

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

**Tacora Resources Inc.**

**SECOND SUPPLEMENT TO THE FOURTH  
REPORT OF FTI CONSULTING CANADA INC.,  
IN ITS CAPACITY AS COURT-APPOINTED MONITOR**

**April 10, 2024**

## TABLE OF CONTENTS

INTRODUCTION.....	1
PURPOSE.....	1
UPDATE ON MONITOR'S RECOMMENDATION .....	2

**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)**

**SECOND SUPPLEMENT TO THE FOURTH REPORT TO THE COURT  
SUBMITTED BY FTI CONSULTING CANADA INC.,  
IN ITS CAPACITY AS MONITOR**

**INTRODUCTION**

1. Pursuant to an Order of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated October 10, 2023, Tacora Resources Inc. (“**Tacora**” or the “**Applicant**”) was granted protection under the *Companies' Creditors Arrangement Act*, R.S.C., c. C-36, as amended (the “**CCAA**” and in reference to the proceeding, the “**CCAA Proceeding**”) and FTI Consulting Canada Inc. was appointed monitor of the Applicant (in such capacity the “**Monitor**”).
2. On March 14, 2024, the Monitor filed its fourth report to the Court (the “**Fourth Report**”) and on March 28, 2024 the Monitor filed a supplement to the Fourth Report (the “**First Supplemental Report**”). This second supplemental to the Fourth Report (the “**Second Supplemental Report**”) is supplementary to and should be read in conjunction with the Fourth Report and First Supplemental Report. All capitalized terms used herein but not defined shall have the meanings given to them in the Fourth Report, First Supplemental Report and this Second Supplemental Report is subject to the same terms of reference and disclaimer as set out in the Fourth Report in all respects.

**PURPOSE**

3. The purpose of this Second Supplemental Report is to provide an update on the status of amendments to the Subscription Agreement to address the Net Debt Condition and other conditions contained in the Investor Bid.

**UPDATE ON STATUS OF NET DEBT CONDITION AND OTHER CONDITIONS CONTAINED IN INVESTOR BID**

4. As set out in the Monitor's Fourth Report, the Subscription Agreement includes the Net Debt Condition. The Net Debt Condition contained in the Subscription Agreement requires that the Net Debt immediately following the Closing Time cannot exceed \$150 million.
5. As noted in the First Supplemental Report, at that time, the Monitor understood that Tacora remained unlikely to satisfy the Net Debt Condition on closing of the Investor Transaction, as currently structured and that it understood that Tacora and the Investors remained engaged in discussions regarding amendments to address not only the Net Debt Condition, but also increases to the Cure Costs Cap and Pre-Filing Trade Amounts to be assumed.
6. The Monitor also stated in the First Supplemental Report that it would inform the Court of the status of these items at the hearing of the Sale Approval Motion.

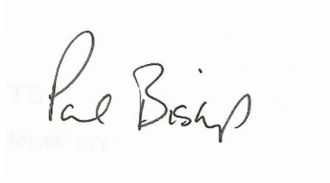
**UPDATE ON MONITOR'S RECOMMENDATION**

7. On April 9, the Monitor was advised by counsel to the Investors that the Investors were not in a position to proceed with the Investor Bid and, as a result, the Applicant will not be proceeding with the motion for approval of the Investor Bid.
8. The Monitor understands that Tacora has sufficient funding to continue to operate until the current expiry of the Stay Period being April 26, 2024, and intends to seek a further extension of the stay and, if required additional DIP funding at that time. The Monitor also understands that the Board of Tacora is considering next steps and the alternatives available and intends to engage with its stakeholders in that regard. The Monitor remains of the view that time is of the essence and will report further to the Court accordingly.

The Monitor respectfully submits to the Court this Second Supplement to the Fourth Report dated this 10<sup>th</sup> day of April, 2024.

**FTI Consulting Canada Inc.**

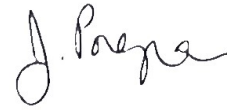
in its capacity as Court-appointed Monitor of  
Tacora Resources Inc. and not in its personal or  
corporate capacity

A handwritten signature in black ink that reads "Paul Bishop". The signature is written in a cursive style. To the left of the signature, there is a faint, light green rectangular stamp with the text "FTI CONSULTING CANADA INC." partially visible.

By:

---

Paul Bishop  
Senior Managing Director

A handwritten signature in black ink that reads "J. Porepa". The signature is written in a cursive style.

---

Jodi Porepa  
Senior Managing Director

**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.**

---

***ONTARIO***  
**SUPERIOR COURT OF JUSTICE**  
**(COMMERCIAL LIST)**

PROCEEDING COMMENCED AT  
TORONTO

---

**SECOND SUPPLEMENT TO THE FOURTH REPORT OF THE  
MONITOR**

---

**Cassels Brock & Blackwell LLP**

Suite 3200, Bay Adelaide Centre – North Tower  
40 Temperance St.  
Toronto, ON M5H 0B4

**Ryan Jacobs LSO#59510J**

Tel: 416.860.6465  
[rjacobs@cassels.com](mailto:rjacobs@cassels.com)

**Jane Dietrich LSO#49302U**

Tel: 416.860.5223  
[jdietrich@cassels.com](mailto:jdietrich@cassels.com)

**Alan Merskey LSO#413771**

Tel: 416.860.2948  
[amerskey@cassels.com](mailto:amerskey@cassels.com)

**Monique Sassi LSO# 63638L**

Tel: 416.860.6886  
[msassi@cassels.com](mailto:msassi@cassels.com)

*Lawyers for the Monitor, FTI Consulting Canada Inc.*