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)

SUPPLEMENTARY APPLICATION RECORD

October 15, 2023

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TO: THE SERVICE LIST

INDEX

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I N D E X

TAB	DOCUMENT
F.	Exhibit “F” – Email from counsel for the Ad Hoc Group to Stikeman dated September 12, 2023
4.	Revised Proposed Solicitation Order
5.	Redline of Proposed Solicitation Order to Form of Solicitation Order in Application Record dated October 9, 2023

TAB 1

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Applicant

AFFIDAVIT OF JOE BROKING
(Sworn October 15, 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. Capitalized terms used herein and not otherwise defined have the meaning ascribed to them in my affidavit sworn on October 9, 2023 (the "**First Broking Affidavit**"), a copy of which is attached (without Exhibits) hereto as **Exhibit "A"**. All references to currency in this affidavit are references to United States dollars, unless otherwise indicated.

4. The First Broking Affidavit was sworn in support of, among other things, Tacora's initial application for protection under the CCAA, the amended and restated Initial Order ("**ARIO**") and an order approving a sale and investment solicitation process (the "**Solicitation Order**"), both to

be sought at the motion now scheduled for October 24, 2023 (the "**Comeback Motion**").

5. In the First Broking Affidavit, I indicated that Tacora would provide further details regarding the proposed KERP prior to the Comeback Motion. Accordingly, I swear this affidavit to provide further details regarding the proposed KERP, as well as to provide an update on Tacora's activities since the granting of the Initial Order.

I UPDATE ON TACORA'S ACTIVITIES

A. The Initial Order and Stay Extension Order

6. On October 10, 2023, the Applicant was granted protection under the CCAA pursuant to the Initial Order

7. In the First Broking Affidavit I described, among other things, the events leading up to the Applicant's CCAA filing, the urgent need for relief under the CCAA, and the Applicant'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. The Initial Order, 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 the corresponding DIP Charge in the principal amount of the Initial Advance and the Post-Filing Credit Extensions (as defined in the DIP Agreement) 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, the Court granted an order (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 that the motion could proceed in a more orderly manner.

B. Tacora's Activities Since the Initial Order

10. Since the granting of the Initial Order, Tacora, in close consultation with, and with the assistance of, the Monitor, has been working in good faith and with due diligence to stabilize Tacora's business and operations.

11. The senior management of Tacora and representatives from the Monitor travelled to the Scully Mine in Newfoundland and Labrador prior to the CCAA Proceedings in order to be on-site immediately following the filing. Following the Court's approval of the Initial Order, senior management held in-person meetings with Scully Mine management, USW leadership, and approximately 250 of Tacora's employees. By the end of the day on October 11, 2023, senior management had met with the vast majority of Tacora's 450 employees located at the Scully Mine. Representatives from the Monitor were also present at each of these meetings.

12. Individual targeted communications were also sent to Tacora's suppliers and employees regarding the CCAA Proceedings. The written communications explained the nature of the Initial Order and the CCAA Proceedings, the role of the Court and the Monitor, as well as the immediate implications of the Initial Order for each stakeholder group. Tacora also communicated with key governmental authorities regarding the CCAA Proceedings, including federal agencies, the Province of Newfoundland and Labrador, the Town of Labrador City, and the Town of Wabush, amongst others.

13. In addition to the individual targeted communications, senior management of Tacora and the Monitor were also in constant communication with the Company's suppliers.

14. The foregoing efforts were undertaken to ensure that Tacora's operations at the Scully Mine continued in the ordinary course, and, to date, there has been minimal disruption to the Company's operations.

15. On October 10, 2022, Tacora also published a press release in order to inform its various stakeholders of the granting of the Initial Order. A copy of the press release is attached hereto as **Exhibit "B"**.

16. I am informed by the Monitor that, in accordance with the Initial Order, the Monitor has:

(a) established a website at http://cfcanada.fticonsulting.com/Tacora/ (the "**Monitor's Website**") on which updates on the CCAA Proceedings will be posted periodically, together will all Court materials filed in the CCAA Proceedings;

(b) established a dedicated email address (tacora@fticonsulting.com) and telephone hotlines (416-649-8138 or 1-833-420-9074) in order to allow stakeholders to communicate directly with the Monitor to address any questions or concerns they may have in respect of the CCAA Proceedings;

(c) on October 10, 2023, posted the Initial Order and the Application Materials on the Monitor's Website; and

(d) arranged for publication on October 16, 2023, of a notice in the Globe and Mail (National Edition) containing the information prescribed under the CCAA.

II. THE KERP

17. As referenced in the First Broking Affidavit, Tacora has certain Key Employees who perform roles critical to advancing Tacora's restructuring.

18. The retention of Key Employees during these CCAA Proceedings is of vital importance to Tacora. Tacora, with the assistance of the Monitor, developed the KERP, which is comparable to other recent KERPs that have been approved in both Canada and the United States, in order to facilitate and encourage the continued participation of Key Employees during these CCAA Proceedings. On September 5, 2023, the Board of Directors of Tacora, exercising their good faith business judgement, determined to approve the proposed KERP. As a named Key Employee, I disclosed my interest in approval of the KERP to the Board and did not participate in the vote approving the KERP.

19. Pursuant to the terms of the KERP, Key Employees will receive a bonus payment upon the earlier of:

(a) completion of a transaction, which includes a refinancing, investment, merger, or an asset or share sale of all, or substantially all, of the assets or shares of the Company;

(b) termination of their employment without cause, defined as wilful misconduct, disobedience or wilful neglect of duty that is not trivial and has not been condoned by the Company; or

(c) October 10, 2024.

20. Among other things, the KERP provides:

(a) for thirty-four (34) participating Key Employees out of a total work force of approximately 450 employees;

(b) of the thirty-four (34) participating Key Employees, seven (7) are key corporate personnel which include the executive and corporate finance teams (the "**Key Corporate Employees**") and twenty-seven (27) are key Scully Mine personnel which include a variety of teams (described below) (the "**Key Mine Employees**");

(c) an aggregate of $3,035,000 in potential KERP payments, with individual bonuses for Key Mine Employees ranging from 36% to 66% of their base salaries, and individual bonuses for Key Corporate Employees ranging between 49% and 107% of their base salaries;

(d) for the forfeiture of a Key Employee's entitlement to their KERP payment if, among other things, they resign or their employment is terminated with just cause prior to the completion of a transaction pursuant to the Solicitation Process or the completion of the CCAA Proceedings;

(e) that, for the avoidance of doubt, a Key Employee's entitlement to their KERP payment is not affected by their termination as a result of the Successful Bidder (as defined in the Solicitation Process) not offering them employment. For greater certainty, in such a situation the Key Employee remains entitled to receive their KERP payout; and

(f) any KERP payment made to a Key Employee will be paid in lieu of a performance bonus and will reduce such Key Employee's eligible change of control payment, dollar-for-dollar.

21. The KERP was designed to incentivize Key Employees to continue their employment with Tacora in order to continue the business as a going concern and maximize value for all stakeholders through the proposed Solicitation Process.

22. As stated in the First Broking Affidavit, if the proposed KERP is not approved, I believe it is likely that certain Key Employees will pursue other employment opportunities. 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 a number of other mining operations which are located relatively close to the Scully Mine and I believe the Key Mine Employees who provide Tacora with skilled labour will be able to easily secure employment with these nearby mining operations.

23. I also believe it is likely that certain Key Corporate Employees will pursue other employment opportunities if the proposed KERP is not approved.

24. Other Key Mine Employees are also critical to Tacora's operations, and their duties involve, among other things, handling purchasing and warehousing, automation mine technical services, plant engineering, process operations, maintenance, electrical, and health and safety.

25. The Key Corporate Employees are responsible for, among other things, overseeing management of Tacora's entire business, managing cash flows, communications with the Company's stakeholders including suppliers, and managing treasury operations.

26. The Key Mine Employees and Key Corporate Employees therefore have distinct and crucial roles in order for Tacora to continue operations in the ordinary course. I believe 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 Solicitation Process, as such Key Employees will be required to respond to due diligence requests related to Tacora and its business. Accordingly, I believe retention of the Key Employees is critical to Tacora's restructuring activities.

27. In addition, finding alternative, qualified individuals will be challenging, disruptive, costly, and time consuming for the Applicant, particularly given the Key Employees' institutional

knowledge of Tacora's business.

28. The maximum aggregate amount payable under the KERP is $3,035,000. The proposed ARIO contemplates that Tacora will be authorized to pay the KERP Funds to the Monitor and the KERP Charge will rank first on such KERP Funds.

29. Attached hereto as **Confidential Exhibit "C"** is a copy of an overview of the KERP which provides, among other things, the maximum aggregate amount payable under the KERP, number of participating Key Employees, average payout per Key Employee, minimum payment, maximum payment, the general roles of different Key Employees, and percentages of the maximum amount that each Key Employee can receive under the KERP relative to their salary.

30. Tacora is seeking an order sealing the Confidential Appendix "C", as the KERP contains sensitive personal and compensation information, which I believe may cause harm to the Key Employees and could lead to disruption to Tacora if such information became public.

31. A copy of the substantially final form of letter sent to employees regarding their KERP is attached hereto as **Exhibit "D"**.

32. The Monitor and the DIP Lender are both supportive of the proposed KERP, payment of the KERP Funds to the Monitor, and the first-ranking KERP Charge on such KERP Funds in favour of the Key Employees.

III. DIP PROCESS

33. I understand that the Ad Hoc Group has raised process concerns related to Tacora's selection of the DIP Agreement, including potential conflicts of interest of members of Tacora's Board with respect to the DIP Agreement. I attended the Board meeting held on October 8, 2023, to consider the two DIP proposals available to the Company. At the meeting, following the receipt of advice and recommendations from Greenhill and Stikeman and input from the proposed monitor, robust discussion regarding the proposals received and consideration of the alternatives available to the Company, the Board unanimously approved the DIP Agreement. Mr. Leon Davies, Cargill's nominee on Tacora's Board, abstained from voting on the motion to approve the DIP Agreement.

IV. CONCLUSION

34. For the reasons set out above, I believe that it is in the best interests of Tacora and its stakeholders that this Court approve the KERP and grant the proposed ARIO in the form included at Tab 6 of the Application Record. I swear this affidavit in support of the Comeback Motion and for no other or improper purpose.

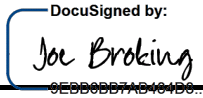
SWORN remotely via videoconference, by Joe Broking, stated as being located in the City of Grand Rapids, in the State of Minnesota, before me at the City of Toronto, in Province of Ontario, this 15th day of October, 2023, in accordance with O. Reg 431/20, *Administering Oath or Declaration Remotely*. DocuSigned by:  0641A1A1A3DD47C...	DocuSigned by:  3EBB8BD7AB464B6...
Commissioner for Taking Affidavits, etc. Philip Yang | LSO #82084O	**JOE BROKING**

EXHIBIT "A"

referred to in the Affidavit of

JOE BROKING

Sworn October 15, 2023

DocuSigned by:

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Commissioner for Taking Affidavits
Philip Yang

Court File No.

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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.

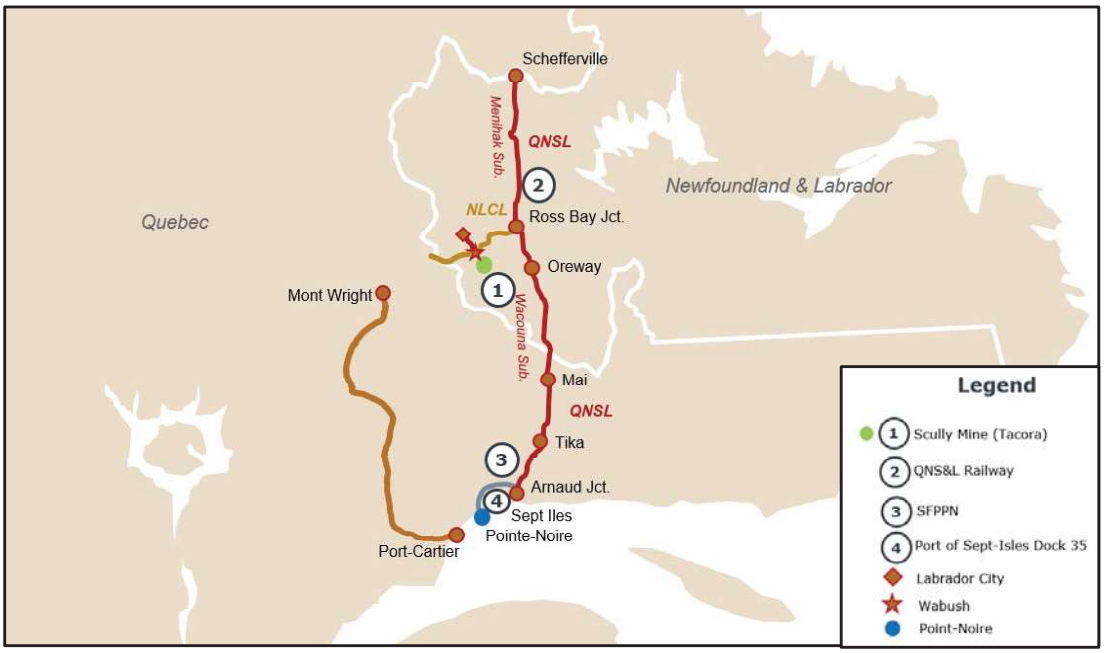
III. TACORA'S BUSINESS AND OPERATIONS

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

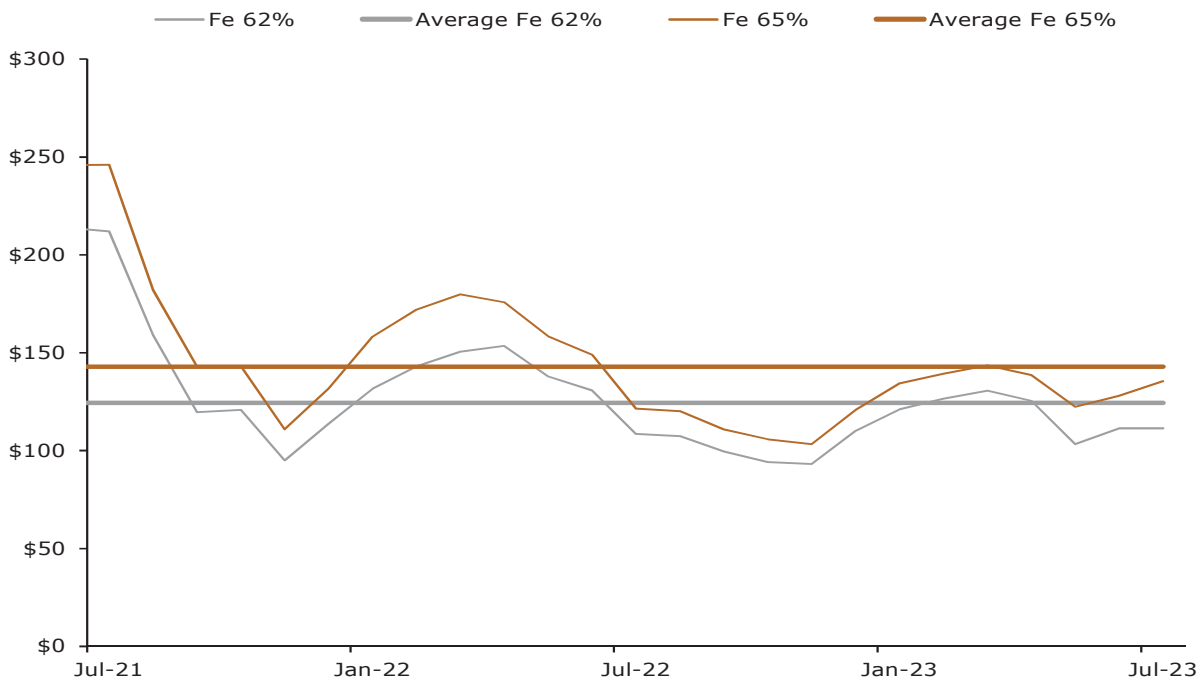
111. Since the successful re-start of operations in 2019, several factors including, capital constraints, human resources constraints, equipment failures, operational challenges and other issues have led to Tacora reaching average production levels of around 3.0 Mtpa from 2020 to 2022, which is well 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 October 15, 2023

DocuSigned by:

36124C4218DD47C...

Commissioner for Taking Affidavits
Philip Yang

FOR IMMEDIATE RELEASE

Tacora Resources Inc. Secures $75 million of Debtor-In-Possession Financing and Files for Relief Under the CCAA to Complete Its Strategic Process

TORONTO, ONTARIO, October 10, 2023 – Tacora Resources Inc. ("**Tacora**" or the "**Company**") has obtained an order (the "**Initial Order**") from the Ontario Superior Court of Justice (Commercial List) (the "**Court**") commencing proceedings (the "**CCAA Proceedings**") under the *Companies' Creditors Arrangement Act* (the "**CCAA**"). The Initial Order includes, among other things: (a) a stay of proceedings in favour of Tacora; (b) approval of the DIP Facility (as described below); and (c) appointment of FTI Consulting Canada Inc. as monitor of Tacora (in such capacity, the "**Monitor**").

In connection with the CCAA Proceedings, Tacora has reached agreement for a $75 million debtor-in-possession facility (the "**DIP Facility**") with Cargill, Incorporated ("**Cargill**"). The CCAA Proceedings and DIP Facility will enable Tacora to continue operating in the ordinary course and complete a strategic sales and investment solicitation process to pursue alternatives and develop a transaction that will allow Tacora to emerge as a strong and sustainable operation and continue its efforts to ramp up production at the Scully Mine.

During the CCAA Proceedings, operations of the Company will continue in the normal course. The board of directors of the Company remains in place and management remains responsible for the day-to-day operations. Greenhill & Co. Canada Ltd. is acting as financial advisor to Tacora and Stikeman Elliott LLP is acting as legal advisor.

A copy of the Initial Order and more information related to the CCAA Proceedings can be obtained on the Monitor's website at http://cfcanada.fticonsulting.com/Tacora**.** Information regarding CCAA Proceedings can also be obtained by calling the Monitor's hotline at 1-833-420-9074 or by email at tacora@fticonsulting.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. The Company owns and operates the Scully Mine, an iron ore concentrate producer located near Wabush, Newfoundland and Labrador, Canada with a production capacity of six million tonnes per year. Additional information about the Company is available at www.tacoraresources.com.

About Cargill

Cargill provides food, agriculture, financial and industrial products and services to the world. Cargill and its affiliates are existing stakeholders of Tacora and party to various existing operational agreements with Tacora. Together with farmers, customers, governments and communities, Cargill helps people thrive by applying our insights and 151 years of experience. Cargill has more than 150,000 employees in 70 countries who are committed to feeding the world in a responsible way, reducing environmental impact and improving the communities where

we live and work. Cargill is active in global ferrous markets, offering tailored physical supply and financial solutions in iron ore and steel. For more information, visit Cargill.com and our News Center.

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.

Investor and Analyst Contact:

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###

CONFIDENTIAL EXHIBIT "C"

referred to in the Affidavit of

JOE BROKING

Sworn October 15, 2023

DocuSigned by:

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Commissioner for Taking Affidavits
Philip Yang

EXHIBIT "D"

referred to in the Affidavit of

JOE BROKING

Sworn October 15, 2023

DocuSigned by:

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Commissioner for Taking Affidavits
Philip Yang

Tacora Resources Inc.
1 Wabush Mines Rd
P.O. Box 3000
Wabush, NL A0R 1B0

STRICTLY PRIVATE AND CONFIDENTIAL

October **[●]**, 2023

Dear **[●]**,

RE: Incentive Payment

As Tacora Resources Inc. (the "**Company**") continues through this challenging period of operations, the Company would like to assure you that your contributions are extremely important and very much valued. We truly appreciate your continued hard work, particularly at this time.

1. <u>Retention Bonus</u>

In consideration of your ongoing loyalty, the Company is offering you the following incentive bonus (the "**KERP Amount**") as part of the Company's key employee retention program (the **"KERP"),** which shall be in addition to your regular compensation:

1. A cash payment of $**[●]** payable in full, subject to applicable withholdings, upon the occurrence (the "**Payment Date**") of the earliest of:

    a. The completion of a transaction, defined as being a refinancing, investment, merger, sale of shares or the sale of all, or substantially all, of the assets of the Company;

    b. the termination of your employment without Cause (defined below); or

    c. October 10, 2024.

This offer has been approved by the Board of Directors, but is subject to the approval of the KERP by the Court in the proceedings commenced under the *Companies' Creditors Arrangement Act* on October 10, 2023. The Company intends to seek such approval at the "comeback hearing" currently scheduled for October 24, 2023. In order to provide certainty of payment, the Company will also seek a Court-ordered charge securing payment. The KERP has been agreed by the DIP Lender and the funds are provided for in the DIP forecast. Once the KERP is approved by the Court, the funds will be deposited with the Court-appointed Monitor.

In order to receive the amount described above, (a) the KERP must be approved by the Court, (b) you must not have disclosed these arrangements to any person other than your personal representatives and legal advisors (other than any disclosure required by law), and (c) at the time such payments would be payable you cannot have (i) resigned, (ii) been terminated with Cause; or (iii) have

Tacora Resources Inc.
1 Wabush Mines Rd
P.O. Box 3000
Wabush, NL A0R 1B0

failed to perform your duties and responsibilities diligently, faithfully and honestly. "Cause" shall be defined as your wilful misconduct, disobedience or wilful neglect of duty that is not trivial and has not been condoned by the Company.

2. Change of Control Entitlements

In the event that your employment agreement with the Company, dated **[●]** (the "**Employment Agreement**") provides for payments or benefits in connection with the occurrence of a Change of Control (if and as defined in the Employment Agreement and if not, such other comparable term), upon a termination of your employment without Cause or otherwise, such payments to which you are entitled shall be reduced on a dollar-for-dollar basis by the value of any KERP Amount payable to you in accordance with the terms and conditions of this letter.

Except as specifically amended in this Agreement, the Employment Agreement and its terms and conditions shall remain in full force and effect and are hereby ratified and confirmed. The Company will process a status change form to confirm the amendments made by this letter as soon as practicable following your execution of this letter.

3. Release

In addition to the foregoing, and as consideration for the KERP Amount, by accepting the terms of this letter and by your signature hereto, you hereby agree that your sole recourse with respect to the KERP Amount is in respect of the funds deposited with the Court-appointed Monitor and you fully and unconditionally waive, release and confirm you will not assert or advance, any claims, causes of action, or other legal recourse that may exist or that could be asserted at law, equity or otherwise, in respect of the KERP Amount, and any wages, termination pay, severance pay, change of control entitlements, vacation pay, and/or claims in respect of any Employee Benefit Plan (defined below), against any and all current or former directors or officers of the Company, including in any circumstance where the KERP Amount is not received by you for any reason.

For the purposes of this Letter, "**Employee Benefit Plan**" means any health, insurance, retirement or similar benefit plan, but excluding any severance, retention, bonus or similar arrangement.

4. General Terms and Conditions

The KERP Amount is designed to be, and any payments of such applicable KERP Amount shall be considered to be, extraordinary and not a part of your regular compensation. Accordingly, and for greater certainty, this agreement and the KERP Amount payable to you will not be considered earnings for the purpose of determining any earnings-based employee benefits or any other bonus or incentive plan of the Company and, for greater certainty, the applicable KERP Amount payable to you shall not

Tacora Resources Inc.
1 Wabush Mines Rd
P.O. Box 3000
Wabush, NL A0R 1B0

be included in the determination of your annual base salary or annual compensation or in the calculation of any termination/severance or other payments which may become owing in the event of any termination of your employment howsoever caused.

This letter and your eligibility to receive the KERP Amount are not intended to, nor do they, confer any right or entitlement to continued employment with the Company or any of its affiliates, and nothing herein prohibits you, the Company, or any of its affiliates from terminating your employment at any time for any reason.

You agree that it is a condition of this letter and of any of your entitlements hereunder that you keep the existence of the KERP and the terms and conditions of this agreement strictly confidential and that, other than as required by law, you shall not disclose them to anyone, with the exception of being able to disclose, on a confidential basis, to any applicable taxing authorities, members of your immediate family and your professional advisors. Improper disclosure of this letter or its terms will be considered a breach of terms and conditions of your employment and will also be a breach of this agreement and may disentitle you to the applicable KERP Amount payable to you hereunder and the forfeiture of same. For further certainty, if any one of the conditions described in this letter are not satisfied, then the KERP Amount will not be paid.

In order to be eligible to receive the KERP Amount, you must accept the terms of this letter by signing below and returning one executed copy to **[●]** by no later than 5:00 p.m. on October **[●]**, 2023.

The terms of this letter may only be amended by written agreement between you and Company, subject, if necessary, to such further approvals as may be required.

Sincerely,

[●]

Tacora Resources Inc.
1 Wabush Mines Rd
P.O. Box 3000
Wabush, NL A0R 1B0

Agreed and accepted by **[●]**:

_____
Signature

_____
Date

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

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDINGS COMMENCED AT TORONTO

AFFIDAVIT OF JOE BROKING
(SWORN OCTOBER 15, 2023)

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Email: pyang@stikeman.com

Counsel to the Applicant

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 CHETAN BHANDARI
(Sworn October 15, 2023)

I, **CHETAN BHANDARI**, of the City of Greenwich, in the State of Connecticut, United States of America, MAKE OATH AND SAY:

1. I am a Managing Director of Greenhill & Co. Inc. ("**Greenhill**") and Co-Head of Greenhill's Financial Advisory & Restructuring Group. I have been working with Tacora Resources Inc. ("**Tacora**" or the "**Company**") and assisting with its liquidity management and restructuring efforts since Greenhill's engagement in January 2023. 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 ascribed to them in my affidavit sworn on October 9, 2023 (the "**First Bhandari Affidavit**"), a copy of which is attached as **Exhibit "A"**. 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 application to approve the DIP Agreement entered into on October 9, 2023, with Cargill.

A. DIP Process

4. I understand from the submissions made by counsel to the Ad Hoc Group at the Company's initial application for CCAA protection that the Ad Hoc Group has raised concerns with the conduct of the DIP Process. Greenhill, together with Stikeman and FTI, ran the DIP Process in a manner to ensure the Company secured the best DIP proposal available in the circumstances and that parties had a fair opportunity to put together their proposals for the Company's consideration. In particular:

(a) Negotiations of the DIP proposals on behalf of the Company were conducted by Greenhill and Stikeman with input from FTI. To my knowledge, management was not involved in negotiating DIP proposals with Cargill or the Ad Hoc Group and was not provided with copies of any DIP proposals in the First DIP Process prior to the First DIP Proposal Deadline;

(b) In connection with the Second DIP Process, management was already familiar with the terms of the Original AHG DIP Agreement and was provided with the initial DIP proposal received from Cargill;

(c) To my knowledge, the Company's board of directors, including Cargill's nominee, was not involved in the negotiations of any of the DIP proposals during either process and was only provided with copies of the DIP proposals following the First DIP Proposal Deadline and the Second DIP Proposal Deadline, as applicable; and

(d) The decision to conduct a Second DIP Process following the breakdown in negotiations between the Ad Hoc Group and Cargill regarding a consensual out of court restructuring and recapitalization was made after consultation with Greenhill, Stikeman and FTI, taking into considerations the terms of the Original AHG DIP Agreement and the available alternatives and recognizing that a significant period of time had passed since the First DIP Proposal Deadline and that parties could potentially have changed their positions on providing DIP financing given the break-down in negotiations between stakeholders. The decision was made in good faith to improve the terms of the DIP proposals available to the Company for the benefit of Tacora and its stakeholders and to provide a fair process to both potential DIP providers to submit DIP financing proposals.

B. Ad Hoc Group DIP Proposals

5. As referenced is the First Bhandari Affidavit, on the Second DIP Proposal Deadline (5:00 pm on October 7, 2023), the Ad Hoc Group stated that they were committed to provide DIP financing to the Company on the terms of the Original AHG DIP Agreement. On October 8, 2023, the Ad Hoc Group submitted a DIP proposal (the "**Second AHG DIP Proposal**") which reflected certain amendments to the Original AHG DIP Agreement which the Ad Hoc Group was willing to make. The revisions incorporated in the Second AHG DIP Proposal were necessary as the

Original AHG DIP Proposal was not viable or actionable for the Company for the following reasons, among others:

(a) *Lender Composition*. The Original AHG DIP Agreement contemplated that CrossingBridge Advisors, LLC would act as a DIP lender and commit to provide $16,872,471 of the DIP facility. I understand that CrossingBridge Advisors, LLC is no longer a member of the Ad Hoc Group and accordingly, likely no longer would commit to act as a DIP lender with the other members of the Ad Hoc Group. The Second AHG DIP Proposal did not include CrossingBridge Advisors, LLC as a DIP lender;

(b) *Funding Need.* The Original AHG DIP Agreement contemplated a funding need during the CCAA Proceedings of approximately $100 million (excluding funding for mark-to-market payments resulting from changes in iron ore prices). The passage of time since the Original AHG DIP Agreement resulted in a necessary extension in the timeline for the CCAA Proceedings, which increased the Company's expected funding need. Accordingly, the size of the DIP facility in the Original AHG DIP Agreement was insufficient for the Company's expected cash need during the CCAA Proceedings with a filing date in early October; and

(c) *Milestones.* The Original AHG DIP Agreement contemplated that failure to obtain the solicitation order by October 3, 2023, was an event of default. The Original AHG DIP Agreement also required other milestones related to the solicitation process which had become unachievable given the passage of time.

6. The Second AHG DIP Proposal did not take into consideration the increased funding needs requested by the Company advisors from the Ad Hoc Group for items such as an increased capital expenditure requirement for key equipment as well as increased capacity required to account for volatility in iron ore prices. However, the Ad Hoc Group increased the size of the DIP to account for increased legal fees and the fees and expenses of a communications consultant which added to the increase in size, and overall cost, of the Second AHG DIP Proposal compared to the Original AHG DIP Agreement.

7. As set out in the First Bhandari Affidavit, following receipt of the DIP proposals from Cargill and the Ad Hoc Group, the Company determined that the Cargill DIP proposal was the superior proposal available to the Company, following receiving input advice and recommendations from

Greenhill, Stikeman and FTI. The side-by-side analysis of the Cargill DIP proposal and the Second AHG DIP Proposal is set out at Exhibit "A" of the First Bhandari Affidavit. In addition to the benefits provided by the Cargill DIP term sheet relative to the Second AHG DIP Proposal (which are noted in the First Bhandari Affidavit), the Second AHG DIP Proposal contained several deficiencies making it uncompetitive with the Cargill proposal, including, among other things:

(a) *Funding Availability*. The funding available under the Second AHG DIP Proposal is insufficient to cover the purchase of replacement mining equipment, which management believe is necessary for the ongoing efficient operation at the Scully Mine. The Second AHG DIP Proposal also provided approximately $5 million less than requested by the Company to address ongoing mark-to-market payments under the Offtake Agreement, which creates more risk for the Company if iron ore prices fall during the CCAA Proceedings relative to the Cargill DIP proposal; and

(b) *Covenants*. The Second AHG DIP Proposal continued to contain a permitted cash flow variance of 10% for certain line-item disbursements and a production covenant requiring the Company to deliver to the port at least 85% of iron ore contemplated in forecast. From my experience working with Tacora during the past year, I understand disbursements and production can be highly volatile for the Company. The continued inclusion from the Original AHG DIP Proposal of these covenants in the Second AHG DIP Proposal creates significant risk that the Company could default under the Second AHG DIP Proposal.

(c) *Process Concerns*. The Second AHG DIP Proposal continued to contain a provision requiring the solicitation process to be satisfactory to the Ad Hoc Group (which provision was not included in the Cargill DIP proposal). The contemplated solicitation procedures contained a provision which would permit the Ad Hoc Group to submit a "topping credit bid" (up to the amount of their total debt) after completion of the process if the successful bid did not result in payment in full of the Ad Hoc Group's pre-filing secured debt. This provision effectively provides the Ad Hoc Group with a "last look" following the final bid deadline even if the Ad Hoc Group did not participate in the solicitation process. I understand from Michael Nessim, Greenhill's Head of Metals & Mining for North America, that this provision in the solicitation process may cause a chilling effect on potential bidders interested in acquiring or investing in Tacora as part of the solicitation process. I also

understand from Mr. Nessim that the provision likely would have also resulted in the Ad Hoc Group having control and influence over the process as bidders likely would look to negotiate directly with Ad Hoc Group, instead of the Company, to prevent a “topping credit bid” if they did not pay Tacora’s secured debt in full.

SWORN remotely via videoconference, by Chetan Bhandari, stated as being located in the City of Greenwich, in the State of Connecticut, before me at the City of Toronto, in Province of Ontario, this 15th 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 #80200N	DocuSigned by: Chetan Bhandari 1FEC018B60074EB... **CHETAN BHANDARI**

EXHIBIT "A"

referred to in the Affidavit of

CHETAN BHANDARI

Sworn October 15, 2023

DocuSigned by:

36124C4218DD47C...

Commissioner for Taking Affidavits
Philip Yang

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 CHETAN BHANDARI
(Sworn October 9, 2023)

I, **CHETAN BHANDARI**, of the City of Greenwich, in the State of Connecticut, United States of America, MAKE OATH AND SAY:

1. I am a Managing Director of Greenhill & Co. Inc. ("**Greenhill**") and Co-Head of Greenhill's Financial Advisory & Restructuring Group. I have been working with Tacora Resources Inc. ("**Tacora**" or the "**Company**") and assisting with its liquidity management and restructuring efforts since Greenhill's engagement in January 2023. As such, I have knowledge of the matters to which I hereinafter depose, except where otherwise stated.

2. This affidavit is sworn in support of the Company's application to commence proceedings (the "**CCAA Proceedings**") under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), and particularly approval of the DIP Loan Agreement (the "**DIP Agreement**") entered into on October 9, 2023 with Cargill, Incorporated ("**Cargill**"[1], 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**").

3. All references to currency in this affidavit are references to United States dollars, unless otherwise indicated. Capitalized terms not otherwise defined in this Affidavit have the meaning ascribed to them in the Affidavit of Joe Broking sworn October 9, 2023 (the "**Broking Affidavit**").

[1] Note: Cargill, Incorporated is an affiliate of Cargill International Trading Pte Ltd. References to "Cargill" throughout this affidavit refer to either Cargill International Trading Pte Ltd., in its capacity as an equity holder and secured creditor of Tacora, as well as Cargill, Incorporated, in its capacity as the DIP Lender.

I. DIP PROCESS

A. First DIP Process

4. Given the Company's challenging liquidity situation and upcoming debt maturities, on August 14, 2023, Greenhill commenced a solicitation process to obtain DIP financing proposals on behalf of Tacora (the "**First DIP Process**"). Greenhill, in consultation with the Company's management and other advisors, and FTI Consulting Canada Inc. ("**FTI**"), in its capacity as proposed monitor, designed the contemplated First DIP Process, which provided for the following initial milestones:

Date	Milestone
August 14, 2023	First DIP Process launch to Initial Parties (as defined below)
August 18, 2023	Extend First DIP Process outreach to Additional Parties (as defined below)
August 21, 2023	Deadline for initial DIP proposals from the Initial Parties
August 23, 2023	Deadline for initial DIP proposals from Additional Parties
September 1, 2023	Finalize DIP Agreement with selected DIP Lender(s)

5. The First DIP Process originally involved contacting seven (7) existing stakeholders of the Company, including secured creditors and shareholders, and one (1) additional party that had been in active discussions with the Company and existing stakeholders regarding a potential investment in the Company (collectively, the "**Initial Parties**"). Greenhill contacted the Initial Parties between August 14th and 15th, 2023, and provided them with materials summarizing the Company's funding requirements during possible CCAA Proceedings and other information regarding the Company. On August 18, 2023, Greenhill contacted four (4) additional financial parties and two (2) additional strategic parties (collectively, the "**Additional Parties**") to solicit their interest in potentially providing DIP financing to the Company. The Additional Parties were selected, in consultation with the Company's management and other advisors, and FTI as Proposed Monitor, based on their familiarity with the Company (including previous participation in

the Strategic Process) and their ability to provide DIP financing to the Company in a timely manner. The Additional Parties were provided with the same materials as the Initial Parties. The Initial Parties and the Additional Parties had previously executed non-disclosure agreements with the Company.

6. In response to the outreach to the Initial Parties and the Additional Parties, the Company received four (4) proposals for DIP financing:

(a) A $100 million DIP financing proposal from the Ad Hoc Group (the "**Ad Hoc Group Proposal**");

(b) A $50 - $60 million DIP financing proposal from another Initial Party (the "**Other Proposal #1**");

(c) A $60 million DIP financing proposal from an Additional Party ("**Other Proposal #2**"); and

(d) A summary of basic conditions required for a restructuring of the Company's debt and offtake agreement in connection with the DIP financing proposal ("**Other Proposal #3**").

7. Other Proposal #2 contemplated interest and fees which were significantly more expensive than the Ad Hoc Group Proposal and the Other Proposal #1 and also did not provide the Company with sufficient liquidity to operate under the CCAA through the contemplated time it would require to complete a strategic process and develop a viable sale or recapitalization transaction. This feedback was communicated to the Additional Party but it was unable to significantly revise the proposal. Other Proposal #3 was not actionable as it required concessions from stakeholders and creditors, which were unlikely to be achieved, particularly in the timeframe required. Accordingly, the Company determined to focus on pursuing the Ad Hoc Group Proposal and the Other Proposal #1.

8. Following receipt of their initial proposals, Greenhill and Stikeman Elliott LLP ("**Stikeman**"), counsel to the Applicant, in consultation with FTI, negotiated with the Ad Hoc Group and the Initial Party regarding Other Proposal #1 from receipt of initial proposals on August 21, 2023 through September 3, 2023, in an attempt to secure the best terms possible in the circumstances. On September 3, 2023, Stikeman communicated to both parties that they were

required to submit committed, final and best proposals by September 5, 2023 at 12:00 p.m. EST for consideration by the Company (the "**First DIP Proposal Deadline**").

9. On September 4, 2023, Greenhill contacted the Ad Hoc Group's advisors with a proposed structure, interest rates and fees aimed at making their proposal comparable to the Other Proposal #1 when factoring in the benefit the Company would receive from the other arrangements offered to the Company by the Other Proposal #1.

10. Greenhill also reached out to the Initial Party which provided the Other Proposal #1 with a request on a proposed structure in terms of the size of the DIP facility and a proposed structure for interest rates and fees to make it more comparable to the Ad Hoc Group Proposal.

11. The Company received a revised proposal from the Ad Hoc Group by the First DIP Proposal Deadline previously communicated to both parties. The Ad Hoc Group's revised proposal included the additional funding requested by the Company to address required payments by the Company in the case of potential decreases in iron-ore prices and also improved the economics and overall terms from their initial proposal.

12. The Company did not receive a revised proposal from the Initial Party which provided the Other Proposal #1 by the First DIP Proposal Deadline.

13. Following receipt of the revised proposal from the Ad Hoc Group, the Company continued negotiating with the advisors to the Ad Hoc Group in an attempt to secure the best terms possible in the circumstances. Following those negotiations, the Company entered into a DIP agreement with the Ad Hoc Group on September 11, 2023 (the "**Original AHG DIP Agreement**"). Since the Company did not file for protection under the CCAA, no amounts were drawn under the Original AHG DIP Agreement and it never received Court approval.

B. Second DIP Process

14. As described in the Broking Affidavit, on September 12, 2023, the Company, its secured creditors, and a potential investor appeared to have reached an agreement in principle on the terms of a consensual restructuring and recapitalization transaction. In order to allow negotiation of a binding agreement to take place, Tacora did not file for protection under the CCAA during the week of September 11, 2023.

15. However, despite efforts from the Company to encourage a consensual resolution between the stakeholders, the parties were ultimately unable to reach a binding agreement on an actionable consensual recapitalization transaction. As a result, the Company, in consultation with FTI, Greenhill, and Stikeman, reengaged in discussions with the Company's two main secured creditors, the Ad Hoc Group and Cargill regarding a DIP (the "**Second DIP Process**").

16. On October 5, 2023, Cargill submitted a proposal for DIP financing to the Company. As a result of receiving competing DIP proposals, the Company engaged in negotiations with both parties in an effort to secure the best DIP proposal available in the circumstances. Stikeman communicated to both the Ad Hoc Group and Cargill that they were required to submit committed, final, and best proposals by October 7, 2023, at 5:00 p.m. EST for consideration by the Company (the "**Second DIP Proposal Deadline**").

17. The Company received an executed DIP term sheet from Cargill by the Second DIP Proposal Deadline. Following receipt of the executed DIP term sheet from Cargill, certain amendments were made to Cargill's proposal.

18. On the Second DIP Proposal Deadline, the Ad Hoc Group stated that they were committed to provide DIP financing to the Company on the terms of the Original AHG DIP Agreement, with amendments to accommodate the new proposed date of Tacora filing for protection under the CCAA and certain other minor amendments requested by the Company. On October 8, 2023, the Ad Hoc Group submitted a DIP proposal which reflected the amendments they were willing to make to the Original AHG DIP Agreement.

C. Selection of DIP Lender

19. Throughout the Second DIP Process, Stikeman and Greenhill, in consultation with FTI, as Proposed Monitor, communicated key issues in each party's DIP proposal and negotiated with both parties to secure the best possible terms for the Company. Following these negotiations, the final DIP proposals from each of Cargill and the Ad Hoc Group were provided to the Company's board of directors (the "**Board**") and management. Following receipt of the advice and recommendations from Greenhill, Stikeman and FTI, the Board exercised their good faith business judgment and determined that the Cargill DIP proposal received during the Second DIP Process was the superior DIP facility available for the Company.

20. The Cargill DIP term sheet is superior in the following manner, among others:

(a) *Cost.* Cargill's DIP proposal has a lower cash cost to the Company and cost of capital on a blended basis, considering the extension of certain operational agreements during the CCAA Proceedings.

(b) *Benefit of existing arrangements*. As described in the Broking Affidavit, Tacora benefits from a variety of existing agreements with Cargill, including the Offtake Agreement, Stockpile Agreement, and Senior Secured Hedging Facility. Cargill's offer results in the Company continuing to have the benefit of these agreements throughout the CCAA Proceedings (subject to an event of default occurring under the DIP facility). I understand from management of the Company that continuing these existing arrangements is expected to result in less operational disruption during the CCAA Proceedings.

(c) *Mark-to-market payments*. Cargill's DIP proposal provides the Company with more capacity to address mark-to-market payments in the event of falling iron-ore prices, via its ability to utilize $20 million of Margin Advance capacity under the Company's existing arrangements with Cargill.

(d) *Less risk of default*. The Cargill proposal provided more favourable covenants to the Company lessening the risk of default under the DIP facility, including providing for cumulative variance testing in respect of cash flow and no production related covenants.

21. Importantly for the Company, the Cargill DIP proposal also permits the Company to complete a solicitation process in respect of potential restructuring transactions for the Company which could involve assumption of the offtake agreement, a new offtake agreement, or no offtake agreement (subject to any rights or arguments Cargill may have in respect of approval of such transaction), if necessary to secure a value-maximizing transaction in the interest of all stakeholders. It should be noted that if the Company entered into an agreement in respect of a restructuring transaction, prior to the bid deadline contemplated by the solicitation process (i.e. a stalking horse agreement), which involved the termination, suspension or disclaimer of the Offtake Agreement, that would cause an event of default under the Cargill DIP proposal and require either Cargill's consent or a refinancing of the Cargill DIP facility. The Company's advisors understood that the Ad Hoc Group was potentially interested in acting as a stalking horse, but given there have not been any advanced discussions regarding a stalking horse agreement and the Ad Hoc

Group will be able to fully participate in any solicitation process, the Company, in consultation with Greenhill, Stikeman and FTI, determined the benefits provided by the Cargill DIP proposal outweighed this potential negative.

22. Accordingly, on October 9, 2023, the Tacora, as borrower, and Cargill, as the DIP Lender, entered into the DIP Agreement.

23. A comparison of the Cargill DIP proposal and Ad Hoc Group DIP proposal is attached hereto as **Confidential Exhibit "A"**.

II. DIP Facility

24. The DIP Agreement is subject to customary covenants, events of default, conditions precedent, and representations and warranties. These include, among other things, the requirement that the Court grant a DIP Charge in favour of the DIP Lender securing all obligations of the Applicant under or in connection with the DIP Agreement.

25. The primary terms of the DIP Agreement are summarized in the Broking Affidavit. Pursuant to the DIP Agreement, the DIP Lender has committed to providing Tacora with $75,000,000, of which an Initial Advance of $15,500,000 will be made available to Tacora during the initial 10-day Stay Period. The quantum of the Initial Advance was sized by management of the Company, in consultation with FTI, based on the expected potential funding need during the initial 10-day stay period, considering the volatile nature of iron ore prices and potential contingencies that arise in large high-fixed cost mining operations. Subsequent advances to Tacora, which are made on a bi-weekly basis, are subject to certain conditions precedent.

26. Interest is payable on all amounts drawn under the DIP Facility at a rate of 10% per annum in cash and payable monthly in arrears. 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.

27. In connection with the DIP Facility, the DIP Lender also earns an Exit Fee in an amount equal to 3% of the maximum availability of $75,000,000, being equal to $2,250,000, as compensation for the DIP Lender's commitment to provide DIP financing to the Company. The Exit Fee is not earned until the Court grants an amended and restated Initial Order approving the DIP Facility following the initial 10-day stay period and the Exit Fee is payable upon the completion of a successful restructuring transaction or the indefeasible repayment in full of the DIP Facility.

28. Based on my experience and my review of comparable recent DIP financings in the United States and Canada, I believe that (a) the interest rate provided in the DIP Agreement is similar to (i) interest rates provided for in recent DIP financings and; (ii) debt yields of companies with comparable or superior credit quality to Tacora; and (b) the proposed Exit Fee as a percentage of the DIP Facility is comparable to fees provided for in recent DIP financings. I also believe the DIP Facility and DIP Agreement represent the best terms the Company could achieve in the circumstances based on the competitive DIP Process.

SWORN remotely via videoconference, by Chetan Bhandari, stated as being located in the City of Greenwich, in the State of Connecticut, 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: Philip Y [illegible] Commissioner for Taking Affidavits, etc. Philip Yang | LSO #80200N	DocuSigned by: Chetan Bhandari [illegible] **CHETAN BHANDARI**

CONFIDENTIAL EXHIBIT "A"

referred to in the Affidavit of

CHETAN BHANDARI

Sworn October 9, 2023

DocuSigned by:

30124C4218DB47C...

Commissioner for Taking Affidavits
Philip Yang

TACORA RESOURCES

Summary of DIP Proposals

OCTOBER 2023

Cargill vs. Ad Hoc Group Proposal

Key features of debtor-in-possession facility ("DIP") proposals

	Cargill	Ad Hoc Group
Amount	▪ $95.0 million commitment size – $75.0 million commitment ("New Money") which maintains pre-filing contracts • Onshore Purchase Agreement ("OPA") and operational support from Cargill stay in place – $20.0 million of incremental capacity under Post-Filing Credit Extension (only available for Cargill payments)	▪ $119.0 million commitment sized to replace the OPA and senior secured hedging facility ("SSHF") – $105.2 million for operations; $13.9 million contingent on MTM facility • Tranche 1: $65.2 million • Tranche 2: $40.0 million • Tranche 3: $13.9 million
Rate	▪ New Money: 10.0% cash interest rate – Interest paid monthly in arrears ($1.7 million total cash interest for DIP budget period) ▪ Post-Filing Credit Extension: Nil	▪ Tranche 1: 10% cash interest rate / 3% PIK interest rate ▪ Tranches 2 and 3: 8.25% cash interest rate ▪ Interest paid monthly in arrears ($3.6 million total cash interest / $0.6 million total PIK interest for DIP budget period)
Fees	▪ 3.0% Exit Fee on New Money – $2.3 million Exit Fee based on $75.0 million commitment	▪ 2.0% Backstop Fee on all tranches – $2.4 million Backstop Fee including accrued and cash interest
Draws	▪ Draws every other week in accordance with DIP budget – Sized to maintain minimum cash of $10 million – $15.5 million initial draw	▪ Four draws throughout projected period, with CPs which track milestones in the solicitation process
Variance to Budget	▪ 15% Permitted Cash Flow Variance with respect to aggregate disbursements on a cumulative basis	▪ 10% Permitted Cash Flow Variance with respect to line item disbursements ▪ 15% Permitted Variance with respect to iron ore deliveries for each two-week period
KERP	▪ $3.035 million key employee retention plan ("KERP") proposed by Company confirmed	▪ $5 million KERP, with allocations TBD
Other	▪ No payment of ad hoc group of 8.25% Senior Secured Noteholders (the "AHG") advisor fees	▪ No payment of Cargill advisor fees ▪ Option to appoint two independent board members ▪ Communications and technical advisors

Note: Dollar amounts shown in U.S. dollars throughout exhibit unless otherwise noted

Summary of Terms

In aggregate both facilities provide liquidity through February 25, 2024 based on an assumption that a transaction will be consummated by such date not withstanding a longer stated maturity under both DIP facilities

		Cargill	Ad Hoc Group
Facilities	Total	▪ $125.3 million (including implicit benefit of OPA and Post-Filing Credit Extension)	▪ $119.0 million comprised of $105.2 million funded DIP tranches and $13.9 million contingent hedging tranche – Tranche 1: $65.2 million – Tranche 2: $40.0 million – Tranche 3: $13.9 million
	DIP	▪ $75.0 million New Money	▪ $105.2 million New Money
	Hedging	▪ $20.0 million available under Existing Arrangements (Post-Filing Credit Extension)	▪ $13.9 million New Money
	OPA	▪ $30.3 million (implicit under Existing Arrangements)	▪ DIP sizing takes into account no OPA going forward
Cost of Capital	Interest	▪ 10.0% cash on New Money	▪ Tranche 1: 10.0% cash and 3.0% PIK ▪ Tranches 2 and 3: 8.25% cash
	Basis	▪ Payable monthly in arrears	▪ Payable monthly in arrears
	Fees	▪ Exit Fee of 3.0% on $75.0 million – $2.3 million ▪ Paid on exit / maturity	▪ Backstop Fee of 2.0% on total DIP facility amount – $2.4 million including accrued and cash interest ▪ Can convert Backstop Fee and PIK interest into equity at plan value
	Advisor Fees	▪ Canadian Counsel ($0.6mm in total for DIP budget period)	▪ Canadian & U.S. Counsel, Financial Advisor, Technical Advisor, Communications Advisor ($5.0mm in total for DIP budget period) ▪ Funded via increased DIP size

Summary of Terms (cont'd)

In aggregate both facilities provide liquidity through February 25, 2024 based on an assumption that a transaction will be consummated by such date not withstanding a longer stated maturity under both DIP facilities

	Cargill	Ad Hoc Group
Draw Schedule	▪ Every two weeks	▪ Four draws – First Advance: $17.5 million • Tranche 1: $7.7 million • Tranche 2: $4.7 million • Tranche 3: $5.0 million – Second Advance: $73.8 million • Tranche 1: $40.2 million • Tranche 2: $24.7 million • Tranche 3: $8.9 million – Third Advance: $24.3 million • Tranche 1: $15.0 million • Tranche 2: $9.2 million • Tranche 3: N/A – Fourth Advance: $3.5 million • Tranche 1: $2.2 million • Tranche 2: $1.3 million • Tranche 3: N/A
Maturity	▪ October 2024	▪ October 2024
Blended IRR	▪ Assumes exit on 2/25/2024 (based on Outside Date) ▪ 25.2% IRR on DIP tranche ▪ 12.9% IRR on a blended basis assuming credit support in the form of the OPA and Post-Filing Credit Extension[1]	▪ Assumes exit on 2/25/2024 (based on Outside Date) ▪ 18.6% IRR

1. IRR calculation only includes $13.85 million impact from Post-Filing Credit Extension in order to compare to AHG proposal on a like-for-like basis

Summary of Terms (cont'd)

Highlighted are key terms with respect to the DIP budget and strategic process

		Cargill	Ad Hoc Group
Variance	**Revised Budget**	▪ Updated not more frequently than every two weeks ▪ Respond to acceptableness within 3 business days	▪ Updated once per week and no more frequently than twice per week ▪ Respond to acceptableness within 3 business days ▪ Majority DIP Lenders opine
	Variance Report	▪ Last business day of every second week ▪ Actual disbursements for the preceding two weeks ("Testing Period") ▪ Cumulative basis against the budget on a line item and aggregate basis ▪ To be discussed with DIP Lender and advisors	▪ 5:00pm ET Friday of each week ▪ Cumulative receipts and disbursements on a line by line and cumulative basis
	Permitted Variance	▪ 15% on a cumulative basis for aggregate disbursements – Will not take into account fees and expenses of DIP lender	▪ 10% of any line item disbursement – Will not take into account fees and expenses of the DIP Lenders and professional advisory fees of the Company and Monitor ▪ Production covenant requires Tacora to achieve at least 85% of production outlined in forecast – Tested based on iron ore deliveries for each two-week period
Strategic Process	**Order**	▪ N/A	▪ October 27, 2023 for Solicitation Process Order satisfactory to DIP Lenders
	LOIs	▪ December 1, 2023	▪ December 1, 2023
	Final Deadline	▪ January 19, 2024	▪ January 19, 2024
	Closing	▪ February 29, 2024	▪ February 16, 2024

Summary of Terms (cont'd)

Other key terms with respect to the DIP proposals

		Cargill	Ad Hoc Group
CP on Draws		▪ Approval of post-filing credit extensions under Existing Facilities to be secured by DIP Lender Charges	▪ Draw 1 (October 10, 2023) – Issuance of Initial Order ▪ Draw 2 (TBD date) – Issuance of amended and restated initial order ("ARIO") – Draft documents for ARIO and Solicitation Process Order need to be provided to the AHG ▪ Draw 3 (TBD date) – Delivery of letters of intent for a sale and replacement offtake ▪ Draw 4 (TBD date) – Delivery of binding bids
Covenants	**Affirmative**	▪ Obtain an ARIO by October 20, 2023 (and prior to the second advance of funds)	▪ Delivery by 5:00pm ET Friday of each week a 13-week rolling iron ore delivery forecast (CCAA Iron Ore Delivery Forecast) ▪ Commencing two weeks following the initial CCAA Iron Ore Forecast, deliver to the port at least 85% of iron ore contemplated in forecast ▪ Provide technical advisor with reasonable access to the Scully mine, substantive operational updates, and consider technical advisor's recommendations regarding operations
	Negative	▪ Cannot make payment not in accordance with the DIP budget	▪ Cannot make payment not in accordance with the DIP budget
Events of Default		▪ Termination, suspension or disclaimer of the Advance Payments Facility Agreement, Offtake Agreement, OPA, and Wetcon PSA other than through the commencement of a SISP or to support a Restructuring Transaction	▪ Failure to satisfy the Solicitation Milestones ▪ Changes to the Cash Flow Projections resulting in a material adverse change or is not delivered within two days of the requisite time frame ▪ Change in Board that is not acceptable to Majority DIP Lenders
Corporate Governance		▪ NA	▪ Appointment of up to two (2) Independent Directors with restructuring experience acceptable to the Required Lenders
Lender Consent		▪ 100%	▪ Required DIP Lenders ~ 66 2/3% – Amendments, Credit Bidding, Conversion of DIP to Exit Financing, CPs to Funding, Negative Covenants, EoDs, KERP ▪ Majority Lenders – Changes to cash flow forecast, use of proceeds, Solicitation Milestones, Court Orders, Capex Budget, mandatory repayments
KERP		▪ Agreed to Company proposed KERP of $3.035 million	▪ Proposed $5 million KERP, with allocations TBD

Summary of Terms (cont'd)

Summary of cost of the DIP proposals

Interest and Fees Under Each Proposal

(US$'s in millions)

	Cargill	Ad Hoc Group
Cash Interest	$1.7	$3.6
PIK Interest	--	0.6
Exit / Backstop Fees	2.3	2.4
Lender Professional Fees	0.6	5.0
Financing Fee	1.2	1.2
Total	**$5.8**	**$12.8**

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

Court File No.

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDINGS COMMENCED AT TORONTO

AFFIDAVIT OF CHETAN BHANDARI
(SWORN OCTOBER 9, 2023)

STIKEMAN ELLIOTT LLP
5300 Commerce Court West
199 Bay Street
Toronto, ON M5L 1B9

Ashley Taylor (LSO #39932E)
Tel: 416-869-5236
Email: ataylor@stikeman.com

Lee Nicholson (LSO #66412I)
Tel: 416-869-5604
Email: leenicholson@stikeman.com

Natasha Rambaran (LSO #80200N)
Tel: 416-869-5504
Email: nrambaran@stikeman.com

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

Counsel to the Applicant

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

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDINGS COMMENCED AT TORONTO

AFFIDAVIT OF CHETAN BHANDARI
(SWORN OCTOBER 15, 2023)

STIKEMAN ELLIOTT LLP
5300 Commerce Court West
199 Bay Street
Toronto, ON M5L 1B9

Ashley Taylor (LSO #39932E)
Tel: 416-869-5236
Email: ataylor@stikeman.com

Lee Nicholson (LSO #66412I)
Tel: 416-869-5604
Email: leenicholson@stikeman.com

Natasha Rambaran (LSO #80200N)
Tel: 416-869-5504
Email: nrambaran@stikeman.com

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

Counsel to the Applicant

TAB 3

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 PHILIP YANG
(Sworn October 15, 2023)

I, **PHILIP YANG**, of the City of Toronto, in the Province of Ontario, MAKE OATH AND SAY:

1. I am an associate with the law firm of Stikeman Elliott LLP ("**Stikeman**"), counsel for Tacora Resources Inc. ("**Tacora**" or the "**Company**"). As such, I have personal knowledge of the matters deposed in this affidavit, except where otherwise indicated. Capitalized terms used herein and not otherwise defined have the meanings ascribed to them in the affidavit of Joe Broking sworn on October 9, 2023. In swearing this affidavit, I do not, and do not intend to, waive any applicable privilege of the Company.

2. On May 29, 2023, Tacora, certain parties of the Ad Hoc Group (the "**Steering Committee**"), Cargill, and Cargill Inc. (collectively, the "**Parties**") entered into a side letter agreement (the "**May Side Letter Agreement**"). A copy of the May Side Letter Agreement (without the APF Agreement as a Schedule) is attached hereto as **Exhibit "A"**.

3. On June 23, 2023, the Parties entered into a side letter agreement (the "**June Side Letter Agreement**"). A copy of the June Side Letter Agreement (without the APF Agreement as a Schedule) is attached hereto as **Exhibit "B"**.

4. On August 10, 2023, counsel for the Ad Hoc Group wrote a letter to Stikeman, a copy of which is attached hereto as **Exhibit "C"**.

5. On August 16, 2023, counsel for the Ad Hoc Group wrote a letter to Stikeman, a copy of which is attached hereto as **Exhibit "D"**.

6. On August 17, 2023, Stikeman wrote a letter to counsel for the Ad Hoc Group, in response

to the letters from counsel for the Ad Hoc Group dated August 10 and 16, 2023, copies of which are attached hereto as Exhibits “C” and “D”, referenced above. A copy of the letter dated August 17, 2023, from Stikeman to counsel for the Ad Hoc Group is attached hereto as **Exhibit “E”**.

7. Attached as **Exhibit “F”** is a copy of an email from counsel for the Ad Hoc Group to Stikeman, regarding the release of signatures related to a DIP term sheet entered into between Tacora and the Ad Hoc Group.

8. While Tacora was scheduled to bring a CCAA application to the Court at 2:30 p.m. on September 12, 2023, the application did not proceed as the Company learned shortly before the hearing that its major stakeholders appeared to have reached agreement on the terms of a consensual out-of-court restructuring and recapitalization transaction.

9. I am advised by Ashley Taylor, a partner at Stikeman, that draft application materials (including a copy of the Ad Hoc Group DIP term sheet) were emailed to Justice Kimmel, counsel to the Ad Hoc Group and counsel to Cargill earlier in the day in the event the CCAA application went ahead. CCAA application materials were not served on the service list created by Stikeman in anticipation of the CCAA application or filed with the Court.

SWORN remotely via videoconference, by Philip Yang, 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 15th day of October, 2023, in accordance with O. Reg 431/20, *Administering Oath or Declaration Remotely*. DocuSigned by: Lee Nicholson 82C0CC8E094B4A5... Commissioner for Taking Affidavits, etc. Lee Nicholson	DocuSigned by: Philip Y 36124C4218DD47C... **PHILIP YANG**

EXHIBIT "A"

referred to in the Affidavit of

PHILIP YANG

Sworn October 15, 2023

DocuSigned by:
Lee Nicholson
82C0CC8E694B4AB...

Commissioner for Taking Affidavits
Lee Nicholson

Execution Copy

SIDE LETTER AGREEMENT

This Side Letter Agreement (this "**Agreement**") is made as of May 29, 2023, by and among: (i) Tacora Resources Inc., an Ontario corporation (the "**Company**"); (ii) certain holders of the Company's (a) 9.00% Cash / 4.00% PIK Senior Secured Priority Notes Due 2023 and (b) 8.250% Senior Secured Notes due May 15, 2026 listed in Schedule "A" (collectively, the "**SteerCo**"); and (iii) Cargill International Trading PTE Ltd. and Cargill, Incorporated (together "**Cargill**").

WHEREAS, the Company and Cargill require the consent of the SteerCo in order to enter into the Amended and Restated Advanced Payment Facility Agreement by and between the Company and Cargill International Trading PTE Ltd. (the "**A&R APF**").

WHEREAS, the SteerCo has agreed provide its consent in respect of the A&R APF substantially in form and substance attached hereto as Schedule "B" on the condition the Company and Cargill agree to the following terms and conditions in this Agreement.

NOW, THEREFORE, in consideration of the foregoing, and the representations, warranties, covenants and conditions set forth below, the parties hereto, intending to be legally bound, hereby agree as follows:

1. **Key Employee Retention Plan**

   The Company shall provide a key employee retention plan on terms and a timeline acceptable to the SteerCo and Cargill to each of: (i) Joe Broking; (ii) Heng Vuong; (iii) Hope Wilson; and (iv) potentially other key employees of the Company identified by senior management, with the consent of SteerCo and Cargill.

2. **Board Composition / Shareholders' Agreement**

   (a) The board of the Company (the "**Board**") shall be reconstituted as follows:

   (i) Jacques Perron shall immediately resign from the Board in consideration for a mutual release from SteerCo and his *pro-rated* compensation for serving on the Board for a portion of the second quarter of 2023;

   (ii) the Board shall be comprised of up to 4 individuals, which shall include 1 nominee recommended by the SteerCo (the "**New Director**"), 1 nominee of Cargill and the Chief Executive Officer of the Company; and

   (iii) the New Director shall be appointed once recommended by SteerCo and the Company completes reasonable background checks.

   (b) The Company shall compensate the New Director in an amount to be approved by the SteerCo and Cargill.

(c) At all times a majority of the Board shall be comprised of the Chief Executive Officer of the Company, the New Director (or a replacement satisfactory to SteerCo) and appointees of Cargill.

3. Professional Advisors

(a) The Company shall make good faith efforts to minimize all professional fees and expenses and all professional fees and expenses incurred or to be incurred by the Company shall be included and subject to the Agreed Weekly Budget (as that term is defined in the Senior Secured First Lien Notes Indicative Term Sheet dated May 4, 2023).

(b) Other than Stikeman Elliott LLP, Greenhill & Co. Canada Ltd., McInnes Cooper and Partners in Performance ("**PIP**") in respect of services contemplated by the engagement letter between PIP and the Company dated March 2, 2023 (the "**PIP/Company EL**"), the Company will cease to use and/or engage any other professional advisors.

4. Consent to A&R APF

Upon the execution of this Agreement and the Company's receipt of the resignations contemplated in Subsection 2(a)(i), the SteerCo shall provide its consent (which may be delivered via email) in respect of the A&R APF substantially in form and substance attached hereto as Schedule "B" and the SteerCo shall provide the releases contemplated in Subsection 2(a)(i).

5. Default

Any default under this Agreement shall lead to an immediate event of default under the Second Supplemental Indenture dated as of May 11, 2023.

6. Governing Law

This Agreement and the terms, conditions and obligations arising hereunder shall be governed by, and construed and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

7. Additional Provisions

(a) The parties hereto agree that no amendment or variation of the provisions of this Agreement shall be binding upon any party unless and until it is evidenced in writing executed by each of the parties hereto.

(b) The parties hereto agree that if any provision of this Agreement is for any reason found to be unenforceable, in whole or in part, the unenforceability thereof shall not affect the enforceability of any other provision in or part of this Agreement, and all provisions of this Agreement shall be construed so as to preserve the enforceability thereof.

(c) The parties hereto agree that this Agreement may be executed in any number of counterparts and by electronic means.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound by the terms hereof, have caused this Agreement to be executed as of the date first above written by their officers or other representatives thereunto duly authorized.

TACORA RESOURCES INC.

By: DocuSigned by: Joe Broking
Name: Joe Broking
Title: Chief Executive Officer and President

SNOWCAT CAPITAL MANAGEMENT, LP

By: _____
Name:
Title:

BRIGADE CAPITAL MANAGEMENT, LP

By: _____
Name:
Title:

CROSSINGBRIDGE ADVISORS, LLC

By: _____
Name:
Title:

COHANZICK MANAGEMENT, LLC

By: _____
Name:
Title:

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound by the terms hereof, have caused this Agreement to be executed as of the date first above written by their officers or other representatives thereunto duly authorized.

TACORA RESOURCES, INC.

By: _____
Name:
Title:

SNOWCAT CAPITAL MANAGEMENT, LP

By: _____
Name: REBECCA PACHOLDER
Title: Founder

BRIGADE CAPITAL MANAGEMENT, LP

By: _____
Name:
Title:

CROSSINGBRIDGE ADVISORS, LLC

By: _____
Name:
Title:

COHANZICK MANAGEMENT, LLC

By: _____
Name:
Title:

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound by the terms hereof, have caused this Agreement to be executed as of the date first above written by their officers or other representatives thereunto duly authorized.

TACORA RESOURCES, INC.

By: _____
Name:
Title:

SNOWCAT CAPITAL MANAGEMENT, LP

By: _____
Name:
Title:

BRIGADE CAPITAL MANAGEMENT, LP
as Investment Manager on Behalf of its Various Funds and Accounts

By: _____
Name: Patrick Criscillo
Title: Chief Financial Officer

CROSSINGBRIDGE ADVISORS, LLC

By: _____
Name:
Title:

COHANZICK MANAGEMENT, LLC

By: _____
Name:
Title:

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound by the terms hereof, have caused this Agreement to be executed as of the date first above written by their officers or other representatives thereunto duly authorized.

TACORA RESOURCES, INC.

By: _____

Name:
Title:

SNOWCAT CAPITAL MANAGEMENT, LP

By: _____

Name:
Title:

BRIGADE CAPITAL MANAGEMENT, LP

By: _____

Name:
Title:

CROSSINGBRIDGE ADVISORS, LLC

By: _____

Name: Bruce A. Falbaum
Title: Principal

COHANZICK MANAGEMENT, LLC

By: _____

Name: Bruce A. Falbaum
Title: authorized agent

COHANZICK MANAGEMENT, LLC

By: _____

Name:
Title:

CARGILL INTERNATIONAL TRADING PTE LTD.

By: Philip Mulvihill

Name: Phil Mulvihill
Title: Partnerships & Investments Lead

CARGILL, INCORPORATED

By: _____

Name:
Title:

COHANZICK MANAGEMENT, LLC

By: _____

Name:
Title:

CARGILL INTERNATIONAL TRADING PTE LTD.

By: _____

Name:
Title:

CARGILL, INCORPORATED

By: Philip Mulvihill

Name: Phil Mulvihill
Title:

SCHEDULE "A"

SNOWCAT CAPITAL MANAGEMENT, LP

BRIGADE CAPITAL MANAGEMENT, LP

CROSSINGBRIDGE ADVISORS, LLC

COHANZICK MANAGEMENT, LLC

EXHIBIT "B"

referred to in the Affidavit of

PHILIP YANG

Sworn October 15, 2023

DocuSigned by:
Lee Nicholson
82C0CC8E094B4AB...

Commissioner for Taking Affidavits
Lee Nicholson

SIDE LETTER AGREEMENT

This Side Letter Agreement (this "**Agreement**") is made as of June 23, 2023, by and among: (i) Tacora Resources Inc., an Ontario corporation (the "**Company**"); (ii) certain holders of the Company's (a) 9.00% Cash / 4.00% PIK Senior Secured Priority Notes Due 2023 and (b) 8.250% Senior Secured Notes due May 15, 2026 listed in Schedule "A" (collectively, the "**SteerCo**"); and (iii) Cargill International Trading PTE Ltd. and Cargill, Incorporated (together "**Cargill**", and with the Company and SteerCo, the "**Parties**").

WHEREAS, SteerCo intends to provide its consent in respect of amendments contemplated by the Third Supplemental Indenture (the "**Third Supplemental Indenture**").

WHEREAS, the Company requires the consent of SteerCo to enter into Amendment No. 1 to the Amended and Restated Advanced Payment Facility Agreement by and between the Company and Cargill International Trading PTE Ltd. (such amendment, the "**Amended A&R APF**").

WHEREAS, the SteerCo has agreed to provide its consent in respect of the Amended A&R APF substantially in form and substance attached hereto at Schedules "B", respectively, on the condition the Company and Cargill agree to the following terms and conditions in this Agreement.

NOW, THEREFORE, in consideration of the foregoing, and the representations, warranties, covenants and conditions set forth below, the parties hereto, intending to be legally bound, hereby agree as follows:

1. **Agreement in Respect of Potential Transaction**

   The Parties agree that if by July 31, 2023 both:

   (i) definitive documents in respect of an acquisition of the Company by [redacted] in a form acceptable to SteerCo, have not been executed; and

   (ii) SteerCo is not satisfied with the progress being made by the Company, Cargill and the SteerCo in respect of a potential restructuring transaction involving the Company,

   (a "**Transaction Default**")

   then at any time after July 31, 2023, provided such Transaction Default is continuing, SteerCo shall have the right to issue a written notice to the Company, with a copy to Cargill (the "**Transaction Default Notice**"), which Transaction Default may be waived by the SteerCo.

2. Consent to A&R APF

Upon the execution of this Agreement, the SteerCo shall provide its consent (which may be delivered via email) in respect of the Amended A&R APF substantially in form and substance attached hereto as Schedules "B".

3. Default

A Transaction Default shall lead to an event of default under the Third Supplemental Indenture on the date that is ten (10) business days after the date the Transaction Default Notice is delivered to the Company, with a copy to Cargill, unless such Transaction Default is waived by the SteerCo.

4. Governing Law

This Agreement and the terms, conditions and obligations arising hereunder shall be governed by, and construed and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

5. Additional Provisions

(a) The parties hereto agree that no amendment or variation of the provisions of this Agreement shall be binding upon any party unless and until it is evidenced in writing executed by each of the parties hereto.

(b) The Parties hereto agree that if any provision of this Agreement is for any reason found to be unenforceable, in whole or in part, the unenforceability thereof shall not affect the enforceability of any other provision in or part of this Agreement, and all provisions of this Agreement shall be construed so as to preserve the enforceability thereof.

(c) The Parties hereto agree that this Agreement may be executed in any number of counterparts and by electronic means.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Parties hereto, intending to be legally bound by the terms hereof, have caused this Agreement to be executed as of the date first above written by their officers or other representatives thereunto duly authorized.

TACORA RESOURCES INC.

By: DocuSigned by: Joe Broking 9EBB0BB7AB484D8...

Name:
Title:

SNOWCAT CAPITAL MANAGEMENT, LP

By: _____

Name:
Title:

BRIGADE CAPITAL MANAGEMENT, LP

By: _____

Name:
Title:

CROSSINGBRIDGE ADVISORS, LLC

By: _____

Name:
Title:

COHANZICK MANAGEMENT, LLC

By: _____

Name:
Title:

IN WITNESS WHEREOF, the Parties hereto, intending to be legally bound by the terms hereof, have caused this Agreement to be executed as of the date first above written by their officers or other representatives thereunto duly authorized.

TACORA RESOURCES INC.

By: _____

Name:
Title:

SNOWCAT CAPITAL MANAGEMENT, LP

By: _____

Name: Manjinder Singh
Title: CFO

BRIGADE CAPITAL MANAGEMENT, LP

By: _____

Name:
Title:

CROSSINGBRIDGE ADVISORS, LLC

By: _____

Name:
Title:

COHANZICK MANAGEMENT, LLC

By: _____

Name:
Title:

IN WITNESS WHEREOF, the Parties hereto, intending to be legally bound by the terms hereof, have caused this Agreement to be executed as of the date first above written by their officers or other representatives thereunto duly authorized.

TACORA RESOURCES INC.

By: _____

Name:
Title:

SNOWCAT CAPITAL MANAGEMENT, LP

By: _____

Name:
Title:

BRIGADE CAPITAL MANAGEMENT, LP

By: _____

Name: Aaron Daniels
Title: Chief Operating Officer & General Counsel

CROSSINGBRIDGE ADVISORS, LLC

By: _____

Name:
Title:

COHANZICK MANAGEMENT, LLC

By: _____

Name:
Title:

IN WITNESS WHEREOF, the Parties hereto, intending to be legally bound by the terms hereof, have caused this Agreement to be executed as of the date first above written by their officers or other representatives thereunto duly authorized.

TACORA RESOURCES INC.

By: _____

Name:
Title:

SNOWCAT CAPITAL MANAGEMENT, LP

By: _____

Name:
Title:

BRIGADE CAPITAL MANAGEMENT, LP

By: _____

Name:
Title:

CROSSINGBRIDGE ADVISORS, LLC

By: _____

Name: Bruce A. Falbaum
Title: Principal

COHANZICK MANAGEMENT, LLC

By: _____

Name: Bruce A. Falbaum
Title: Authorized Agent

CARGILL INTERNATIONAL TRADING PTE LTD.

By: Philip Mulvihill

Name:
Title:

CARGILL, INCORPORATED

By:

Name:
Title:

CARGILL INTERNATIONAL TRADING PTE LTD.

By: _____

Name:
Title:

CARGILL, INCORPORATED

By: _____

Name: Mark Conlon
Title: Financial Services & Metals - US Representative

SCHEDULE "A"

SNOWCAT CAPITAL MANAGEMENT, LP

BRIGADE CAPITAL MANAGEMENT, LP

CROSSINGBRIDGE ADVISORS, LLC

COHANZICK MANAGEMENT, LLC

EXHIBIT "C"

referred to in the Affidavit of

PHILIIP YANG

Sworn October 15, 2023

DocuSigned by:
Lee Nicholson
82C0CC8E694B4AB...

Commissioner for Taking Affidavits
Lee Nicholson

Bennett Jones

Bennett Jones LLP
3400 One First Canadian Place, P.O. Box 130
Toronto, Ontario, M5X 1A4 Canada
T: 416.863.1200
F: 416.863.1716

Mike Shakra
Partner
Direct Line: 416 777 6236
e-mail: shakram@bennettjones com

August 10, 2023

Sent via Email

Joe Broking, Trey Jackson and Leon Davies

Tacora Resources Inc.
Board of Directors (the "**Board**")
102 3rd St NE #120,
Grand Rapids, MN 55744, United States

John Ciardullo, Ashley Taylor and Lee Nicholson

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

Dear Sirs:

Re: Tacora Resources Inc. ("Tacora" or the "Company")

As you know, we are counsel to an ad hoc group (the "**Ad Hoc Group**", and the steering committee of the Ad Hoc Group, the "**Steering Committee**") of holders of the 8.250% Senior Secured Notes due 2026 (the "**Original Notes**") and the 9.00% Cash / 4.00% PIK Senior Secured Priority Notes due 2023 (the "**New Notes**", and collectively with the Original Notes, the "**Notes**"), both issued by Tacora.

We write to you in connection with a recent update that we understand was provided to Tacora by Cargill International Trading PTE Ltd. and/or Cargill, Incorporated (together, "**Cargill**"). We are concerned that Cargill has misrepresented the status of discussions between the Steering Committee and Cargill regarding a consensual restructuring or recapitalization of the Company (a "**Restructuring Transaction**"), as well as the Steering Committee's views regarding a path forward for the Company and its potential restructuring. The purpose of this letter is to correct the record and inform the Board of the Steering Committee's views.

As you are aware, the Steering Committee and Cargill have been engaged in discussions regarding a Restructuring Transaction for many months. We understand that Cargill has recently represented to the Company and its advisors that these discussions have progressed significantly and that the parties are close to reaching an agreement, subject only to final negotiations regarding the quantum of existing debt held by holders of the Notes and Cargill to be equitized or compromised. Unfortunately, this is not the case.

For weeks, discussions between the Steering Committee and Cargill have not materially progressed due, in part, to Cargill's refusal to recognize that certain aspects of its Iron Ore Sale and Purchase Contract with Tacora dated November 11, 2018 (as amended pursuant to various side letters from time

to time, the "**Offtake Agreement**") may need to be revisited in order to facilitate an economically rational solution for the Company.

Taken as a whole, the current terms of the Offtake Agreement are not commercial. It is and has been an impediment to potential buyers and investors in the Company, including most recently, [redacted]. The Steering Committee is concerned that in its current form, the Offtake Agreement will continue to destroy stakeholder value and will prevent the implementation of a Restructuring Transaction for the Company.

In short, if the Offtake Agreement is not renegotiated or replaced in the near term, the Steering Committee is of the view that a consensual Restructuring Transaction will not be achievable. These views have been communicated to Cargill, which makes it especially surprising to the Steering Committee that Cargill would represent to the Company that discussions between the parties are advancing and that a resolution in the near term is likely.

As you know, the Company has been in the zone of insolvency for months. To continue its operations, it has required multiple infusions of new debt financing, as well as extensions to pay its current debt obligations. The Ad Hoc Group has been working in good faith with the Company to achieve a result that preserves value for stakeholders, and it remains committed to doing so. We hope that Cargill shares this commitment and recognizes that a successful restructuring cannot take place without a willingness to discuss the terms of the Offtake Agreement. Absent confirmation from Cargill that it is open to negotiating the Offtake Agreement, continued discussions between Cargill and the Steering Committee in respect of a restructuring may not be productive.

Yours truly,

Mike Shakra

MS

cc: Sean Zweig & Thomas Gray – Bennett Jones LLP
Michael Nessim, Usman Masood & Chetan Bhandari, Greenhill & Co., LLC
Michael Sellinger & Michael Kizer, GLC
Steering Committee

EXHIBIT "D"

referred to in the Affidavit of

PHILIP YANG

Sworn October 15, 2023

DocuSigned by:
Lee Nicholson
62C0CC8E694B4AB...

Commissioner for Taking Affidavits
Lee Nicholson

Bennett Jones LLP
3400 One First Canadian Place, P.O. Box 130
Toronto, Ontario, M5X 1A4 Canada
T: 416.863.1200
F: 416.863.1716

Mike Shakra
Partner
Direct Line: 416.777.6236
e-mail: shakram@bennettjones.com

August 16, 2023

Sent via Email

Joe Broking, Trey Jackson and Leon Davies

Tacora Resources Inc.
Board of Directors
102 3rd St NE #120,
Grand Rapids, MN 55744, United States

John Ciardullo, Ashley Taylor and Lee Nicholson

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

Dear Sirs:

Re: Tacora Resources Inc. ("Tacora" or the "Company")

Reference is made to our letter to you dated August 10, 2023.[1] As the Company approaches a critical inflection point, we write to underscore the Ad Hoc Group's deep concerns regarding the Company's financial distress and the conduct of Cargill, Inc., on its own behalf and acting through its affiliates and executives (collectively, "**Cargill**") with respect to the Company.

It is evident to the Ad Hoc Group that Cargill is exploiting its control over Tacora to pursue a self-interested agenda that is causing substantial harm to Tacora and its stakeholders. As previously communicated, the Offtake Agreement is not commercial, off-market, detrimental to the Company's financial health and an impediment to a potential sale of the Company or a Restructuring Transaction. With the Company careening toward an insolvency proceeding that it plans to commence in early September, it is imperative that the Company position itself, and preserve the ability to, disclaim the Offtake Agreement unless Cargill agrees to material modifications as to its duration, pricing and other terms that have, in their current form, discouraged potential buyers of the Company from moving forward with a transaction.

To date, the Ad Hoc Group is unaware of any attempt by the Company's Board or management to exert leverage over Cargill to consider revisions to the Offtake Agreement that conform with the terms that could be obtained if the opportunity were property marketed. We attribute that failure in large part to our belief that Cargill's appointees to the Board have actively participated in prior deliberations and decisions where Cargill stood on both sides of the transaction, including those

[1] Capitalized terms not defined herein have the meaning used in that letter.

related to the Offtake Agreement, the Advance Payments Facility Agreement, dated January 3, 2023 (as amended from time to time, the "**APF Agreement**"), and the Company's restructuring efforts.[2]

As you are aware, the directors on the Board have statutory and common law duties to act honestly, in good faith and in the best interests of the Company and to avoid conflicts of interest between the Company and any opposing interests, including their own. Given the clear conflict of interest and entanglement that exists between the interests of Cargill on the one hand, and those of the Company and its stakeholders on the other, Cargill Board appointees should not and cannot disinterestedly represent the Company in discussions and decisions regarding a restructuring or a transaction thereunder, including any deliberations and decisions concerning proposals for debtor-in-possession financing that could, among other consequences, further impede the Company's ability to restructure the Offtake Agreement in any insolvency proceeding. Accordingly, the Ad Hoc Group demands that, to the extent he has not already done so, Cargill's Board appointee recuse from any deliberation and decision relating to a Restructuring Transaction.

The Ad Hoc Group further requests that the non-Cargill members of the Board engage in a robust and independent review of the Offtake Agreement and the APF Agreement and explore alternative options and providers that could offer more favorable terms to the Company. The Ad Hoc Group stands ready to assist in that process.

The Ad Hoc Group reserves all of its rights, remedies and claims with respect to all decisions made by Cargill Board appointees to date, including whether such appointees ought to have recused themselves from any such decisions and whether any fiduciary duties were breached by failing to do so.

We trust that the Board will govern itself in accordance with its well-established statutory and common law duties.

Yours truly,

Mike Shakra

MS

cc: Kevin Zych, Richard Swan, Sean Zweig & Thomas Gray – Bennett Jones LLP
Michael Nessim, Usman Masood & Chetan Bhandari – Greenhill & Co., LLC
Michael Sellinger & Michael Kizer – GLC
Steering Committee

[2] We previously wrote to the Board in March 2023 regarding the Company's transfer of Sydvaranger Mining AS and its subsidiaries Orion Mine Finance. The Ad Hoc Group learned of this transaction after the fact, and expressed significant concern that the Company received nominal or no value in exchange for this asset and did not fully explore other options before pursuing this transaction.

EXHIBIT "E"

referred to in the Affidavit of

PHILIP YANG

Sworn October 15, 2023

DocuSigned by:
Lee Nicholson
82C0CC8E694B4AB...

Commissioner for Taking Affidavits
Lee Nicholson

Stikeman Elliott

Stikeman Elliott LLP
Barristers & Solicitors
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199 Bay Street
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Main: 416 869 5500
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Ashley Taylor
Direct: 416 869 5236
ataylor@stikeman.com

August 17, 2023

By E-mail

File No.: 142633.1002

Bennett Jones LLP
3400 One First Canadian Place
Toronto, ON M5X 1A4

Attention: Mr. Mike Shakra

Dear Sir:

Re: Tacora Resources Inc.

As you know, we are counsel to Tacora Resources Inc. (the "**Company**"). We are writing in response to your letter dated August 16, 2023, addressed to the Board of Directors of the Company and Stikeman Elliott LLP. Capitalized terms used in this letter and not otherwise defined have the meanings ascribed to them in your letter dated August 10, 2023.

In your August 16 letter, you imply that the Company has decided to file for protection under the *Companies' Creditors Arrangement Act* (the "**CCAA**") in early September. For the record, the Company has not made any determination to that effect and the Company's decision to solicit debtor-in-possession financing proposals should not be considered as an indication that a CCAA filing is inevitable. In fact, as the Company has indicated to the Steering Committee on numerous occasions, the Company believes that a comprehensive and consensual Restructuring Transaction remains the best path towards maximizing value for the Company's key stakeholders, including the holders of Notes. The Company remains hopeful that discussions between the Steering Committee and Cargill referred to in your August 10 letter will progress in an expediated manner and allow the Company to avoid a CCAA filing, which could be significantly disruptive to the Company's business and value-destructive for the Company's stakeholders. We encourage the Steering Committee to continue to participate in such good-faith discussions in a constructive manner and attempt to advance open items with respect to a consensual Restructuring Transaction, including related to the Offtake Agreement. The Company has and will continue to encourage Cargill to do the same.

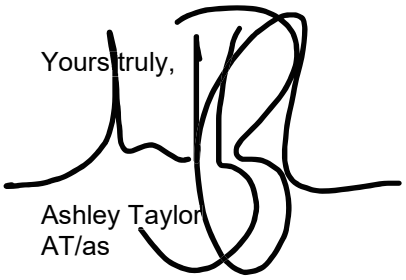
We also wish to address certain statements in your August 16 letter regarding governance of the Company. The Board of the Company is well aware of its statutory and common law duties and we reject any assertion that the Board has not acted appropriately in connection with the Company's restructuring efforts. The allegations set out in your letter appear to be based on a number of false premises, including that Cargill appointees to the Board have participated in voting or decision-making with respect to the Offtake Agreement and APF Agreement. Throughout the Company's restructuring efforts, the APF Agreement and each applicable amendment, which have provided the Company with critical liquidity to continue operating as a going-concern, have been unanimously approved by the Board (other than the Cargill appointees) and Cargill appointees to the Board have not participated in such approvals.

With respect to your request that the "non-Cargill members of the Board engage in a robust and independent review of the Offtake Agreement and the APF Agreement", we note that the Company has consulted and engaged with the Steering Committee with respect to the APF Agreement, which contains various covenants related to maintaining compliance with and performance under the Offtake Agreement.

Previously, in connection with the APF Agreement, the Company sought and obtained the Steering Committee's express written consent to amendments and restatements of the APF Agreement. These consents have been provided by the Steering Committee in two separate side letter agreements between the Company, the Steering Committee and Cargill that have included various other agreements and covenants demanded by the Steering Committee, including some related to governance of the Company. We specifically note that in the side letter agreement dated May 29, 2023 (the "**May Side Letter**"), the Steering Committee required reconstitution of the Board of the Company and the resignation of Jacques Perron, the Company's Chairman and only independent director at the time. To date, the Board remains constituted in a manner consistent with the May Side Letter.

To the extent the Ad Hoc Group is interested in submitting a debtor-in-possession financing proposal in connection with the Company's contingency planning efforts should a consensual Restructuring Transaction and out-of-court liquidity solution not be achieved, the Company will take appropriate steps to ensure such proposal and any other proposals received are considered in a manner consistent with the Board's statutory and common law duties and applicable law.

Yours truly,



Ashley Taylor
AT/as

cc: Kevin Zych, Richard Swan, Sean Zweig, Thomas Gray, *Bennett Jones LLP*
Michael Nessim, Usman Masood, Chetan Bhandari, *Greenhill & Co., LLC*
Lee Nicholson, John Ciardullo, *Stikeman Elliott LLP*

EXHIBIT "F"

referred to in the Affidavit of

PHILIP YANG

Sworn October 15, 2023

DocuSigned by:
Lee Nicholson
82C0CC8E694B4AB...

Commissioner for Taking Affidavits
Lee Nicholson

From: Mike Shakra
To: Lee Nicholson; Thomas Gray; Natasha Rambaran; Sean Zweig; Ashley Taylor; Philip Yang; Kevin Zych
Subject: RE: Tacora - AHG DIP Loan Agreement
Date: Tuesday, September 12, 2023 10:02:02 AM
Attachments: image002.jpg
image003.jpg
image001.png
image005.jpg

Hi Lee:

The signature pages are released. However, we understand that there are ongoing discussions between executive management of Cargill and the AHG and that there is a possibility that the DIP may not be required.

We have an AHG call in 15 minutes and we should know more coming out of that call.

Best,

Mike

Mike Shakra
Partner,* Bennett Jones LLP
*Denotes Professional Corporation
3400 One First Canadian Place, P.O. Box 130, Toronto, ON, M5X 1A4
T. 416 777 6236 | F. 416 863 1716 | M. 647 262 7741
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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.

Applicant

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDINGS COMMENCED AT TORONTO

AFFIDAVIT OF PHILIP YANG
(SWORN OCTOBER 15, 2023)

STIKEMAN ELLIOTT LLP
5300 Commerce Court West
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Toronto, ON M5L 1B9

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Philip Yang (LSO #82084O)
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Email: pyang@stikeman.com

Counsel to the Applicant

TAB 4

Court File No.

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE MADAM	)	[TUESDAY], THE [24TH]
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 this day by judicial videoconference via Zoom.

ON READING the affidavits of Joe Broking sworn October 9, 2023, and October **[●]**, 2023, and the Exhibits thereto, the affidavit of Chetan Bhandari sworn October 9, 2023, First Report of the Monitor dated October **[●]**, 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., counsel for the Ad Hoc Group of Senior Noteholders, counsel for Resource Capital Fund VII L.P., counsel for Crossingbridge Advisors, LLC, and such other parties as listed on the Participant Information Form, with no one else appearing although duly served as appears from the affidavits of service of Natasha Rambaran, filed.

SERVICE AND DEFINITIONS

1. **THIS COURT ORDERS** that the time for service and filing 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.

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 to implement the Solicitation Process pursuant to the terms thereof. The Financial Advisor, Applicant, and Monitor are hereby authorized 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 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.

_____

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 **[●]**, 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.

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 **[●]**, 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 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 (a "**Equity Financing Party**") or financing through an offtake or similar agreement (including a stream or royalty agreement) in respect of the Offtake Opportunity (a "**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 e 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 4, 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.

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)

Court File No.

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDINGS COMMENCED AT TORONTO

ORDER
(Solicitation Order)

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Counsel to Tacora Resources Inc.

TAB 5

Court File No.

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE MADAM	)	[~~FRIDAY~~TUESDAY], THE [~~20TH~~24TH]
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 this day by judicial videoconference via Zoom.

ON READING the affidavits of Joe Broking sworn October 9, 2023, and October **[●]**, 2023, and the Exhibits thereto, the ~~pre-filing report of FTI Consulting Canada Inc. ("**FTI**"), in its capacity as proposed monitor of the Applicant dated October **[9]**, 2023, the first report of FTI in its capacity as monitor (in such capacity, the "**Monitor**")~~ affidavit of Chetan Bhandari sworn October 9, 2023, First Report of the Monitor dated dated October **[●]**, 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., counsel for the Ad Hoc Group of Senior Noteholders, counsel for Resource Capital Fund VII L.P., counsel for Crossingbridge Advisors, LLC, and such other parties as listed on the Participant Information Form, with no one else appearing although duly served as appears from the affidavits of service of Natasha Rambaran, filed.

SERVICE AND DEFINITIONS

1. **THIS COURT ORDERS** that the time for service and filing 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.

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 ~~SALE, INVESTMENT AND SERVICES~~ 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 ~~to solicit interest in the opportunity for a sale of or investment in all or part of the Applicant's assets (the "**Property**") and business operations (the "**Business**"), and for offtake, services or other agreement in respect of the Business~~.

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.

_____

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 ~~at~~ 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 **[●]**, 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) ~~one or more sales~~ 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~~ 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 ~~bidders~~ 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 ~~this section~~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 ~~all~~ 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, ~~including withholding or redacting any~~ provided that, no information regarding ~~Bids as they believe appropriate~~any Bids received shall be provided to any stakeholder of Tacora or their respective advisors.

~~8. [reserved]~~

8. ~~9.~~ 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, ~~accepts~~ 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 ~~the~~ approval ~~of~~ 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 ~~Potential Bidders~~ interested parties that have executed an NDA in connection with this Solicitation Process shall be promptly informed of any such motion. Court approval ~~of a~~ 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. ~~10.~~ 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	~~Within~~ 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 **[●]**, 2023 to December 1, 2023
3. Phase 1 Bid Deadline Deadline for Phase 1 Bidders to submit non-binding LOIs in accordance with the ~~requirement~~ requirements of section ~~20~~ 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 ~~requirement~~ requirements of section ~~29~~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. ~~11.~~ 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 ~~will~~ 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 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. ~~12.~~The Financial Advisor will cause the Teaser Letter ~~and NDA~~ 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 ~~and NDA~~ 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. ~~13.~~In order to participate in the Solicitation Process, and prior to the distribution of any confidential information, a ~~potential bidder~~ 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).~~Each Phase 1 Bidder shall be prohibited from communicating with any other Phase 1 Bidder and their respective affiliates and their legal and financial advisors regarding the Opportunity during the term of the Solicitation Process, without the consent of Tacora and the Monitor, in consultation with the Financial Advisor. For the avoidance of doubt, a party who has executed an NDA or a joinder with a Phase 1 Bidder for the purpose of providing financing to a Phase 1 Bidder in connection with the Transaction Opportunity, including financing through an offtake or similar agreement in respect of the Offtake Opportunity (such party a "**Financing Party**") will not be deemed a Phase 1 Bidder for purposes of the Solicitation Process, provided that such Financing Party undertakes to inform the Financial Advisor and the Monitor in the event that it may submit a Bid. The Financial Advisor and the Monitor, in their sole discretion, may introduce Financing Parties, including parties interested in the Offtake Opportunity, to Phase 1 Bidders if determined beneficial to the Solicitation Process. Phase 1 Bidders 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 and any transaction they enter into with Tacora.~~

~~14. With the prior consent of the Monitor and Financial Advisor, which consent may include such terms and conditions as the Monitor deems appropriate, Phase 1 Bidders may also communicate with Tacora's secured creditors in respect of the Solicitation Process.~~

13. ~~15.~~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. ~~16.~~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 13~~ 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. ~~17.~~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. ~~18.~~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 (a "**Equity Financing Party**") or financing through an offtake or similar agreement (including a stream or royalty agreement) in respect of the Offtake Opportunity (a "**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. ~~19.~~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 ~~20~~ 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. ~~20.A~~ 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) 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);~~

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

(x) ~~(xi)~~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 ~~the~~ these Solicitation ~~Process~~ 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 ~~has and deemed relevant by such 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. ~~21.~~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. ~~22.~~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. ~~23.~~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 e 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. ~~24.~~The Financial Advisor shall notify each Phase 1 Bidder in writing as to whether the Phase 1 Bidder has been determined to be ~~a "**Phase 2 Bidder**" and therefore shall be~~ permitted to proceed to Phase 2 (each a "**Phase 2 Bidder**") by no later than December 4, 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. ~~25.~~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. ~~26.~~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. ~~27.~~Phase 2 Bidders shall ~~be advised that~~ have the opportunity (if requested by such party) to meet with management of Tacora ~~are available to meet with them in respect of the formulation of their Bid~~. 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. ~~With the prior consent of the Monitor and the Financial Advisor, which consent may include such terms and conditions as the Monitor deems appropriate, Phase 2 Bidders may also communicate with Tacora's secured creditors in respect of the Solicitation Process.~~ 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~~ these Solicitation ~~Process~~Procedures. The provisions of this section are subject to further order of the Court.

33. ~~28.~~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. ~~29.~~A Phase 2 Bidder that wishes to make a definitive ~~Transaction Proposal~~ 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 ~~20(b~~23(b)~~-~~ and ~~20(d)(ix~~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 ~~39~~ 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 ~~38~~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. ~~30.~~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. ~~31.~~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. ~~32.~~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. ~~33.~~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. ~~34.~~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. ~~35.~~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 ~~Phase 2~~ Bids; or

(c) schedule an auction with all Bidders that submitted Phase 2 Qualified ~~Phase 2~~ 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 ~~Phase 2~~ 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. ~~36.~~Tacora, in consultation with the Financial Advisor and the Monitor, may select the next highest or otherwise best Phase 2 Qualified ~~Phase 2~~ 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. ~~37.~~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. ~~38.~~All Phase 2 Qualified ~~Phase 2~~ 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. ~~39.~~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. ~~40.~~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. ~~41.~~If no Phase 2 Qualified ~~Phase 2~~ Bids are received by the Phase 2 Bid Deadline, the Solicitation Process shall automatically terminate.

Approval Motion

47. ~~42.~~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. ~~43.~~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. ~~44.~~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. ~~45.~~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. ~~46.~~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 ~~this~~ these Solicitation ~~Process~~Procedures, any Sale Proposal or Recapitalization Proposal.

52. ~~47.~~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. ~~48.~~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 ~~Processarising~~ Process arising out of any agreement or arrangement entered into by the parties that submitted the Successful Bid and Back-Up Bid.

54. ~~49.~~The Monitor shall supervise the Solicitation ~~Processas~~ 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~~, and if applicable, the Successful Bid~~;

(d) "**Back-Up Bid**" shall have the meaning attributed to it in Section ~~36~~41;

(e) "**Back-Up Bidder**" shall have the meaning attributed to it in Section ~~36~~41;

(f) "**Bid**" shall have the meaning attributed to it in Section ~~19~~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**" shall have the meaning attributed to it in Section 18;

(m) ~~(l)~~"**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**" shall have the meaning attributed to it in Section 28;

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

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

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

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

(s) ~~(o)~~**"LOI"** shall have the meaning attributed to it in Section ~~19~~22;

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

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

(v) ~~(r)~~"**NDA"** shall have the meaning attributed to it in Section ~~11(d~~10(d);

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

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

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

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

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

(bb) ~~(u)~~"**Phase 1 Bid Deadline**" shall have the meaning attributed to it in Section ~~19~~22;

(cc) ~~(v)~~"**Phase 1 Bidder**" shall have the meaning attributed to it in Section ~~13~~12;

(dd) ~~(w)~~"**Phase 1 Qualified Bid**" shall have the meaning attributed to it in Section ~~19~~22;

(ee) ~~(x)~~"**Phase 2 Bid**" shall have the meaning attributed to it in Section ~~29~~34;

(ff) ~~(y)~~"**Phase 2 Bid Deadline**" shall have the meaning attributed to it in Section ~~29~~34;

(gg) ~~(zz)~~"**Phase 2 Bidder**" shall have the meaning attributed to it in Section ~~24~~29;

(hh) ~~(aa)~~"**Phase 2 Qualified Bid**" shall have the meaning attributed to it in Section ~~29~~34;

(ii) ~~(bb)~~"**Potential Bidder"** shall have the meaning attributed to it in Section ~~11(a~~10(a);

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

(kk) ~~(dd)~~"**Recapitalization Proposal**" shall have the meaning attributed to it in Section ~~20(c)(i~~23(c)(i);

(ll) ~~(ee)~~"**Sale Proposal**" shall have the meaning attributed to it in Section ~~20(c)(i~~23(c)(i);

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

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

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

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

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

(rr) ~~(kk)~~"**Successful Bid**" shall have the meaning attributed to it in Section ~~35~~40; and

(ss) ~~(ll)~~"**Successful Bidder**" shall have the meaning attributed to it in Section ~~35~~40.

(tt) ~~(mm)~~"**Teaser Letter**" shall have the meaning attributed to it in Section ~~11(d~~10(d);

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

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)

Court File No.

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDINGS COMMENCED AT TORONTO

ORDER
(Solicitation Order)

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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.

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ONTARIO
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PROCEEDING COMMENCED AT TORONTO

SUPPLEMENTARY APPLICATION RECORD

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