to understand the status of all transaction matters related our proposed transaction following the Board meeting so we had a full list of open matters in order to advance matters with Cargill in its entirety- which is typically normally the case as part of any SISP process- engage and have an active discussion and negotiation to maximize value after the Board has reviewed matters and provided guidance. This should still happen now to ensure all roads and paths by the Company are properly addressed and considered with the best available information.

Robert J. Chadwick
Goodmans LLP

416.597.4285
rchadwick@goodmans.ca

Bay Adelaide Centre
333 Bay Street, Suite 3400
Toronto, ON M5H 2S7
goodmans.ca

On Jan 29, 2024, at 10:20 AM, Ashley Taylor <ATAYLOR@stikeman.com> wrote:

Rob,

While there is a lot in your email that we take issue with, there is only one statement that warrants an immediate response. Your suggestion that any discussions prior to the January 25 letter were for clarification only is not correct. On Monday, January 22 we informed you that Cargill's Phase 2 Bid did not satisfy the criteria necessary to constitute a Phase 2 Qualified Bid. We suggested to you that Cargill could satisfy the financing condition by committing to backstop the equity contribution (something that Cargill clearly has the financial wherewithal to do) and could seek an equity partner in parallel with moving for court approval and closing of the transaction (which together are expected to take longer than the three weeks provided for in Cargill's condition) and we specifically asked you to seek instructions from Cargill and get back to us before the Board meeting on Wednesday, January 24. The same message was conveyed on Tuesday, January 23.

Ashley Taylor

Mobile: +1 416 450 6627
Office: +1 416 869 5236
Email: ataylor@stikeman.com

From: Chadwick, Robert <rchadwick@goodmans.ca>
Sent: Sunday, January 28, 2024 8:04 PM
To: Ashley Taylor <ATAYLOR@stikeman.com>
Cc: Descours, Caroline <cdescours@goodmans.ca>; Lee Nicholson <leenicholson@stikeman.com>; Paul Bishop (paul.bishop@fticonsulting.com) <paul.bishop@fticonsulting.com>; Jodi B. Porepa (jodi.porepa@fticonsulting.com) <jodi.porepa@fticonsulting.com>; Ryan Jacobs (rjacobs@cassels.com) <rjacobs@cassels.com>; Jane Dietrich (jdietrich@cassels.com) <jdietrich@cassels.com>; Michael Nessim <michael.nessim@greenhill.com>; Usman Masood (usman.masood@greenhill.com) <usman.masood@greenhill.com>; Chetan Bhandari <chetan.bhandari@greenhill.com>
Subject: Re: Tacora - Cargill Phase 2 Bid

We acknowledge receipt of your letter. It is one of the weakest and non constructive letters I have received from any ccaa debtor to a party which is the dip lender, a secured lender, a major contract party to a ccaa debtor and a party who is trying to advance a recapitalization transaction with a ccaa debtor. We put our proposal to Tacora in good faith and with a significant amount of work by Cargill. You did not respond to any of the key matters we outlined in our letter. Prior to your January 25th letter, the advisors to Tacora repeatedly said to us the discussions were for " clarification" and any feedback and negotiations would follow the Board meeting. We confirm the only communication from Tacora following the Tacora Board meeting of last week was your January 25th letter A ccaa debtor has an obligation to solve issues with its stakeholders and engage in constructive dialogue with a key stakeholder and not write "robotic" repetitive letters to try to paper the record. We are extremely disappointed in the way matters are being handled by Tacora and its advisors. We will discuss matters in more detail with the Cargill meeting with the Monitor tomorrow. If you want to solve problems or issues and be constructive, properly engage with us. If not, no more letters are needed from you to tell us you don't want t to work with Cargill to address a value maximizing transaction.

Robert J. Chadwick
Goodmans LLP

416.597.4285
rchadwick@goodmans.ca

Bay Adelaide Centre
333 Bay Street, Suite 3400
Toronto, ON M5H 2S7
goodmans.ca

On Jan 28, 2024, at 7:27 PM, Ashley Taylor <ATAYLOR@stikeman.com> wrote:

Please see attached letter.

Ashley Taylor

Mobile: +1 416 450 6627
Office: +1 416 869 5236
Email: ataylor@stikeman.com

<Tacora.Letter.Goodmans re Cargill Bid (January 28_ 2024) (118604746.2).pdf>

EXHIBIT "G"
referred to in the Affidavit of
JOE BROKING
Sworn February 2, 2024

A Commissioner for Taking Affidavits
Natasha Rambaran | LSO #80200N

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

TABLE OF CONTENTS

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.

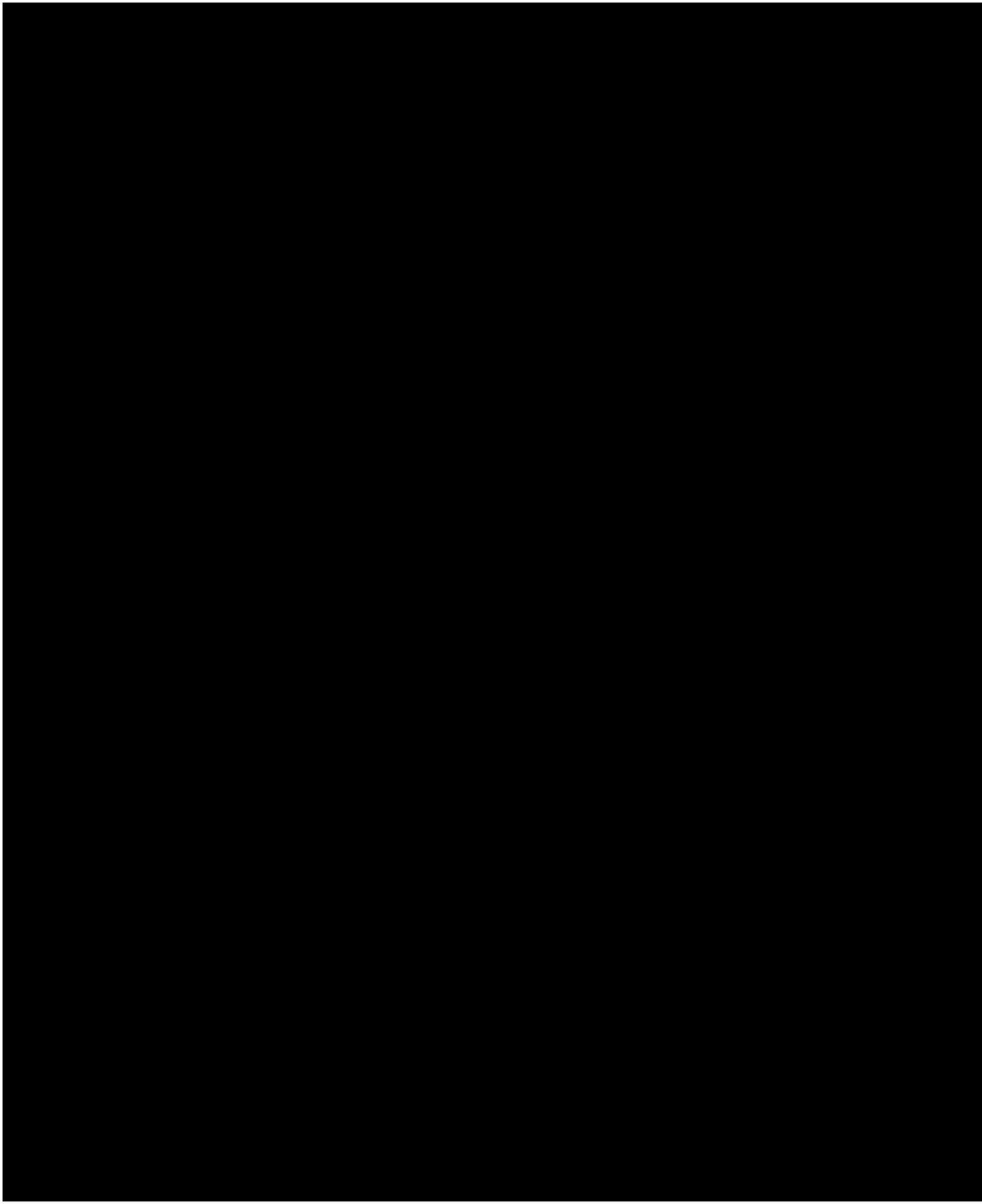
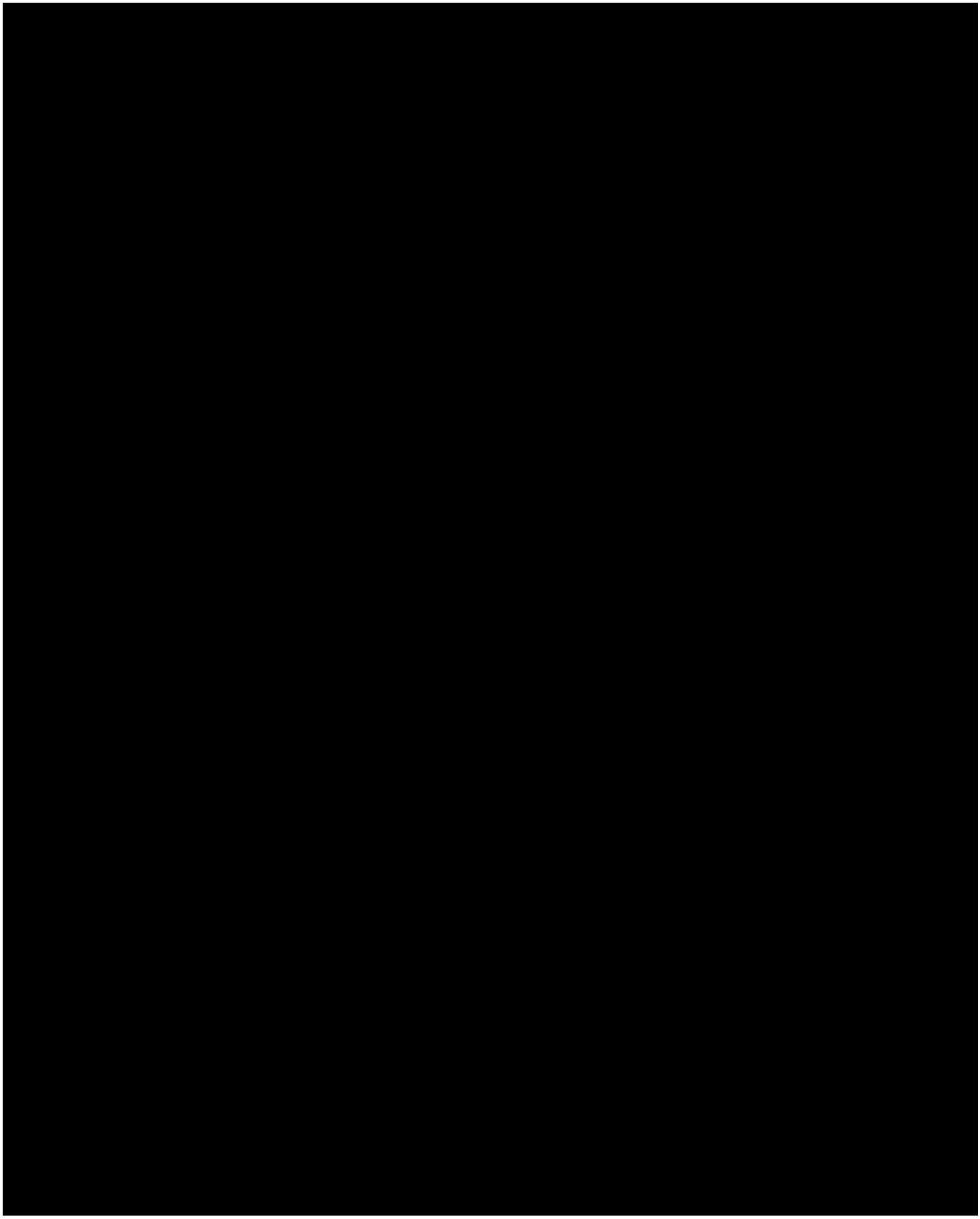
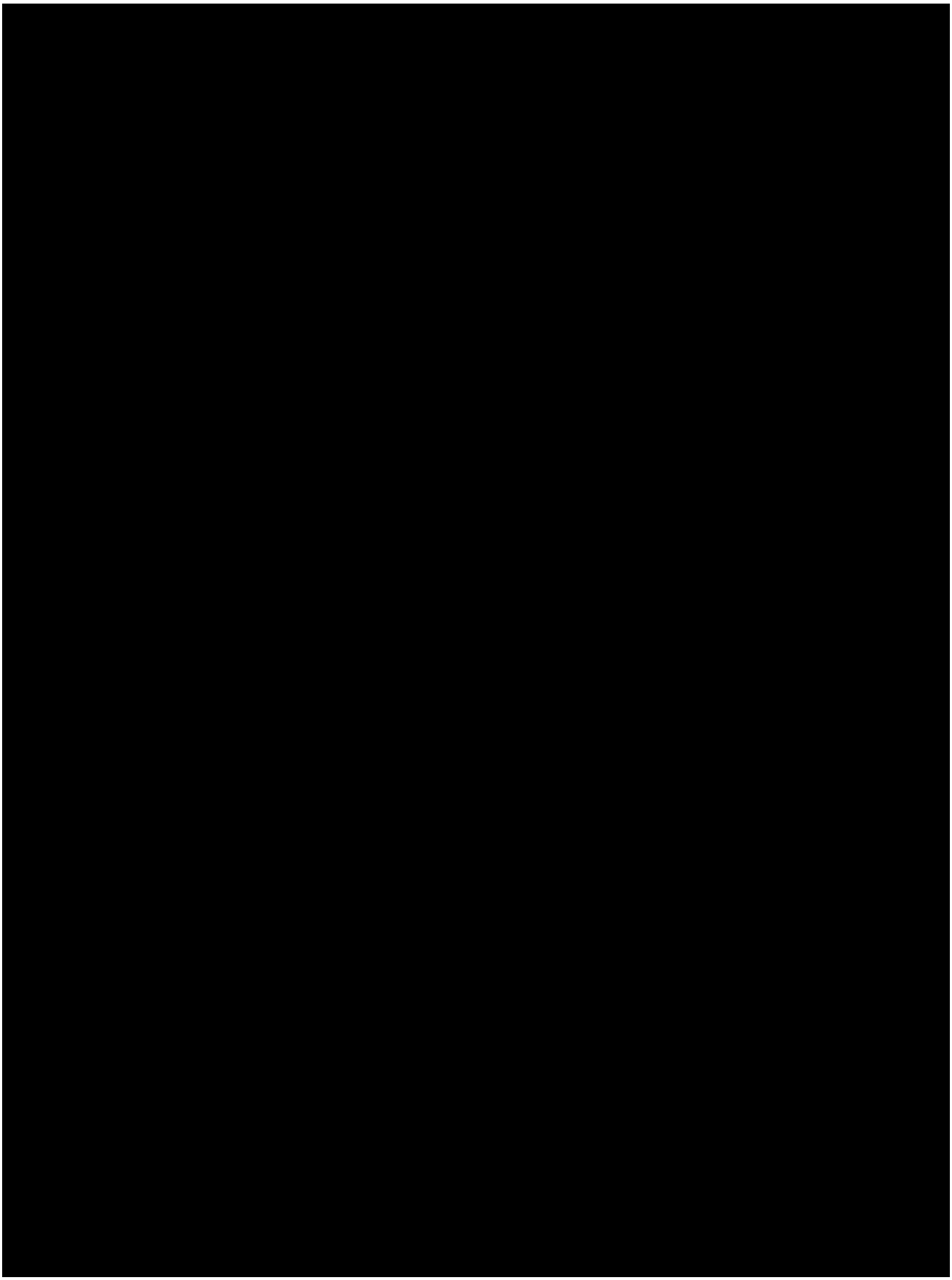
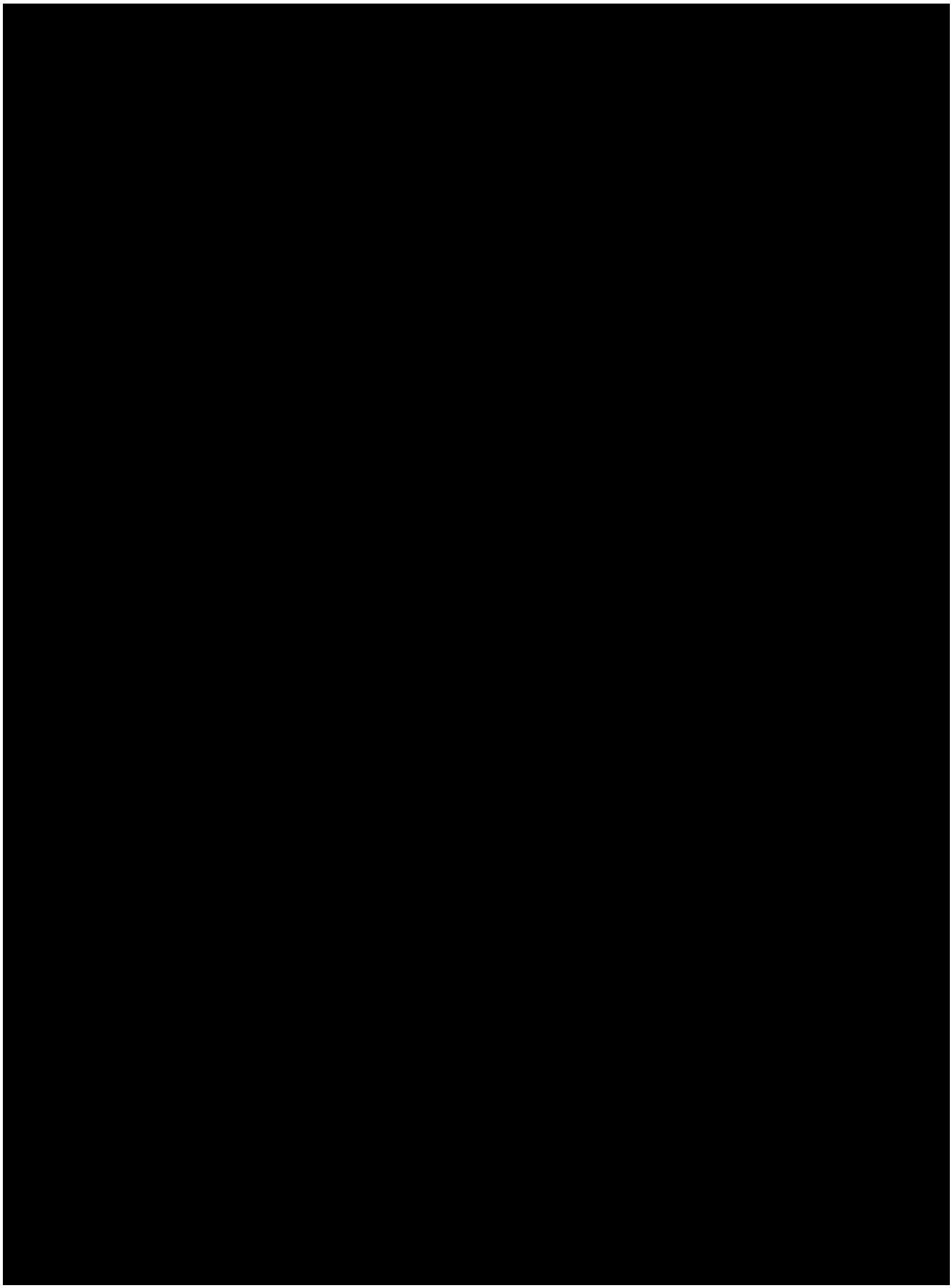
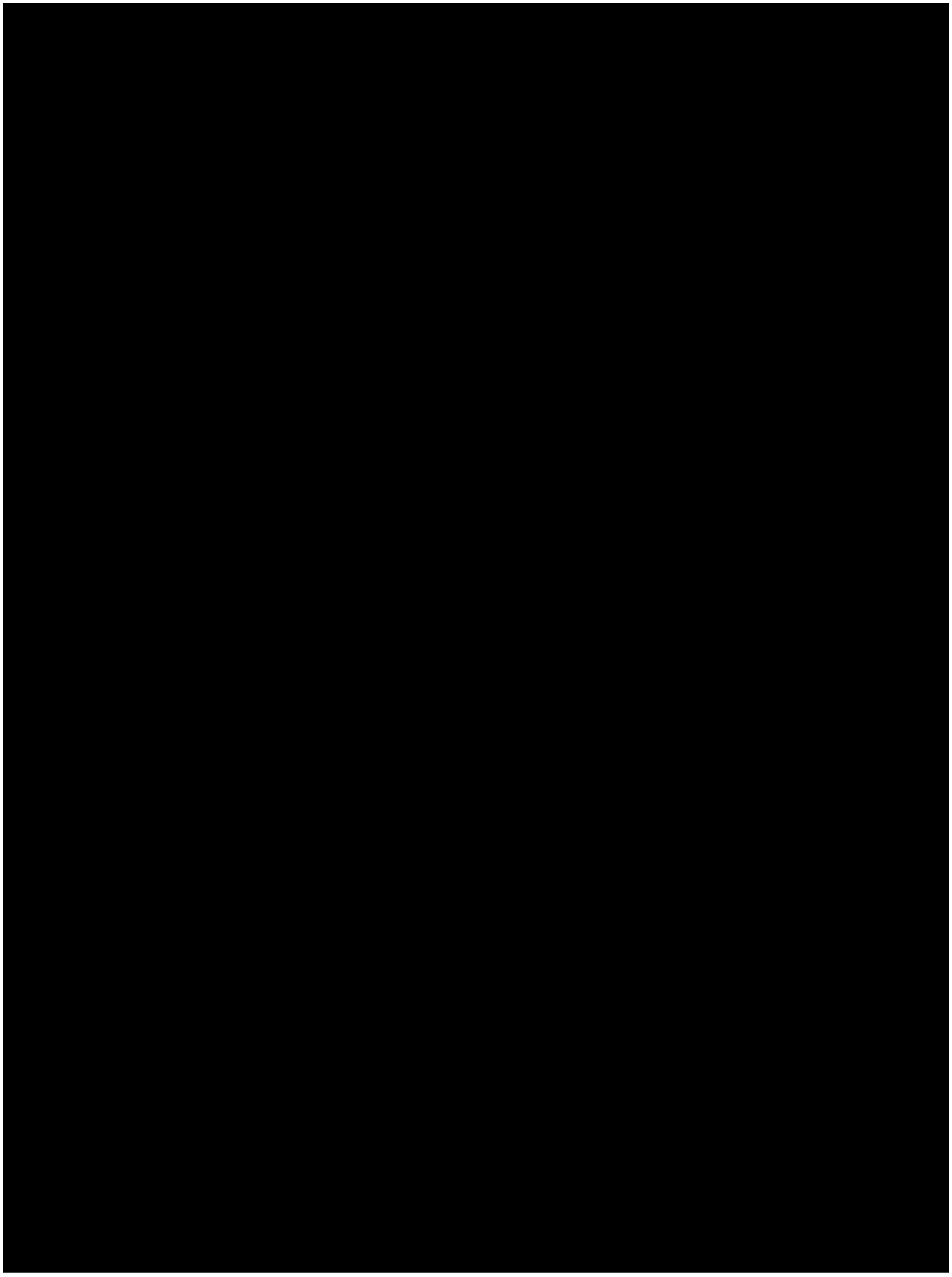


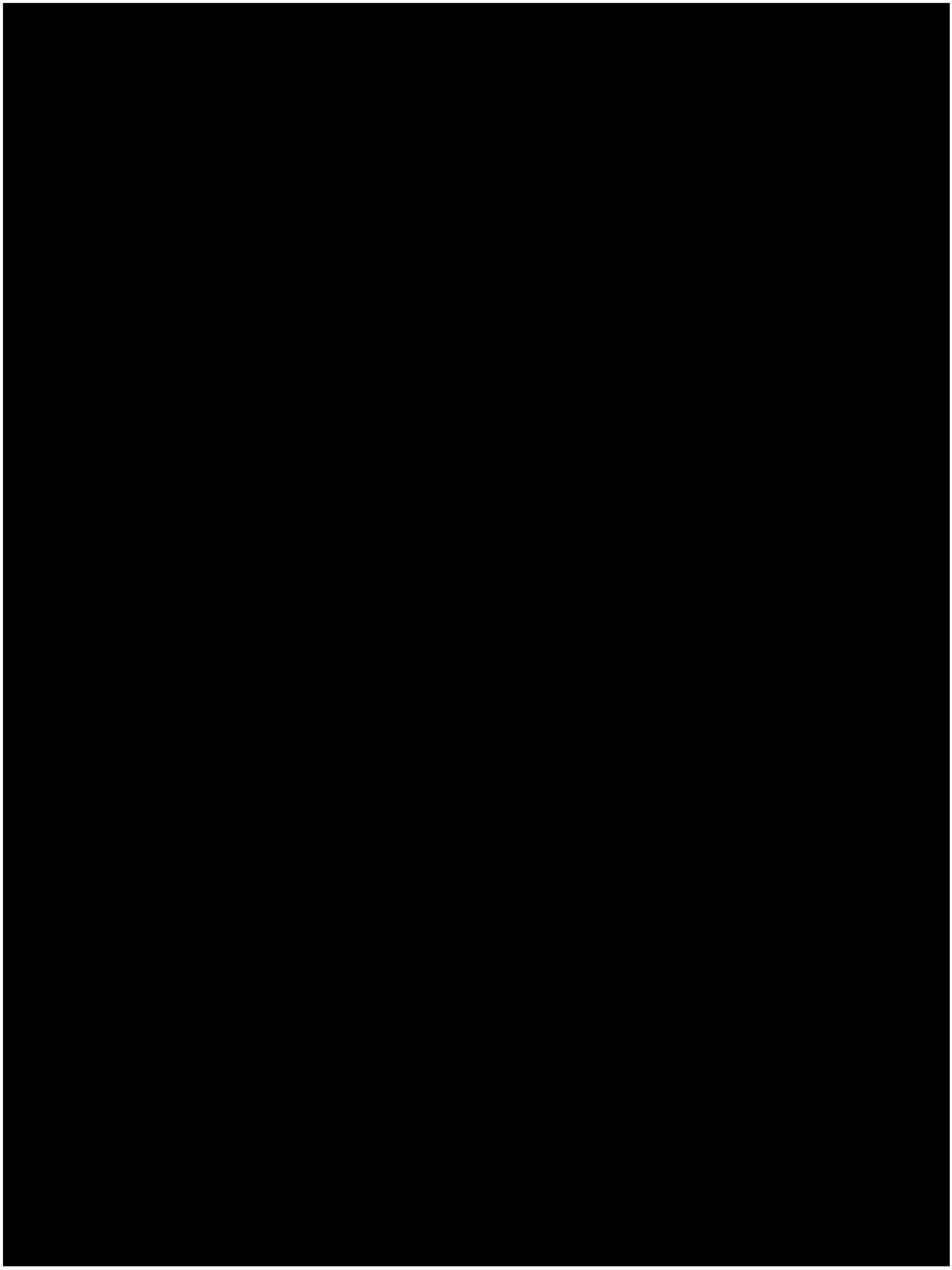
EXHIBIT A

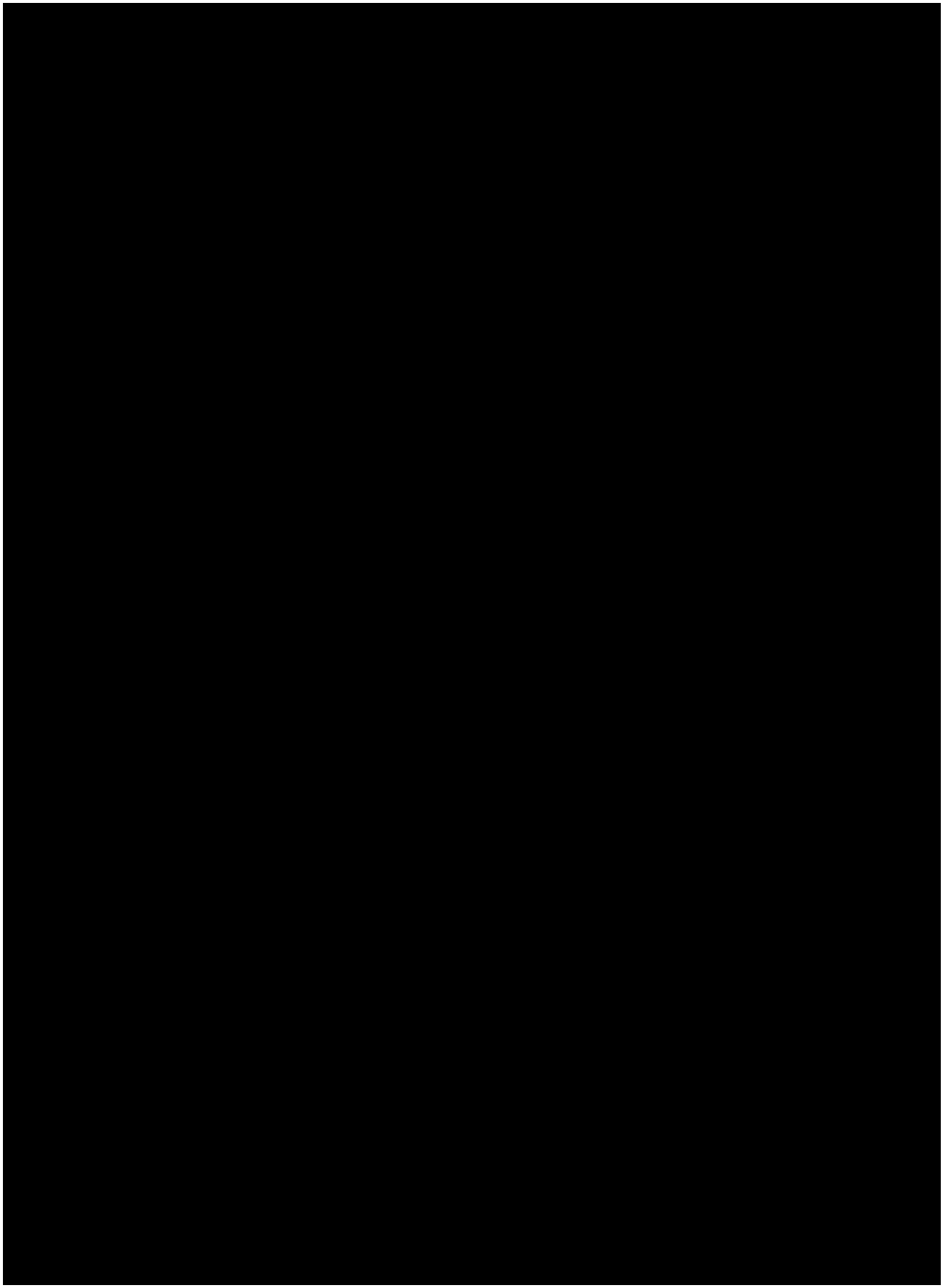


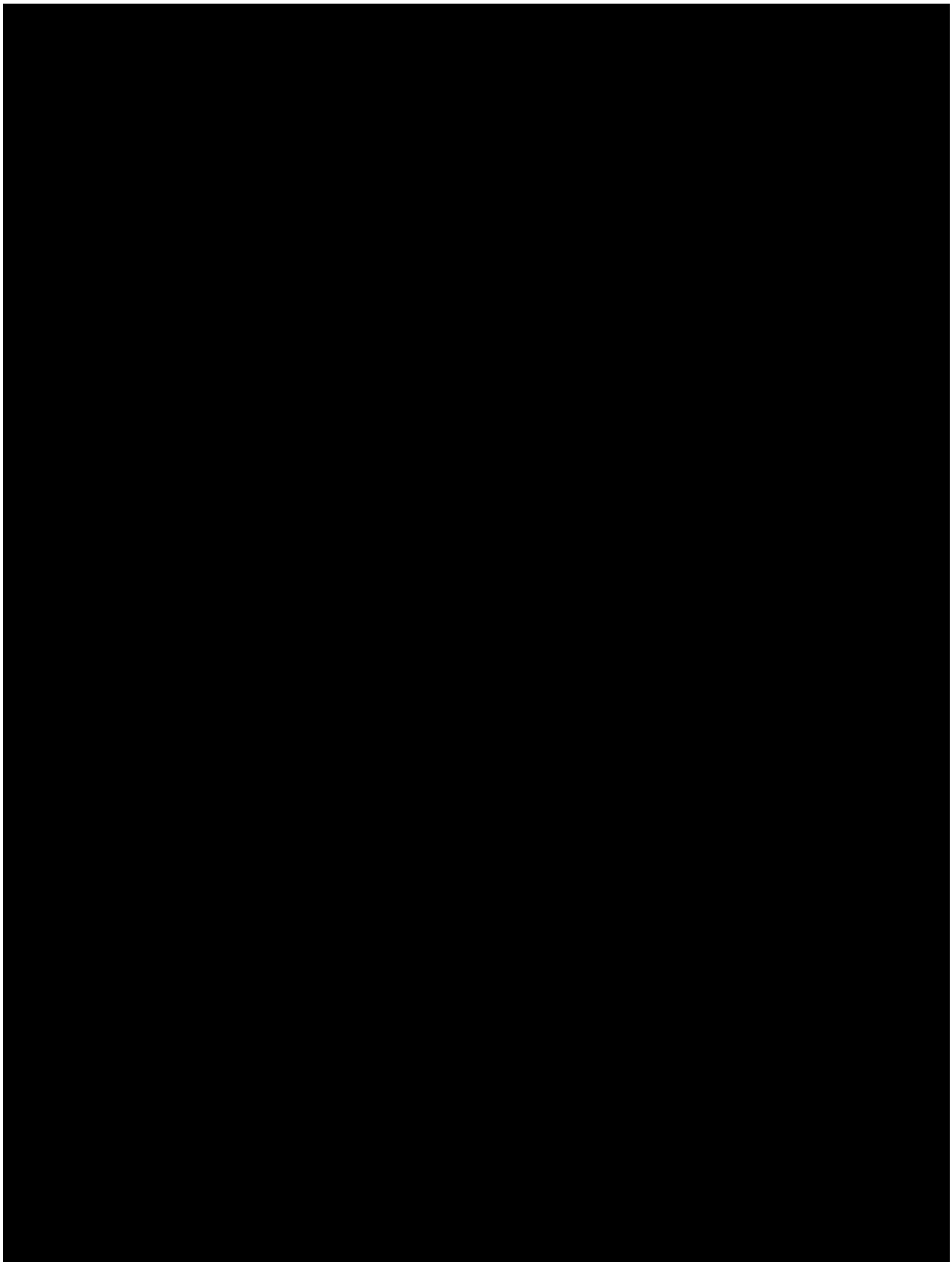


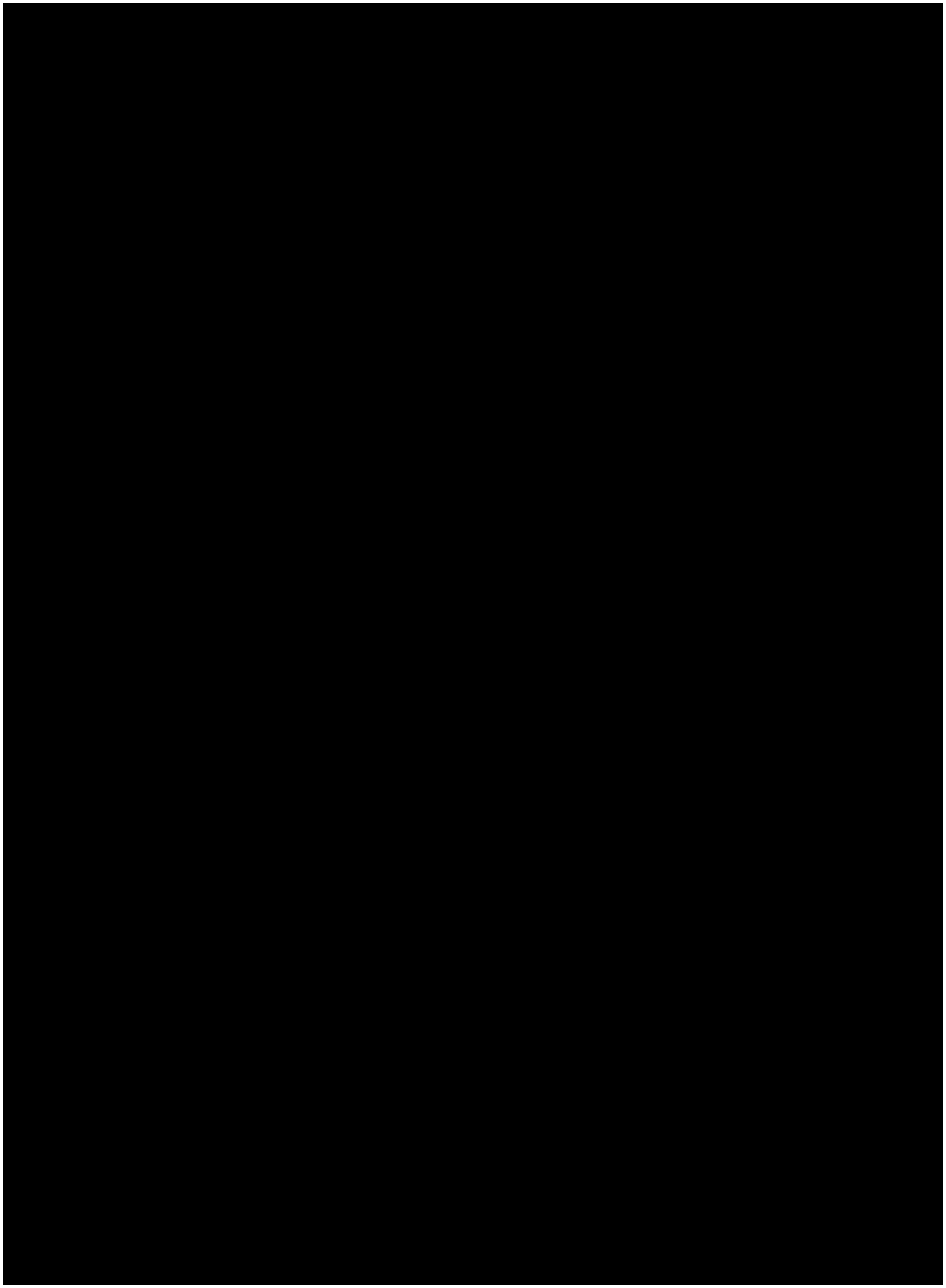


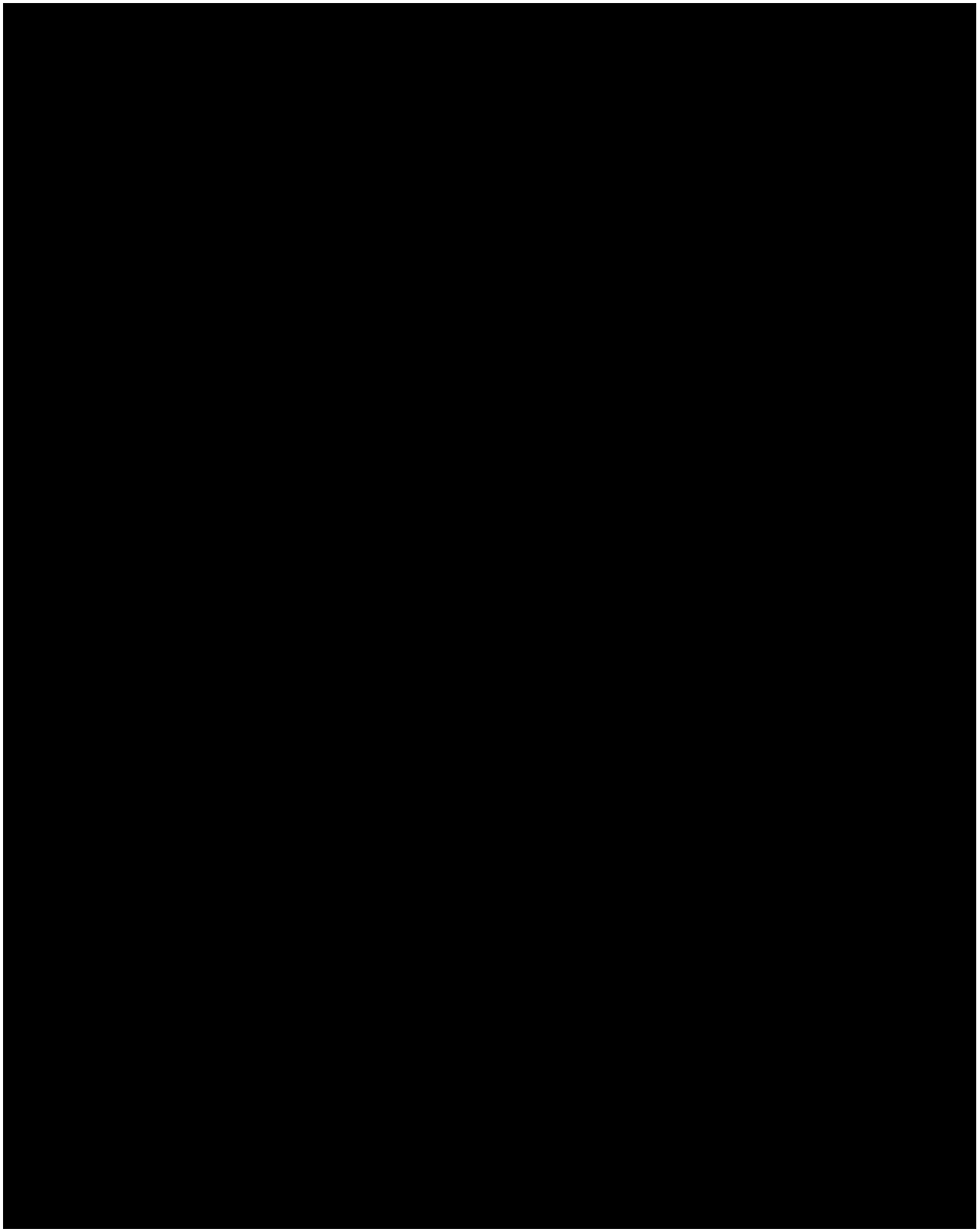


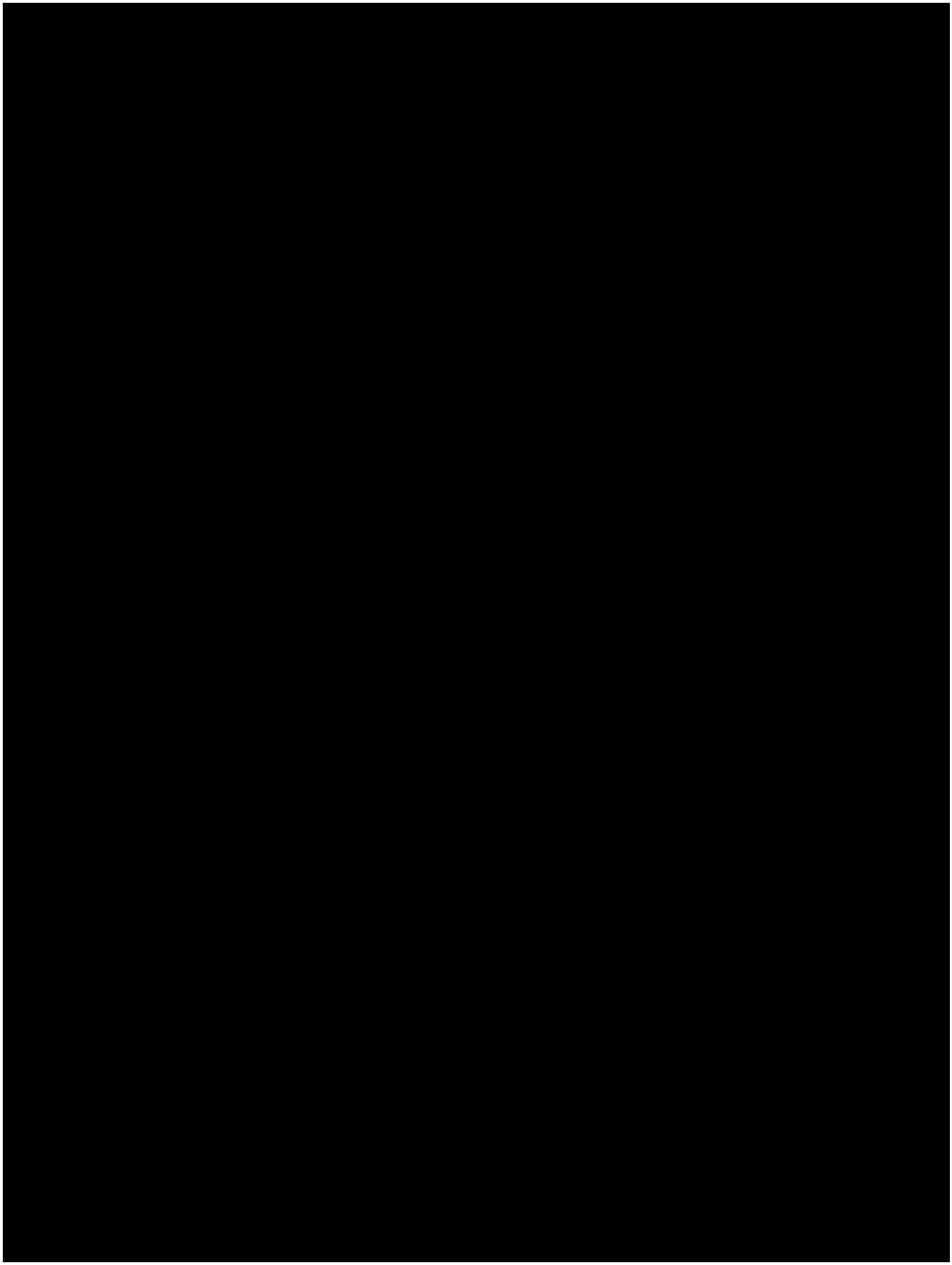


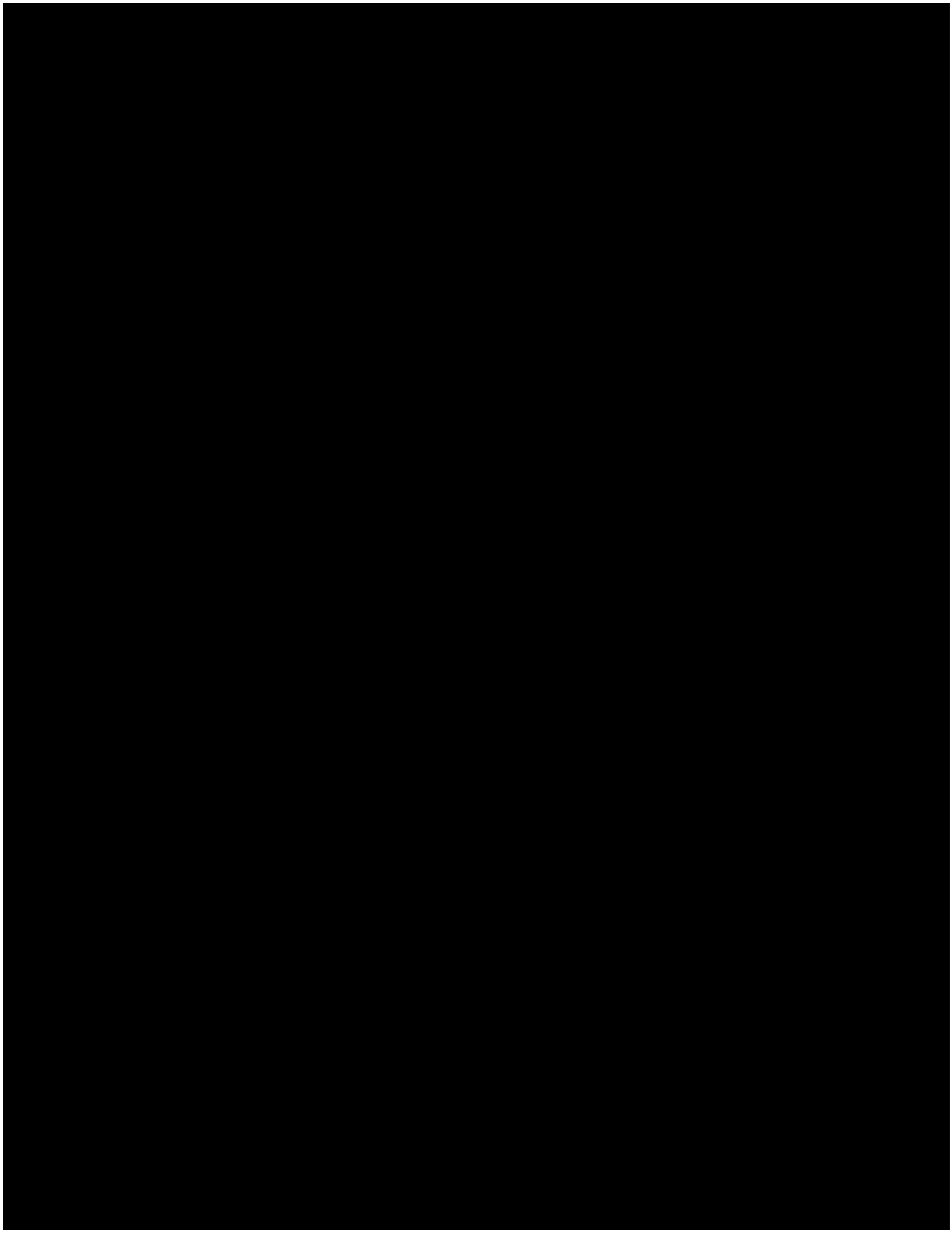


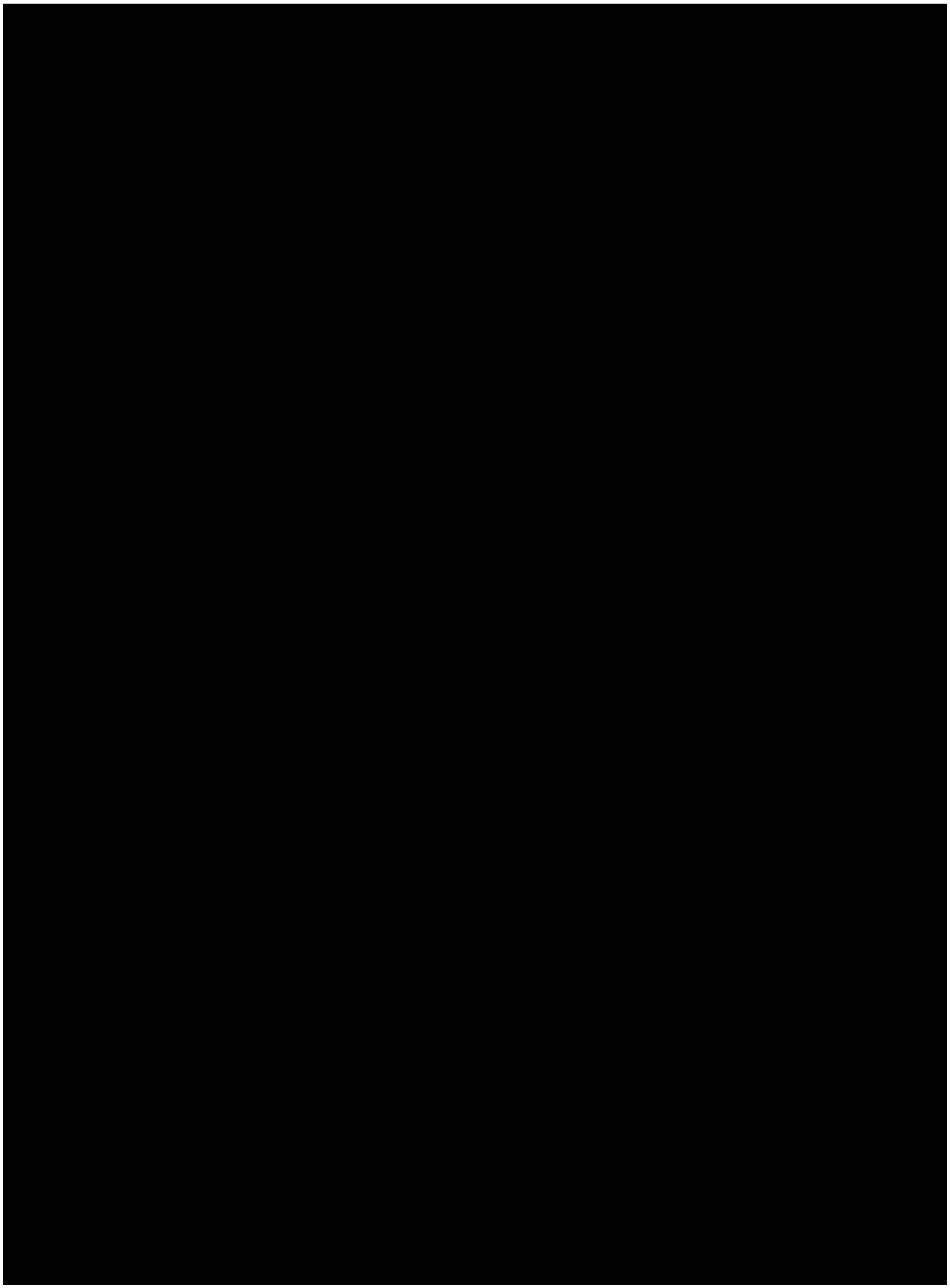


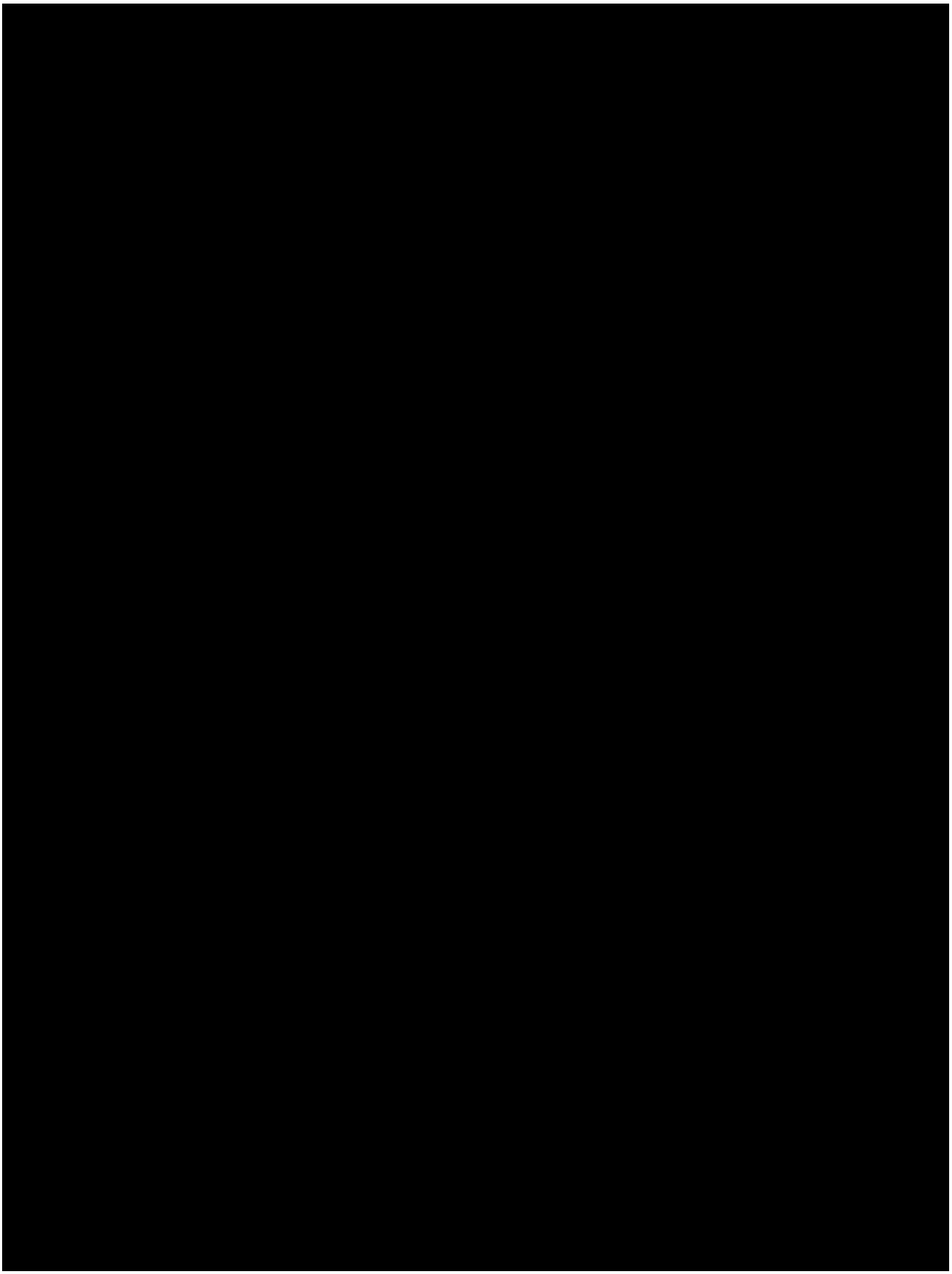


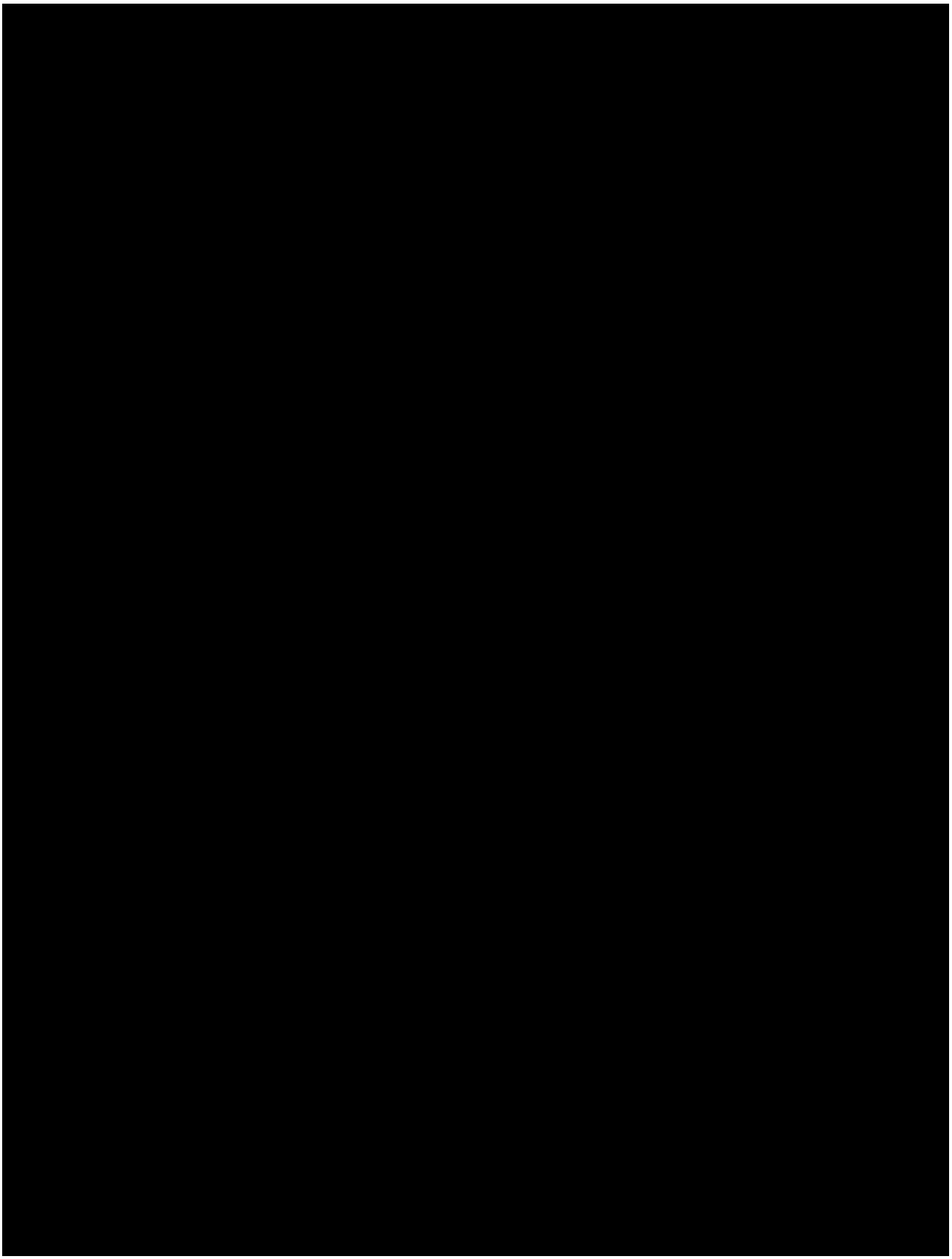


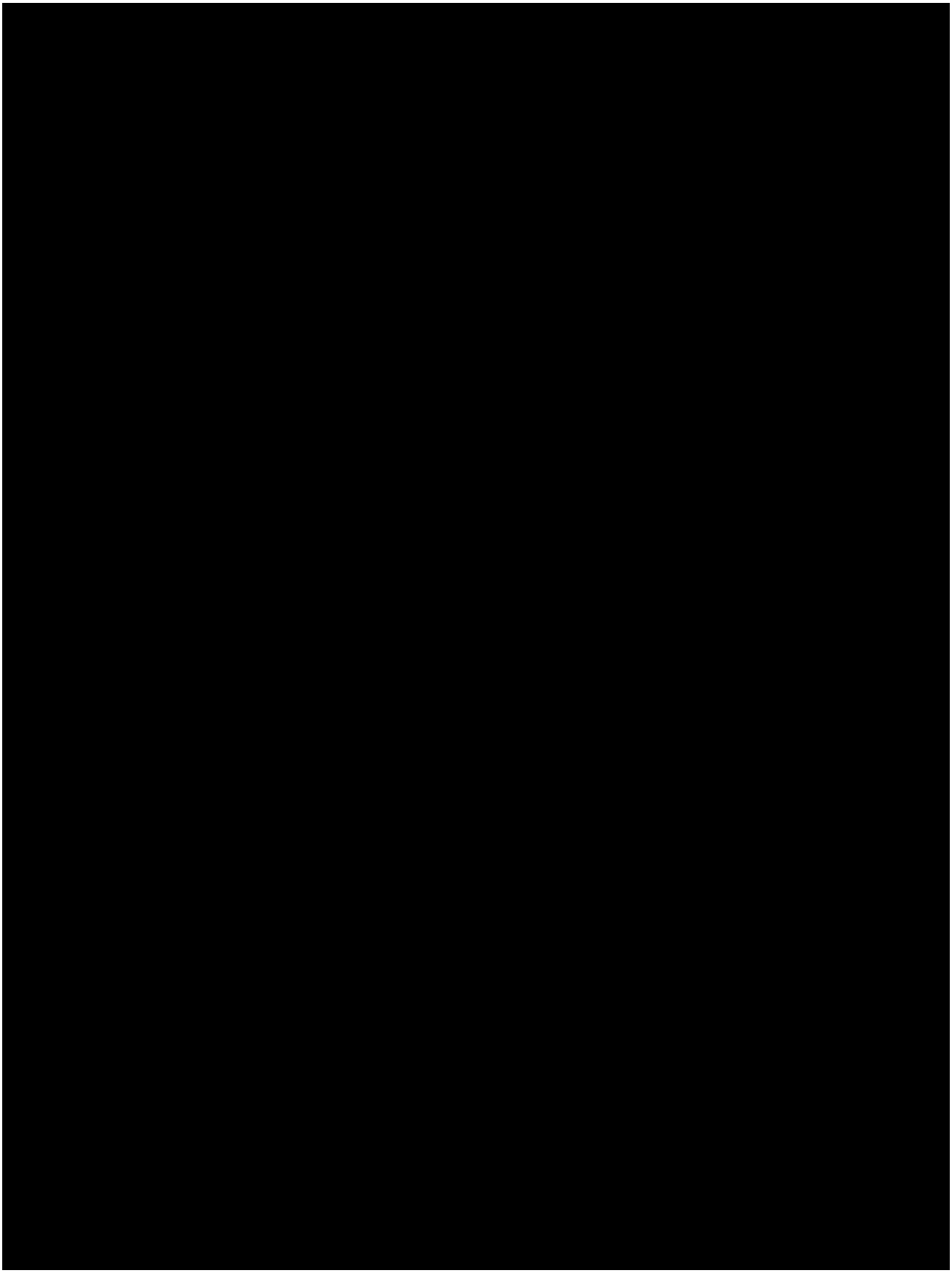


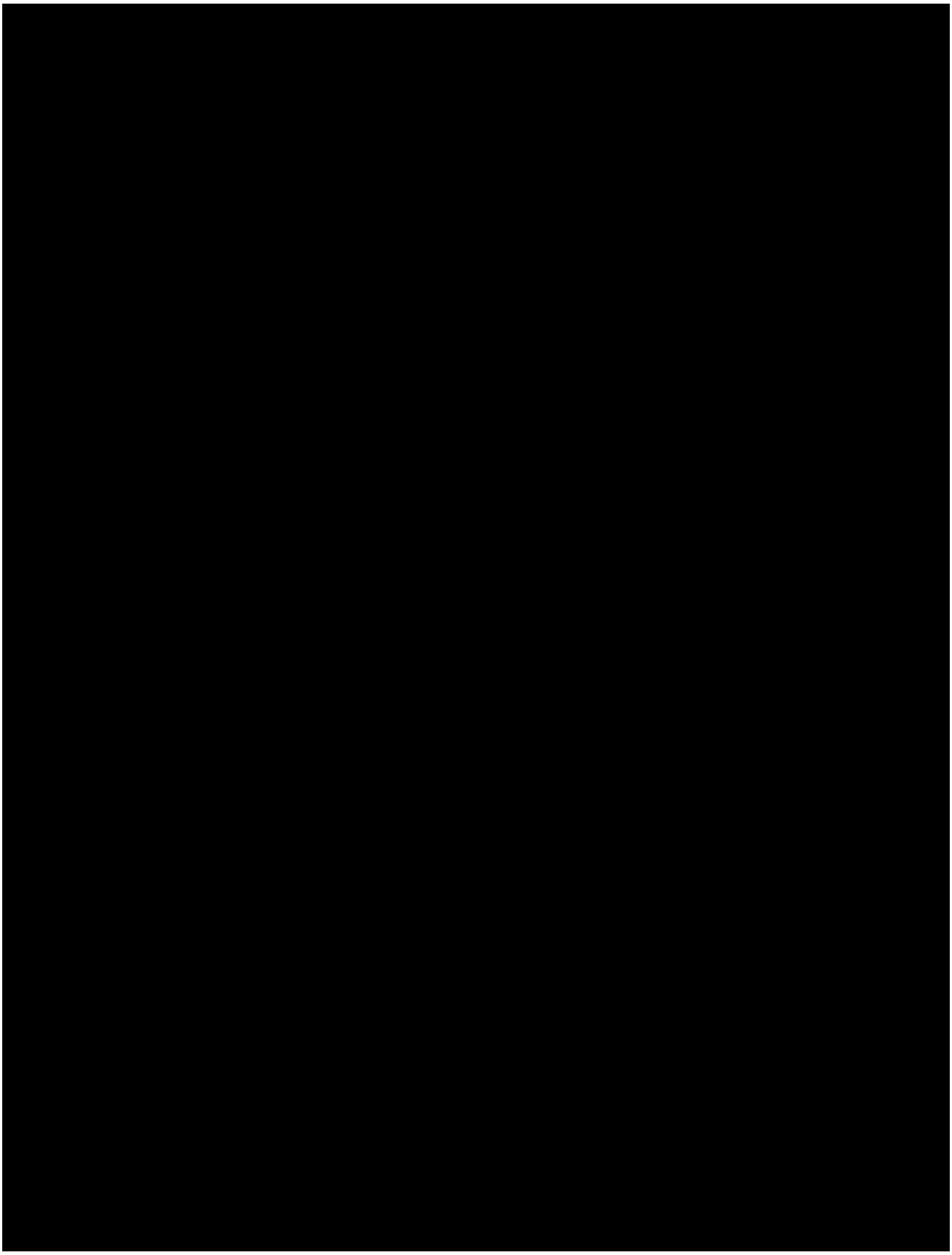


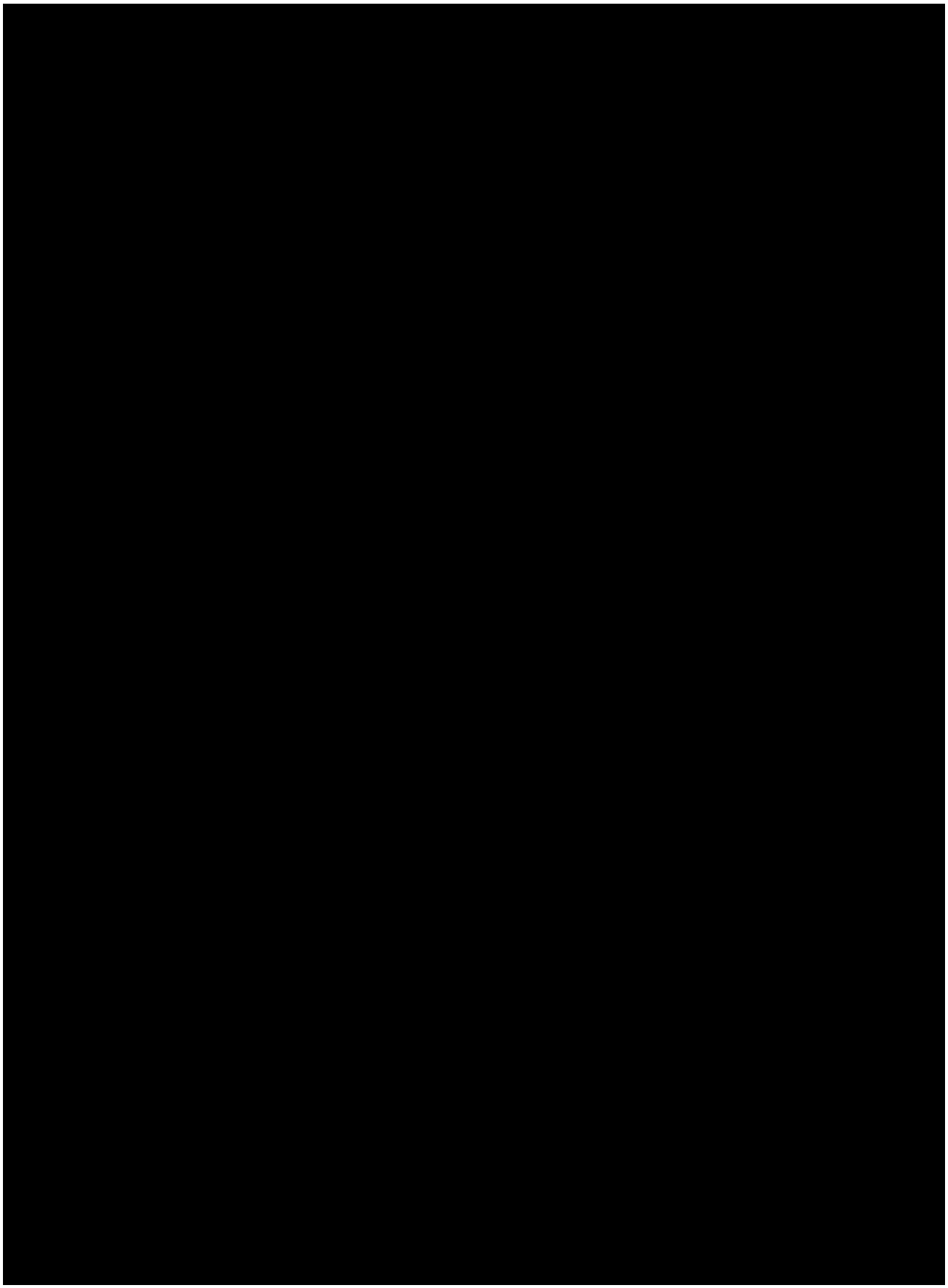


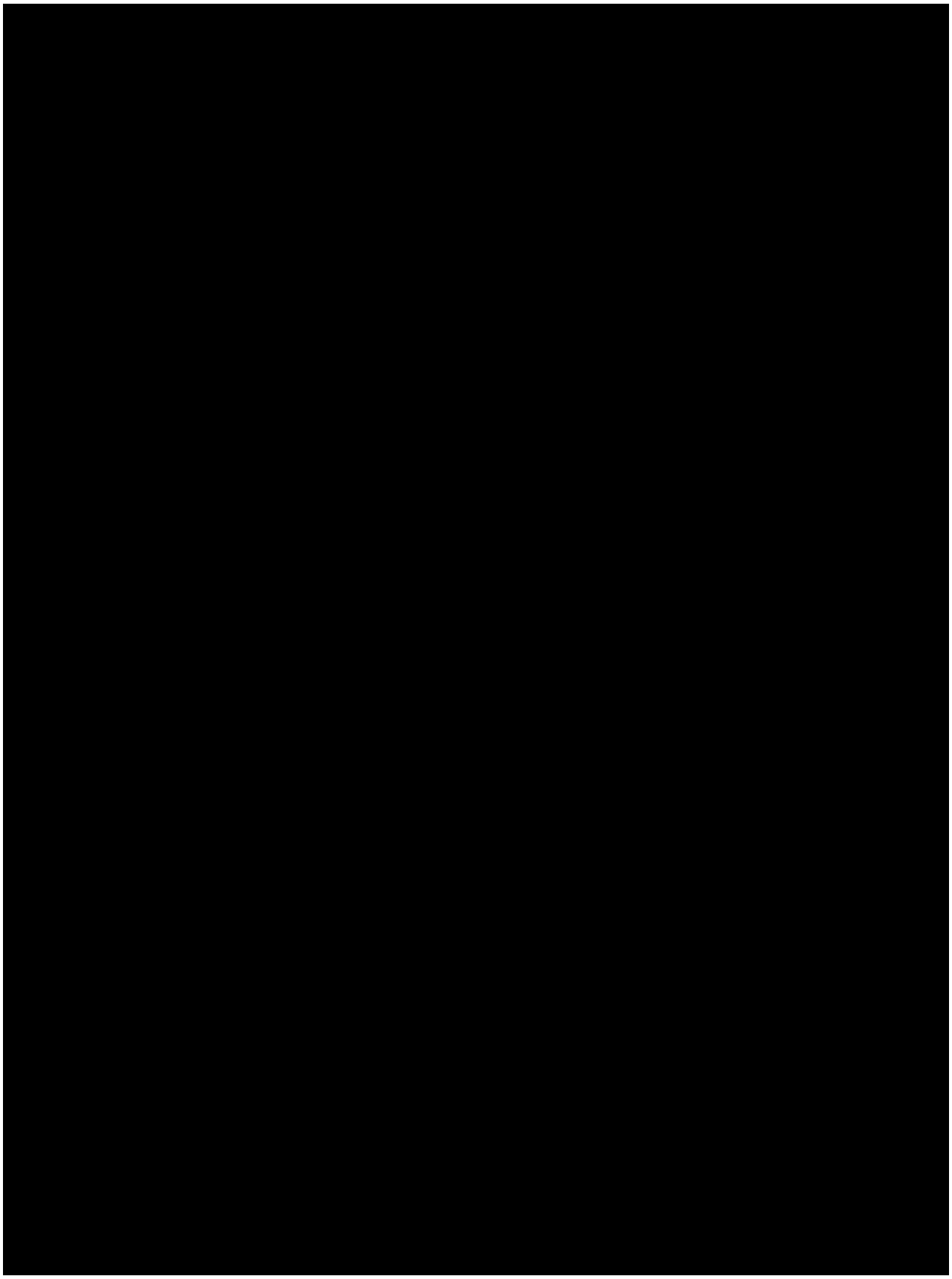


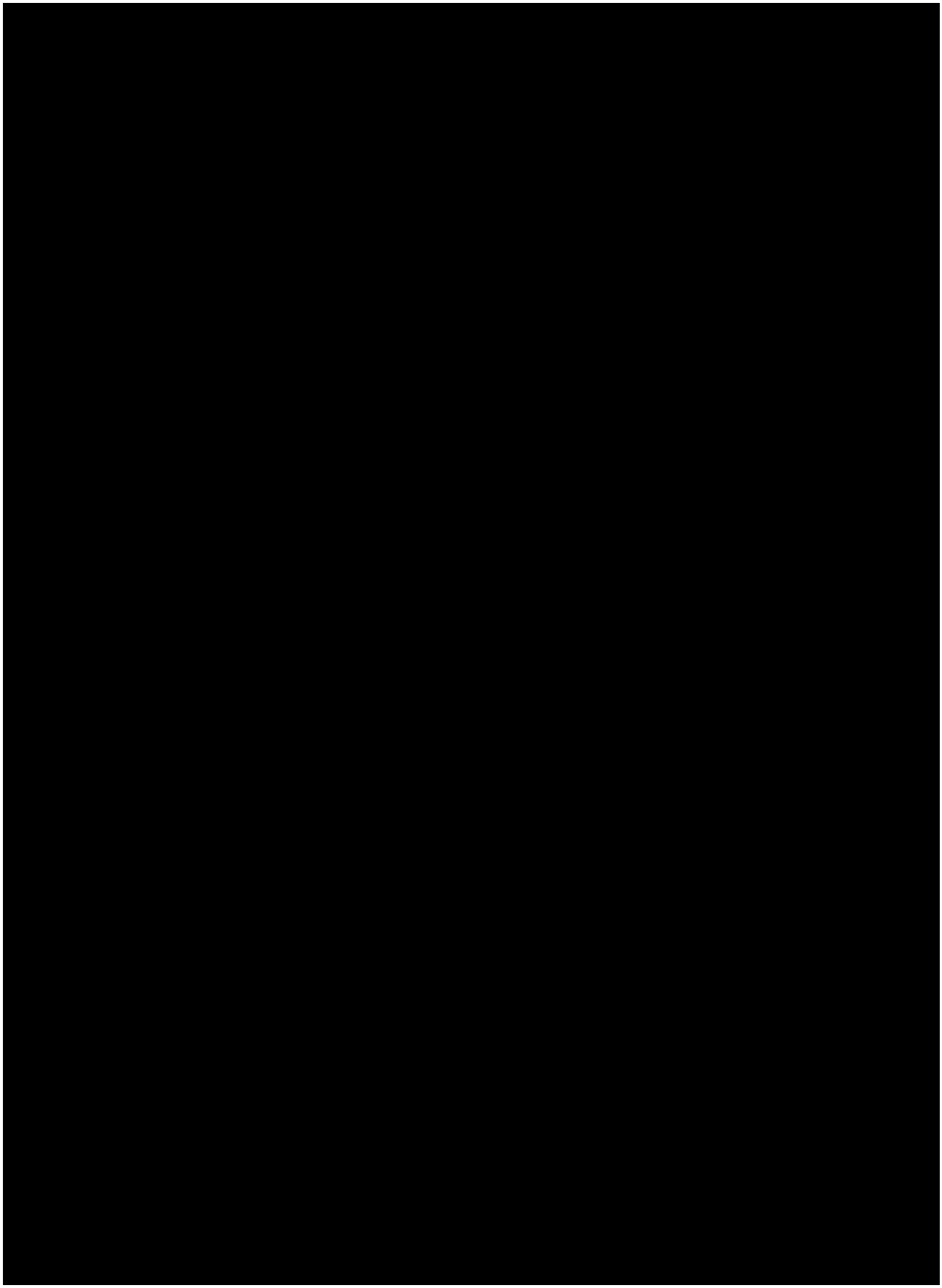


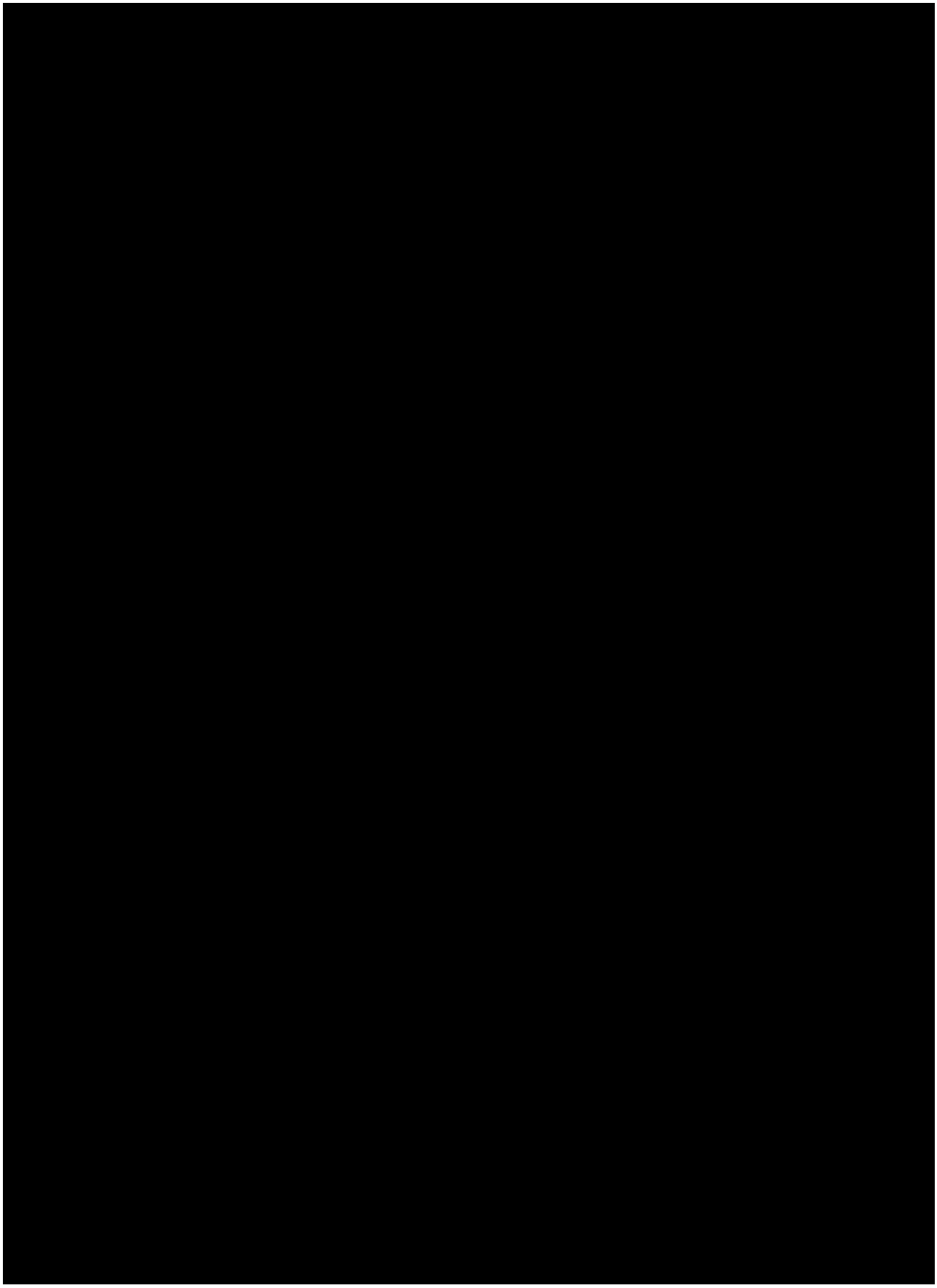


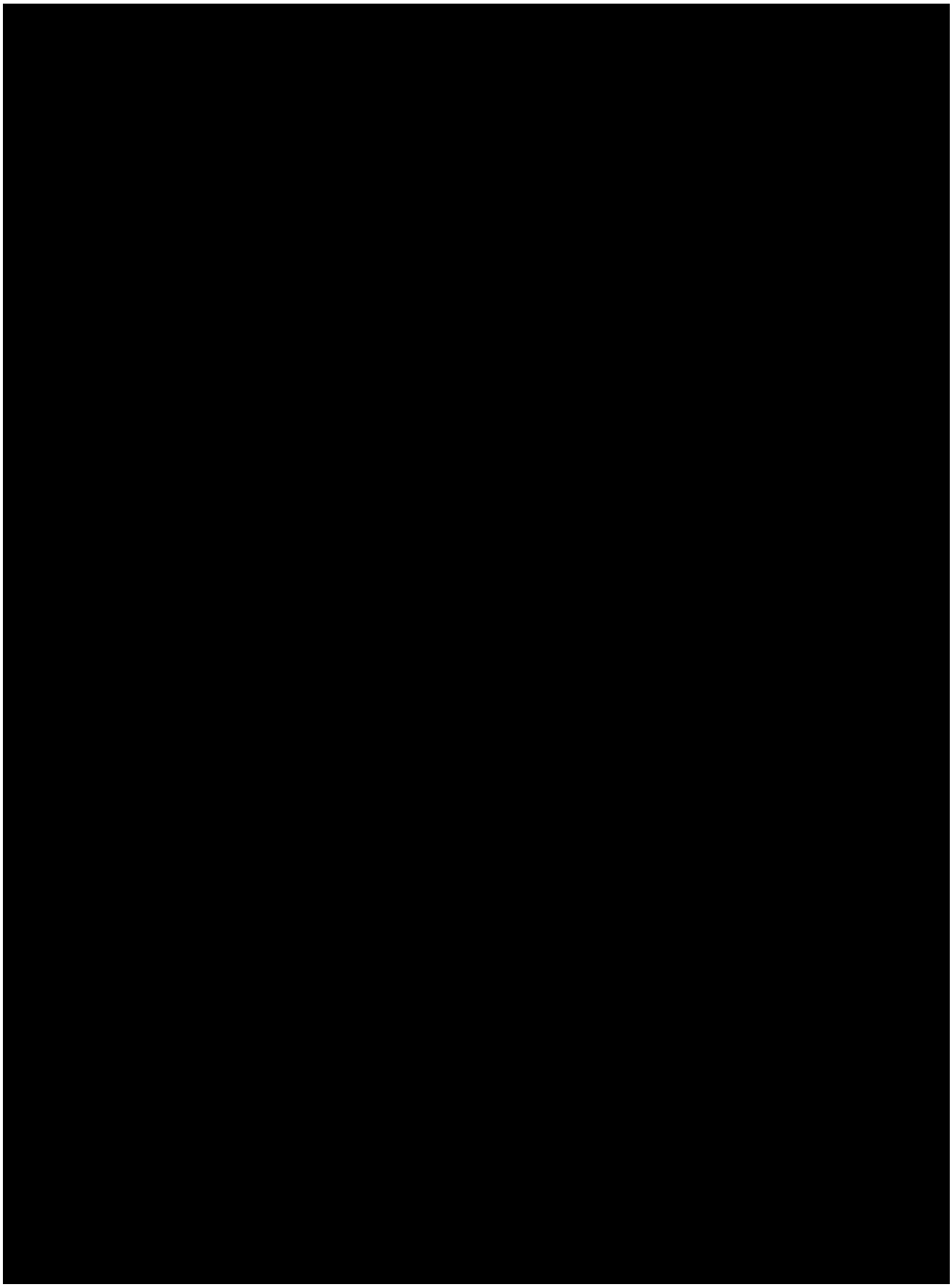


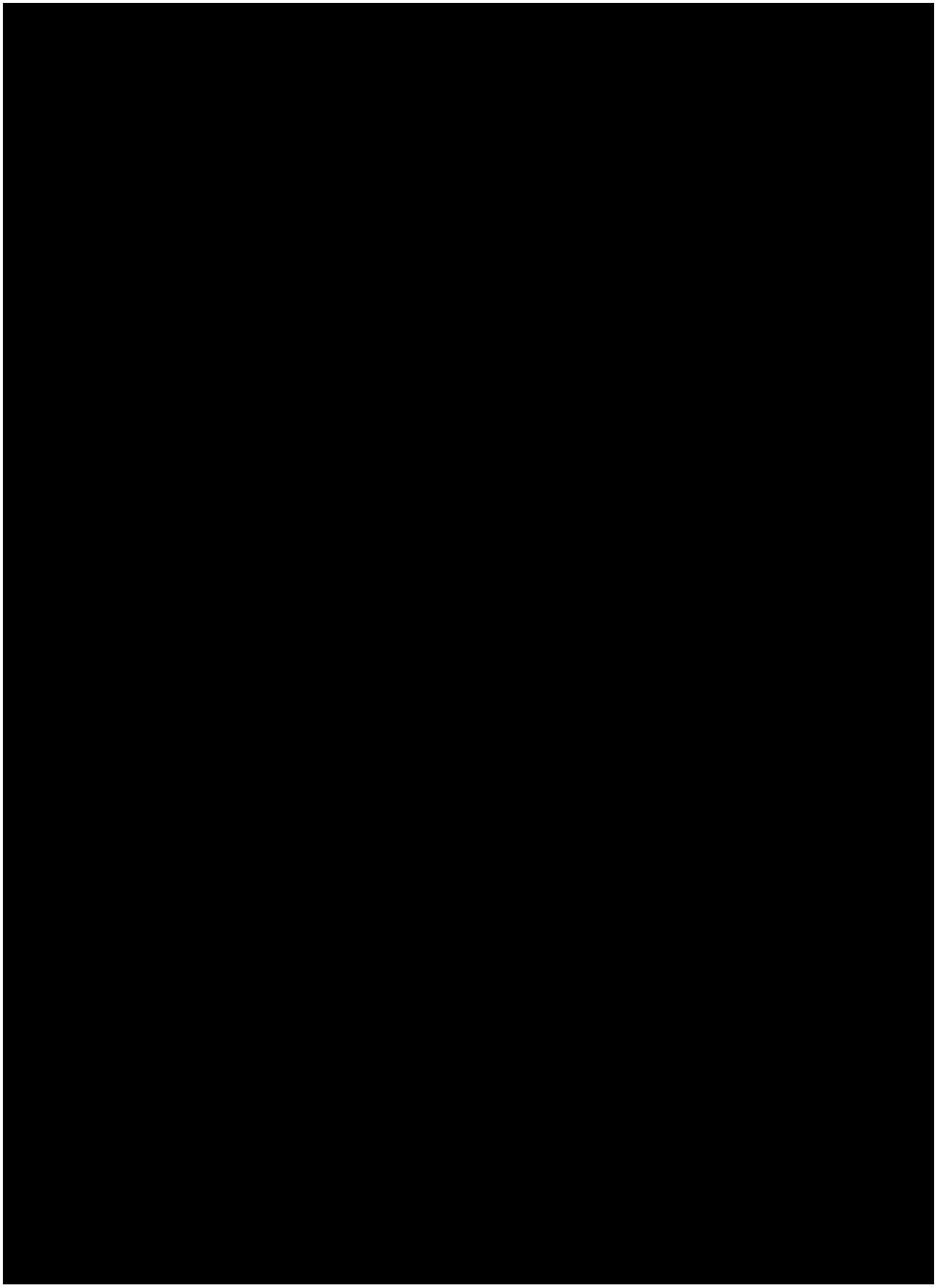


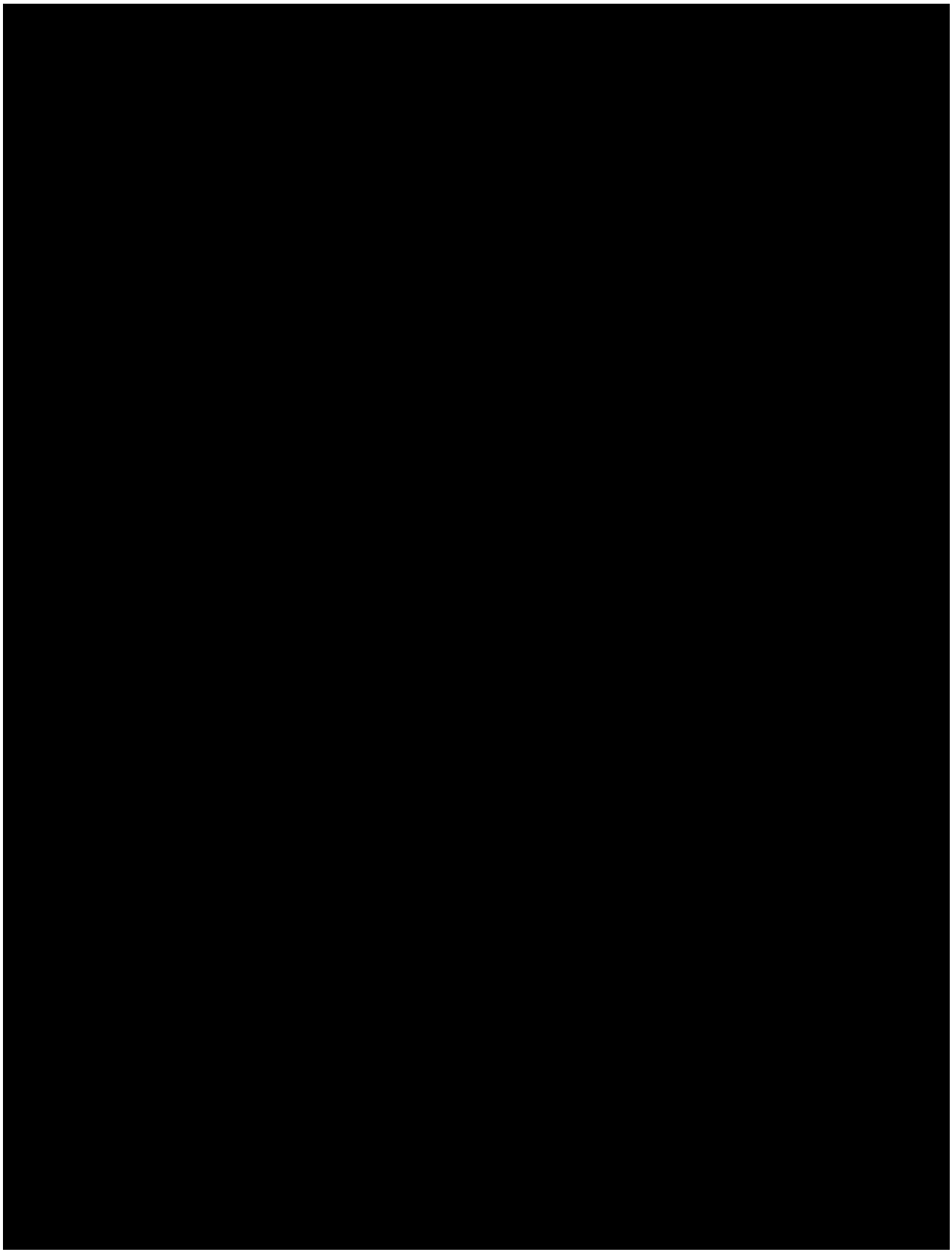


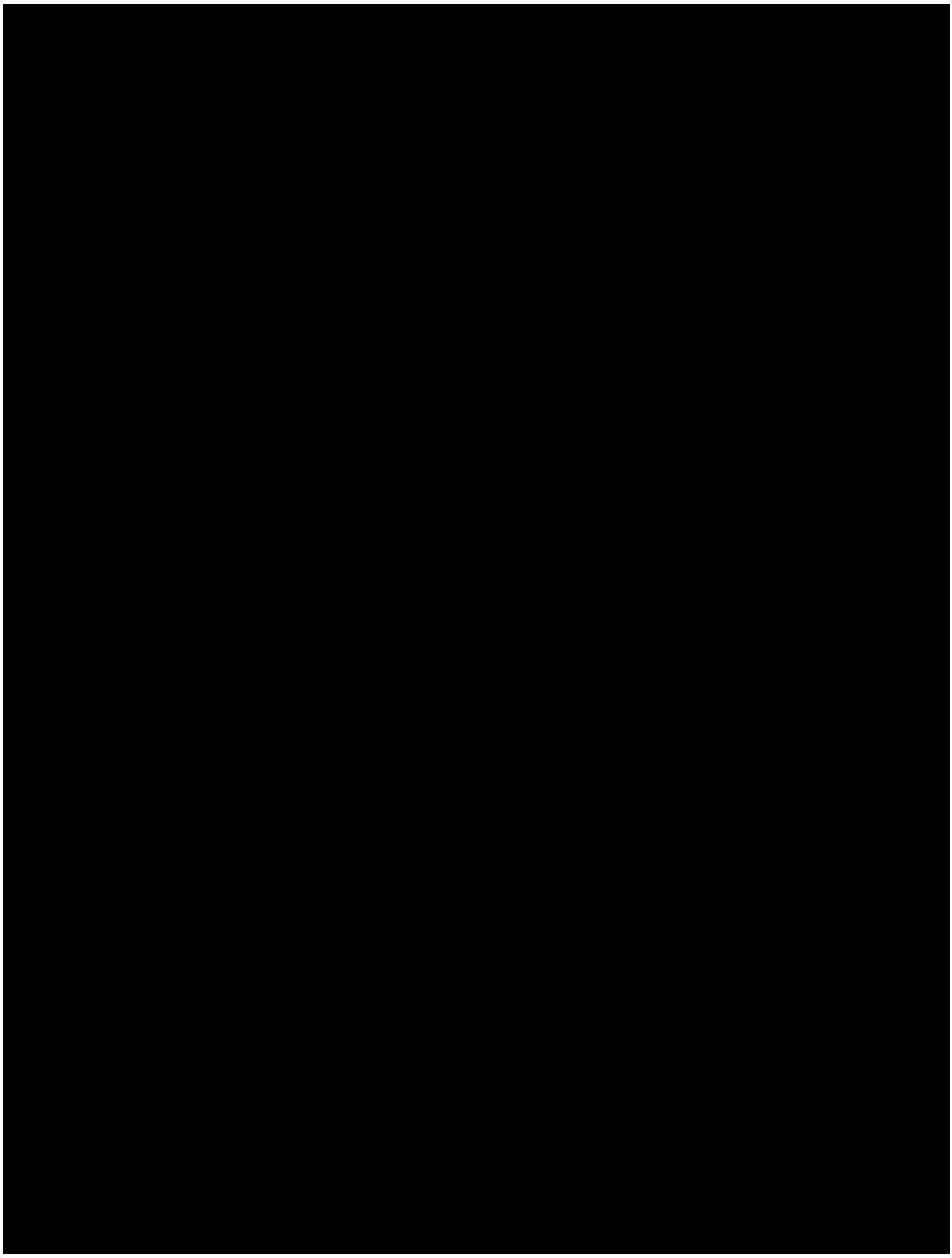


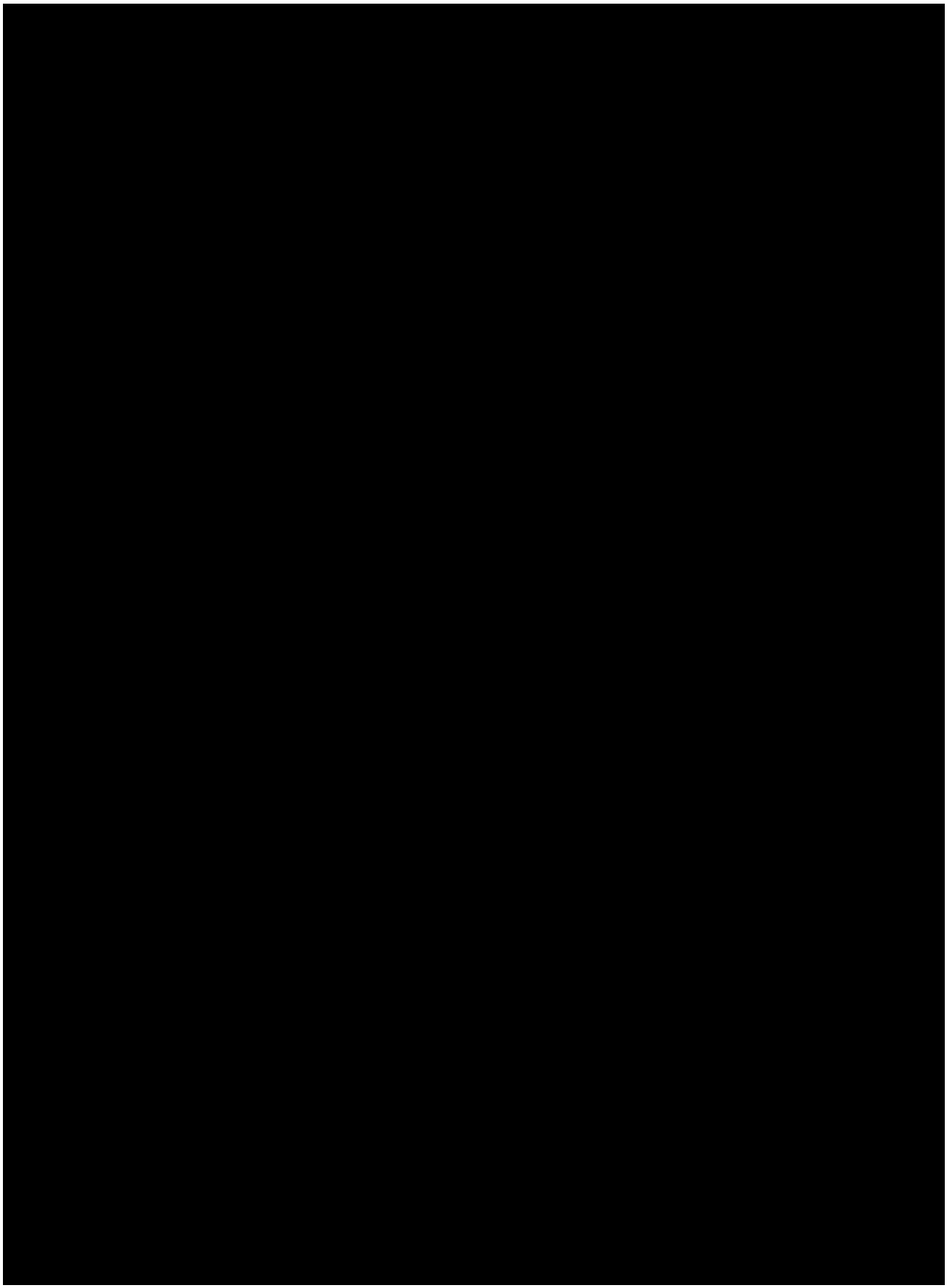


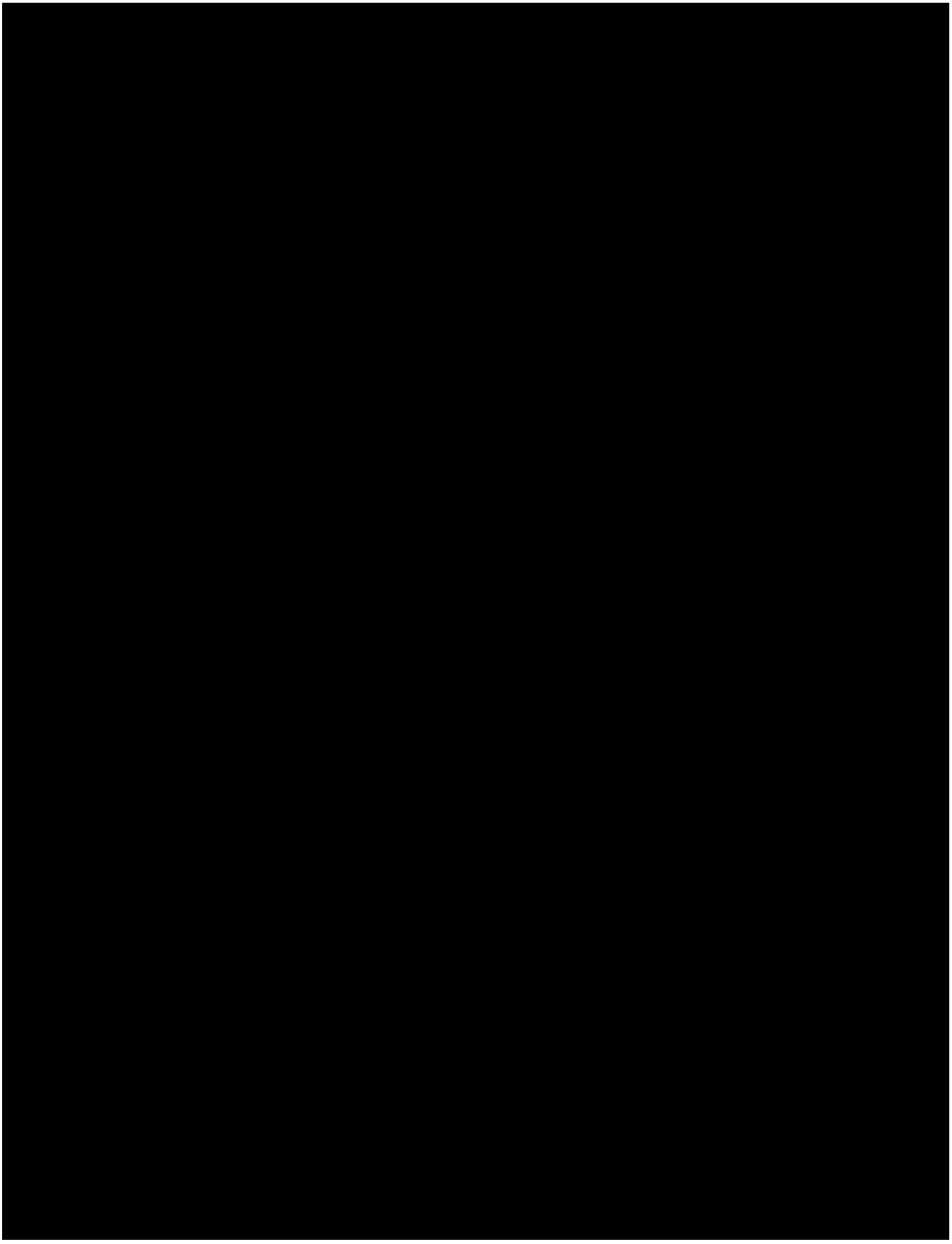


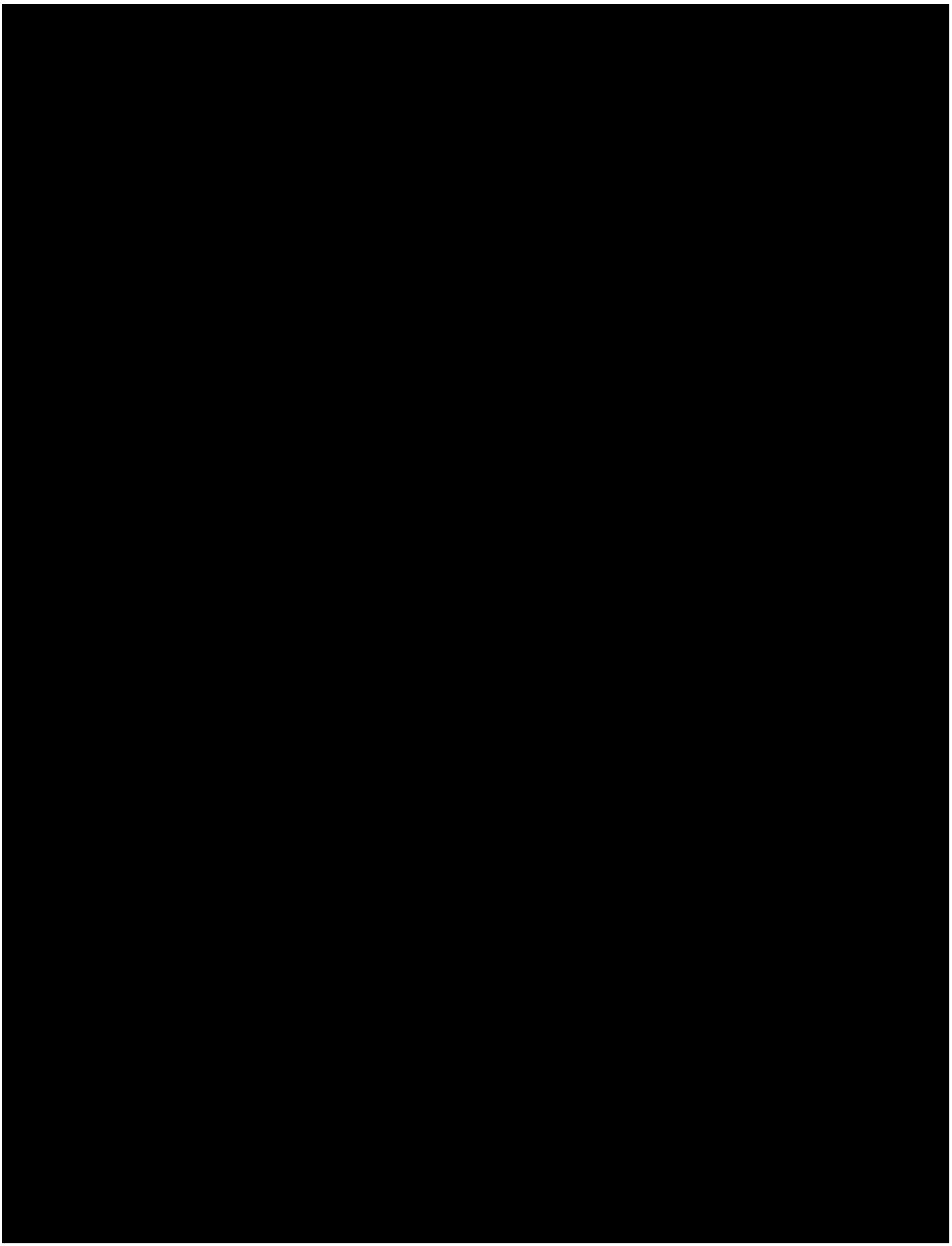












Schedule “D”

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.

CONFIDENTIAL EXHIBIT "H"
referred to in the Affidavit of
JOE BROKING
Sworn February 2, 2024

A Commissioner for Taking Affidavits
Natasha Rambaran | LSO #80200N

[Subject to Sealing Order]

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

AFFIDAVIT OF
JOE BROKING
(SWORN FEBRUARY 2, 2024)

STIKEMAN ELLIOTT LLP
Barristers & Solicitors
5300 Commerce Court West
199 Bay Street
Toronto, Canada M5L 1B9

Ashley Taylor (LSO #39932E)
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Philip Yang (LSO #82084O)
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Email: pyang@stikeman.com

Lawyers for the Applicant

TAB 3

Court File No. 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 MICHAEL NESSIM
(Sworn February 2, 2024)

I, **MICHAEL NESSIM**, of the City of Toronto, in the Province of Ontario, Canada, MAKE OATH AND SAY:

1. I am a Managing Director of Greenhill & Co. Inc. ("**Greenhill**" or the "**Financial Advisor**") and Head of Greenhill's Metals & Mining Group in North America. I have been working with Tacora Resources Inc. ("**Tacora**" or the "**Company**") since Greenhill's engagement in January 2023, and assisted with the Company's Pre-Filing Strategic Process and, more recently, the Solicitation Process (each as defined below). As such, I have knowledge of the matters to which I hereinafter depose, except where otherwise stated.

2. Capitalized terms used herein and not otherwise defined have the meaning given to them in the Affidavit of Joe Broking sworn February 2, 2024 (the "**Broking Affidavit**"). All references to currency in this affidavit are references to United States dollars, unless otherwise indicated.

3. This affidavit is sworn in support of the Company's motion seeking approval of the Subscription Agreement dated January 29, 2024, entered into between Tacora, as issuer, and the Investors.

I. PRE-FILING STRATEGIC PROCESS[1]

4. The Company engaged Greenhill in January 2023 to undertake a strategic process to explore, review, and evaluate a broad range of alternatives for the Company, including sale

[1] The Pre-Filing Strategic Process is also described in the Affidavit of Joe Broking sworn October 9, 2023 (the "**Initial Broking Affidavit**").

opportunities or additional investments into Tacora (the "**Pre-Filing Strategic Process**").

5. After input from the Company's management team and existing key stakeholders, Greenhill prepared an approved outreach list of potential interested parties and commencing in March 2023, Greenhill reached out to 30[2] strategic and financial parties (including RCF but excluding the existing stakeholders and any potential offtake parties) in connection with a potential sale or financing transaction with respect to the Company. Eleven parties executed confidentiality agreements with the Company, and Greenhill and the Company facilitated due diligence for interested parties. Cargill was actively involved in the Pre-Filing Strategic Process, including with the review of marketing documents. Both Cargill and the Ad Hoc Group received regular updates from Greenhill on the process. I understand that both Cargill and the Ad Hoc Group also independently attempted to solicit new investment into the Company during 2023. Certain of the parties introduced by Cargill or the Ad Hoc Group to the Pre-Filing Strategic Process were introduced to Greenhill to facilitate the sharing of confidential information to such parties. In April 2023, the Company received several letters of intent ("**LOIs**") and term sheets in respect of potential transactions. Each of the LOIs and term sheets received by the Company as part of the Pre-Filing Strategic Process contemplated significant concessions from Cargill in respect of the Offtake Agreement and/or the Senior Noteholders in respect of the Senior Secured Notes for the contemplated transactions to be pursued. Greenhill facilitated conversations for the interested parties to discuss separately with Cargill and the Ad Hoc Group to explore whether terms acceptable to all parties could be reached but no such agreement was obtained.

6. In May 2023, the Company executed a letter of intent (the "**Executed LOI**") for a sale of the Company that was supported by Cargill and the Ad Hoc Group and facilitated advanced due diligence for the interested party. In July 2023, the interested party advised it was no longer interested in advancing the transaction contemplated by the Executed LOI. I understand one of the reasons communicated by the interested party for no longer being interested in pursuing the transaction was that the Offtake Agreement would limit the party's ability to use Tacora's iron ore in its own operations preventing realization of potential synergies.

7. In July 2023, following termination of the exclusivity period in the Executed LOI, Cargill and the Ad Hoc Group engaged in extensive discussions regarding a possible consensual restructuring and recapitalization transaction for the Company. RCF, a new potential equity

[2] For clarity, this figure does not include parties who were pre-existing stakeholders of the Company at that time.

investor previously contacted by Greenhill, also executed a confidentiality agreement with the Company in late June 2023 and participated in discussions with Cargill and the Ad Hoc Group. As further described in the Broking Affidavit, ultimately, the parties were unable to reach an agreement to avoid the need for Tacora to file for protection under the CCAA. As a result, on October 10, 2023, Tacora commenced the CCAA Proceedings and the Court granted the Initial Order.

II. THE SISP[3]

A. SISP Procedures

8. On October 30, 2023, the Court granted the Solicitation Order, which, among other things, authorized Tacora to undertake a sale, investment and services solicitation process (the "**Solicitation Process**" or the "**SISP**") to solicit interest in, and opportunities for: (a) a sale of all or substantially all, or certain portions of the Property or the Business; or (b) an investment in, restructuring, recapitalization, refinancing or other form of reorganization of Tacora or its Business as a going concern, or a combination thereof (collectively, the "**Transaction Opportunity**"). The procedures under the SISP (the "**SISP Procedures**") were developed by the Company in consultation with its counsel, Stikeman Elliott LLP ("**Stikeman**"), Greenhill and the Monitor, FTI Consulting Canada Inc. ("**FTI**" or the "**Monitor**"). The SISP Procedures were provided to Cargill and the Ad Hoc Group, and their respective advisors, in draft form for input prior to their approval.

9. The Solicitation Process also provided the ability for interested parties to investigate and conduct due diligence regarding an opportunity to arrange an offtake, service or other agreement in respect of the Business (the "**Offtake Opportunity**" and together with the Transaction Opportunity, the "**Opportunity**").

10. The SISP Procedures contemplated the following milestones for the Solicitation Process:

Event	Timing
Phase 1	
1. Notice Monitor to publish a notice of the Solicitation	No later than five (5) days following issuance of the Solicitation Order

[3] Capitalized terms used in this section and not otherwise defined have the meanings given to them in the Procedures for the Sale, Investment and Services Solicitation Process (the "**SISP Procedures**").

Process on the Monitor's Website Financial Advisor / Tacora to publish notice of the Solicitation Process in industry trade publications, as determined appropriate Greenhill to distribute Teaser Letter and NDA (if requested) to potentially interested parties	
2. Phase 1 - Access to VDR Phase 1 Bidders provided access to the virtual data room ("**VDR**"), subject to execution of appropriate NDAs	October 30, 2023, to December 1, 2023
3. Phase 1 Bid Deadline Deadline for Phase 1 Bidders to submit non-binding LOIs	December 1, 2023, at 12:00 p.m. (Eastern Time)
4. Notification of Phase 1 Qualified Bid Deadline to notify a Phase 1 Bidder whether it has been designated as a Phase 2 Bidder invited to participate in Phase 2	December 6, 2023, at 12:00 p.m. (Eastern Time)
Phase 2	
5. Phase 2 Bid Deadline Phase 2 Bid Deadline for delivery of definitive offers by Phase 2 Qualified Bidders	January 19, 2024, at 12:00 p.m. (Eastern Time)
6. Definitive Documentation Deadline for completion of definitive documentation in respect of a Successful Bid and filing of the Approval Motion	February 2, 2024
7. Approval Motion Hearing of Approval Motion in respect of	Week of February 5, 2024

Successful Bid (subject to Court availability)	
8. Outside Date – Closing Outside Date by which the Successful Bid must close	February 23, 2024 (subject to customary conditions related to necessary and required regulatory approvals acceptable to Tacora, in consultation with Greenhill and the Monitor, in their sole discretion)

11. The Solicitation Process and the SISP Procedures were designed to be broad in order to provide Tacora and interested parties with the opportunity to pursue a range of Opportunities and transaction structures.

B. Conduct of the SISP

12. In preparation for the commencement of the SISP, Greenhill, in consultation with the Company, Stikeman and the Monitor, prepared:

(a) a teaser letter describing the Opportunity (the "**Teaser Letter**");

(b) a form of non-disclosure agreement ("**NDA**");

(c) a VDR containing information on the Company and its Business and Property, which included a confidential information presentation describing key aspects of the Business and consolidated summary financial forecasts for the Company; and

(d) a list of Potential Bidders, which included strategic and financial parties, including those who might act as potential equity financing sources in a consortium and/or restructuring solution and those who might wish to use Tacora's product as part of their business.

13. Following issuance of the Solicitation Order, Greenhill launched the SISP on October 31, 2023. In accordance with the SISP Procedures, the following steps took place shortly after issuance of the Solicitation Order:

(a) Tacora issued a press release with AccessWire on November 3, 2023, a copy of which is attached hereto as **Exhibit "A"**;

(b) the Monitor published notice of the Solicitation Process and the SISP Procedures on the Monitor's Website on November 4, 2023, a copy of which is attached hereto as **Exhibit "B"**; and

(c) Greenhill distributed the Teaser Letter, NDA, approved SISP Procedures and communicated the Qualified Bid Deadline of December 1, 2023, to Potential Bidders.

1. Phase 1

14. Over 130 Potential Bidders were contacted by Greenhill following the commencement of the SISP.

15. On November 2, 2023, Greenhill followed up with Potential Bidders who had not responded to Greenhill's initial outreach. A total of 48 Potential Bidders responded to Greenhill and 26 Potential Bidders executed NDAs. The 26 parties who executed NDAs: (a) received access to the Phase 1 VDR, which was periodically updated; (b) were given the opportunity to request additional information and conduct additional due diligence; and (c) were given the opportunity to meet with the Company's management team, if requested and appropriate, with participation by representatives of Greenhill and the Monitor. Management meetings with Potential Bidders took place in the latter half of November.

16. In November 2023, five Phase 1 Bidders requested and attended a meeting with Tacora's management team in advance of the Phase 1 Bid Deadline. Representatives from Greenhill and the Monitor were present at each of these meetings.

17. On November 24, 2023, Greenhill distributed a process letter to all Phase 1 Bidders, which reminded Phase 1 Bidders of the requirements for a Bid to be considered a Phase 1 Qualified Bid under the Solicitation Process.

18. On November 27, 2023, Greenhill contacted all Phase 1 Bidders through electronic mail to remind parties of the Phase 1 Bid Deadline.

19. On December 1, 2023, being the Phase 1 Bid Deadline, Greenhill, Stikeman and the

Monitor received seven non-binding Bids, which included:

(a) two LOIs that expressed an interest in both the Transaction Opportunity and the Offtake Opportunity;

(b) three LOIs that expressed an interest solely in the Transaction Opportunity; and

(c) two indications of interest ("**IOIs**") that expressed an interest solely in the Offtake Opportunity.

20. Only one of the above LOIs, received from Cargill, contemplated an assumption of the Offtake Agreement.

21. Following the Phase 1 Bid Deadline, the board of directors of the Company (the "**Board**"), in consultation with Greenhill, Stikeman, the Company's management team and the Monitor, assessed the five Bids and two IOIs received in accordance with the SISP Procedures and determined that the five Phase 1 Bids received constituted Phase 1 Qualified Bids. The Board directed Greenhill to advise six of the Phase 1 Bidders and Financing Parties (inclusive of the parties that submitted IOIs in respect of the Offtake Opportunity) that, in order to pursue a standalone proposal, they would need to significantly improve the terms of their Bids to enhance the value available to Tacora's stakeholders. Greenhill also proposed an alternative option for these Phase 1 Bidders and Financing Parties to join in a potential consortium bid with Cargill in an effort to enhance the potential value that could be offered by these Phase 1 Bidders and Financing Parties. As described below, three Phase 1 Bidders were admitted into Phase 2 on December 6, 2023, and the other parties were introduced to Cargill to form a consortium.

2. Phase 2

22. During Phase 2 of the SISP, Greenhill continued to engage with parties to facilitate due diligence and negotiations, which included site visits to the Scully Mine and access to management and Q&A sessions. Any Bidders who had not requested meetings with the Company management team in Phase 1 were provided opportunities to meet with management in Phase 2 as part of management presentations and site visits. Greenhill also provided regular guidance and feedback to the parties, including reminding parties of the SISP Procedures and the Phase 2 Bid Deadline.

23. Of the six Phase 1 Bidders and Financing Parties that were informed they needed to

materially improve the value of their Bids, two parties pursued stand-alone proposals, one party withdrew from the process (as it was only interested in the Offtake Opportunity and no other Bidder was interested in forming a consortium with the Bidder) and three parties were introduced to Cargill (whose Bid contemplated the need to raise third party financing) in an effort to allow the parties to submit a consortium bid.

24. Cargill also identified 51 potential financing parties with whom they were interested in speaking. Certain of these parties had previously been contacted by Greenhill during its initial outreach and were participants in Phase 1 of the SISP. The parties contacted by Greenhill and others identified by Cargill included those that had already conducted extensive due diligence on the Company either as part of the Pre-Filing Strategic Process, the DIP solicitation process, or through other strategic and operational discussions with the Company over the past several years. Of the potential financing parties identified by Cargill, 19 informed Greenhill that they were potentially interested in participating in a consortium bid with Cargill. The Company facilitated diligence with 18 of those financing parties who executed NDAs. The remaining 33 financing parties either: (a) did not respond to Greenhill or the Company to request an NDA; or (b) did not execute an NDA with the Company.

25. On January 8, 2024, Greenhill provided Phase 2 Bidders with a process letter, which reiterated the requirements under the SISP Procedures, including the Phase 2 Qualified Bid criteria. In addition, prior to the Phase 2 Bid Deadline, Tacora's advisors engaged in discussions with all Phase 2 Bidders to remind them of the SISP Procedures, including, among other things, the requirements to submit a deposit prior to the Phase 2 Bid Deadline and to submit a Bid in the form of duly authorized and executed transaction agreements.

26. On January 19, 2024, the Phase 2 Bid Deadline, Greenhill received three Phase 2 Bids:

(a) the Investors' Bid for all the shares of Tacora pursuant to the Subscription Agreement;

(b) a Bid from Cargill for all the assets of Tacora; and

(c) a Bid from Bidder #3 for all the shares of Tacora pursuant to a reverse vesting order.

27. Following the Phase 2 Bid Deadline, Greenhill and Stikeman in coordination with the Monitor and its counsel and with assistance from management, reviewed and assessed the

Phase 2 Bids and the transaction documents submitted. Greenhill and the Company's advisors also participated in follow-up calls with each of the Phase 2 Bidders to provide feedback on key issues with respect to each Phase 2 Bid and ask clarifying questions.

3. Selection of Successful Bid

28. Pursuant to the SISP Procedures, following receipt of the Phase 2 Bids, Tacora, in consultation with Greenhill and the Monitor, reviewed and assessed the Phase 2 Bids received by the Phase 2 Bid Deadline to determine whether each Bid constituted a Phase 2 Qualified Bid. Under the SISP, in order to constitute a Phase 2 Qualified Bid, a Phase 2 Bid was required to, among other things:

(a) be binding and irrevocable until the selection of the Successful Bidder;

(b) be in the form of duly authorized and executed transaction agreements;

(c) include written evidence of a firm commitment for financing or other evidence of an ability to consummate the proposed transaction;

(d) not be subject to the outcome of unperformed due diligence, internal approvals, or contingency financing;

(e) set forth in detail any conditions to closing or required approvals, the anticipated time frame and any anticipated impediments for obtaining such approvals;

(f) fully disclose the identity of each entity that will be entering into the transaction or the financing or that is sponsoring, participating or benefiting from such Bid; and

(g) be accompanied by a non-refundable cash Deposit equal to ten percent (10%) of the total cash component of the purchase price or investment contemplated under the Phase 2 Bid.

29. The Solicitation Process permits Tacora, in consultation with the Financial Advisor and with the consent of the Monitor, to waive strict compliance with any one or more of the Phase 2 Bid requirements and deem a non-compliant Bid to be a Phase 2 Qualified Bid.

30. The Solicitation Process further sets out a list of non-exhaustive criteria for Tacora, Greenhill and the Monitor to evaluate when reviewing Phase 2 Qualified Bids. Following such

evaluation, Tacora may, in consultation with the Financial Advisor and the Monitor, (a) accept one Phase 2 Qualified Bid as the Successful Bid; (b) continue negotiations with Phase 2 Bidders who have submitted a Phase 2 Qualified Bid; or (c) schedule an auction with all Bidders that submitted Phase 2 Qualified Bids.

31. On January 24, 2024, the Board held a meeting to review and assess the Phase 2 Bids and determine whether each Phase 2 Bid constituted a Phase 2 Qualified Bid and consider next steps and the path forward following the Phase 2 Bid Deadline. The Board meeting was adjourned following initial deliberations, and continued on January 28, 2024, and again on January 29, 2024. Each of the Board meetings was attended by the Company's three directors, Greenhill, Stikeman and the Monitor and its counsel. Independent counsel for the Board also attended the deliberations on January 24, 2024, and January 29, 2024.

32. The Company determined that (a) the Investors' Bid should be declared the Successful Bid under the Solicitation Process, and (b) the other Phase 2 Bids did not constitute Phase 2 Qualified Bids and should not be deemed to be Phase 2 Qualified Bids by waiving the criteria established by the SISP Procedures. In making these decisions, the Company reviewed and assessed the benefits and weaknesses of each of the Phase 2 Bids, received input and advice from Greenhill and Stikeman and considered the views of the Monitor. A detailed overview of the deliberations of the Board is provided in the Broking Affidavit.

33. Based on the Phase 2 Bids received, I believe that the Investors' Bid was the only actionable Phase 2 Bid received during the SISP and puts the Company in the best position to succeed upon emergence.

34. The Phase 2 Bid submitted by Cargill was contingent on raising new equity financing and contained a number of other problematic features, including:

(a) the Bid was structured as an asset sale but contained a condition that required that the purchaser be satisfied, in its sole discretion, that the Company's tax attributes be preserved in all material respects and available to be utilized by the purchaser, which is not possible in an asset sale. Cargill referenced in their bid letter that their Phase 2 Bid could be implemented in a different manner, but no definitive documents were provided in respect of such alternative structures;

(b) the Bid did not specify the new equity participants to be new majority owners of the Company (or the purchaser) following Closing as the Bid was contingent on raising new equity from third parties. This adversely impacted the Company's ability to evaluate necessary regulatory approvals and the ability and willingness of the equity participants to provide necessary further financing;

(c) the Bid contained conditions which, based on the Company's analysis, were likely not achievable, including, among others, (i) a minimum cash condition; (ii) a condition to maintain tax attributes (as noted, a different structure would have been required to preserve tax attributes); and (iii) a financing condition to raise new equity; and

(d) even assuming the contingent financing could be raised by Cargill, the Bid did not provide sufficient financing to adequately capitalize the Company to fund required capital expenditures and operating costs necessary to achieve the required "ramp up" of production at the Scully Mine to allow for the business to sustainably operate in the future.

35. The Phase 2 Bid of Cargill also did not contemplate repayment in full of the Senior Secured Notes on closing of the transaction but contemplated that such Senior Secured Notes would be reinstated, and the Company would seek an order of the Court waiving any past defaults thereunder. The Company expected the Senior Noteholders would have contested such a transaction and any relief seeking a deemed waiver of past defaults.

36. The Phase 2 Bid submitted by Bidder #3, among other things:

(a) contemplated reinstatement of Tacora's DIP facility and all of Tacora's other secured debt, including debt obligations which had matured, and was contingent on obtaining extensions of such debt obligations;

(b) required certain key contracts of Tacora to be renegotiated on terms acceptable to Bidder #3;

(c) did not provide for the assumption or payment of the Company's trade claims; and

(d) did not provide sufficient financing to fund emergence costs and required capital expenditures and operating costs post-emergence.

37. The Investors' Bid represents a successful outcome of the SISP which will achieve a going-concern solution for the Company, the payment or satisfaction of all the Company's secured debt, assumption or payment of the unsecured trade claims and an improved capital structure for the Company. Following the completion of the Transactions contemplated by the Investors' Bid:

(a) the Company will de-leverage a significant amount of secured debt, reducing Tacora's pre-filing indebtedness by approximately $119.3 million, from approximately $325.6 million to approximately $206.3 million;

(b) the maturity profile of the Company's funded debt will be extended to better align with the Company's business plan and anticipated "ramp up" efforts over the next several years;

(c) the Company's annualized debt service will be reduced from $21.2 million pre-filing to $12.6 million post-emergence which will allow for additional funding to be used for necessary operating costs and capital expenditures;

(d) the Company will have raised significant capital to sustainably operate in the future and make necessary investments in the Scully Mine; and

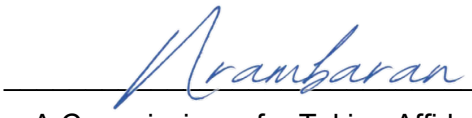
(e) the Offtake Agreement will be replaced by a marketing agreement with Javelin Global Commodities (SG) Pte Ltd. ("**Javelin**"). The agreement with Javelin is expected to lead to higher profitability for Tacora over the long-term and provides greater flexibility to the Company as the new marketing agreement has a defined term and option to terminate in favour of the Company. As referenced above, interested parties indicated in the Pre-Filing Strategic Process that the Offtake Agreement was one impediment to investing in or acquiring Tacora.

38. Greenhill's analysis of the Phase 2 Bids, prepared in consultation with the Company's other advisors, is attached hereto as **Confidential Exhibit "C"**.

39. Based on my experience and my review of comparable recent sale and investment solicitation processes and other out-of-court strategic processes, the Solicitation Process was a robust and thorough process to achieve the best transaction available in the circumstances. The Monitor was also actively involved and consulted throughout the Solicitation Process. Based on the feedback received during the Solicitation Process, I believe that the Subscription Agreement and the definitive documents represent the best terms the Company could achieve in the circumstances based on the competitive Solicitation Process.

SWORN remotely via videoconference, by Michael Nessim, stated as being located in the City of Toronto, in the Province of Ontario, before me at the City of Toronto, in Province of Ontario, this 2nd day of February 2024, in accordance with O. Reg 431/20, *Administering Oath or Declaration Remotely*. N Rambaran	DocuSigned by: Michael Nessim AD29F578259A445...
Commissioner for Taking Affidavits, etc. Natasha Rambaran | LSO #80200N	**MICHAEL NESSIM**

EXHIBIT "A"
referred to in the Affidavit of
MICHAEL NESSIM
Sworn February 2, 2024



A Commissioner for Taking Affidavits
Natasha Rambaran | LSO #80200N

Tacora Resources Inc.

Notice of Solicitation Process

On October 10, 2023, Tacora Resources Inc. (the "**Tacora**") sought and obtained an Order under the *Companies' Creditors Arrangement Act,* R.S.C. 1985, c. C-36 as amended (the "**Initial Order**") granting, *inter alia*, a stay of proceedings in favour of Tacora and appointing FTI Consulting Canada Inc. as monitor (in such capacity, the "**Monitor**").

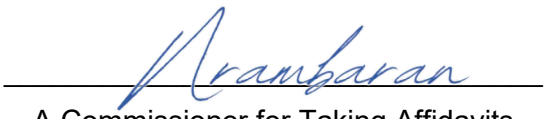
Pursuant to an order granted by the Court on October 30, 2023 (the "**Solicitation Order**"), Tacora, with the assistance of Greenhill & Co. Canada Ltd. ("**Greenhill**"), and under the supervision of the Monitor, has initiated a solicitation process (the "**Solicitation Process**") to solicit interest in, and opportunities for: (a) a sale of all, substantially all, or certain portions of the property or the business of Tacora; or (b) an investment in, restructuring, recapitalization, refinancing or other form of reorganization of Tacora or its business as a going concern, or a combination thereof. The Solicitation Process also provides the ability for interested parties to investigate and conduct due diligence regarding an opportunity to arrange an offtake, service or other agreement in respect of the business.

The Solicitation Process is a two-phased process. Qualified interested parties who wish to submit a bid in the Solicitation Process must deliver a non-binding letter of interest to Greenhill with a copy to the Monitor in accordance with the Solicitation Order, by no later than 12:00 p.m. (Eastern Time) on December 1, 2023. Binding offers must be submitted by no later than January 19, 2024, at 12:00 p.m. (Eastern Time) in accordance with the Solicitation Order.

Copies of the Initial Order, the Solicitation Order and all related materials may be obtained from the website of the Monitor at http://cfcanada.fticonsulting.com/tacora/

Any party interested receiving additional information about, or in participating in, the Solicitation Process should contact Greenhill at ProjectElement2023@greenhill.com.

EXHIBIT "B"
referred to in the Affidavit of
MICHAEL NESSIM
Sworn February 2, 2024



A Commissioner for Taking Affidavits
Natasha Rambaran | LSO #80200N

Tacora Resources Inc. Notice of Solicitation Process

Friday, 03 November 2023 17:00

Tacora Resources Inc

Topic: Company Update

TORONTO, ON / ACCESSWIRE / November 3, 2023 / Tacora Resources Inc. (the "**Tacora**") on October 10, 2023, sought and obtained an Order under the *Companies' Creditors Arrangement Act,* R.S.C. 1985, c. C-36 as amended (the "**Initial Order**") granting, *inter alia*, a stay of proceedings in favour of Tacora and appointing FTI Consulting Canada Inc. as monitor (in such capacity, the "**Monitor**").

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Copies of the Initial Order, the Solicitation Order and all related materials may be obtained from the website of the Monitor at http://cfcanada.fticonsulting.com/tacora/

Any party interested receiving additional information about, or in participating in, the Solicitation Process should contact Greenhill at ProjectElement2023@greenhill.com.

About Tacora Resources Inc.

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

Forward-Looking Statements

This press release contains statements that are forward-looking in nature and relate to our expectations, beliefs, and intentions. All statements other than statements of historical fact are statements that could be deemed to be forward-looking. Although Tacora believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements involve known and unknown risks, uncertainties and other factors and are not guarantees of future performance and actual results may accordingly differ materially from those in forward-looking statements, and these statements are subject to risks, uncertainties and assumptions that could cause outcomes to differ from our expectations, including risks related to the continued operations and performance during the CCAA Proceedings. The forward-looking information set forth herein reflects Tacora's expectations as at the date of this press release and is subject to change after such date. Tacora disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

SOURCE: Tacora Resources Inc

Topic: Company Update

Back to Newsroom

CONFIDENTIAL EXHIBIT "C"
referred to in the Affidavit of
MICHAEL NESSIM
Sworn February 2, 2024

A Commissioner for Taking Affidavits
Natasha Rambaran | LSO #80200N

[Subject to Sealing Order]

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

AFFIDAVIT OF
MICHAEL NESSIM
(SWORN FEBRUARY 2, 2024)

STIKEMAN ELLIOTT LLP
Barristers & Solicitors
5300 Commerce Court West
199 Bay Street
Toronto, Canada M5L 1B9

Ashley Taylor (LSO #39932E)
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Tel: (416) 869-5504
Email: nrambaran@stikeman.com

Philip Yang (LSO #82084O)
Tel : (416) 869-5593
Email: pyang@stikeman.com

Lawyers for the Applicant

TAB 4

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 DR. SHARON BROWN-HRUSKA
(Affirmed February 2, 2024)

I, **Dr. Sharon Brown-Hruska**, of the City of Burke, in the State of Virginia, United States of America, AFFIRM AND SAY:

1. I am a principal of Hruska Economics LLC, former Acting Chairman of the U.S. Commodity Futures Trading Commission, and former Chief Economist to the U.S. Department of State. I have over 30 years of experience in commodities and securities markets and associated regulatory matters.

2. I have been retained by Stikeman Elliott LLP on behalf of their client, Tacora Resources Inc. to provide an expert opinion on the nature of the Iron Ore Sale and Purchase Contract between Tacora Resources Inc. and Cargill International Trading Pte Ltd. as restated on November 9, 2018 and as amended.

3. Attached as **Exhibit "A"** to this affidavit is a copy of the Expert Report of Dr. Sharon Brown-Hruska dated February 2, 2024 (the "**Brown-Hruska Report**")

4. My qualifications are detailed in section I of the Brown-Hruska Report as well as Appendix "A". The information and documents I relied upon in reaching the conclusions set out in the Brown-Hruska Report are listed in Appendix "B".

5. The instruction letter I received from Stikeman Elliott LLP is attached as **Exhibit "B"** to this affidavit.

6. I have completed the Hruska-Brown Report in compliance with my duties as an expert to the Ontario Superior Court of Justice. Attached as **Exhibit** "**C"** to this affidavit is an executed copy of my Form 53 - Acknowledgement of Expert's Duty in this matter dated January 31, 2024.

AFFIRMED remotely via videoconference by Sharon Brown-Hruska of the City of Burke in the State of Virginia, before me at the City of Toronto, in Province of Ontario, this 2nd day of February, 2024, in accordance with O. Reg 431/20, Administering Oath or Declaration Remotely.

DocuSigned by:
FB5E31A9B41548B...

Robert J. Reid LSO#88760P
Commissioner for Taking Affidavits

DocuSigned by:
Sharon Brown-Hruska
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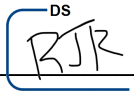
Dr. Sharon Brown-Hruska

EXHIBIT "A"

referred to in the Affidavit of

Dr. Sharon Brown-Hruska

Affirmed February 2, 2024



A Commissioner for Taking Affidavits

Court File No. 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)

REPORT OF SHARON BROWN-HRUSKA, PH.D.

ON THE IRON ORE SALE AND PURCHASE CONTRACT BETWEEN TACORA RESOURCES INC. AND CARGILL INTERNATIONAL TRADING PTE LTD.

FEBRUARY 2, 2024

CONTENTS

I. QUALIFICATIONS

1. I am a Principal of Hruska Economics, LLC and an Affiliated Consultant in the Global Securities and Finance and the White Collar, Investigations, and Enforcement Practices of National Economic Research Associates, Inc. (NERA). I am an expert on futures, options, derivatives, and securities markets, and I have worked on commodities and securities market and regulatory matters for more than 30 years. Based on my perspective as an economist, regulator, scholar, and board director working in the derivatives industry—all as further described below—I have been asked to provide an analysis of the Iron Ore Sale and Purchase Contract between Tacora and Cargill.

2. I have served in various government and private sector roles, including as Chief Economist at the U.S. Department of State (2019-2021), as Managing Director at NERA (2006-2019), and as Commissioner (2002-2006) and Acting Chairman (2004-2005) of the US Commodity Futures Trading Commission (CFTC), the federal regulatory body governing the futures, options, and swaps markets. As a Commissioner and Acting Chairman, as well as a former staff economist for the CFTC (1990-1995), I have been closely involved in the development and understanding of fundamental forms of commodities contracts, their specific purposes in risk management and commerce, and their use by producers and end-users in the commodities business.

3. As Chief Economist of the U.S. Department of State, I focused a significant amount of my office's resources on identifying and securing reliable supply chains for critical minerals, natural resources, and other commodities. Commodities are global in nature, and throughout my career, I have worked with many jurisdictions, markets, and firms on matters related to the global commodities trade, including various cases involving Canadian regulations and policies, exchanges, and global firms operating across borders. In my position as the top regulator of U.S. derivatives markets and in my work with developers of innovative contracts in the global commodities and derivatives space, I have worked with commodities trading firms, producers, and commercial market participants to use and model various commodities contracts and developed policies for governance and risk management.

4. I am presently a member of the Board of Directors of FMX Futures Exchange, a CFTC-registered designated contract market (DCM), and CX Clearinghouse, L.P., a CFTC-registered derivatives clearing organization (DCO). In connection with my service as a Public Director on the board of FMX, I serve as Chairman and a member of the Regulatory Oversight Committee (ROC), a board-level committee established under the Commodity Exchange Act (CEA) Core Principles for exchange governance to oversee compliance with the laws and rules established by the CFTC. I am an experienced Board Member, having served as an Independent Director and Chairman of the ROC on the board of the Electronic Liquidity Exchange (ELX), a futures exchange offering U.S. treasury futures and options; a Board Director on the North American Derivatives Exchange; and as a Trustee for the International Securities Exchange (ISE) Trust, a regulatory trust that oversaw ISE's governance and compliance with national and international securities laws. I also served as a Public Director on the Board of Directors of MarketAxess Holdings (2010-2013), an electronic market and broker-dealer in the credit and bond markets.

5. I have held various faculty positions and appointments, including as a Visiting Professor of Finance at Tulane's A.B. Freeman School of Business and as a Professor at Tulane University's Energy Institute. In addition to positions in Finance at Tulane (1995-1998, 2012-2015), I was also on the faculty of George Mason University (1998-2005), and Virginia Polytechnic Institute and State University (1994-1995), where I specialized in and taught investments, risk management, portfolio management, and various other courses. I was also employed as an Industry Economist in the CFTC's Division of Economic Analysis (1990-1995). As an economist, professor, and practitioner, I have conducted research on market structure and regulatory issues, and I have published numerous scholarly, peer-reviewed articles and reports on derivatives markets, regulation, and risk management.

6. I hold a Ph.D. and MA in economics and a BA in economics and international studies from Virginia Polytechnic Institute and State University in Blacksburg, Virginia, respectively.

7. My curriculum vitae, attached as Appendix A, more fully sets forth my qualifications and expertise.

II. ENGAGEMENT AND MATERIALS REVIEWED

8. I have been retained by Stikeman Elliott LLP, counsel for Tacora Resources Inc. (Tacora), in connection with Tacora's proceedings under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (CCAA). Given my experience as a commodities regulator and my knowledge developed as an economist, professor, and practitioner in the commodities industry, I have been asked to address the questions set out below with respect to the Iron Ore Sale and Purchase Contract (Offtake Agreement) as restated on November 9, 2018, entered into between Tacora and Cargill International Trading Pte Ltd. (Cargill) (collectively, "the parties"):

    1. Is the Offtake Agreement a derivative as that term is commonly understood by financial market authorities, commodities derivatives markets, and the commodities industry? In formulating a response please consider:

        a) the definition of "derivatives agreement" set out in the *Eligible Financial Contract Regulations* (CCAA) SOR/2007-257 and whether financial market authorities would classify the Offtake Agreement as any of the enumerated agreements described therein; and

        b) if not a derivative, what financial market authorities would consider the nature of the Offtake Agreement to be.

    2. Do iron ore offtake agreements trade on a futures or options exchange, board of trade, or other regulated markets?

    3. Are iron ore offtake agreements the subject of recurrent dealings in the derivatives or over-the-counter commodities markets?

9. I have reviewed the Offtake Agreement, the December 17, 2019 Stockpile Purchase Agreement (Stockpile Agreement), the March 2, 2020 Life of Mine Offtake Amendment (Life of Mine Amendment Agreement), and other documents that interface with the Offtake Agreement or are otherwise related to this matter. Some of the documents represent amendments or "side letters" (Side Letters) designed to supplement and provide risk-sharing arrangements for specific transactions that were executed under the Offtake Agreement. I understand from counsel that the Side Letters have expired as of January 31, 2024 and have no impact on the current or future iron ore to be sold and purchased pursuant to the Offtake Agreement. I have also reviewed the affidavit of Joe Broking sworn October 9, 2023.

10. This report is based on my expertise in the commodities industry, my experience as a former Commissioner and Chairman of the CFTC, and my analysis and review of affidavit evidence as provided by counsel. I have also considered academic literature, regulatory and legal notices and reports, and practitioner publications generally used and relied upon by persons in my field of occupation. The materials considered in forming my opinions are listed in Appendix B.

11. NERA is being compensated for my work on this matter at my standard hourly rate of $1,000. Members of support staff under my supervision are being billed by NERA at their standard hourly rates and NERA is also being reimbursed for out-of-pocket expenses. My compensation is based upon hours worked and appropriate related expenses and is not in any way contingent upon the outcome of this matter.

III. SUMMARY OF OPINIONS

12. The Offtake Agreement is a supply contract for the sale and purchase of iron ore.

13. The Offtake Agreement is not a "derivative contract" as that term is commonly understood by financial market authorities, in the commodities derivatives markets, or in the commodities industry.

14. The Offtake Agreement is not a "forward contract" as that term is commonly understood by financial market authorities and in the commodities markets. In general, a physically-settled forward contract obligates one party to make, and the other party to take, physical delivery of a fixed quantity of a specified commodity at a price determined today for delivery on a fixed date in the future. Like other derivatives, a forward contract has zero value at inception.[1] The Offtake Agreement at inception had none of these features, and through the life of the agreement continued to lack several of these features.

15. The Offtake Agreement is not a "swap" as that term is commonly understood by financial market authorities and in the commodities markets. A swap contract is a contract to exchange (or swap) a series of periodic future cash flows based on a

[1] Because a forward contract, by definition, involves no transfer of assets or cash at the onslaught of the contract, the price must be specified in the contract such that "the forward contract has zero value at inception." Varma, Jayanth R., "Derivatives and Risk Management," *Tate McGraw-Hill Education* (2009), pp. 3-4. *See also* Sercu, Piet, "International Finance: Theory into Practice," *Princeton University Press* (2009), p. 134.

predetermined "notional principal" at terms agreed upon at inception such that the up-front payment is zero. Also, a physically-settled swap does not typically involve a direct purchase of an asset or commodity, and thus, the Offtake Agreement lacks the key features of a swap agreement.

16. The Offtake Agreement is not a "futures" or "options" contract as those terms are commonly used in the commodities markets. In general, futures and options contracts are standardized contracts listed on an exchange that offer fixed terms and a set maturity or delivery date at the expiration of the contract. While iron ore futures with standardized features are offered on futures exchanges, the Offtake Agreement lacks many of the key features of futures contracts. Since the Offtake Agreement does not fix a price at the time of contracting, nor at the point of title transfer, it differs from contracts offered on regulated and traded markets such as futures and options markets.

17. Based on my survey of commodities markets, neither the Offtake Agreement nor other iron ore offtake contracts like it are traded on a futures or options exchange, board of trade, or other regulated market. Further, the Offtake Agreement lacks key features common to standard contracts traded in commodities markets and differs from spot, forward, or other commodities contracts that are commonly traded or the subject of recurrent dealings in the derivatives or over-the-counter commodities markets.

18. Based on my analysis, the Offtake Agreement, by its terms and in light of its economic function, is a supply contract and is not a derivatives agreement as commonly understood in the derivatives or commodities markets.

IV. THE CCAA'S ELIGIBLE FINANCIAL CONTRACT DEFINITION

19. The Eligible Financial Contract (EFC) Regulations portion of the CCAA contains two key sections that factor into the definition of an EFC: Section 1 and Section 2. Section 1 defines a financial derivatives agreement and enumerates contracts that may fall within the bounds of a derivative contract. Section 2 further describes EFCs as derivatives agreements that either trade on an exchange or are the subject of recurrent dealings.

A. Section 1: Derivatives Agreement Definition

20. The relevant portion of Section 1 reads as follows:

> **1** The following definitions apply in these Regulations.
>
> ***Derivatives agreement*** means a financial agreement whose obligations are derived from, referenced to, or based on, one or more underlying reference items such as interest rates, indices, currencies, commodities, securities or other ownership interests, credit or guarantee obligations, debt securities, climatic variables, bandwidth, freight rates, emission rights, real property indices and inflation or other macroeconomic data and includes
>
> **(a)** a contract for differences or a swap, including a total return swap, price return swap, default swap or basis swap;
>
> **(b)** a futures agreement;
>
> **(c)** a cap, collar, floor or spread;
>
> **(d)** an option; and
>
> **(e)** a spot or forward. (*contrat dérivé*)[2]

B. Section 2: Trading on a Regulated Exchange or the Subject of Recurrent Dealing

21. The second section of the CCAA further characterizes an EFC by the manner in which a derivatives agreement is traded or dealt in. The relevant portion of Section 2 reads:

> **2** The following kinds of financial agreements are prescribed for the purpose of the definition ***eligible financial contract*** in subsection 2(1) of the *Companies' Creditors Arrangement Act*:
>
> **(a)** a derivatives agreement, whether settled by payment or delivery, that
>
> **(i)** trades on a futures or options exchange or board, or other regulated market, or
>
> **(ii)** is the subject of recurrent dealings in the derivatives markets or in the over-the-counter securities or commodities markets;[3]

[2] Eligible Financial Contract Regulations (Companies' Creditors Arrangement Act) SOR/2007-257, Section 1 "Derivatives Agreement" definition, current to 27 November 2023 (last amended 14 June 2016).

[3] Eligible Financial Contract Regulations (Companies' Creditors Arrangement Act) SOR/2007-257, Section 2 "Eligible Financial Contract" definition, current to 27 November 2023 (last amended 14 June 2016).

V. THE OFFTAKE AGREEMENT BETWEEN TACORA AND CARGILL IS A SUPPLY CONTRACT FOR HIGH-GRADE IRON ORE CONCENTRATE

22. The Offtake Agreement is a contract between Tacora (seller) and Cargill (buyer) that specifies the terms by which Tacora will sell 100% of the high-grade iron ore concentrate produced at its Scully Mine located near Wabush in Newfoundland and Labrador, Canada (Tacora Premium Concentrate or TPC).[4] It is a supply contract, in that it specifies the terms and conditions under which the seller, Tacora, produces and makes delivery (*i.e.*, supplies) to the buyer, Cargill, who subsequently transports and markets the shipments of TPC under the terms of the agreement.

23. Iron ore is a global commodity that has distinct features based on product type, grades, chemistries, and other specifications. Conventions are the same globally regardless of the location where the commodity is produced or the domicile of the buyer or the seller. Commodities are fungible, in that the commodity is generally unspecialized and substitutable regardless of where the commodity is sourced, and easily exchanged.[5] When an offtake agreement takes the form of a supply contract for the offtake of a commodity from a specific mine, it is often a bespoke and tailored agreement.

24. Offtake agreements generally are long-term contracts in which a producer, such as a mining concern, commits to sell substantial volumes of a commodity to a buyer or "offtaker" over a period of time.[6] Like other supply contracts in the commodities trade, an offtake agreement is generally highly specific to a particular product, and as such the terms and requirements for the purchase and sale transactions under the agreement are subject to negotiation. As is common in mining and other natural resource commodities, an offtake agreement specifies that the offtaker purchases all or a substantial percentage of production.[7]

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4 Affidavit of Joe Broking sworn October 9, 2023.

5 "In an economics context, the essential feature that makes a good or instrument a commodity is its fungibility – one unit or a certain quantity of it can be substituted or replaced by another, and this makes it easy to exchange them." S. Brown-Hruska and J. Markham, "Economics of Commodity Markets," in *Regulation of Commodities Trading,* M. Liebi and J. Markham, eds., Oxford Univ. Press, (2020).

6 L.F. Distadio and A. Ferguson, "Mine offtake contracting, strategic alliances and the equity market," *Journal of Commodity Markets* 27 (2022), 100224.

7 L.F. Distadio and A. Ferguson, "Mine offtake contracting, strategic alliances and the equity market," *Journal of Commodity Markets* 27 (2022), 100224.

A. The Offtake Agreement Sets Terms for the Supply and Pricing of TPC to Cargill

25. By the terms of the Offtake Agreement, Cargill agreed to purchase, and Tacora agreed to sell only Tacora Premium Concentrate produced at the Scully Mine. The contract contemplates that the amounts or "volumes" mined and nominated (Nominated Tonnage) will vary based on seller production capacity and other factors related to the specific mine, and thus specifies ranges to be sold over the pre-2019, 2019, and other years after 2019.[8] As a supply contract, the Offtake Agreement governs multiple transactions, and these transactions have variations in quality, quantity, and price. While the contract specifies express mechanisms to account for these variations, the Offtake Agreement does not specify the precise terms of any single load or parcel of iron ore.[9] To ensure the price paid by the buyer corresponds to the quality and quantity variations of the TPC, the Offtake Agreement includes specifications as to the desired chemical composition and physical composition.[10] A "Provisional Purchase Price" is calculated based on the value of the Platts 62% index[11] on that date, and Tacora invoices Cargill for a provisional payment.[12]

26. The Offtake Agreement also specifies that the Provisional Purchase Price of each shipment of iron ore concentrate be updated by a shipment margin amount (SMA) which depends on the difference between the Provisional Purchase Price and an Updated Provisional Purchase Price based on the prevailing Platts 62% Index price or Spread Values as defined in the Offtake Agreement.[13] During the voyage, large swings in the value of the Platts 62% Index value portion of the SMA can trigger a

---

8 Iron Ore Sale and Purchase Contract, Restatement, Clause 6 "Quantity," 9 Nov. 2018, pp 6-8.

9 This is contrasted with a spot contract which specifies the terms for a single transaction. Spot contracts are transactions which "call for delivery and payment within two days." Whaley, Robert E., "Derivatives: Markets, Valuation, and Risk Management," *John Wiley & Sons, Inc.*, (2006), p. 565; and "Spot transactions or contracts enable a producer to deliver the physical commodity and get paid cash "on the spot" or within a short time frame particular to the commercial practices for that particular commodity or asset." S. Brown-Hruska and J. Markham, "Economics of Commodity Trading," in *Regulation of Commodities Trading,* M. Liebi and J. Markham, eds., Oxford Univ. Press, (2020)."In a spot transaction, immediate delivery of the product and immediate payment for such are expected on or within a few days of the trade date[.]" CFTC Letter No. 97-01," CFTC, December 12, 1996, accessed at: https://www.cftc.gov/sites/default/files/tm/letters/97letters/tm97-01.htm#P39_6344.

10 Iron Ore Sale and Purchase Contract, Restatement, Clause 9, "Specifications," 9 Nov. 2018, pp. 8-9.

11 "Platts IODEX Explained," *S&P Global,* accessed at: https://www.spglobal.com/commodityinsights/en/our-methodology/price-assessments/metals/iodex.

12 Iron Ore Sale and Purchase Contract, Restatement, Clause 13, "Payments," 9 Nov. 2018, pp-13-14.

13 Iron Ore Sale and Purchase Contract, Restatement, Clause 15, "Netting and Margining," 9 Nov. 2018, p. 15.

required margin payment by either Tacora to Cargill (if the iron ore SMA value decreases substantially relative to the Provisional Purchase Price received) or by Cargill to Tacora (if the iron ore SMA value increases substantially relative to the Provisional Purchase Price received).

27. The Final Purchase Price includes (a) the updated prevailing index price (Platts 62% Index) during the voyage's third calendar month, less (b) an allowance for freight costs, plus (c) Tacora's profit share based principally on the price paid by Cargill's ultimate customer. Not only do the counterparties face price risk since the profit share depends on the price received from a third party and market factors, but they also face freight risk in that the Final Purchase Price freight costs reflect (a) a negotiated incremental rate from the Load Port to Brazil plus (b) "the arithmetic mean of the Baltic Exchange Capesize Index for Route C3 ('BECI-C3') (which is acknowledged to be based on the route from Brazil to China) for the month of the first day of vessel laycan at Loading Port."[14] Based on the Final Purchase Price, Tacora and Cargill exchange a true-up payment such that Tacora's final invoice to Cargill deducts the provisional invoice payment (that uses the Provisional Purchase Price received) and any netting or margining payments that had occurred during the prior months.[15]

B. The Stockpile Agreement Shifts the Purchase Date and Alters Payment Terms

28. The Stockpile Agreement was entered into between Tacora and Cargill to enable Cargill to purchase the TPC upon delivery to a Stockpile rather than purchasing free on board (FOB), which would occur upon loading the iron ore onto the vessel. By doing so, the Stockpile Agreement moves forward the date upon which Cargill takes title and when Tacora receives its first provisional payment. Under the Stockpile Agreement, Cargill pays the Stockpile Provisional Price to Tacora based on the prevailing Platts 62% Index price when Tacora unloads TPC, via train, at the Stockpile, and at that point, Cargill assumes ownership of the iron ore. While the Stockpile Agreement is in effect, the Stockpile Provisional Price is compared to the

[14] Iron Ore Sale and Purchase Contract, Restatement, Clause 11, "Purchase Price," further describing "Freight Impact," 9 Nov. 2018, pp. 10-12.

[15] Iron Ore Sale and Purchase Contract, Restatement, Clause 15, "Netting and Margining," 9 Nov 2018, p. 15.

Provisional Purchase Price, differences are credited and paid (referred to as true-up payments) such that the provisional price is adjusted to reflect changes in the index value.[16] The Stockpile Agreement does not affect the mechanism by which the Final Purchase Price is determined.[17]

C. The Life of Mine Amendment Agreement Extends the Offtake Agreement

29. On March 2, 2020, Tacora and Cargill agreed to an Amendment and Clarification to the Offtake Agreement wherein Tacora granted to Cargill rolling options to extend the term of the contract to the life of the Scully Mine (Life of Mine Amendment Agreement). The options are described as "a series of one and/or three-year options (at Buyer's option) and incorporate the provisions of clause 35" which governs the term and termination of the contract.[18] The Life of Mine Amendment Agreement also adjusted the thresholds determining when Tacora and Cargill must make margin payments.

30. The Amendment contemplates a long and indefinite term, and as such, is highly bespoke. The Amendment contemplates that Cargill may invoke its option to extend the Offtake Agreement without further consideration such that the Offtake Agreement effectively has an indefinite term. I am aware of no derivatives that fit the profile of an indeterminate and long-dated, one-way grant of this nature. The contract conforms to other offtake contracts—which enable the sale of the commodity from the producer to the offtaker on a long-term basis—but does not conform to a derivative contract as commonly understood in the industry.

VI. THE OFFTAKE AGREEMENT IS NOT A DERIVATIVE AGREEMENT AS COMMONLY UNDERSTOOD IN THE INDUSTRY

31. In my experience in the commodities markets, serving as Commissioner and Acting Chairman of the CFTC, and as a professor and economist, I have researched, analyzed, and directed the regulation of trading in a variety of markets and contracts involving a wide range of commodities. While financial contracts like derivatives can

16 "Iron Ore Stockpile Purchase Agreement," December 17, 2019.

17 "Iron Ore Stockpile Purchase Agreement," December 17, 2019.

18 "Tacora Life of Mine Offtake Amendment," March 2, 2020.

have some complicated features, and we observe that financial innovation has enabled users the ability to price and combine features of physical and financial contracts, complexity can be removed by looking at the core features of contracts to determine the type of contract.[19] Evaluating contract terms and specifications and the expected use cases of particular contracts can help determine the class of a contract. Further, a contract or agreement can embed derivatives-like features without becoming a derivative itself as that term is commonly understood by markets, industry participants, and regulators.

32. For example, many contracts incorporate options into their terms. A contract between an underwriter and a stock issuer may incorporate a feature that gives the underwriter the option to purchase some portion of shares upon stock issuance at an agreed-upon price or the issue price. However, the addition of the option feature does not turn the underwriting contract into an option or a stock.

33. Derivatives—including various types of swaps, futures, options, and forward contracts—all have prices fixed at the time of contracting. Derivatives are used for financial purposes rather than commercial purposes. Such contracts are intended to transfer price risk from one party to another from the moment of contracting. If a price were not fixed at the time of contracting, then price risk would be retained by the contracting parties until the price was fixed. The Offtake Agreement does not enable Tacora to rid itself of price risk, since the Final Purchase Price is not determined until Cargill completes the sale of the iron ore to a third-party customer and determines the profit share—months after the iron ore has been delivered to Cargill.[20]

34. Since Tacora retains price risk until the freight cost and profit share can be assessed and the final price determined, the Offtake Agreement does not operate as a derivative contract and does not allow Tacora to manage risk as would be consistent with the use case of a derivative contract.[21] As a supply contract, the Offtake Agreement

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[19] See C.W. Smithson, C.W. Smith with D.S. Wilford, "Managing Financial Risk: A Guide to Derivative Products, Financial Engineering, and Value Maximization," *McGraw Hill* (1998).

[20] See Iron Ore Sale and Purchase Contract, Restatement, Clause 11, "Purchase Price," 9 Nov 2018, pp. 10-11.

[21] The "side letters" that have expired that were entered pursuant to the Offtake Agreement also retain the profit share component that is not determined until the final sale by Cargill.

facilitates the sale and purchase of iron ore to an eventual buyer of Cargill's choosing, but it does not facilitate the risk-shifting characteristic of a derivative contract as commonly understood in the industry. It also provides Tacora access to its funds via a provisional payment based on a provisional price, but it does not shield Tacora or Cargill from price fluctuations.

A. The Offtake Agreement is Not a Forward Contract as Commonly Understood in the Commodities Markets

35. The most basic form of derivative contract is a "forward contract." The Offtake Agreement is not a "forward contract" as that term is commonly understood by financial market authorities and in the commodities markets. In general, a physically-settled forward contract would obligate one party to make, and the other party to take, physical delivery of a fixed quantity of a specified commodity, transacting at a fixed price determined such that the forward contract has zero value at inception, on a fixed date more than two days in the future.[22] The Offtake Agreement at contract inception had none of these features, and through the life of the agreement continued to lack several of these features.

36. The traditional form of the forward contract is called a physically-settled forward contract. A physically-settled forward contract is distinct from a cash-settled forward contract. In a cash-settled forward agreement, settlement occurs via an exchange of cash equal to the difference between the predetermined forward price and the market price on the delivery date, and no physical delivery of the underlying commodity occurs. Since the Offtake Agreement calls for physical delivery, I will compare it to a typical physically-settled forward contract.

1. The Offtake Agreement Does Not Set a Fixed Price for Iron Ore at the Inception of the Contract

37. A physically-settled forward contract is a basic derivative contract in commodities markets that consists of an over-the-counter agreement between two counterparties that obligates one party to make delivery, and the other party to take delivery of an

[22] "The same holds for the next special case: the value at inception, i.e., the time the contract is initiated or signed. At inception, the market value must be zero." Varma, Jayanth R., "Derivatives and Risk Management." *Tate McGraw-Hill Education* (2009), p. 4 and "Physical settlement is distinct from cash settlement, in which the buyer takes delivery of an asset's cash value rather than the actual asset." Montevirgen, Karl, "Physical Settlement Definition | Britannica Money."

underlying commodity in a predetermined quantity, at a predetermined price,[23] at a specified place and on a predetermined date.[24] The specification of these elements results in a forward contract having zero value at inception.[25] That predetermined date, often referred to as the delivery date, must be two days or more in the future for most commodities. The Offtake Agreement specifies that the title and risk of the TPC is passed onto Cargill as soon as it is loaded onboard a vessel.[26] Alternatively, if the Stockpile Agreement is in effect, the delivery date for an individual transaction under the terms of the Stockpile Agreement places the point of delivery at the date the TPC is unloaded at the Stockpile at the Port. In keeping with a supply contract, individual transaction delivery dates are governed by production factors and supply conditions, including vessel availability, loading schedules, etc., and are not predetermined in the Offtake Agreement.

38. Even as Cargill takes delivery and title to the iron ore upon unloading at the Stockpile or upon loading onto the vessel, the purchase price remains uncertain until the final stage when Tacora and Cargill calculate the Final Purchase Price as the commodity price, less freight costs, plus the profit share. The Offtake Agreement specifies how the Final Purchase Price is to be calculated: the principal components, including the commodity price, freight costs, and the profit share are based on market factors. The profit-share component, in particular, is based upon a negotiated price between Cargill and its to-be-determined final customer. Prevailing market factors dictate the final price, and the provisional price payments and mark-to-market payments are true-up payments that are ultimately netted against the Final Purchase Price.

39. The Offtake Agreement does not provide price certainty—or even the certainty of a future transaction ever occurring (if the Scully Mine theoretically produced nothing for a period)—and thus cannot be used for the primary purpose of a forward contract:

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[23] Often called the forward price or delivery price.

[24] Often called the delivery date or maturity date.

[25] Because a forward contract, by definition, involves no transfer of assets or cash for more than two days after contracting, the predetermined price must be such that "the forward contract has zero value at inception." Varma, Jayanth R., "Derivatives and Risk Management," *Tate McGraw Hill Education* (2009), pp. 3-4. *See also* Sercu, Piet, "International finance: Theory into Practice," *Princeton University Press* (2009), p. 134.

[26] Iron Ore Sale and Purchase Contract, Restatement, Clause 25, "Title and Risk," 9 Nov. 2018, p. 19. The Offtake Agreement between Tacora and Cargill cannot be deemed a spot contract either, since it does not specify a predetermined delivery date, nor does it specify a predetermined price in the Offtake Agreement.

hedging against or speculating on future price movements from the inception of the contract.

2. The Offtake Agreement Specifies the Source Consistent with a Supply Contract, Not a Commodity Derivative Contract

40. The Offtake Agreement is specific as to the source of the iron ore concentrate supplied—*i.e.*, 100% of the Scully Mine's iron ore production—thereby exposing Tacora to risks associated with interruptions in production and various logistical risks that are not hedged by the Offtake Agreement. By definition, derivative-like forward contracts enable counterparties to lock in the price of the underlying asset and would act as a hedge that would reduce the price risk associated with the purchase or sale of the commodity. The Offtake Agreement, which dictates that the Final Purchase Price be determined based on negotiation between Cargill and third-party customers makes the Offtake Agreement insufficient to hedge risks Tacora faces pursuant to the agreement.

41. The Offtake Agreement does not provide a hedge against price volatility for the sale of TPC—a notion corroborated by Tacora's preliminary prospectus.[27] This is because the utility as a hedging vehicle is limited at best from the perspective of Tacora. The Final Purchase Price is not fixed but is instead calculated using an index as a basis for a Provisional Purchase Price and subsequent true-ups based on changes to the floating index. Since the final price is not determined until Cargill sells to a third-party customer, Tacora remains subject to price risk until the final price is determined by Cargill's onward sale.

42. On certain occasions, Tacora and Cargill entered into agreements referred to as Side Letters to amend the provisional payments and the components of the final price (for example through changes to the purchase index (PI) or changes to settlement

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[27] "Commodity Price Risk[.] Pursuant to the Cargill Offtake Agreement, Tacora has agreed to sell all of its production of iron ore concentrate to one counterparty, Cargill, for a term of six years commencing upon production at the Scully Mine. Management expects that Cargill will sell the Tacora product into the global seaborne iron ore market at prevailing market prices (priced in United States dollars) and incurring dry bulk freight costs to deliver the product to its intended destination at prevailing market freight rates. Accordingly, Tacora will be exposed to fluctuations in iron ore market prices and dry bulk freight costs related to the sale of iron ore. Price decreases in the iron ore commodity market and/or cost increases for dry bulk freight rates could negatively affect net sales and, therefore, earnings.

Tacora is not currently of the view that commodity price hedging would provide a long-term benefit to shareholders. However, Tacora may determine to hedge certain commitments in the future with an emphasis on mitigating commodity price risk during the ramp up of the Scully Mine." Tacora Resources Inc. Preliminary Prospectus (English), 5 February 2018, p.72. Emphasis in underline added.

associated with the freight cost (FC)). If a Side Letter was in effect, the Final Purchase Price still contained a profit share that is not fixed at the inception of the contract and not determined until the final sale price is negotiated between Cargill and its ultimate customer. While the Side Letters have derivative-like components and/or embedded derivatives that may provide certain financing and risk-shifting properties, the existence and use of the Side Letters punctuate the fact that the underlying Offtake Agreement (*i.e.*, without the Side Letters) is not derivative-like and provides no such hedging or risk shifting. If the Offtake Agreement had such properties, there would be little reason to layer on the Side Letters to hedge risk.

3. The Offtake Agreement Does Not Fix a Specific Quantity to Transact on a Specific Future Date

43. Forward contracts obligate the counterparties to make delivery of a specific amount of the commodity specified at the inception of the contract:

> A forward contract is an agreement between two parties in which the parties make a commitment to trade a certain quantity of some asset or commodity at a fixed date or dates in the future, and in which the details of the exchange are fixed at the time of the contracting.[28]

As a supply contract, the Offtake Agreement does not specify a certain amount of commodity but rather, in years other than 2019, requires Tacora to sell and Cargill to "buy between 4 – 6 million WMT [wet metric tons] Ore per Contract Year" and provides Cargill with an option to purchase the Scully Mine's excess production.[29]

44. One leading textbook on derivatives describes a forward contract as:

> an agreement negotiated between two parties for the delivery of a physical asset (*e.g.*, oil or gold) at a certain time in the future for a certain price, fixed at the inception of the contract. […] This contract is not a conditional contract; both parties are obligated to complete it as agreed.[30]

45. As a predetermined, non-contingent obligation, a forward contract requires the delivery of a specific quantity of physical assets at a certain time in the future. The Offtake Agreement does not contain a non-contingent obligation to transact, so it

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[28] Newman, Peter, et al. "The New Palgrave Dictionary of Money and Finance," Vol. F-M, Palgrave Macmillan (1992), p. 180.

[29] Iron Ore Sale and Purchase Contract, Restatement, Clause 6, "Quantity," 9 Nov. 2018, p. 6.

[30] Kolb, Robert W., and James A. Overdahl, "Futures, Options, and Swaps," *Oxford Blackwell* (2007), pp. 2-3.

fundamentally differs from a forward contract. The Offtake Agreement specifies that the product can only be sourced from the Scully Mine, but offers both sides contingencies and options on how to perform and whether they are obligated to perform. Had Cargill and Tacora entered into a physically-settled forward contract, Tacora would have an obligation to settle the contract for the specific quantity agreed to in the contract.[31]

46. The Offtake Agreement does not fix specific quantities to transact on predetermined dates at the inception of the contract. As noted, a range of annual total quantities are specified and the contract provides for volumetric optionality such that the buyer "shall have the option to buy any Ore produced from the Mine in excess of the Nominated Tonnage per Contract Year" and any tonnage known in advance will be "nominated by Seller in its sole discretion to Buyer not less than 3 calendar months prior to the start of the Contract Year."[32] Thus, by the terms of the Offtake Agreement, the delivery dates and quantities to be delivered were not fixed as of the effective date of the contract. Rather, the "parties will keep the Nominated Tonnage under review during the year and will, if Seller so elects … cooperate together to change the Nominated Tonnage mid-way through the relevant Contract Year…."[33] These terms are consistent with a supply contract that aims to secure a reliable outlet for supply for a seller and a source of supply for the buyer. These terms are not consistent with a forward contract, which specifies particular delivery dates for certain volumes at contracting. The absence of predetermined terms and the ability for one or both of the parties with the ability to adjust the volumes, including the quantity and delivery date schedule, supports my conclusion that the Offtake Agreement is not a forward contract as commonly understood by the commodities industry.

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31 "A forward contract, as it occurs in both forward and futures markets, always involves a contract initiated at one time; performance in accordance with the terms of the contract occurs at a subsequent time. … This contract is not a conditional contract; both parties are obligated to complete it as agreed." Kolb, Robert W. "Futures, Options, and Swaps," 3rd Edition, Blackwell (1999), p. 2.

32 See Iron Ore Sale and Purchase Contract, Restatement, Clause 6, "Quantity," 9 Nov. 2018, pp. 6- 7.

33 See Iron Ore Sale and Purchase Contract, Restatement, Clause 6, "Quantity," 9 Nov. 2018, pp. 6-7.

4. A Derivative Must Have Zero Value for Both Parties at Inception, But the Offtake Agreement Does Not

47. As noted, a forward contract by definition does not include transfers of cash or assets at the inception of the contract and because of this feature, a forward contract must have zero value for both parties at inception. Because of the specific sourcing requirement of the Offtake Agreement and the long and indefinite term, Tacora effectively gives up its ability to sell to third parties to hedge the risk the Offtake Agreement poses, while Cargill does not give up a similar ability to purchase iron ore from third parties and its ability to hedge the risk via its final sale of TPC to third parties (while earning a spread implicit in the profit share calculation). Cargill's ability to determine the ultimate destination for and sale of the TPC implicitly created an asymmetry of basis at the inception of the Offtake Agreement. As a result of this asymmetry, the value of the Offtake Agreement is not zero at inception for both parties.

B. The Offtake Agreement is Not a Swap Contract as Commonly Understood in the Commodities Markets

48. The Offtake Agreement is not a "swap" as that term is commonly understood by financial market authorities and in the commodities markets. A swap contract is a contract to exchange (or swap) a series of periodic future cash flows based on a predetermined "notional principal" at terms agreed upon at inception such that the up-front payment is zero. Also, a physically-settled swap does not involve a direct purchase of an asset or commodity, and thus, the Offtake Agreement lacks many of the key features of a swap agreement.

49. A swap is an over-the-counter agreement to exchange cash flows and/or other assets in a predetermined manner over a specified period of time.[34] Swaps typically involve the exchange of a floating price for a predetermined fixed price at regular intervals over a specified period. The term of the swap and the schedule for payments are agreed upon at the inception of the contract.[35]

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[34] Kolb, Robert W., and James A. Overdahl, "Futures, Options, and Swaps," *Oxford Blackwell* (2007), p. 5. Also, Heckinger, Richard, and Mengle, David, "Understanding Derivatives: Markets and Infrastructure, Derivatives Overview," The Federal Reserve Bank of Chicago (2013).

[35] Geman, Helyette, "Commodity and Commodity Derivatives: Modeling and Pricing for Agriculturals, Metals, and Energy," *Wiley* (2006), p. 373.

50. In general, all swap agreements involve a two-way exchange, or "swapping," of a set of comparable cash flows and/or assets in turn based upon an agreed underlying notional principal amount. It is commonly understood by financial market authorities and in the commodities markets that the swapping is distinct from a one-directional purchase or sale of an asset. The most common swaps, interest rate swaps and currency swaps, illustrate the key features of swaps. In an interest rate swap,

> a company agrees to pay cash flows equal to interest at a predetermined fixed rate on a notional principal for a number of years. In return it receives interest at a floating rate on the same notional principal for the same period of time.[36]

An example would be a "plain vanilla" interest rate swap[37] which consists of an agreement for "one party to swap its fixed interest rate payment for the floating interest rate payments" of its counterparty.[38] Another example is a currency swap, an agreement in which

> one party provides a certain principal in one currency to its counterparty in exchange for an equivalent amount of a different currency. Each party will then pay interest on the currency it receives in the swap, and this interest payment can be made at either a fixed or a floating rate.[39]

51. Commodity swaps have been described by financial and commodity markets experts as having the same structure and definition as interest rate swaps.[40] While commodity swaps are over-the-counter (OTC) and customized transactions, they are commonly "financially settled and do not involve any physical delivery."[41] As described in a popular textbook:

> In a commodity swap, the counterparties make payments based on the price of a specified amount of a commodity, with one party paying a fixed price for the good over the tenor of the swap, while the second party pays a floating price. In general, the commodity is not actually exchanged, and the parties make only net payments.[42]

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36 Hull, John C., "Options, Futures, and Other Derivatives," 6th Edition, *Prentice Hall* (2005), p. 149.

37 Hull, John C., "Options, Futures, And Other Derivatives," 8th Edition, *Pearson Education* (2012), p.148.

38 Eiteman, David, Stonehill, Arther, and Moffett, Michael, "Multinational Business Finance," *Pearson Education* (2007), p. 474.

39 Kolb, Robert W., and James A. Overdahl, "Futures, Options, and Swaps," *Oxford Blackwell* (2007), p. 665.

40 Geman, p. 283.

41 Geman, p. 284.

42 Kolb, Robert W. "Futures, Options, and Swaps," 3rd Edition, *Blackwell* (1999), p. 636.

52. The key feature shared by all swaps including interest rate swaps, currency swaps, and commodity swaps is that in each agreement, there is a bi-directional "swapping" of assets or cash flows tied to underlying assets between both parties. This swapping does not resemble a direct purchase of an asset or commodity with a currency, but rather involves the exchange of two, often related assets and/or cash flows.

53. The Offtake Agreement is an agreement for Tacora to sell, and for Cargill to purchase, iron ore. This type of direct, one-directional sale agreement does not resemble "swapping," nor would it be a feature of a "swap" as the term is traditionally understood in financial industries.

C. The Offtake Agreement Is Not a Futures or Options Contract as Commonly Understood in the Commodities Markets

54. The Offtake Agreement is not a futures or options contract as those terms are commonly used in the commodities markets. In general, futures and options contracts are standardized contracts listed on an exchange that offer fixed terms and a set maturity or delivery date at the expiration of the contract. While iron ore futures with standardized features are offered on futures exchanges, the Offtake Agreement lacks many of the key features of futures contracts. Since the Offtake Agreement neither fixes a price at the time of contracting nor at the point of title transfer, it differs from contracts offered on regulated and traded markets such as futures and options markets.

55. A futures contract has features similar to a forward contract, in that it is "an agreement between two parties to buy or sell an asset at a certain time in the future for a certain price."[43] Unlike forward contracts, a futures contract has standard features that are set by an exchange or board of trade in order to make it easy to trade by more market participants. The exchange also facilitates anonymous trades and guarantees performance by each party to the trade. The Offtake Agreement has none of these features. The Offtake Agreement does not set a certain price at the inception of the contract.

56. Textbook definitions of an options contract also specify that a price is fixed at contracting. For example, an option is defined in a leading textbook as "an agreement to exchange an underlying asset at a fixed price (called the option's exercise price or

[43] Hull, p.7.

strik[e] price) on some future date [in exchange for a fixed option premium]"[44] paid by the option buyer to the option seller at the time of contracting. The Offtake Agreement does not fix the price for the commodity at inception.

VII. OFFTAKE AGREEMENTS FOR IRON ORE CONCENTRATE ARE NOT TRADED ON AN EXCHANGE AND ARE NOT THE SUBJECT OF RECURRENT DEALING IN THE OTC COMMODITIES MARKETS

57. In my experience as a regulator and industry professional, offtake agreements do not trade on exchanges and are not the subject of recurrent dealings in the derivatives markets or the OTC securities or commodities markets.

A. Iron Ore Offtake Agreements Do Not Trade on Exchanges

58. Iron ore offtake agreements do not trade on exchanges due to their bespoke nature. An offtake agreement is typically a long-dated contract, customized to the needs of the buyer and seller. Thus, unlike the commodities, securities, and derivatives that trade on exchanges, an offtake agreement is unique and non-standardized. Exchanges, on the other hand, enable the trading of standardized products.[45]

59. To trade on an exchange—which is a highly regulated environment—an offtake agreement would need to be governed by the regulatory framework specific to the exchange. Offtake agreements are instead private contracts typically governed by contract law. For example, the Offtake Agreement in question stipulated that it is governed by English law and subject to a three-person arbitration panel if the parties cannot reach a timely resolution—rather than being resolved within the regulatory framework of an exchange.[46]

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[44] Whaley Robert F., "Derivatives: Markets, Valuation, and Risk Management," *John Wiley & Sons, Inc.* (2006), pp. 7-8.

[45] Brown-Hruska Sharon, The Derivatives Marketplace: Exchanges and the Over-the-Counter Market, "Financial Derivatives: Pricing and Risk Management, R. Kolb and J. Overdahl, eds. *John Wiley & Sons, Inc.* (2010), pp. 22-23.

[46] Iron Ore Sale and Purchase Contract, Restatement, Clause 36, "Governing Law & Arbitration," 9 Nov. 2018, p. 22.

B. Iron Ore Offtake Agreements Are Not the Subject of Recurrent Dealings in Derivatives Markets or Over-the-Counter Securities or Commodities Markets

60. An iron ore offtake agreement is not the subject of recurrent dealings in derivative or commodity markets because its contents reflect idiosyncratic negotiations between the buyer and seller at a specific point in time, and, as set out above, involve unique and non-standardized terms. For example, with the Offtake Agreement, Cargill extracted contract extension options (that one-sidedly benefit Cargill) and Tacora benefitted from the Stockpile Agreement, which effectively results in earlier payment to Tacora from Cargill. Such terms (the contract extension options and Stockpile Agreement) reflect the specific positions of the counterparties at the time of negotiations—with Tacora in apparent financial distress and requiring more advanced cash payment to alleviate its working capital needs. Due to the counterparty specificity typically inherent in offtake agreements, recurrent dealings in financial markets are impractical.

61. Counterparty specificity also takes the form of customization or complexity related to the quantities (*e.g.*, 100% of *Scully Mine's* production, specifically), quality (*e.g.*, the customized quality provisions in the Offtake Agreement[47]), and pricing mechanisms (*e.g.*, the Offtake Agreement's negotiated freight rates[48] and profit-share provision). Such complexity makes an offtake agreement unsuitable for recurrent dealing in derivative or commodity markets or transferability generally.

62. Offtake agreements are also not the subject of recurrent dealings in derivative or commodity markets because they may contain provisions inhibiting transfer. For example, the Offtake Agreement in question requires mutual consent to transfer the contract: "Neither party may assign any of its rights under this Contract without the consent of the other, such consent not to be unreasonably withheld or delayed."[49]

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47 Iron Ore Sale and Purchase Contract, Restatement, Clause 9, "Specifications," 9 Nov. 2018, pp. 8-9.

48 Iron Ore Sale and Purchase Contract, Restatement, Clause 11, "Purchase Price," 9 Nov. 2018, pp. 10-12.

49 Iron Ore Sale and Purchase Contract, Restatement, Clause 38, "Assignment," 9 Nov. 2018, p. 22.

C. In My Professional Experience, No Offtake Agreements for Iron Ore Concentrate Have Traded on an Exchange or Been the Subject of Recurrent Dealings in Derivatives Markets or Over-the-Counter Securities or Commodities Markets

63. I have searched for evidence that offtake agreements for iron ore concentrate have been traded on an exchange or offered in a regulated marketplace. After a thorough search of publicly available materials, I have found no evidence that offtake agreements for iron ore concentrate have been traded on an exchange or available for trade on a regulated market or over-the-counter.

64. Based on my experience leading the CFTC, working as an academic economist, and serving as a director of numerous financial entities, and also based upon my search of publicly available documents, it is my opinion that no offtake agreements for iron ore concentrate have traded on an exchange or are subject of recurrent dealings in the derivative or commodities markets.

VIII. FURTHER WORK

65. The opinions in this report are based on the documents and information available to me as of February 2, 2024. Should additional relevant evidence become available, I reserve the right to supplement this report to address that additional evidence.

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Appendix A
Sharon Brown-Hruska, Ph.D.

Professional Experience

2021- Present	**Principal and Managing Director**, Hruska Economics, LLC
	Affiliated Consultant, Global Securities and Finance Practice, National Economic Research Associates, Inc., Washington, DC
	Academic Affiliate, Stoneturn Group, Washington DC
2019–2021	**Chief Economist**, Office of the Chief Economist, Economic Growth, Energy, and the Environment, U.S. Department of State, Washington, DC
2006–2019	**Managing Director**, Partner, and Vice President, Global Securities and Finance Practice, National Economic Research Associates, Inc., Washington, DC
2012–2015	**Visiting Professor of Finance**, A.B. Freeman School of Business, Tulane University, New Orleans, LA
2002–2006	**Commissioner and Acting Chairman** (2004-2005), U.S. Commodity Futures Trading Commission, Washington, DC
1998–2005	**Assistant Professor of Finance**, School of Management, **Mercatus Center Research Fellow**, 1999–2002, George Mason University, Fairfax, VA
1995–1998	**Assistant Professor of Finance**, A.B. Freeman School of Business, **Lilly Endowment Teaching Fellow**, 1997-1998; **Newcomb Fellow**, 1996-1998, Tulane University, New Orleans, LA
1994–1995	**Adjunct Professor of Finance**, Pamplin College of Business, Investments, **H.B. Earhart Fellow**, Center for the Study of Futures and Options Markets, 1987–1990, Virginia Polytechnic Institute and State University, Falls Church, VA
1990–1995	**Financial Economist**, Division of Economic Analysis, Commodity Futures Trading Commission, Washington, DC

Education

Virginia Polytechnic Institute and State University, Ph.D., Economics, 1994; M.A., Economics, 1988; B.A., Economics and International Studies, 1983.

Publications in the Last 10 Years

Report on Proposed SEC Rule "Position Reporting of Large Security-Based Swap Positions," [Activist Investing] (with Patrick Conroy and Nadim Siddique), Appendix A, Mar. 21, 2022.

"Economics of Commodities Trading," *Regulation of Commodities Trading*, M. Liebi and J. Markham, eds., Oxford University Press, London, 2020.

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"Crypto Market Surveillance Has Arrived," (with Jordan Milev and Trevor Wagener), *Law360*, May 25, 2018.

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Cost-Benefit Analysis of the CFTC's Swap Dealer De Minimis Exception Definition (with Ryan Cummings, Georgi Tsvetkov, and Trevor Wagener), American Bankers Association at https://comments.cftc.gov/Handlers/PdfHandler.ashx?id=28659, Mar 29, 2018, 16-69.

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"On Retail Forex, Regulators Have Failed To Reach Far Enough," *Forbes*, Capital Flows, Avik Roy, ed., Jan. 12, 2015.

"Cost-Benefit Analysis of the CFTC's Proposed Margin Requirements for Uncleared Swaps," NERA Publication, (with Trevor Wagener), December 02, 2014.

Testimony at Trial and in Depositions in Last 4 Years

Deposition, MF Global Assigned Assets LLC, Claimant, v. Certain Underwriters At Lloyd's, London; Aspen Insurance Uk Limited, Federal Insurance Company, U.S. Specialty Insurance Company, Westchester Fire Insurance Company, Everest Reinsurance Company, Continental Insurance Company, And Great American Insurance Company, Respondents, October 31, and November 1, 2023.

Congressional Testimony

Testimony of Acting Chairman Sharon Brown-Hruska before the Agriculture, Nutrition and Forestry Committee, U.S. Senate, Hearing, Washington, DC, Mar. 8, 2005.

Testimony of Acting Chairman Sharon Brown-Hruska, Subcommittee General Farm Commodities and Risk Management, U.S. House of Representatives, Hearing, Washington, DC, Mar. 3, 2005.

Testimony for Senate Confirmation before the Agriculture, Nutrition and Forestry Committee, U.S. Senate, Hearing, Washington, DC, Jun. 25, 2002.

Public Director and Advisory Boards

2021–Present	Management Board, PRIME Finance Foundation
2021–Present	Board of Directors, Athena Technology Acquisition Corp. II, Audit Committee Chair

2021–Present	Chairman, Regulatory Oversight Committee and Board of Directors, FMX Futures Exchange
2021–Present	Advisory Board Member, Ten12
2021–Present	Advisory Board Member, Social Capital Campaign
2017–2018	Board of Directors, PRIME Finance Dispute Resolution and Education Foundation
2015–2018	CFTC Energy and Environmental Markets Advisory Committee
2011–2018	Working Group on Financial Markets, Federal Reserve Bank of Chicago
2010–2013	Public Director, Corporate Governance Committee, MarketAxess Holdings, Inc.
2009–2016	Board of Directors, Electronic Liquidity Exchange (ELX), Chairman, Regulatory Oversight Committee
2009–2010	Board of Directors, North American Derivatives Exchange (Nadex)
2007–2016	Trustee, International Securities Exchange Holdings, Inc. (ISE Trust)
2007–Present	Pamplin School of Business Finance Advisory Board, Virginia Tech
2006–2007	Independent Director, Board of Directors, Dillon Read Financial Products Funds, Dillon Read Capital Management
2005–2011	Women in Leadership and Philanthropy Council, Virginia Tech
2003–2006	Chairman, CFTC Technology Advisory Committee
2003–2006	Financial Literacy and Education Commission, Chairman of the Website Development Committee, led the effort to develop and launch *mymoney.gov*

Tacora Resources Inc.
Appendix B
Materials Considered

Academic Literature

Brown-Hruska, Sharon and Markham, Jerry, "Economics of Commodity Markets," in *Regulation of Commodities Trading,* M. Leibli and J. Markham, eds., *Oxford Univ. Press* (2020).

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Whaley, Robert E. "Derivatives: Markets, Valuation, and Risk Management," *John Wiley & Sons, Inc.* (2006).

Tacora Resources Inc.
Appendix B
Materials Considered

Agreements and Contracts

Iron Ore Sale and Purchase Contracts (Offtake Agreements).

Iron Ore Sale and Purchase Contract, Restatement dated November 9, 2018.

"Iron Ore Stockpile Purchase Agreement," dated December 17, 2019.

"Tacora Life of Mine Offtake Amendment," dated March 2, 2020.

Tacora Offtake Agreement, Amendments, and Side Letters.

Online

"CFTC Letter No. 97-01," CFTC, dated December 12, 1996.

Eligible Financial Contract Regulations (Companies' Creditors Arrangement Act) SOR/2007-257, Section 1 and 2 "Derivatives Agreement" and "Eligible Financial Contract" definitions.

Montevirgen, Karl. "Physical Settlement Definition | Britannica Money," accessed at: https://www.britannica.com/money/physical-settlement.

"Platts IODEX Explained," S&P Global, accessed at: https://www.spglobal.com/commodityinsights/en/our-methodology/price-assessments/metals/iodex.

Pleadings in this Matter

Affidavit of Joe Broking sworn October 9, 2023.

Tacora Filings

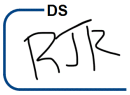
Tacora Resources Inc. Preliminary Prospectus (English), dated February 5, 2018.

EXHIBIT "B"

referred to in the Affidavit of

Dr. Sharon Brown-Hruska

Affirmed February 2, 2024



A Commissioner for Taking Affidavits

Stikeman Elliott

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leenicholson@stikeman.com

January 19, 2024
File No.: 1426331002

PRIVILEGED AND CONFIDENTIAL
By Email

NERA Economic Consulting
1166 Avenue of the Americas
24th Floor
New York, NY 10036
Sharon.Hruska.affiliate@nera.com
Attention: Dr. Sharon Brown-Hruska

Dear Dr. Brown-Hruska:

Re: Offtake Agreement between between Tacora Resources Inc. and Cargill International Trading Pte Ltd

We write further to the letter of retainer dated January 8, 2024 wherein we retained you, on behalf of our client Tacora Resources Inc. ("**Tacora**") as an independent expert to advise and, as necessary, provide an expert opinion in relation to certain matters arising out of the Offtake Agreement between Tacora and Cargill International Trading Pte Ltd. dated April 5, 2017 as restated on November 9, 2018 and as amended (the "**Offtake Agreement**").

Questions

The purpose of this letter is to request your expert opinion on the following issues:

1. Is the Offtake Agreement a derivative as that term is commonly understood by financial market authorities, commodities derivatives markets, and the commodities industry? In formulating a response please consider:

   a) the definition of "derivatives agreement" set out in the *Eligible Financial Contract Regulations* (CCAA) SOR/2007-257 and whether financial market authorities would classify the Offtake Agreement as any of the enumerated agreements described therein; and

   b) if not a derivative, what financial market authorities would consider the nature of the Offtake Agreement to be;

2. Do iron ore offtake agreements trade on a futures or options exchange, board of trade, or other regulated markets? and

3. Are iron ore offtake agreements the subject of recurrent dealings in the derivatives or over-the-counter commodities markets?

Instructions

Under our *Rules of Civil Procedure,* your report is required to contain the following information:

1. Your name, address and area of expertise;

2. Your qualifications and employment and educational experiences in your area of expertise. We ask you to attach your curriculum vitae to your final report or include it within the body of the report.

3. The instructions provided to you in relation to the proceeding.

4. The nature of the opinion being sought and each issue in the proceeding to which the opinion relates.

5. Your opinion respecting each issue and, where there is a range of opinions given, a summary of the range and the reasons for your opinion within that range.

6. Your reasons for your opinion, including:

    a. A description of the factual assumptions on which the opinion is based;

    b. A description of any research conducted by you that led you to form your opinion; and

    c. A list of every document, if any, relied on by you in forming your opinion.

7. An acknowledgement of expert's duty (Form 53) signed by you.

The last item, Form 53, contains an acknowledgment by you of your duty as an expert as set out in Rule 4.1 of the *Rules of Civil Procedure.* In particular, you have the following duties in providing evidence in this proceeding:

(a) to provide opinion evidence that is fair, objective and non-partisan;

(b) to provide opinion evidence that is related only to matters that are within your area of expertise; and

(c) to provide such additional assistance as the court may reasonably require, to determine a matter in issue.

These duties prevail over any other obligation which you may owe to Bread on whose behalf you will be engaged. We are enclosing a copy of Form 53 for you to sign, as well as Rule 4.1. of the *Rules of Civil Procedure.*

Documents

We have provided you with copies of documents necessary for you to provide your opinion on the above issues. If for any reason you believe that you require any additional information, please advise us.

If you have any questions about the issues identified above, please do not hesitate to contact us.

Yours truly,

Lee Nicholson

/sc

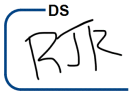
cc: Eliot Kolers, *Stikeman Elliott LLP*
Ashley Taylor, *Stikeman Elliott LLP*
Philip Yang, *Stikeman Elliott LLP*
RJ Reid, *Stikeman Elliott LLP*

EXHIBIT "C"

referred to in the Affidavit of

Dr. Sharon Brown-Hruska

Affirmed February 2, 2024



A Commissioner for Taking Affidavits

FORM 53

Courts of Justice Act

ACKNOWLEDGMENT OF EXPERT'S DUTY

(General heading)

ACKNOWLEDGMENT OF EXPERT'S DUTY

1. My name is Sharon Brown-Hruska *(name)*. I live at Burke *(city)*, in the State of Virginia *(province/state)* of United States of America *(name of province/state)*.
2. I have been engaged by or on behalf of Tacora Resources Inc. *(name of party/parties)* to provide evidence in relation to the above-noted court proceeding.
3. I acknowledge that it is my duty to provide evidence in relation to this proceeding as follows:

   (a) to provide opinion evidence that is fair, objective and non-partisan;

   (b) to provide opinion evidence that is related only to matters that are within my area of expertise; and

   (c) to provide such additional assistance as the court may reasonably require, to determine a matter in issue.

4. I acknowledge that the duty referred to above prevails over any obligation which I may owe to any party by whom or on whose behalf I am engaged.

Date 1/31/2024

DocuSigned by:
Sharon Brown-Hruska
15FAB8C07808465...

Signature

NOTE: This form must be attached to any expert report under subrules 53.03(1) or (2) and any opinion evidence provided by an expert witness on a motion or application.

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

AFFIDAVIT OF
DR. SHARON BROWN-HRUSKA
(AFFIRMED FEBRUARY 2, 2024)

STIKEMAN ELLIOTT LLP
Barristers & Solicitors
5300 Commerce Court West
199 Bay Street
Toronto, Canada M5L 1B9

Ashley Taylor (LSO #39932E)
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Tel: (416) 869-5604
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Tel: (416) 869-5637
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Philip Yang (LSO #82084O)
Tel : (416) 869-5593
Email: pyang@stikeman.com

Counsel to the Applicant,
Tacora Resources Inc.

TAB 5

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE MADAM	)	●, THE ●
	)	
JUSTICE KIMMEL	)	DAY OF ●, 2024

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)

APPROVAL AND REVERSE VESTING ORDER

THIS MOTION, made by Tacora Resources Inc. (the "**Applicant**"), pursuant to the *Companies' Creditors Arrangement Act* (Canada) (the "**CCAA**") for an order, *inter alia*: (a) approving the subscription agreement entered into by and between the Applicant, as issuer, and the entities listed on Exhibit "A" thereto, as investors (the "**Investors**"), dated January 29, 2024, (the "**Subscription Agreement**") a copy of which was attached as Exhibit "G to the Broking Affidavit (as defined below) and the Transactions (as defined in the Subscription Agreement); (b) adding a new company to be formed ("**ResidualCo**") and another new company to be formed, necessary ("**ResidualNoteCo**") as applicants to these proceedings (the "**CCAA Proceedings**"); (c) vesting out of the Applicant all Excluded Assets, Excluded Contracts, Excluded Liabilities and all Claims under any Excluded Senior Secured Notes and discharging all Encumbrances against the Applicant, except only the Permitted Encumbrances; (d) authorizing and directing the Applicant to file the Articles of Reorganization; (e) 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 Applicant, if any (other than the rights of the Investors under the Subscription Agreement, and the Participating Senior Secured Noteholders under the New Equity Offering Participation Form) for no consideration; (f) authorizing and directing the Applicant to issue (i) the Subscribed Shares and Subscribed New First Out SSNs to the Investors, and vesting in the Investors (or as any such Investor may direct) all right, title and

interest in and to the Subscribed Shares and Subscribed New First Out SSNs; (ii) the New Equity Offering Shares (that are not Subscribed Shares) to the Participating Senior Secured Noteholders, and vesting in the Participating Senior Secured Noteholders all right, title and interest in and to the New Equity Offering Shares (that are not Subscribed Shares); (iii) the Takeback Shares, Takeback SSN Warrants and Takeback SSNs to the Exchanging Senior Secured Noteholders, and vesting in the Exchanging Senior Secured Noteholders all right, title and interest in and to the Takeback Shares, Takeback SSN Warrants and Takeback SSNs; (iv) the RCF Warrants to RCF, and vesting in RCF all right, title and interest in and to the RCF Warrants; (v) any Excluded Takeback Shares, Excluded SSN Warrants and Excluded Takeback SSNs to ResidualNoteCo, and vesting in ResidualNoteCo all right, title and interest in and to the Excluded Takeback Shares, Excluded Takeback SSN Warrants and Excluded Takeback SSNs, in each case free and clear of all Encumbrances; (g) authorizing the administrative expense reserve (the "**Administrative Expense Reserve**") contemplated by the Subscription Agreement and setting out the process for administration of the Administrative Expense Reserve by the Monitor, including the payments and distributions to be made from the Administrative Expense Reserve and (h) granting certain ancillary relief, was heard this day by judicial videoconference via Zoom;

ON READING the Motion Record of the Applicant, including the affidavit of **[Joe Broking]** sworn February ●, 2024 (the "**Broking Affidavit**") and the Exhibits thereto, the [●] Report (the "**[●] Report**") of FTI Consulting Canada Inc. ("**FTI**"), in its capacity as the Court-appointed monitor of the Applicant (the "**Monitor**"), and on being advised that the secured creditors who are likely to be affected by this Order herein were given notice;

ON HEARING the submissions of counsel for the Applicant, counsel for the Monitor, and counsel for the Investors, and such other counsel and parties as listed on the Participant Information Form, with no one else appearing although duly served as appears from the affidavits of service of ●, filed

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.

DEFINITIONS

2. **THIS COURT ORDERS** that, unless otherwise indicated or defined herein, capitalized terms used in this Order shall have the meanings given to them in the Subscription Agreement.

STAY PERIOD

3. **THIS COURT ORDERS** that the Stay Period, as defined in the Initial Order granted by this Court on October 10, 2023, as amended and restated on October 30, 2023 (the "**Initial Order**"), is hereby extended until ●, 2024.

APPROVAL AND VESTING

4. **THIS COURT ORDERS** that the Subscription Agreement and the Transactions are hereby approved and the execution of the Subscription Agreement by the Applicant is hereby authorized and approved, with such minor amendments as the Applicant and the Investors may deem necessary or otherwise agree to, with the approval of the Monitor. The Applicant is hereby authorized and directed to perform its obligations under the Subscription Agreement and to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transactions, including (a) the filing of the Articles of Reorganization, (b) the termination and cancellation of 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 Applicant, if any (other than the rights of the Investors under the Subscription Agreement and the Participating Senior Secured Noteholders under the New Equity Offering Participation Form) for no consideration, and (c) establishing a process through DTC pursuant to which the Senior Secured Noteholders may tender (or may be deemed to tender) their Senior Secured Notes and become Exchanging Senior Secured Noteholders, and (d) the issuance of (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; (iii) the Takeback Shares, Takeback SSN Warrants and Takeback SSNs to the Exchanging Senior Secured Noteholders, with each Exchanging Senior Secured Noteholders receiving their pro rata share (based on the principal amount of Exchanging Senior Secured Notes held by each Exchanging Senior Secured Noteholder) of the Takeback Shares, Takeback SSN Warrants and Takeback SSNs; (iv) the RCF Warrants to RCF; and (v) any Excluded Takeback Shares,

Excluded Takeback SSN Warrants and Excluded Takeback SSNs to ResidualNoteCo, including any such additional documents contemplated in the Subscription Agreement.

5. **THIS COURT ORDERS** that notwithstanding any provision hereof, the closing of the Transactions shall be deemed to occur in the manner, order and sequence set out in the Subscription Agreement, including in accordance with the Closing Sequence, with such alterations, changes or amendments as may be agreed to by the Investors with the prior written consent of the Applicant and the Monitor, provided that such alterations, changes or amendments do not materially alter or impact the Transactions or the consideration which the Applicant and/or its applicable stakeholders will benefit from as part of the Transactions. Additionally, notwithstanding any provision hereof, (a) no fractional Takeback Shares, Takeback SSN Warrants, Excluded Takeback Shares or Excluded Takeback SSN Warrants will be issuable, with any entitlement to a fractional Takeback Share, Takeback SSN Warrant, Excluded Takeback Share and Excluded Takeback SSN Warrant for any Exchanging Senior Secured Noteholder and Non-Exchanging Senior Secured Noteholder, as applicable, being rounded down to the nearest whole, and (b) Takeback SSNs and Excluded Senior Secured Notes will be issued in minimum denominations of US$1,000 principal amount, with no entitlement to any Takeback SSNs and Excluded Senior Secured Notes for less than US$1,000 principal amount.

6. **THIS COURT ORDERS** that this Order shall constitute the only authorization required by the Applicant to proceed with the Transactions and that no shareholder or other approval shall be required in connection therewith.

7. **THIS COURT ORDERS** that, upon the delivery of the Monitor's certificate (the "**Monitor's Certificate**") to counsel to the Applicant and counsel to the Investors (the "**Effective Time**"), substantially in the form attached as **Schedule "A"** hereto, the following shall occur and shall be deemed to have occurred at the Effective Time, all in accordance with the Closing Sequence set out in the Subscription Agreement and the steps contemplated thereunder:

(a) 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" to the Subscription Agreement (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 Applicant, and the Cash Consideration shall be dealt with in accordance with the Closing Sequence;

(b) 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 Applicant shall be deemed terminated and cancelled for no consideration;

(c) the Applicant shall be deemed to have transferred to ResidualCo the Excluded Assets, the Excluded Contracts and the Excluded Liabilities;

(d) the Monitor shall be directed to pay, on behalf of the Applicant, all advisors' expenses (including the Applicant'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 and upon payment of all amounts owing under the Transaction Fee Charge, the Transaction Fee Charge shall be automatically released and terminated without any further action;

(e) the Monitor shall retain the Administrative Expense Reserve in a separate interest bearing account from the New Equity Offering Initial Cash Consideration to be dealt with in accordance with paragraphs ● to ● hereof;

(f) the Monitor shall be directed, on behalf of the Applicant, to pay all amounts owing under the DIP 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[, the value of Excluded Ore MTM Assets as of the Closing Date], or any amounts Cargill sets off against Tacora shall, subject to the Subscription Agreement, be set-off against amounts owing under the APF and the DIP 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" to the Subscription Agreement); if there is a dispute in respect of the

amount to be set-off against Cargill, 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 Applicant unless and until the Applicant, 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 Applicant. Following payment of the DIP in accordance with this paragraph, the DIP Lender's Charge shall be automatically released and terminated without any further action;

(g) the Monitor, on behalf of the Applicant, shall pay to the Trustee, all amounts owing by the Applicant 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 the New Equity Offering Cash Consideration, and the Trustee, upon receipt of the such amounts from the Monitor, shall be directed to pay to the Senior Priority Noteholders the amounts provided herein , and upon payment by the Monitor to the Trustee of such amounts all security and other obligations in favour of or owing to the Trustee or the Senior Priority Noteholders will be fully discharged and released;

(h) the Applicant shall be deemed to have transferred to ResidualNoteCo all Claims in respect of the Excluded Senior Secured Notes;

(i) the Monitor shall have been authorized and directed to release to the Applicant any 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;

(j) the Unanimous Shareholder Agreement shall be effective and any person receiving New Common Shares on the Closing Date will be deemed a party thereto;

(k) the Retained Assets will be retained by the Applicant, in each case free and clear of and from any and all debts, Liabilities, Actions, obligations, indebtedness, contracts, leases, agreements, and undertakings of any kind or nature whatsoever, whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or liquidated, matured or unmatured or due or not yet due,

in law or equity and whether based in statute or otherwise, including any and all encumbrances, security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Initial Order or any other Order of the Court; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario), *Personal Property Security Act* (British Columbia), *Personal Property Security Act* (Newfoundland and Labrador), *Le Registre Des Droits Personnels Et Réels Mobiliers* (Quebec), the *Uniform Commercial Code* or any other personal property registry system or pursuant to the *Lands Title Act* (Newfoundland and Labrador) or the *Mining Act* (Newfoundland and Labrador), (all of which are collectively referred to as the "**Encumbrances**", which term shall not include the permitted encumbrances, easements and restrictive covenants listed on **Schedule "B"** hereto (the "**Permitted Encumbrances**")) and, for greater certainty, all of the Encumbrances affecting or relating to the Retained Assets are hereby expunged and discharged as against the Retained Assets;

(l) the following shall occur concurrently:

(A) all of the right, title and interest in and to the Subscribed Shares and Subscribed New First Out SSNs issued by the Applicant to the Investors in accordance with their allocations set forth in Exhibit "A" to the Subscription Agreement shall vest absolutely in the Investors free and clear of and from any and all Claims and, for greater certainty, all of the Encumbrances affecting or relating to the Subscribed Shares and Subscribed First Out SSNs are hereby expunged and discharged as against the Subscribed Shares;

(B) all of the right, title and interest in and to the Takeback Shares, Takeback SSNs and Takeback SSN Warrants issued by the Applicant to the Exchanging Senior Secured Noteholders and shall vest absolutely in the Exchanging Senior Secured Noteholders, free and clear of and from any and all Claims, with each Exchanging Senior

Secured Noteholders receiving their pro rata share (based on the principal amount of Exchanging Senior Secured Notes held by each Exchanging Senior Secured Noteholder) of the Takeback Shares, Takeback SSN Warrants and Takeback SSNs, and, for greater certainty, Encumbrances affecting or relating to the Takeback Shares, Takeback SSNs and Takeback SSN Warrants are hereby expunged and discharged against the Takeback Shares, Takeback SSNs and Takeback SSN Warrants, as applicable;

(C) all of the right, title and interest in and to the Excluded Takeback Shares, Excluded Takeback SSNs and Excluded Takeback SSN Warrants issued by the Applicant to ResidualNoteCo shall vest absolutely in ResidualNoteCo, in each case free and clear of and from any and all Claims and, for greater certainty all of the Encumbrances affecting or relating to the Excluded Takeback Shares, Excluded Takeback SSNs and/or Excluded Takeback SSN Warrants are hereby expunged and discharged as against the Excluded Takeback Shares, Excluded Takeback SSNs and Excluded Takeback SSN Warrants, as applicable, except for Claims by the Non-Exchanging Senior Secured Noteholders to receive their pro rata share of the Excluded Takeback Shares, Excluded Takeback SSNs and Excluded Takeback SSN Warrants, based on their pro rata share of the principal amount of the Non-Exchanging Senior Secured Notes held by each Non-Exchanging Senior Secured Noteholder;

(D) all of the right, title and interest in and to the RCF Warrants issued by the Applicant to RCF shall vest absolutely in RCF free and clear of and from any and all Claims and, for greater certainty all of the Encumbrances affecting or relating to the RCF Warrants are hereby expunged and discharged as against the RCF Warrants; and

(E) all of the right, title and interest in and to the New Equity Offering Shares issued by the Applicant to the Participating Senior Secured Noteholders shall vest absolutely in the Participating Senior Secured Noteholders free and clear of and from any and all Claims and, for greater certainty all of the Encumbrances affecting or relating to the Participating Senior

Secured Noteholders are hereby expunged and discharged as against the Participating Senior Secured Noteholders;

(m) simultaneously with the step above, the Trustee shall release the Applicant from all amounts and obligations owing by the Applicant 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 Applicant 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 Applicant 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 Applicant, shall be transferred and assumed by ResidualNoteCo;

(n) the Articles of Reorganization shall have been filed.

8. **THIS COURT ORDERS** that the Monitor may rely on written notice from the Applicant and the Investors regarding the payment and satisfaction of the New Equity Offering Cash Consideration and New First Out SSN Offering Cash Consideration and satisfaction or waiver of conditions to closing under the Subscription Agreement and shall have no liability with respect to delivery of the Monitor's Certificate.

9. **THIS COURT ORDERS** that the Monitor file with the Court a copy of the Monitor's Certificate, forthwith after delivery thereof in connection with the Transactions.

10. **THIS COURT ORDERS** that upon delivery of the Monitor's Certificate, and upon filing a copy of this Order, together with any applicable registration fees, all governmental authorities and any other applicable registrar or government ministries or authorities exercising jurisdiction with respect to the Applicant, the Retained Assets or the Excluded Assets (collectively, the "**Governmental Authorities**") are hereby authorized, requested and directed to accept delivery of such Monitor's Certificate and a copy of this Order as though they were originals and to register such transfers and interest authorizations as may be required to give effect to the terms of this Order and the Subscription Agreement. Presentment of this Order and the Monitor's Certificate shall be the sole and sufficient authority for the Governmental Authorities to make and register

transfers of interest against any of the Retained Assets or Excluded Assets and the Monitor and the Investors are hereby specifically authorized to discharge the registrations on the Retained Assets and the Excluded Assets, as applicable.

11. **THIS COURT ORDERS** that the Subscription Agreement and the Transactions shall constitute a "proposal" and this Order shall constitute a "reorganization", in each case for the purposes of Section 186 of the *Business Corporations Act* (Ontario).

12. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, from and after the delivery of the Monitor's Certificate, all Claims and Encumbrances shall attach to the New Equity Offering Additional Cash Consideration, with the same priority as they had with respect to the Retained Assets immediately prior to the sale, as if the Excluded Contracts and Excluded Liabilities had not been transferred to ResidualCo and ResidualNoteCo, as applicable, and remained liabilities of the Applicant immediately prior to the foregoing transfer.

13. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Applicant or the Monitor, as the case may be, is authorized, permitted and directed to, at the Effective Time, disclose to the Investors all human resources and payroll information in the Applicant records pertaining to past and current employees of the Applicant. The Investors shall maintain and cause the Applicant, after Closing, to maintain and protect the privacy of such information in accordance with applicable law and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by Applicant prior to Closing.

14. **THIS COURT ORDERS** that, at the Effective Time and without limiting the provisions of paragraph 7 hereof, the Applicant and the Investors shall be deemed released from any and all claims, liabilities (direct, indirect, absolute or contingent) or obligations with respect to any Taxes (including penalties and interest thereon) of, or that relate to, the Applicant, including without limiting the generality of the foregoing all taxes that could be assessed against the Applicant or the Investors (including its affiliates and any predecessor corporations) pursuant to section 160 of the *Income Tax Act* (Canada), or any provincial equivalent, in connection with the Applicant (provided, as it relates to the Applicant, such release shall not apply to (a) Transaction Taxes, or (b) Taxes in respect of the business and operations conducted by the Applicant after the Effective Time).

15. **THIS COURT ORDERS** that except to the extent expressly contemplated by the Subscription Agreement, all Contracts (excluding the Excluded Contracts) to which the Applicant

is a party upon delivery of the Monitor's Certificate will be and remain in full force and effect upon and following delivery of the Monitor's Certificate and no individual, firm, corporation, governmental body or agency, or any other entity (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") who is a party to any such arrangement may accelerate, terminate, rescind, refuse to perform or otherwise repudiate its obligations thereunder, or enforce or exercise any right (including any right of set-off, dilution or other remedy) or make any demand under or in respect of any such arrangement and no automatic termination will have any validity or effect, by reason of:

(a) any event that occurred on or prior to the delivery of the Monitor's Certificate and is not continuing that would have entitled such Person to enforce those rights or remedies (including defaults or events of default arising as a result of the insolvency of the Applicant);

(b) the insolvency of the Applicant or the fact that the Applicant sought or obtained relief under the CCAA;

(c) any compromises, releases, discharges, cancellations, transactions, arrangements, reorganizations or other steps taken or effected pursuant to the Subscription Agreement, the Transactions or the provisions of this Order, or any other Order of the Court in these proceedings; or

(d) any change of control of the Applicant arising from the implementation of the Subscription Agreement, the Transactions or the provisions of this Order.

16. **THIS COURT ORDERS**, for greater certainty, that: (a) nothing in paragraph 15 hereof shall waive, compromise or discharge any obligations of the Applicant in respect of any Assumed Liabilities, and (b) the designation of any Claim as an Assumed Liability is without prejudice to the Applicant's right to dispute the existence, validity or quantum of any such Assumed Liability, and (c) nothing in this Order or the Subscription Agreement shall affect or waive the Applicant's rights and defences, both legal and equitable, with respect to any Assumed Liability, including, but not limited to, all rights with respect to entitlements to set-offs or recoupments against such Assumed Liability.

17. **THIS COURT ORDERS** that from and after the Effective Time, all Persons shall be deemed to have waived any and all defaults of the Applicant then existing or previously committed by the Applicant, or caused by the Applicant, directly or indirectly, or non-compliance with any

covenant, warranty, representation, undertaking, positive or negative pledge, term, provision, condition or obligation, expressed or implied, in any Retained Contract, existing between such Person and the Applicant arising directly or indirectly from the filing by the Applicant under the CCAA and the implementation of the Transactions, including without limitation any of the matters or events listed in paragraph 15 hereof, and any and all notices of default and demands for payment or any step or proceeding taken or commenced in connection therewith under a Retained Contract shall be deemed to have been rescinded and of no further force or effect, provided that nothing herein shall be deemed to excuse the Applicant or the Investors from performing its obligations under the Subscription Agreement or be a waiver of defaults by the Applicant under the Subscription Agreement and the related documents.

18. **THIS COURT ORDERS** that from and after the Effective Time, any and all Persons shall be and are hereby forever barred, estopped, stayed and enjoined from commencing, taking, applying for or issuing or continuing any and all steps or proceedings, whether directly, derivatively or otherwise, and including without limitation, administrative hearings and orders, declarations and assessment, commenced, taken or proceeded with or that may be commenced, taken or proceeded with against the Applicant or the Retained Assets relating in any way to or in respect of any Excluded Senior Secured Notes, Excluded Assets, Excluded Contracts or Excluded Liabilities and any other claims, obligations and other matters which are waived, released, expunged or discharged pursuant to this Order.

19. **THIS COURT ORDERS** that, from and after the Effective Time:

(a) the nature of the Assumed Liabilities retained by the Applicant, including, without limitation, their amount and their secured or unsecured status, shall not be affected or altered as a result of the Transactions or this Order;

(b) the nature of the Excluded Senior Secured Notes and Excluded Liabilities, including, without limitation, their amount and their secured or unsecured status, shall not be affected or altered as a result of their transfer to ResidualCo or ResidualNoteCo, as applicable;

(c) any Person that prior to the Effective Time had a valid right or claim against the Applicant under or in respect of any Excluded Senior Secured Notes, Excluded Contract or Excluded Liability (each an "**Excluded Liability Claim**") shall no longer have such right or claim against the Applicant but will have an equivalent Excluded Liability Claim against ResidualCo or ResidualNoteCo, as applicable, in respect of

the Excluded Senior Secured Notes, Excluded Contract and Excluded Liability from and after the Effective Time in its place and stead, and nothing in this Order limits, lessens or extinguishes the Excluded Liability Claim of any Person as against ResidualCo or ResidualNoteCo, as applicable; and

(d) the Excluded Liability Claim of any Person against ResidualCo or ResidualNoteCo, as applicable, following the Effective Time shall have the same rights, priority and entitlement as such Excluded Liability Claim had against the Applicant prior to the Effective Time.

20. **THIS COURT ORDERS** that:

(a) as of the Effective Time, the Applicant shall cease to be an applicant in these CCAA Proceedings and the Applicant shall be deemed to be released from the purview of the Initial Order and all other Orders of this Court granted these CCAA Proceedings, save and except for this Order the provisions of which (as they relate to the Applicant) shall continue to apply in all respects;

(b) as of the date of this Order, ResidualCo and ResidualNoteCo shall be companies to which the CCAA applies, and ResidualCo and ResidualNoteCo shall be added as applicants in these CCAA Proceedings and all references in any Order of this Court in respect of these CCAA Proceedings to (i) an "*Applicant*" shall refer to and include ResidualCo and ResidualNoteCo, *mutatis mutandis*, (ii) "*Property*", as defined in the Initial Order, shall include the current and future assets, licenses, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof, of ResidualCo and ResidualNoteCo (including the Excluded Takeback Shares, Excluded Takeback SSNs and Excluded Takeback SSN Warrants) (collectively, the "**ResidualCos. Property**"), and, for greater certainty, each of the Charges (as defined in the Initial Order) shall constitute a charge on the ResidualCos. Property.

21. **THIS COURT ORDERS** that for greater certainty, nothing in this Order, including the release of the Applicant from the purview of these CCAA Proceedings pursuant to paragraph 20(a) hereof and the addition of ResidualCo and ResidualNoteCo as applicants in these CCAA Proceedings shall affect, vary, derogate from, limit or amend, and FTI shall continue to have the benefit of, any and all rights and approvals and protections in favour of the Monitor at law or pursuant to the CCAA, the Initial Order, this Order, any other Orders in these CCAA

Proceedings or otherwise, including all approvals, protections and stays of proceedings in favour of FTI in its capacity as Monitor, all of which are expressly continued and confirmed.

22. **THIS COURT ORDERS** that, notwithstanding:

(a) the pendency of these CCAA Proceedings;

(b) any applications for a bankruptcy order now or hereafter issued pursuant to the BIA in respect of the Applicant, ResidualCo or ResidualNoteCo and any bankruptcy order issued pursuant to any such applications; and

(c) any assignment in bankruptcy made in respect of the Applicant, ResidualCo or ResidualNoteCo;

the Subscription Agreement, the implementation of the Transactions (including without limitation the transfer and vesting of the Excluded Assets, Excluded Contracts, Excluded Liabilities and all Liabilities under the Excluded Senior Secured Notes in and to ResidualCo or ResidualNoteCo, as applicable, and the issuance of (i) the Subscribed Shares and Subscribed First Out SSNs to the Investors, (ii) the New Equity Offering Shares (that are not Subscribed Shares) to the Participating Senior Secured Noteholders; (iv) the Takeback Shares, Takeback SSN Warrants and Takeback SSNs to the Exchanging Senior Secured Noteholders; (v) the RCF Warrants to RCF; and (vi) the Excluded Takeback Shares, Excluded Takeback SSN Warrants and Excluded Takeback SSNs to ResidualNoteCo,; (vii)any payments by the Investors authorized herein or pursuant to the Subscription Agreement; and (viii) the terms of this Order, shall be binding on any trustee in bankruptcy that may be appointed in respect of the Applicant, ResidualCo and/or ResidualNoteCo, and shall not be void or voidable by creditors of the Applicant, ResidualCo or ResidualNoteCo, as applicable, nor shall they constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the CCAA, the BIA or any other applicable federal or provincial legislation, nor shall they constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

CURE COSTS

23. **THIS COURT ORDERS** that all Cure Costs payable in accordance with the Subscription Agreement shall be paid by or on behalf of the Applicant to the relevant counterparty to a Retained

Contract following the Effective Time on such date as determined by the Applicant, acting reasonably.

ADMINISTRATIVE EXPENSE RESERVE

24. **THIS COURT ORDERS** that on the Closing Date and in accordance with the Subscription Agreement, the Monitor shall establish an Administrative Expense Reserve of $9,000,000 (or such lesser amount agreed by the Applicant, the Monitor and the Investors) by retaining a portion of the New Equity Offering Initial Cash Consideration, which the Monitor shall be authorized and directed to hold in a segregated interest-bearing account for the benefit of those entitled to be paid under the Administrative Expense Reserve and in accordance with the Subscription Agreement and this Order.

25. **THIS COURT ORDERS** that the Monitor is authorized and directed to pay from the Administrative Expense Reserve, in the name of and on behalf of the Company prior to the Closing and on behalf of ResidualCo and ResidualNoteCo following the Closing:

(a) the reasonable and documented fees and costs of (i) the professional advisors of the Applicant incurred up to the Closing; and (ii) the Monitor and its professional advisors and the professional advisors of 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 the Subscription 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;

(b) amounts owing in respect of obligations secured by the Administration Charge, the Directors' Charge, the KERP Charge and the Transaction Fee Charge which charges shall attach to the Administrative Expense Reserve with the same priority as set out in the Amended and Restated Initial Order;

(c) any Liability of the Applicant that ranks in priority to the Senior Secured Notes as determined by a Final Order of this Court or pursuant to a priority claims process approved by Order of this Court;

(d) any disputed Cure Costs as determined by a Final Order of this Court or with consent of the Applicant, the Monitor and the Investors; and

(e) costs related to a premium for a run-off policy of the Applicant's existing director and officer liability insurance policy.

26. **THIS COURT ORDERS** that any amounts remaining in the Monitor's accounts after payment of all Administrative Expense Costs in accordance with the Subscription Agreement and this Order shall be paid by the Monitor to the Applicant.

RELEASES

27. **THIS COURT ORDERS** that effective upon the delivery of the Monitor's Certificate to the Applicant and the Investors, (i) the Applicant, ResidualCo and ResidualNoteCo and their respective present and former directors, officers, employees, legal counsel and advisors, (ii) the Monitor and its legal counsel, and their respective present and former directors, officers, partners, employees and advisors, (iii) the Trustee and their respective present and former directors, officers, partners, employees and advisors and (iv) the Investors and their respective present and former directors, officers, employees, legal counsel and advisors, (the Persons listed in (i), (ii), (iii) and (iv) being collectively, the "**Released Parties**") shall be deemed to be forever irrevocably released and discharged from any and all present and future claims whatsoever (including, without limitation, claims for contribution or indemnity), liabilities, indebtedness, demands, actions, causes of action, counterclaims, suits, damages, judgments, executions, recoupments, debts, sums of money, expenses, accounts, liens, taxes, recoveries, and obligations of any nature or kind 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 equity and whether based in statute or otherwise) based in whole or in part on any act or omission, transaction, offer, investment proposal, dealing, or other fact, matter, occurrence or thing existing or taking place prior to the delivery of the Monitor's Certificate, or undertaken or completed in connection with or pursuant to the terms of this Order or these CCAA Proceedings, or arising in connection with or relating to the Subscription Agreement, the closing documents, the Applicant's assets, business or affairs, prior dealings with the Applicant, or any agreement, document, instrument, matter or transaction involving the Applicant arising in connection with or pursuant to any of the foregoing, and/or the consummation of the Transactions (provided that in respect of any release by the Investors of Released Parties, such release is limited to matters directly relating to its investments in the Applicant, including as a Senior Secured Noteholder)

(collectively, the "**Released Claims**"), which Released Claims are hereby fully, finally, irrevocably and forever waived, discharged, released, cancelled and barred as against the Released Parties, provided that nothing in this paragraph shall waive, discharge, release, cancel or bar any claim for fraud or wilful misconduct or any claim that is not permitted to be released pursuant to section 5.1(2) of the CCAA.

THE MONITOR

28. **THIS COURT ORDERS** that the Monitor, its employees and representatives shall not be deemed directors of ResidualCo or ResidualNoteCo, *de facto* or otherwise, and shall incur no liability as a result of acting in accordance with this Order, other than any liability arising out of or in connection with the gross negligence or wilful misconduct of the Monitor.

29. **THIS COURT ORDERS** that no action lies against the Monitor by reason of this Order or the performance of any act authorized by this Order, except by leave of the Court following a motion brought on not less than fifteen (15) days' notice to the Monitor and its legal counsel. The entities related or affiliated with the Monitor or belonging to the same group as the Monitor (including, without limitation, any agents, employees, legal counsel or other advisors retained or employed by the Monitor) shall benefit from the protection granted to the Monitor under the present paragraph.

30. **THIS COURT ORDERS** that the Monitor shall not, as a result of this Order or any matter contemplated hereby: (i) be deemed to have taken part in the management or supervision of the management of the Applicant, ResidualCo or ResidualNoteCo, or to have taken or maintained possession or control of the business or property of any of the Applicant, ResidualCo or ResidualNoteCo, or any part thereof; or (ii) be deemed to be in Possession (as defined in the Initial Order) of any property of the Applicant, ResidualCo or ResidualNoteCo within the meaning of any applicable Environmental Legislation (as defined in the Initial Order) or otherwise.

31. **THIS COURT ORDERS** that, within ten (10) days of the Closing Date, the Monitor shall release the KERP Funds (as defined by the Initial Order) to the Applicant and the Applicant is authorized and directed to pay the KERP Funds, net of applicable withholdings and remittances payable, to the Key Employees (as defined by the Initial Order) which are entitled to receive such KERP Funds under the KERP (as defined by the Initial Order).

32. **THIS COURT ORDERS** that nothing in this Order shall affect, vary, derogate from, limit or amend any rights, approvals and protections afforded to the Monitor in these CCAA Proceedings

and FTI shall continue to have the benefit of any and all rights and approvals and protections in favour of the Monitor at law or pursuant to the CCAA, the Initial Order, and any other Orders in these CCAA Proceedings or otherwise, including all approvals, protections and stays of proceedings in favour of FTI in its capacity as Monitor, all of which are expressly continued and confirmed.

SEALING PROVISION

33. **[THIS COURT ORDERS** that Confidential Appendix "●" to the ● Report dated ●, 2024, is hereby sealed pending further order of the Court and shall not form part of the public record.]

GENERAL

34. **THIS COURT ORDERS** that, following the Effective Time, the Investors and the Applicant shall be authorized to take all steps as may be necessary to effect the discharge of the Claims and Encumbrances as against the Applicant, the New Common Shares, Takeback SSNs, New First Out SSNs, New Warrants, and the Retained Assets.

35. **THIS COURT ORDERS** that, following the Effective Time, the title of these proceedings is hereby changed to:

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 ● AND ●

36. **THIS COURT ORDERS** that, notwithstanding Rule 59.05, this Order is effective from the date that it is made and is enforceable without any need for entry and filing. In accordance with Rules 77.07(6) and 1.04, no formal order need to be entered and filed unless an appeal or a motion for leave to appeal is brought to an appellate court.

37. **THIS COURT ORDERS** that this Order shall have full force and effect in all provinces and territories in Canada.

38. **THIS COURT ORDERS** that the Applicant shall be authorized to apply as it may consider necessary or desirable, with or without notice, to any other court or administrative body, whether in Canada, the United States or elsewhere, for orders which aid and complement this Order. All courts and administrative bodies of all such jurisdictions are hereby respectfully requested to

make such orders and to provide such assistance to the Applicant and the Monitor as may be deemed necessary or appropriate for that purpose.

39. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Applicant, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicant and the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Applicant, the Monitor and their respective agents in carrying out the terms of this Order.

40. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Prevailing Eastern Time on the date hereof, provided that the transaction steps set out in paragraph 7 hereof shall be deemed to have occurred sequentially, one after the other, in the order set out in paragraph 7 hereof.

SCHEDULE "A" – FORM OF MONITOR'S CERTIFICATE

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.

MONITOR'S CERTIFICATE

RECITALS

A. Pursuant to an Initial Order of the Ontario Superior Court of Justice (the "**Court**") dated October 10, 2023 (the "**Initial Order**"), Tacora Resources Inc. (the "**Applicant**") was granted creditor-protection pursuant to the *Companies' Creditors Arrangement Act* R.S.C. 1985, c. C-36, as amended (the "**CCAA**") and FTI Consulting Canada Inc. was appointed as court-appointed monitor of the Applicant.

B. Pursuant to an Order of the Court dated February ●, 2024 (the "**Approval and Reverse Vesting Order**"), the Court, *inter alia*, (i) approved the Subscription Agreement and the Transactions, (ii) vested out of the Applicant all Excluded Senior Secured Notes, Excluded Assets, Excluded Contracts, Excluded Liabilities and all Claims under the Excluded Senior Secured Notes and discharged all Encumbrances against the Applicant, the New Common Shares, Takeback SSNs, New First Out SSNs and New Warrants, and the Retained Assets, except only the Permitted Encumbrances; (iii) authorized and directed the Applicant to file the Articles of Reorganization; (iv) terminated and cancelled 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 Applicant, if any (other than the rights of the Investors under the Subscription Agreement, and the Participating Senior Secured Noteholders under the New Equity Offering Participation Form) for no consideration; authorized and directed the Applicant to issue the (A) Subscribed Shares and Subscribed New First Out SSNs to the Investors; (B) the New Equity Offering Shares (that are not Subscribed Shares) to the Participating Senior Secured

Noteholders; (C) the Takeback Shares, Takeback SSN Warrants and Takeback SSNs to the Exchanging Senior Secured Noteholders (D) the RCF Warrants to RCF; and (E) the Excluded Takeback Shares, Excluded Takeback SSN Warrants and Excluded Takeback SSNs to ResidualNoteCo, and vested in the Investors (or as any such Investor may direct), Backstop Parties, Participating Senior Secured Noteholders, Exchanging Senior Secured Noteholders, RCF and ResidualNoteCo, all right, title and interest in and to the New Common Shares, Takeback SSNs, New First Out SSNs and New Warrants, as applicable, free and clear of any Encumbrances.

C. Capitalized terms not otherwise defined herein shall have the meanings given to them in the Approval and Reverse Vesting Order.

THE MONITOR CERTIFIES that it was advised by the Applicant and the Investors that:

1. The Monitor has received the entire Cash Consideration;

2. The Monitor has received written confirmation from each of the Investors and the Applicant, in form and substance satisfactory to the Monitor, that all conditions to closing have been satisfied or waived by the Investors or the Applicant, as applicable; and

3. This Certificate was delivered by the Monitor at _____ **[TIME]** on _____ **[DATE]**.

FTI Consulting Canada Inc., in its capacity as Monitor of Tacora Resources Inc., and not in its personal capacity

Per: _____

Name:
Title:

SCHEDULE "B" – PERMITTED ENCUMBRANCES

1. Reservations, limitations, provisions and conditions, if any, expressed in any original grant from the Crown.

2. Title defects or irregularities, encroachments, easements, rights-of-way, rights to use, servitudes or similar interests provided that same does not materially adversely affect value, use or exploitation.

3. Rights-of-way for or reservations or rights of others for, sewers, drains, water lines, gas lines, electric lines, railways, telegraph, telecommunications and telephone lines, or cable conduits, poles, wires and cables, and other similar utilities, or zoning by-laws, ordinances or other restrictions as to the use of the Mineral Tenures contained in Schedule "K" and any Real Property Leases in respect of real property leased by the Applicant, and which do not individually or in the aggregate materially adversely affect value, use or exploitation.

4. The Mineral Tenures.

5. Encumbrances permitted in writing by the Investors.

6. Encumbrances in respect of any Retained Contracts, including the following registrations under the *Personal Properties Security Act* (Newfoundland and Labrador):

Secured Party(ies)	Debtor(s)	Registration Number (Registration Period)	General Collateral Description	Amendments/ Assignments Discharges/Renewals Transfers/ Subordinations
CATERPILLAR FINANCIAL SERVICES LIMITED	TACORA RESOURCES INC.	REGN NO.: 16828758 REGN DATE: APR 15, 2019 EXPIRY DATE: APR 15, 2029	ALL RIGHT, TITLE AND INTEREST THAT THE DEBTOR NOW HAS OR MAY HEREAFTER HAVE OR ACQUIRE, IN ANY MANNER WHATSOEVER (INCLUDING BY WAY OF AMALGAMATION), IN THE FOLLOWING PROPERTY: (A) ALL ITEMS OF NEW OR USED CATERPILLAR EQUIPMENT SPECIFIED IN ANY PRESENT OR FUTURE LEASE CONTRACTS BETWEEN THE PARTIES, INCLUDING WITHOUT LIMITATION THE SERIAL NUMBERED GOODS FROM TIME TO TIME MORE	

Secured Party(ies)	Debtor(s)	Registration Number (Registration Period)	General Collateral Description	Amendments/ Assignments Discharges/Renewals Transfers/ Subordinations
			PARTICULARLY DESCRIBED HEREIN, TOGETHER WITH ALL PARTS AND ACCESSORIES SPECIFICALLY THEREFOR AND REPLACEMENTS THEREOF AND ALL ADDITIONS, AND INCLUDING ALL CATERPILLAR EQUIPMENT FROM TIME TO TIME OWNED BY THE DEBTOR THAT WAS PREVIOUSLY SUBJECT TO A LEASE CONTRACT BETWEEN THE PARTIES AND THAT HAS BEEN SOLD TO THE DEBTOR BY THE SECURED PARTY, AND ALL MAINTENANCE AND REPAIR CONTRACTS OR CUSTOMER SUPPORT AGREEMENTS ENTERED INTO IN RELATION TO ANY OF THE FOREGOING; (B) ALL DEPOSITS FROM TIME TO TIME PAID BY THE DEBTOR TO THE SECURED PARTY IN CONNECTION WITH ONE OR MORE LEASE CONTRACTS AND HELD BY THE SECURED PARTY IN A SEPARATE OR COMMINGLED ACCOUNT, AND ANY POSITIVE ACCOUNT BALANCE THEREOF; (C) ALL BOOKS, INVOICES, DOCUMENTS AND	

Secured Party(ies)	Debtor(s)	Registration Number (Registration Period)	General Collateral Description	Amendments/ Assignments Discharges/Renewals Transfers/ Subordinations
			OTHER RECORDS IN ANY FORM EVIDENCING OR RELATING SOLELY TO ANY OF THE FOREGOING; AND (D) ALL PROCEEDS OF ANY OF THE FOREGOING IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH THE ABOVE OR THAT INDEMNIFIES OR COMPENSATES FOR THE LOSS OF OR DAMAGE TO THE ABOVE. SERIAL NUMBERED COLLATERAL: 2019 CATERPILLAR 18M3 MOTOR GRADER SERIAL NUMBER: CAT0018MAN9A00251 2018 CATERPILLAR 980M FRONT WHEEL LOADER SERIAL NUMBER: CAT0980MTKRS03229 2019 CATERPILLAR 988K FRONT WHEEL LOADER SERIAL NUMBER: CAT0988KHTWX01691	
KOMATSU INTERNATIONAL (CANADA) INC.	TACORA RESOURCES INC.	REGN NO.: 16905978 REGN DATE: MAY 10, 2019 EXPIRY DATE:	2019 KOMATSU MODEL: PC490LC-11 SERIAL NUMBER: A42147 SERIAL NUMBERED COLLATERAL: 2019 KOMATSU PC490LC-11	

Secured Party(ies)	Debtor(s)	Registration Number (Registration Period)	General Collateral Description	Amendments/ Assignments Discharges/Renewals Transfers/ Subordinations
		MAY 10, 2025	SERIAL NUMBER LISTED ADDITIONAL INFORMATION: VALUE $496,050	
KOMATSU INTERNATIONAL (CANADA) INC.	TACORA RESOURCES INC.	REGN NO.: 16916546 REGN DATE: MAY 14, 2019 EXPIRY DATE: MAY 14, 2026	SEMI U HD DUAL TILT BLADE, GIANT VARIABLE RIPPER. ALL PRESENT AND AFTER ACQUIRED ATTACHMENTS, ACCESSORIES, CONTROLS, MOTORS, INSTRUMENTS, SPARE PARTS, APPURTENANCES, MANUALS, MANUFACTURERS WARRANTIES AND OTHER EQUIPMENT ASSOCIATED WITH ANY OF THE VEHICLE COLLATERAL TOGETHER WITH ALL PROCEEDS FROM THE VEHICLE COLLATERAL THAT ARE GOODS, ACCOUNTS, NOTES, INSTRUMENTS, SECURITIES, TRADE-INS, CHATTEL PAPER, DOCUMENTS OF TITLE, CONTRACT RIGHTS, RENTAL PAYMENTS, INSURANCE PAYMENTS, INTANGIBLES AND OTHER PROPERTY OR OBLIGATIONS RECEIVED WHEN ANY OF THE SAID COLLATERAL IS SOLD, DEALT WITH OR OTHERWISE DISPOSED OF OR ANY PROCEEDS THERE FROM. TERMS	

Secured Party(ies)	Debtor(s)	Registration Number (Registration Period)	General Collateral Description	Amendments/ Assignments Discharges/Renewals Transfers/ Subordinations
			USED HEREIN WHICH ARE DEFINED IN THE PERSONAL PROPERTY SECURITY ACT OF NEWFOUNDLAND AND LABRADOR SHALL HAVE THE MEANING ASCRIBED TO THEM IN SUCH ACT. SERIAL NUMBERED COLLATERAL: 2019 KOMATSU D375A-8 SERIAL NUMBER: 80040	
KOMATSU INTERNATIONAL (CANADA) INC.	TACORA RESOURCES INC.	REGN NO.: 16916579 REGN DATE: MAY 14, 2019 EXPIRY DATE: MAY 14, 2026	SEMI U HD DUAL TILT BLADE, GIANT VARIABLE RIPPER. ALL PRESENT AND AFTER ACQUIRED ATTACHMENTS, ACCESSORIES, CONTROLS, MOTORS, INSTRUMENTS, SPARE PARTS, APPURTENANCES, MANUALS, MANUFACTURERS WARRANTIES AND OTHER EQUIPMENT ASSOCIATED WITH ANY OF THE VEHICLE COLLATERAL THAT ARE GOODS, ACCOUNTS, NOTES, INSTRUMENTS, SECURITIES, TRADE-INS, CHATTEL PAPER, DOCUMENTS OF TITLE, CONTRACT RIGHTS, RENTAL PAYMENTS, INSURANCE PAYMENTS, INTANGIBLES AND OTHER PROPERTY OR OBLIGATIONS RECEIVED WHEN ANY OF THE SAID	

Secured Party(ies)	Debtor(s)	Registration Number (Registration Period)	General Collateral Description	Amendments/ Assignments Discharges/Renewals Transfers/ Subordinations
			COLLATERAL IS SOLD, DEALT WITH OR OTHERWISE DISPOSED OF OR ANY PROCEEDS THERE FROM. TERMS USED HEREIN WHICH ARE DEFINED IN THE PERSONAL PROPERTY SECURITY ACT OF NEWFOUNDLAND AND LABRADOR SHALL HAVE THE MEANING ASCRIBED TO THEM IN SUCH ACT. SERIAL NUMBERED COLLATERAL: 2019 KOMATSU D375A-8 SERIAL NUMBER: 80039	
KOMATSU INTERNATIONAL (CANADA) INC.	TACORA RESOURCES INC.	REGN NO.: 16950925 REGN DATE: MAY 24, 2019 EXPIRY DATE: MAY 24, 2026	ALL PRESENT AND AFTER ACQUIRED ATTACHMENTS, ACCESSORIES, CONTROLS, MOTORS, INSTRUMENTS, SPARE PARTS, APPURTENANCES, MANUALS, MANUFACTURERS WARRANTIES AND OTHER EQUIPMENT ASSOCIATED WITH ANY OF THE VEHICLE COLLATERAL TOGETHER WITH ALL PROCEEDS FROM THE VEHICLE COLLATERAL THAT ARE GOODS, ACCOUNTS, NOTES, INSTRUMENTS, SECURITIES, TRADE-INS, CHATTEL PAPER, DOCUMENTS OF TITLE, CONTRACT RIGHTS, RENTAL PAYMENTS, INSURANCE PAYMENTS,	

Secured Party(ies)	Debtor(s)	Registration Number (Registration Period)	General Collateral Description	Amendments/ Assignments Discharges/Renewals Transfers/ Subordinations
			INTANGIBLES AND OTHER PROPERTY OR OBLIGATIONS RECEIVED WHEN ANY OF THE SAID COLLATERAL IS SOLD, DEALT WITH OR OTHERWISE DISPOSED OF OR ANY PROCEEDS THERE FROM. TERMS USED HEREIN WHICH ARE DEFINED IN THE PERSONAL PROPERTY SECURITY ACT OF NEWFOUNDLAND AND LABRADOR SHALL HAVE THE MEANING ASCRIBED TO THEM IN SUCH ACT. SERIAL NUMBERED COLLATERAL: KOMATSU 830E-5 SERIAL NUMBER: A50021	
KOMATSU INTERNATIONAL (CANADA) INC.	TACORA RESOURCES INC.	REGN NO.: 16954240 REGN DATE: MAY 27, 2019 EXPIRY DATE: MAY 27, 2026	ALL PRESENT AND AFTER ACQUIRED ATTACHMENTS, ACCESSORIES, CONTROLS, MOTORS, INSTRUMENTS, SPARE PARTS, APPURTENANCES, MANUALS, MANUFACTURERS WARRANTIES AND OTHER EQUIPMENT ASSOCIATED WITH ANY OF THE VEHICLE COLLATERAL TOGETHER WITH ALL PROCEEDS FROM THE VEHICLE COLLATERAL THAT ARE GOODS, ACCOUNTS, NOTES, INSTRUMENTS, SECURITIES, TRADE-	

Secured Party(ies)	Debtor(s)	Registration Number (Registration Period)	General Collateral Description	Amendments/ Assignments Discharges/Renewals Transfers/ Subordinations
			INS, CHATTEL PAPER, DOCUMENTS OF TITLE, CONTRACT RIGHTS, RENTAL PAYMENTS, INSURANCE PAYMENTS, INTANGIBLES AND OTHER PROPERTY OR OBLIGATIONS RECEIVED WHEN ANY OF THE SAID COLLATERAL IS SOLD, DEALT WITH OR OTHERWISE DISPOSED OF OR ANY PROCEEDS THERE FROM. TERMS USED HEREIN WHICH ARE DEFINED IN THE PERSONAL PROPERTY SECURITY ACT OF NEWFOUNDLAND SHALL HAVE THE MEANING ASCRIBED TO THEM IN SUCH ACT. SERIAL NUMBERED COLLATERAL: 2018 KOMATSU 830E-5 SERIAL NUMBER: A50020	
KOMATSU INTERNATIONAL (CANADA) INC.	TACORA RESOURCES INC.	REGN NO.: 16970238 REGN DATE: MAY 30, 2019 EXPIRY DATE: MAY 30, 2026	ALL PRESENT AND AFTER ACQUIRED ATTACHMENTS, ACCESSORIES, CONTROLS, MOTORS, INSTRUMENTS, SPARE PARTS, APPURTENANCES, MANUALS, MANUFACTURERS WARRANTIES AND OTHER EQUIPMENT ASSOCIATED WITH ANY OF THE VEHICLE COLLATERAL TOGETHER WITH ALL PROCEEDS FROM THE	

Secured Party(ies)	Debtor(s)	Registration Number (Registration Period)	General Collateral Description	Amendments/ Assignments Discharges/Renewals Transfers/ Subordinations
			VEHICLE COLLATERAL THAT ARE GOODS, ACCOUNTS, NOTES, INSTRUMENTS, SECURITIES, TRADE-INS, CHATTEL PAPER, DOCUMENTS OF TITLE, CONTRACT RIGHTS, RENTAL PAYMENTS, INSURANCE PAYMENTS, INTANGIBLES AND OTHER PROPERTY OR OBLIGATIONS RECEIVED WHEN ANY OF THE SAID COLLATERAL IS SOLD, DEALT WITH OR OTHERWISE DISPOSED OF OR ANY PROCEEDS THERE FROM. TERMS USED HEREIN WHICH ARE DEFINED IN THE PERSONAL PROPERTY SECURITY ACT OF NEWFOUNDLAND SHALL HAVE THE MEANING ASCRIBED TO THEM IN SUCH ACT. SERIAL NUMBERED COLLATERAL: 2018 KOMATSU 830E-5 SERIAL NUMBER: A50027	
KOMATSU INTERNATIONAL (CANADA) INC.	TACORA RESOURCES INC.	REGN NO.: 16970246 REGN DATE: MAY 30, 2019 EXPIRY DATE: MAY 30, 2026	ALL PRESENT AND AFTER ACQUIRED ATTACHMENTS, ACCESSORIES, CONTROLS, MOTORS, INSTRUMENTS, SPARE PARTS, APPURTENANCES, MANUALS, MANUFACTURERS WARRANTIES AND OTHER EQUIPMENT	

Secured Party(ies)	Debtor(s)	Registration Number (Registration Period)	General Collateral Description	Amendments/ Assignments Discharges/Renewals Transfers/ Subordinations
			ASSOCIATED WITH ANY OF THE VEHICLE COLLATERAL TOGETHER WITH ALL PROCEEDS FROM THE VEHICLE COLLATERAL THAT ARE GOODS, ACCOUNTS, NOTES, INSTRUMENTS, SECURITIES, TRADE-INS, CHATTEL PAPER, DOCUMENTS OF TITLE, CONTRACT RIGHTS, RENTAL PAYMENTS, INSURANCE PAYMENTS, INTANGIBLES AND OTHER PROPERTY OR OBLIGATIONS RECEIVED WHEN ANY OF THE SAID COLLATERAL IS SOLD, DEALT WITH OR OTHERWISE DISPOSED OF OR ANY PROCEEDS THERE FROM. TERMS USED HEREIN WHICH ARE DEFINED IN THE PERSONAL PROPERTY SECURITY ACT OF NEWFOUNDLAND SHALL HAVE THE MEANING ASCRIBED TO THEM IN SUCH ACT. SERIAL NUMBERED COLLATERAL: 2018 KOMATSU 830E-5 SERIAL NUMBER: A50023	
KOMATSU INTERNATIONAL (CANADA) INC.	TACORA RESOURCES INC.	REGN NO.: 17006453 REGN DATE: JUNE 11, 2019	2019 KOMATSU MODEL: D155AX-8 SERIAL NUMBER: 100383 SERIAL NUMBERED COLLATERAL:	

Secured Party(ies)	Debtor(s)	Registration Number (Registration Period)	General Collateral Description	Amendments/ Assignments Discharges/Renewals Transfers/ Subordinations
		EXPIRY DATE: JUNE 11, 2025	2019 KOMATSU D155AX-8 SERIAL NUMBER: 100383 ADDITIONAL INFORMATION: AMOUNT: $908,000	
XEROX CANADA LTD.	TACORA RESOURCES INC.	REGN NO.: 17026121 REGN DATE: JUNE 17, 2019 EXPIRY DATE: JUNE 17, 2024	ALL PRESENT AND FUTURE OFFICE EQUIPMENT AND SOFTWARE SUPPLIED OR FINANCED FROM TIME TO TIME BY THE SECURED PARTY (WHETHER BY LEASE, CONDITIONAL SALE OR OTHERWISE), WHETHER OR NOT MANUFACTURED BY THE SECURED PARTY OR ANY AFFILIATE THEREOF, AND ALL PROCEEDS THEREOF.	
KOMATSU INTERNATIONAL (CANADA) INC.	TACORA RESOURCES INC.	REGN NO.: 17047176 REGN DATE: JUNE 24, 2019 EXPIRY DATE: JUNE 24, 2026	ALL PRESENT AND AFTER ACQUIRED ATTACHMENTS, ACCESSORIES, CONTROLS, MOTORS, INSTRUMENTS, SPARE PARTS, APPURTENANCES, MANUALS, MANUFACTURERS WARRANTIES AND OTHER EQUIPMENT ASSOCIATED WITH ANY OF THE VEHICLE COLLATERAL TOGETHER WITH ALL PROCEEDS FROM THE VEHICLE COLLATERAL THAT ARE GOODS, ACCOUNTS, NOTES, INSTRUMENTS, SECURITIES, TRADE-	

Secured Party(ies)	Debtor(s)	Registration Number (Registration Period)	General Collateral Description	Amendments/ Assignments Discharges/Renewals Transfers/ Subordinations
			INS, CHATTEL PAPER, DOCUMENTS OF TITLE, CONTRACT RIGHTS, RENTAL PAYMENTS, INSURANCE PAYMENTS, INTANGIBLES AND OTHER PROPERTY OR OBLIGATIONS RECEIVED WHEN ANY OF THE SAID COLLATERAL IS SOLD, DEALT WITH OR OTHERWISE DISPOSED OF OR ANY PROCEEDS THERE FROM. TERMS USED HEREIN WHICH ARE DEFINED IN THE PERSONAL PROPERTY SECURITY ACT OF NEWFOUNDLAND SHALL HAVE THE MEANING ASCRIBED TO THEM IN SUCH ACT. SERIAL NUMBERED COLLATERAL: 2018 KOMATSU 830E-5 SERIAL NUMBER: A50044	
KOMATSU INTERNATIONAL (CANADA) INC.	TACORA RESOURCES INC.	REGN NO.: 17060872 REGN DATE: JUNE 27, 2019 EXPIRY DATE: JUNE 27, 2026	ALL PRESENT AND AFTER ACQUIRED ATTACHMENTS, ACCESSORIES, CONTROLS, MOTORS, INSTRUMENTS, SPARE PARTS, APPURTENANCES, MANUALS, MANUFACTURERS WARRANTIES AND OTHER EQUIPMENT ASSOCIATED WITH ANY OF THE VEHICLE COLLATERAL TOGETHER WITH ALL PROCEEDS FROM THE	

Secured Party(ies)	Debtor(s)	Registration Number (Registration Period)	General Collateral Description	Amendments/ Assignments Discharges/Renewals Transfers/ Subordinations
			VEHICLE COLLATERAL THAT ARE GOODS, ACCOUNTS, NOTES, INSTRUMENTS, SECURITIES, TRADE-INS, CHATTEL PAPER, DOCUMENTS OF TITLE, CONTRACT RIGHTS, RENTAL PAYMENTS, INSURANCE PAYMENTS, INTANGIBLES AND OTHER PROPERTY OR OBLIGATIONS RECEIVED WHEN ANY OF THE SAID COLLATERAL IS SOLD, DEALT WITH OR OTHERWISE DISPOSED OF OR ANY PROCEEDS THERE FROM. TERMS USED HEREIN WHICH ARE DEFINED IN THE PERSONAL PROPERTY SECURITY ACT OF NEWFOUNDLAND SHALL HAVE THE MEANING ASCRIBED TO THEM IN SUCH ACT. SERIAL NUMBERED COLLATERAL: 2019 KOMATSU 830E-5 SERIAL NUMBER: A50045	
CATERPILLAR FINANCIAL SERVICES LIMITED	TACORA RESOURCES INC.	REGN NO.: 17096017 REGN DATE: JULY 10, 2019 EXPIRY DATE: JULY 10, 2029	2019 CATERPILLAR 994K WHEEL LOADER SN CAT0994KHSMX00207 WITH 246" 22.50 YD3 ROCK BUCKET SN 7NW17895 TOGETHER WITH ALL ATTACHMENTS, ACCESSORIES, ACCESSIONS, REPLACEMENTS,	AMENDED BY 17125279 ON JULY 19, 2019 AMENDMENT TO CHANGE THE GENERAL COLLATERAL DESCRIPTION.

Secured Party(ies)	Debtor(s)	Registration Number (Registration Period)	General Collateral Description	Amendments/ Assignments Discharges/Renewals Transfers/ Subordinations
			SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS TO THE ABOVEMENTIONED COLLATERAL AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH SUCH COLLATERAL AND A RIGHT TO AN INSURANCE PAYMENT OR ANY PAYMENT THAT INDEMNIFIES OR COMPENSATES FOR LOSS OR DAMAGE TO SUCH COLLATERAL OR PROCEEDS OF SUCH COLLATERAL. PROCEEDS: GOODS, SECURITIES, DOCUMENTS OF TITLE, CHATTEL PAPER, INSTRUMENTS, MONEY AND INTANGIBLES.	
KOMATSU INTERNATIONAL (CANADA) INC.	TACORA RESOURCES INC.	REGN NO.: 17109539 REGN DATE: JULY 15, 2019 EXPIRY DATE: JULY 15, 2026	ALL PRESENT AND AFTER ACQUIRED ATTACHMENTS, ACCESSORIES, CONTROLS, MOTORS, INSTRUMENTS, SPARE PARTS, APPURTENANCES, MANUALS, MANUFACTURERS WARRANTIES AND OTHER EQUIPMENT ASSOCIATED WITH ANY OF THE VEHICLE COLLATERAL TOGETHER WITH ALL PROCEEDS FROM THE VEHICLE COLLATERAL THAT ARE GOODS,	

Secured Party(ies)	Debtor(s)	Registration Number (Registration Period)	General Collateral Description	Amendments/ Assignments Discharges/Renewals Transfers/ Subordinations
			ACCOUNTS, NOTES, INSTRUMENTS, SECURITIES, TRADE-INS, CHATTEL PAPER, DOCUMENTS OF TITLE, CONTRACT RIGHTS, RENTAL PAYMENTS, INSURANCE PAYMENTS, INTANGIBLES AND OTHER PROPERTY OR OBLIGATIONS RECEIVED WHEN ANY OF THE SAID COLLATERAL IS SOLD, DEALT WITH OR OTHERWISE DISPOSED OF OR ANY PROCEEDS THERE FROM. TERMS USED HEREIN WHICH ARE DEFINED IN THE PERSONAL PROPERTY SECURITY ACT OF NEWFOUNDLAND SHALL HAVE THE MEANING ASCRIBED TO THEM IN SUCH ACT. SERIAL NUMBERED COLLATERAL: 2019 KOMATSU 830E-5 SERIAL NUMBER: A50046	
KOMATSU INTERNATIONAL (CANADA) INC.	TACORA RESOURCES INC.	REGN NO.: 17173667 REGN DATE: AUG 6, 2019 EXPIRY DATE: AUG 6, 2026	ALL PRESENT AND AFTER ACQUIRED ATTACHMENTS, ACCESSORIES, CONTROLS, MOTORS, INSTRUMENTS, SPARE PARTS, APPURTENANCES, MANUALS, MANUFACTURERS WARRANTIES AND OTHER EQUIPMENT ASSOCIATED WITH ANY OF THE VEHICLE	

Secured Party(ies)	Debtor(s)	Registration Number (Registration Period)	General Collateral Description	Amendments/ Assignments Discharges/Renewals Transfers/ Subordinations
			COLLATERAL TOGETHER WITH ALL PROCEEDS FROM THE VEHICLE COLLATERAL THAT ARE GOODS, ACCOUNTS, NOTES, INSTRUMENTS, SECURITIES, TRADE-INS, CHATTEL PAPER, DOCUMENTS OF TITLE, CONTRACT RIGHTS, RENTAL PAYMENTS, INSURANCE PAYMENTS, INTANGIBLES AND OTHER PROPERTY OR OBLIGATIONS RECEIVED WHEN ANY OF THE SAID COLLATERAL IS SOLD, DEALT WITH OR OTHERWISE DISPOSED OF OR ANY PROCEEDS THERE FROM. TERMS USED HEREIN WHICH ARE DEFINED IN THE PERSONAL PROPERTY SECURITY ACT OF NEWFOUNDLAND & LABRADOR SHALL HAVE THE MEANING ASCRIBED TO THEM IN SUCH ACT. SERIAL NUMBERED COLLATERAL: 2019 KOMATSU 830E-5 SERIAL NUMBER: A50052	
KOMATSU INTERNATIONAL (CANADA) INC.	TACORA RESOURCES INC.	REGN NO.: 17246471 REGN DATE: AUG 29, 2019 EXPIRY	ALL PRESENT AND AFTER ACQUIRED ATTACHMENTS, ACCESSORIES, CONTROLS, MOTORS, INSTRUMENTS, SPARE PARTS, APPURTENANCES,	

Secured Party(ies)	Debtor(s)	Registration Number (Registration Period)	General Collateral Description	Amendments/ Assignments Discharges/Renewals Transfers/ Subordinations
		DATE: AUG 29, 2026	MANUALS, MANUFACTURERS WARRANTIES AND OTHER EQUIPMENT ASSOCIATED WITH ANY OF THE VEHICLE COLLATERAL TOGETHER WITH ALL PROCEEDS FROM THE VEHICLE COLLATERAL THAT ARE GOODS, ACCOUNTS, NOTES, INSTRUMENTS, SECURITIES, TRADE-INS, CHATTEL PAPER, DOCUMENTS OF TITLE, CONTRACT RIGHTS, RENTAL PAYMENTS, INSURANCE PAYMENTS, INTANGIBLES AND OTHER PROPERTY OR OBLIGATIONS RECEIVED WHEN ANY OF THE SAID COLLATERAL IS SOLD, DEALT WITH OR OTHERWISE DISPOSED OF OR ANY PROCEEDS THERE FROM. TERMS USED HEREIN WHICH ARE DEFINED IN THE PERSONAL PROPERTY SECURITY ACT OF NEWFOUNDLAND SHALL HAVE THE MEANING ASCRIBED TO THEM IN SUCH ACT. SERIAL NUMBERED COLLATERAL: 2019 KOMATSU 830E-5 SERIAL NUMBER: A50051	
KOMATSU INTERNATION	TACORA RESOURCES INC.	REGN NO.: 17266909	ALL PRESENT AND AFTER ACQUIRED ATTACHMENTS,	

Secured Party(ies)	Debtor(s)	Registration Number (Registration Period)	General Collateral Description	Amendments/ Assignments Discharges/Renewals Transfers/ Subordinations
AL (CANADA) INC.		REGN DATE: SEPT 6, 2019 EXPIRY DATE: SEPT 6, 2026	ACCESSORIES, CONTROLS, MOTORS, INSTRUMENTS, SPARE PARTS, APPURTENANCES, MANUALS, MANUFACTURERS WARRANTIES AND OTHER EQUIPMENT ASSOCIATED WITH ANY OF THE VEHICLE COLLATERAL TOGETHER WITH ALL PROCEEDS FROM THE VEHICLE COLLATERAL THAT ARE GOODS, ACCOUNTS, NOTES, INSTRUMENTS, SECURITIES, TRADE-INS, CHATTEL PAPER, DOCUMENTS OF TITLE, CONTRACT RIGHTS, RENTAL PAYMENTS, INSURANCE PAYMENTS, INTANGIBLES AND OTHER PROPERTY OR OBLIGATIONS RECEIVED WHEN ANY OF THE SAID COLLATERAL IS SOLD, DEALT WITH OR OTHERWISE DISPOSED OF OR ANY PROCEEDS THERE FROM. TERMS USED HEREIN WHICH ARE DEFINED IN THE PERSONAL PROPERTY SECURITY ACT OF NEWFOUNDLAND SHALL HAVE THE MEANING ASCRIBED TO THEM IN SUCH ACT. SERIAL NUMBERED COLLATERAL: 2019 KOMATSU 830E-5	

Secured Party(ies)	Debtor(s)	Registration Number (Registration Period)	General Collateral Description	Amendments/ Assignments Discharges/Renewals Transfers/ Subordinations
			SERIAL NUMBER: A50053	
KOMATSU INTERNATIONAL (CANADA) INC.	TACORA RESOURCES INC.	REGN NO.: 17486747 REGN DATE: NOV 26, 2019 EXPIRY DATE: NOV 26, 2026	ALL PRESENT AND AFTER ACQUIRED ATTACHMENTS, ACCESSORIES, CONTROLS, MOTORS, INSTRUMENTS, SPARE PARTS, APPURTENANCES, MANUALS, MANUFACTURERS WARRANTIES AND OTHER EQUIPMENT ASSOCIATED WITH ANY OF THE VEHICLE COLLATERAL TOGETHER WITH ALL PROCEEDS FROM THE VEHICLE COLLATERAL THAT ARE GOODS, ACCOUNTS, NOTES, INSTRUMENTS, SECURITIES, TRADE-INS, CHATTEL PAPER, DOCUMENTS OF TITLE, CONTRACT RIGHTS, RENTAL PAYMENTS, INSURANCE PAYMENTS, INTANGIBLES AND OTHER PROPERTY OR OBLIGATIONS RECEIVED WHEN ANY OF THE SAID COLLATERAL IS SOLD, DEALT WITH OR OTHERWISE DISPOSED OF OR ANY PROCEEDS THERE FROM. TERMS USED HEREIN WHICH ARE DEFINED IN THE PERSONAL PROPERTY SECURITY ACT OF NEWFOUNDLAND SHALL HAVE THE	AMENDED BY 17486911 ON NOV 26, 2019 AMENDMENT TO ADD TO THE GENERAL COLLATERAL DESCRIPTION.

Secured Party(ies)	Debtor(s)	Registration Number (Registration Period)	General Collateral Description	Amendments/ Assignments Discharges/Renewals Transfers/ Subordinations
			MEANING ASCRIBED TO THEM IN SUCH ACT. MEGA FUEL TANK SERIAL #19-87124 SERIAL NUMBERED COLLATERAL: KOMATSU 2016 HM400-5 SERIAL NUMBER: 10095	
CATERPILLAR FINANCIAL SERVICES LIMITED	TACORA RESOURCES INC.	REGN NO.: 17502287 REGN DATE: DEC 2, 2019 EXPIRY DATE: DEC 2, 2029	VIN CAT0279DLRB900642, MAKE CATERPILLAR, MODEL 279D3 VIN CAT0279DKRB900973, MAKE CATERPILLAR, MODEL 279D3 2019 CATERPILLAR 279D3 COMPACT TRACK LOADER SN CAT0279DLRB900642 2020 CATERPILLAR 279D3 COMPACT TRACK LOADER SN CAT0279DKRB900973 TOGETHER WITH ALL ATTACHMENTS, ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS TO THE ABOVEMENTIONED COLLATERAL AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH SUCH COLLATERAL AND A RIGHT TO AN INSURANCE PAYMENT OR ANY PAYMENT THAT INDEMNIFIES OR COMPENSATES FOR	

Secured Party(ies)	Debtor(s)	Registration Number (Registration Period)	General Collateral Description	Amendments/ Assignments Discharges/Renewals Transfers/ Subordinations
			LOSS OR DAMAGE TO SUCH COLLATERAL OR PROCEEDS OF SUCH COLLATERAL. PROCEEDS: GOODS, SECURITIES, DOCUMENTS OF TITLE, CHATTEL PAPER, INSTRUMENTS, MONEY AND INTANGIBLES.	
CATERPILLAR FINANCIAL SERVICES LIMITED	TACORA RESOURCES INC.	REGN NO.: 18300988 REGN DATE: OCT 7, 2020 EXPIRY DATE: OCT 7, 2024	VIN CAT0016MJB9H00829, MAKE CATERPILLAR, MODEL 16M 2011 CATERPILLAR 16M MOTOR GRADER SN CAT0016MJB9H00829 TOGETHER WITH ALL ATTACHMENTS, ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS TO THE ABOVEMENTIONED COLLATERAL AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH SUCH COLLATERAL AND A RIGHT TO AN INSURANCE PAYMENT OR ANY PAYMENT THAT INDEMNIFIES OR COMPENSATES FOR LOSS OR DAMAGE TO SUCH COLLATERAL OR PROCEEDS OF SUCH COLLATERAL. PROCEEDS: GOODS, SECURITIES, DOCUMENTS OF TITLE,	

Secured Party(ies)	Debtor(s)	Registration Number (Registration Period)	General Collateral Description	Amendments/ Assignments Discharges/Renewals Transfers/ Subordinations
			CHATTEL PAPER, INSTRUMENTS, MONEY AND INTANGIBLES.	
KOMATSU INTERNATIONAL (CANADA) INC.	TACORA RESOURCES INC.	REGN NO.: 18721027 REGN DATE: MAR 31, 2021 EXPIRY DATE: MAR 31, 2028	ALL PRESENT AND AFTER ACQUIRED ATTACHMENTS, ACCESSORIES, CONTROLS, MOTORS, INSTRUMENTS, SPARE PARTS, APPURTENANCES, MANUALS, MANUFACTURERS WARRANTIES AND OTHER EQUIPMENT ASSOCIATED WITH ANY OF THE VEHICLE COLLATERAL TOGETHER WITH ALL PROCEEDS FROM THE VEHICLE COLLATERAL THAT ARE GOODS, ACCOUNTS, NOTES, INSTRUMENTS, SECURITIES, TRADE-INS, CHATTEL PAPER, DOCUMENTS OF TITLE, CONTRACT RIGHTS, RENTAL PAYMENTS, INSURANCE PAYMENTS, INTANGIBLES AND OTHER PROPERTY OR OBLIGATIONS RECEIVED WHEN ANY OF THE SAID COLLATERAL IS SOLD, DEALT WITH OR OTHERWISE DISPOSED OF OR ANY PROCEEDS THERE FROM. TERMS USED HEREIN WHICH ARE DEFINED IN THE PERSONAL PROPERTY SECURITY ACT OF NEWFOUNDLAND AND	AMENDED BY 18734525 ON APR 6, 2021 AMENDMENT TO CHANGE SERIAL NUMBERED COLLATERAL

Secured Party(ies)	Debtor(s)	Registration Number (Registration Period)	General Collateral Description	Amendments/ Assignments Discharges/Renewals Transfers/ Subordinations
			LABRADOR SHALL HAVE THE MEANING ASCRIBED TO THEM IN SUCH ACT. SERIAL NUMBERED COLLATERAL: KOMATSU 2019 D375A-8 SERIAL NUMBER: 80070	
KOMATSU INTERNATIONAL (CANADA) INC.	TACORA RESOURCES INC.	REGN NO.: 18734582 REGN DATE: APR 6, 2021 EXPIRY DATE: APR 6, 2028	ALL PRESENT AND AFTER ACQUIRED ATTACHMENTS, ACCESSORIES, CONTROLS, MOTORS, INSTRUMENTS, SPARE PARTS, APPURTENANCES, MANUALS, MANUFACTURERS WARRANTIES AND OTHER EQUIPMENT ASSOCIATED WITH ANY OF THE VEHICLE COLLATERAL TOGETHER WITH ALL PROCEEDS FROM THE VEHICLE COLLATERAL THAT ARE GOODS, ACCOUNTS, NOTES, INSTRUMENTS, SECURITIES, TRADE-INS, CHATTEL PAPER, DOCUMENTS OF TITLE, CONTRACT RIGHTS, RENTAL PAYMENTS, INSURANCE PAYMENTS, INTANGIBLES AND OTHER PROPERTY OR OBLIGATIONS RECEIVED WHEN ANY OF THE SAID COLLATERAL IS SOLD, DEALT WITH OR OTHERWISE DISPOSED OF OR ANY PROCEEDS THERE FROM. TERMS	

Secured Party(ies)	Debtor(s)	Registration Number (Registration Period)	General Collateral Description	Amendments/ Assignments Discharges/Renewals Transfers/ Subordinations
			USED HEREIN WHICH ARE DEFINED IN THE PERSONAL PROPERTY SECURITY ACT OF NEWFOUNDLAND AND LABRADOR SHALL HAVE THE MEANING ASCRIBED TO THEM IN SUCH ACT. SERIAL NUMBERED COLLATERAL: KOMATSU 2020 HD785-8 SERIAL NUMBER: 50022	
KOMATSU INTERNATIONAL (CANADA) INC.	TACORA RESOURCES INC.	REGN NO.: 18734640 REGN DATE: APR 6, 2021 EXPIRY DATE: APR 6, 2028	ALL PRESENT AND AFTER ACQUIRED ATTACHMENTS, ACCESSORIES, CONTROLS, MOTORS, INSTRUMENTS, SPARE PARTS, APPURTENANCES, MANUALS, MANUFACTURERS WARRANTIES AND OTHER EQUIPMENT ASSOCIATED WITH ANY OF THE VEHICLE COLLATERAL TOGETHER WITH ALL PROCEEDS FROM THE VEHICLE COLLATERAL THAT ARE GOODS, ACCOUNTS, NOTES, INSTRUMENTS, SECURITIES, TRADE-INS, CHATTEL PAPER, DOCUMENTS OF TITLE, CONTRACT RIGHTS, RENTAL PAYMENTS, INSURANCE PAYMENTS, INTANGIBLES AND OTHER PROPERTY OR OBLIGATIONS RECEIVED WHEN ANY	

Secured Party(ies)	Debtor(s)	Registration Number (Registration Period)	General Collateral Description	Amendments/ Assignments Discharges/Renewals Transfers/ Subordinations
			OF THE SAID COLLATERAL IS SOLD, DEALT WITH OR OTHERWISE DISPOSED OF OR ANY PROCEEDS THERE FROM. TERMS USED HEREIN WHICH ARE DEFINED IN THE PERSONAL PROPERTY SECURITY ACT OF NEWFOUNDLAND AND LABRADOR SHALL HAVE THE MEANING ASCRIBED TO THEM IN SUCH ACT. SERIAL NUMBERED COLLATERAL: KOMATSU 2020 WA900-8 SERIAL NUMBER: 90023	
KOMATSU INTERNATIONAL (CANADA) INC.	TACORA RESOURCES INC.	REGN NO.: 18928341 REGN DATE: MAY 31, 2021 EXPIRY DATE: MAY 31, 2028	ALL PRESENT AND AFTER ACQUIRED ATTACHMENTS, ACCESSORIES, CONTROLS, MOTORS, INSTRUMENTS, SPARE PARTS, APPURTENANCES, MANUALS, MANUFACTURERS WARRANTIES AND OTHER EQUIPMENT ASSOCIATED WITH ANY OF THE VEHICLE COLLATERAL TOGETHER WITH ALL PROCEEDS FROM THE VEHICLE COLLATERAL THAT ARE GOODS, ACCOUNTS, NOTES, INSTRUMENTS, SECURITIES, TRADE-INS, CHATTEL PAPER, DOCUMENTS OF TITLE, CONTRACT RIGHTS, RENTAL PAYMENTS,	

Secured Party(ies)	Debtor(s)	Registration Number (Registration Period)	General Collateral Description	Amendments/ Assignments Discharges/Renewals Transfers/ Subordinations
			INSURANCE PAYMENTS, INTANGIBLES AND OTHER PROPERTY OR OBLIGATIONS RECEIVED WHEN ANY OF THE SAID COLLATERAL IS SOLD, DEALT WITH OR OTHERWISE DISPOSED OF OR ANY PROCEEDS THERE FROM. TERMS USED HEREIN WHICH ARE DEFINED IN THE PERSONAL PROPERTY SECURITY ACT OF NEWFOUNDLAND AND LABRADOR SHALL HAVE THE MEANING ASCRIBED TO THEM IN SUCH ACT. SERIAL NUMBERED COLLATERAL: KOMATSU 2021 803E-5 SERIAL NUMBER: A50123	
KOMATSU INTERNATIONAL (CANADA) INC.	TACORA RESOURCES INC.	REGN NO.: 18928457 REGN DATE: MAY 31, 2021 EXPIRY DATE: MAY 31, 2028	ALL PRESENT AND AFTER ACQUIRED ATTACHMENTS, ACCESSORIES, CONTROLS, MOTORS, INSTRUMENTS, SPARE PARTS, APPURTENANCES, MANUALS, MANUFACTURERS WARRANTIES AND OTHER EQUIPMENT ASSOCIATED WITH ANY OF THE VEHICLE COLLATERAL TOGETHER WITH ALL PROCEEDS FROM THE VEHICLE COLLATERAL THAT ARE GOODS, ACCOUNTS, NOTES,	

Secured Party(ies)	Debtor(s)	Registration Number (Registration Period)	General Collateral Description	Amendments/ Assignments Discharges/Renewals Transfers/ Subordinations
			INSTRUMENTS, SECURITIES, TRADE-INS, CHATTEL PAPER, DOCUMENTS OF TITLE, CONTRACT RIGHTS, RENTAL PAYMENTS, INSURANCE PAYMENTS, INTANGIBLES AND OTHER PROPERTY OR OBLIGATIONS RECEIVED WHEN ANY OF THE SAID COLLATERAL IS SOLD, DEALT WITH OR OTHERWISE DISPOSED OF OR ANY PROCEEDS THERE FROM. TERMS USED HEREIN WHICH ARE DEFINED IN THE PERSONAL PROPERTY SECURITY ACT OF NEWFOUNDLAND AND LABRADOR SHALL HAVE THE MEANING ASCRIBED TO THEM IN SUCH ACT. SERIAL NUMBERED COLLATERAL: KOMATSU 2021 830E-5 SERIAL NUMBER: A50124	
XEROX CANADA LTD	TACORA RESOURCES INC.	REGN NO.: 18939819 REGN DATE: JUNE 2, 2021 EXPIRY DATE: JUNE 2, 2026	ALL PRESENT AND FUTURE OFFICE EQUIPMENT AND SOFTWARE SUPPLIED OR FINANCED FROM TIME TO TIME BY THE SECURED PARTY (WHETHER BY LEASE, CONDITIONAL SALE OR OTHERWISE), WHETHER OR NOT MANUFACTURED BY THE SECURED PARTY OR ANY AFFILIATE	

Secured Party(ies)	Debtor(s)	Registration Number (Registration Period)	General Collateral Description	Amendments/ Assignments Discharges/Renewals Transfers/ Subordinations
			THEREOF, AND ALL PROCEEDS THEREOF.	
KOMATSU INTERNATIONAL (CANADA) INC.	TACORA RESOURCES INC.	REGN NO.: 20004685 REGN DATE: JULY 6, 2022 EXPIRY DATE: JULY 6, 2025	2017 KOMATSU MODEL: D155AX-8 SERIAL NUMBER: 100100 INCLUDING ALL ATTACHMENTS AND ACCESSORIES SERIAL NUMBERED COLLATERAL: 2017 KOMATSU D155AX-8 SERIAL NUMBER LISTED ADDITIONAL INFORMATION: VALUE: $424,568	
KOMATSU INTERNATIONAL (CANADA) INC.	TACORA RESOURCES INC.	REGN NO.: 20004693 REGN DATE: JULY 6, 2022 EXPIRY DATE: JULY 6, 2025	2016 KOMATSU MODEL: D155AX-8 SERIAL NUMBER: 1000024 INCLUDING ALL ATTACHMENTS AND ACCESSORIES SERIAL NUMBERED COLLATERAL: 2016 KOMATSU D155AX-8 SERIAL NUMBER LISTED ADDITIONAL INFORMATION: VALUE: $423,602	
KOMATSU INTERNATIONAL (CANADA) INC.	TACORA RESOURCES INC.	REGN NO.: 20004727 REGN DATE: JULY 6, 2022 EXPIRY DATE: JULY 6, 2025	2019 KOMATSU MODEL: PC490LC-11 SERIAL NUMBER: A42062 INCLUDING ALL ATTACHMENTS AND ACCESSORIES SERIAL NUMBER LISTED: 2019 KOMATSU PC490LC-11	

Secured Party(ies)	Debtor(s)	Registration Number (Registration Period)	General Collateral Description	Amendments/ Assignments Discharges/Renewals Transfers/ Subordinations
			SERIAL NUMBER LISTED ADDITIONAL INFORMATION: VALUE: $500,300	
CATERPILLAR FINANCIAL SERVICES LIMITED	TACORA RESOURCES INC.	REGN NO.: 20037578 REGN DATE: JULY 15, 2022 EXPIRY DATE: JULY 15, 2026	VIN CAT0374FVXWL00180, MAKE CATERPILLAR, MODEL 374FL 2019 CATERPILLAR 374FL LARGE HYDRAULIC EXCAVATOR SN CAT0374FVXWL00180 TOGETHER WITH ALL ATTACHMENTS, ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS TO THE ABOVEMENTIONED COLLATERAL AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH SUCH COLLATERAL AND A RIGHT TO AN INSURANCE PAYMENT OR ANY PAYMENT THAT INDEMNIFIES OR COMPENSATES FOR LOSS OR DAMAGE TO SUCH COLLATERAL OR PROCEEDS OF SUCH COLLATERAL. PROCEEDS: GOODS, SECURITIES, DOCUMENTS OF TITLE, CHATTEL PAPER, INSTRUMENTS, MONEY AND INTANGIBLES.	

Secured Party(ies)	Debtor(s)	Registration Number (Registration Period)	General Collateral Description	Amendments/ Assignments Discharges/Renewals Transfers/ Subordinations
FORD CREDIT CANADA COMPANY	TACORA RESOURCES INC.	REGN NO.: 20778601 REGN DATE: MAY 12, 2023 EXPIRY DATE: MAY 12, 2028	SERIAL NUMBERED COLLATERAL: 2022 FORD F150 VIN: 1FTEW1EP3NFC12976	
THE BANK OF NOVA SCOTIA	TACORA RESOURCES INC.	REGN NO.: 21084272 REGN DATE: AUG 30, 2023 EXPIRY DATE: AUG 30, 2028	OUR SECURITY INTEREST IS LIMITED TO THE MOTOR VEHICLES LISTED ABOVE AND THE PROCEEDS OF THOSE VEHICLES. SERIAL NUMBERED COLLATERAL: 2021 FORD EDGE VIN: 2FMPK4J92MBA29884	
THE BANK OF NOVA SCOTIA	TACORA RESOURCES INC	REGN NO.: 21084280 REGN DATE: AUG 30, 2023 EXPIRY DATE: AUG 30, 2028	OUR SECURITY INTEREST IS LIMITED TO THE MOTOR VEHICLES LISTED ABOVE AND THE PROCEEDS OF THOSE VEHICLES. SERIAL NUMBERED COLLATERAL: 2019 CHEVROLET NEW SILVERADO 1500 VIN: 1GCPYCEFXKZ423608	
KOMATSU INTERNATIONAL (CANADA) INC.	TACORA RESOURCES INC	REGN NO.: 17097320 REGN DATE: JULY 10, 2019 EXPIRY DATE:	MODULAR MINING SYSTEMS DISPATCH SOLUTION, SOLUTIONS HARDWARE, MODULAR MINING LICENSES DISPATCH, PROVISION, AND INTELLIMINE LICENSE, PO0160	

Secured Party(ies)	Debtor(s)	Registration Number (Registration Period)	General Collateral Description	Amendments/ Assignments Discharges/Renewals Transfers/ Subordinations
		JULY 10, 2025		
FORD CREDIT CANADA COMPANY	TACORA RESOURCES INC. *(SIC)*	REGN NO.: 20778593 REGN DATE: MAY 12, 2023 EXPIRY DATE: MAY 12, 2028	2022 FORD F150 VIN: 1FTEW1EP5NKE78491	

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

MOTION RECORD OF THE APPLICANT
(APPROVAL AND
REVERSE VESTING ORDER)

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