

**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)

AIDE MEMOIRE OF TACORA RESOURCES INC.

May 21, 2024

STIKEMAN ELLIOTT LLP
Barristers & Solicitors
5300 Commerce Court West
199 Bay Street
Toronto, Canada 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 for the Applicant

TO: SERVICE LIST

Overview

1. As stated by this Court in the Endorsement of Justice Kimmel dated April 26, 2024, time is of the essence and the Company should develop a proposal promptly so that all avenues for a restructuring can be explored.
2. Since the Subscription Agreement between Tacora Resources Inc. (“**Tacora**” or the “**Company**”) and the Investors was terminated on April 11, 2024, the Company, the Ad Hoc Group of Noteholders (the “**AHG**”), and Cargill have engaged in discussions and negotiations around a potential consensual restructuring of Tacora. While the Company is hopeful that a consensual restructuring can be achieved, Tacora cannot afford to wait for an agreement to be reached. Tacora needs to proceed in parallel to identify one or more investors and/or purchasers should negotiations fail.
3. Tacora has prepared a second sales process (the “**Auction Process**”) which contemplates a July 12 bid deadline. If more than one qualified bid is received, Tacora will run an auction. Copies of the draft auction procedures were provided to the AHG and Cargill on May 16 for their input. The Company, with the assistance of Greenhill, has commenced informing potential bidders of the Auction Process and will provide draft auction procedures later this week. The Company is seeking to schedule a motion to approve and ratify the Auction Process on June 7 or earlier.
4. On May 16, Tacora issued a notice of disclaimer to Cargill with respect to the Offtake Agreement and the Stockpile Agreement (the “**Disclaimer**”) together with Tacora’s written reasons for the Disclaimer, as contemplated by subsection 32(8) of the CCAA. Tacora understands that Cargill intends to dispute the Disclaimer. Tacora is seeking to schedule Cargill’s motion (the “**Disclaimer Motion**”) seeking an order that the Offtake Agreement and the Stockpile Agreement not be disclaimed as soon as possible.
5. Tacora is also seeking to schedule the preliminary threshold motion, initially filed by Cargill (the “**Preliminary Threshold Motion**”), as soon as possible. The Company needs to obtain the Court’s ruling on whether the Offtake Agreement and the Senior Secured Notes and related security agreements can be transferred and ‘vested’ into a ‘Residual Co.’ pursuant to a reverse vesting order (an “**RVO**”) without the consent of the counterparties.

6. The Company is requesting that both the Disclaimer Motion and the Preliminary Threshold Motion be scheduled in advance of the contemplated July 12 bid deadline, which will provide certainty to the Company and the bidders on the form of transaction to be submitted, being either (a) a subscription agreement for the shares of Tacora to be implemented pursuant to a reverse vesting order (“**RVO**”), or (b) an asset purchase agreement (an “**APA**”) for all or substantially all of Tacora’s assets. Bidders will only be permitted to submit one type of transaction pursuant to the Auction Process – either an RVO or an APA – based upon the outcome of the Disclaimer Motion and the Preliminary Threshold Motion.

7. An RVO structure will allow a much quicker closing compared to an APA (which will require the transfer or issuance of multiple permits and licences) and preserves Tacora’s significant tax attributes, thereby maximizing the value of any transaction. Based on the solicitation processes run by the Company to date, Tacora believes that all bidders will prefer an RVO structure. In addition, Tacora cannot afford to endure another round of protracted litigation following identification of a successful bid. If the Company cannot obtain a clear ruling on the Disclaimer Motion and Preliminary Threshold Motion regarding the availability of an RVO, the Company will forego the value associated with an RVO and direct all bidders to bid for the assets of Tacora pursuant to an APA.

8. Time remains of the essence to complete a going-concern transaction. On May 14, 2024, Mr. Joe Broking, Tacora’s Chief Executive Officer, gave the Company 30 days’ notice of his resignation. The Company does not intend to search for and install a new CEO at this time. Tacora’s Board of Directors has determined that Mr. Heng Vuong, Tacora’s Chief Financial Officer, will replace Mr. Broking on the Company’s Board of Directors.

Tacora’s Efforts to Advance a Consensual Resolution

9. The Company believes that a consensual restructuring involving Cargill and the AHG represents the best and most expeditious path for the Company to restructure and emerge from these CCAA proceedings. Following termination of the Subscription Agreement between Tacora and the Investors, Tacora has made significant efforts, with the assistance of its advisors and the Monitor, to advance negotiations between Cargill and the AHG and attempt to achieve a consensual, going-concern outcome.

10. Among other things, Tacora's Board of Directors separately met with Cargill and the Ad Hoc Group, the parties exchanged and negotiated term sheets in respect of a recapitalization transaction, potential third-party equity investors conducted site-visits at the Scully Mine, and the Company and its advisors participated in several meetings (both in-person and virtually) with its two major stakeholder groups.

11. The Company intends to continue these efforts.

12. It is expected that third-party equity investors will be required to participate in a consensual transaction and, accordingly, bidders will be interested in participating in the Auction Process even while ongoing discussions regarding a consensual resolution continue.

Auction Process

13. Given the circumstances, the Company cannot afford to pursue a consensual restructuring without also advancing a sales process in parallel. Therefore, the Company has drafted the Auction Process, a copy of which is attached, and circulated it to Cargill and the AHG on May 16 for their review.

14. Given the pre-filing strategic process and the previous solicitation process run during the CCAA proceedings, the Auction Process contemplates a single-phase bid process with a potential auction (should more than one qualified bid be received by the bid deadline). Based on the results of prior processes and discussion with bidders, the Company expects all bidders will provide more value in connection with the purchase of the shares of Tacora pursuant to an RVO rather than the assets of Tacora pursuant to an APA.

15. In order to receive comparable bids and conduct an auction, it is necessary that the Company direct potential bidders as to the form of bid that will be accepted – a share deal to be implemented through an RVO structure or an asset deal to be implemented through an APA.

16. Therefore, the Company is seeking a determination of the Disclaimer Motion and the Preliminary Threshold Motion as soon as possible and certainly well in advance of the July 12 bid deadline. The Company will require time between a decision of the Court and the bid deadline to inform bidders of the Court's decision, prepare and distribute a form of template transaction document, and allow bidders to markup the template form of transaction

document. The Preliminary Threshold Motion has previously been fully briefed and is ready to be heard. There is no need for additional evidence to be filed or further cross-examinations of witnesses. The issues on the Disclaimer Motion have also been significantly briefed. Both Tacora and Cargill filed expert evidence on whether the Offtake Agreement constitutes an “eligible financial contract” or a “financing agreement where the debtor company is a borrower” and both parties delivered factums addressing these issues. There is also already a significant amount of evidence filed on whether termination of the Offtake Agreement would “enhance the prospects of a viable compromise or arrangement.” Tacora expects that there will be limited additional evidence required for the Court to properly adjudicate the Disclaimer Motion.

17. If the Court determines that the Offtake Agreement and the Senior Secured Notes and related security agreements can be transferred to and ‘vested’ in Residual Co., bidders will be directed to submit a bid for the shares of Tacora. If the Court determines that the Offtake Agreement or the Senior Secured Notes and related security agreements cannot be transferred and ‘vested’ in Residual Co., bidders will be directed to submit a bid for the assets of Tacora.

18. The July 12 bid deadline and other proposed milestones in the Auction Process are based on the need for the Company to emerge from these CCAA proceedings as a going concern as soon as possible and the remaining availability under the Company’s DIP financing. The Company cannot afford to engage in protracted litigation following the conclusion of the Auction Process while it seeks approval of the successful bid. As set out in the Broking Affidavits previously filed with the Court, Tacora and its stakeholders have suffered, and will continue to suffer significant damage unless Tacora can emerge from these CCAA proceedings as a going concern in an expedited manner.

19. Tacora has added \$100 million of secured debt through DIP financing on top of its already overleveraged capital structure at the time it commenced these CCAA proceedings and expects to draw on the remaining maximum amount of \$25 million of additional DIP financing available to it in the near term. Further, Tacora requires significant capital investments to be made in order for it to ramp up production to levels where it can become a sustainable and stable operation with positive cash flow from operations. These investments will not be made during the CCAA proceedings and until these capital investments are made, Tacora will continue to operate at a loss, as evidenced by the \$100 million of DIP

financing drawn since October 2023 to fund operations. These capital investments need to be made as soon as possible.

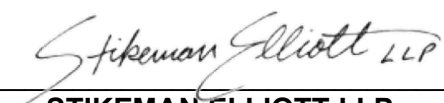
Draft Timeline

20. Tacora requests that the motion seeking approval of the Auction Process, a stay extension motion, the Disclaimer Motion and the Preliminary Threshold Motion be scheduled in accordance with the following dates or earlier, subject to Court availability:

Date	Step
May 16, 2024	Disclaimer delivered to Cargill
May 31, 2024	Delivery of Cargill's Motion Record opposing the Disclaimer
June 7, 2024	Motion to approve the Auction Process and extend the Stay Period
To be determined	Disclaimer Motion and Preliminary Threshold Motion
June 28, 2024	Decision on Disclaimer Motion and Preliminary Threshold Motion
July 1, 2024	Tacora informs bidders regarding form of transaction
July 12, 2024	Bid Deadline
July 25 – 31, 2024	Motion to approve the Successful Bid

21. Tacora remains hopeful that it will be able to agree to a litigation schedule with Cargill and the AHG within these deadlines but will return to this Court on a case conference if a schedule cannot be agreed by the parties.

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 21st day of May, 2024.


STIKEMAN ELLIOTT LLP
Counsel for Tacora Resources Inc.

Schedule "A"

Procedures for the Auction Process

On October 10, 2023, Tacora Resources Inc. ("**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 June 7, 2024, the Court granted an order (the "**Auction Order**") authorizing Tacora to undertake an auction process (the "**Auction Process**") to solicit offers or proposals for a sale transaction in respect of Tacora's assets (the "**Property**") and business operations (the "**Business**") to be conducted by the Financial Advisor, and supervised by the Monitor, in the manner set forth in these procedures (the "**Auction Procedures**").

On June 21, 2024, the Court will hear a motion (the "**Preliminary Motion**") by Tacora to determine whether or not the Offtake Agreement and/or the Note Indentures can be transferred and 'vested' into Residual Co. pursuant to a reverse vesting order (an "**RVO**") without the consent of the counterparties to such contracts. Based upon the decision of the Court, Tacora will determine whether all Bidders will be required to submit their Bid in the form of a subscription agreement ("**Subscription Agreement**") for all the shares of Tacora (the "**Shares**") to be implemented pursuant to an RVO or in the form of an asset purchase agreement ("**APA**") for all or substantially all of the Property and the Business.

Defined Terms

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

Auction Procedures

Opportunity

2. The Auction Process is intended to identify the highest and/or best offer for the sale of (a) all the Shares of Tacora pursuant to an RVO, or (b) all or substantially all the Property and the Business pursuant to an APA (the "**Opportunity**"). Tacora reserves the right to terminate the Auction Process at any time.

General

3. Except as set forth in these Auction Procedures, nothing in this Auction Process shall prohibit a secured creditor of Tacora (a) from participating as a Bidder in the Auction Process, or (b) committing to Bid its secured debt, including by way of a credit bid of some or all of its outstanding indebtedness under any loan facility (inclusive of

interest and other amounts payable under such loan agreement to and including the date of closing of a definitive transaction) owing to such party (“**Credit Bid**”).

4. 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 Auction Process, provided that, no information regarding any Bids received shall be provided to any stakeholders of Tacora or their respective advisors other than in connection with a motion to approve the Successful Bid or Back-Up Bid, if applicable.

Timeline

5. The following table sets out the key milestones under the Auction 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 Auction Process.

Event	Timing
<p>1. Access to VDR and Template Subscription Agreement or Template APA, as applicable</p> <p>Bidders provided access to the VDR, subject to execution of an appropriate NDA and provided with a copy of the Template Subscription Agreement or Template APA, as applicable.</p>	<p>Access to the VDR has been and will be provided to parties on a rolling basis following request for access and execution of an appropriate NDA and will continue until [●]. Parties will be provided with a Template Subscription Agreement or Template APA no more than 10 days prior to the Bid Deadline.</p>
<p>2. Bid Deadline</p> <p>Deadline for Bidders to submit binding definitive offers in accordance with the requirements of Section 10.</p>	<p>July 12, 2024</p>
<p>3. Auction</p>	<p>July 17, 2024</p>
<p>4. Approval Motion</p> <p>Hearing of Approval Motion in respect of Successful Bid (subject to Court availability).</p>	<p>If there is only one Qualified Bid, 14 days following selection of the Successful Bidder.</p> <p>If an Auction is held, July 31, 2024.</p>
<p>5. Outside Date – Closing</p> <p>Outside Date by which the Successful Bid must close.</p>	<p>[●], 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).</p>

Solicitation of Interest

6. The following steps have been taken by Tacora, the Financial Advisor or the Monitor, as applicable:
 - a) a notice of the Auction Process and any other relevant information that the Monitor, in consultation with Tacora and the Financial Advisor, considered appropriate regarding the Auction Process was posted by the Monitor on the Monitor's Website; and
 - b) the Financial Advisor, in consultation with Tacora and the Monitor, (i) contacted financial and strategic parties that the Financial Advisor, believed may be able to submit or participate in a Qualified Bid in connection with the Auction Process (each a "**Potential Bidder**"); and (ii) provided each Potential Bidder with a form of non-disclosure agreement satisfactory to the Financial Advisor, Tacora, the Monitor, and their respective counsel (an "**NDA**").
7. Tacora, in consultation with the Financial Advisor and the Monitor, will prepare the form of a template Subscription Agreement (the "**Template Subscription Agreement**") or APA (the "**Template APA**") to be used by Bidders in submitting a Bid. The Template Subscription Agreement or Template APA, as applicable, will be provided to Bidders no more than 10 days prior to the Bid Deadline.

Communication Protocol

8. Each Potential Bidder and Bidder is prohibited from communicating with any other Potential Bidder or Bidder and their respective affiliates and their legal and financial advisors regarding the Opportunity during the term of the Auction Process, without the consent of the Financial Advisor and the Monitor, except as provided in these Auction Procedures. Notwithstanding the terms of any NDA entered into by a Bidder, all Bidders shall comply with these Auction Procedures.
9. Notwithstanding the terms of any NDA entered into by a Bidder, the Financial Advisor may introduce any Bidder who expresses an interest in submitting a consortium or joint Bid, to one or more other Bidders. Any Bidder who is interested in submitting a consortium or joint Bid must confirm to the Financial Advisor that it will act exclusively with another Bidder or consortium of Bidders submitting a single Bid.

Bids

10. A Bidder that wishes to make a definitive transaction proposal (a "**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 July 12, 2024, or such later date as determined by Tacora, in consultation with the Financial Advisor and with the consent of the Monitor (the "**Bid Deadline**"). Such Bid shall be a "**Qualified Bid**" if it meets all of the following criteria:
 - a) it has been duly executed by all required parties;
 - b) it is received by the Bid Deadline;

- c) it is binding and includes a letter confirming that the Bid is irrevocable until the selection of the Successful Bidder and the Back-Up Bidder, if any, provided that if such Bidder is selected as the Successful Bidder or the Back-Up Bidder, its offer shall remain irrevocable until the earlier of (i) completion of the transaction, and (ii) [●], 2024, subject to such further extensions as may be agreed to under the applicable APA, with the consent of the Monitor;
- d) it is in the form of a duly authorized and executed Subscription Agreement or APA, as applicable, including all exhibits and schedules contemplated thereby (other than exhibits and schedules that by their nature must be prepared by Tacora), together with a redline to the Template Subscription Agreement or Template APA, as applicable;
- e) the Bid includes:
 - i. the purchase price 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, including to the extent applicable, appropriate documentation supporting a Credit Bid;
 - iii. any contemplated purchase price adjustment;
 - iv. 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;
 - v. a description of the Shares or Property, as applicable, 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 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;
 - vii. it identifies whether the Bidder intends to assume or exclude the Offtake Agreement (with or without amendment) and if the Bidder intends to exclude the Offtake Agreement, the alternative offtake terms required to complete the transaction contemplated by the Bid;
 - viii. information sufficient for Tacora, in consultation with the Financial Advisor and the Monitor, to determine that the Bidder has sufficient financial ability to complete the transaction contemplated by the Bid;
 - ix. a description of the Bidder's intentions for the Business, including any plans or conditions related to Tacora's management and employees; and
 - x. any other terms or conditions of the Bid that the Bidder believes are material to the transaction;

- f) it is not subject to the outcome of unperformed due diligence, internal approval(s) or contingency financing;
- g) it contains no conditions other than as contemplated by the Template Subscription Agreement or Template APA, as applicable;
- h) it fully discloses the identity of each entity that will be entering into the transaction, or that is sponsoring, participating in or benefiting from such Bid, and such disclosure shall include, without limitation: (i) in the case of a Bidder formed for the purpose of entering into the proposed transaction, the identity of each of the actual or proposed direct or indirect equity holders of such 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 Bidder or any of its equity holders and the terms of such benefit;
- i) it is accompanied by a non-refundable good faith cash deposit (the "**Deposit**") equal to 10% of the total cash component of the purchase price contemplated under the Bid which shall be paid to the Monitor and held in trust pursuant to Section 27 hereof until the earlier of (i) closing of the Successful Bid or Back-Up Bid, as applicable; and (ii) rejection of the Bid pursuant to Section 25;
- j) it includes acknowledgements and representations of the 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;
- k) it includes an acknowledgement that the Bid is made on an "as-is, where-is" basis; and
- l) it contains such other information as may be reasonably requested by Tacora, in consultation with the Financial Advisor and the Monitor.

Assessment of Bids

11. Bids may not be modified, amended, or withdrawn after the 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 Bid for Tacora, its creditors and other stakeholders.
12. Tacora, in consultation with the Financial Advisor and with the consent of the Monitor, shall reject any Bid if it is determined that such Bid does not constitute a Qualified Bid, provided that, 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 Qualified Bid. No Bidder shall have any expectation that Tacora will waive strict compliance with any one or more of the requirements.

13. If Tacora receives two (2) or more Qualified Bids, Tacora will identify, in consultation with the Financial Advisor and the Monitor, the highest and/or best of the Qualified Bids received and such Qualified Bid will constitute the opening bid for the purposes of the Auction (the "**Opening Bid**"). If Tacora receives only one (1) Qualified Bid, such Qualified Bid shall be declared the Successful Bid and an Approval Motion shall be brought forthwith.

Auction

14. If Tacora receives two (2) or more Qualified Bids, Tacora shall conduct an Auction commencing at 9:00 a.m. (Eastern time) on July 17, 2024, at the offices of Stikeman Elliott LLP located at 5300 Commerce Court West, 199 Bay Street, Toronto, Ontario M5L 1B9.
15. Except as otherwise permitted in Tacora's discretion, in consultation with the Financial Advisor and the Monitor, only Tacora, the Monitor, the Auction Bidders and, in each case, their respective advisors, counsel and other representatives, will be entitled to attend the Auction. Only Bidders who submitted a Qualified Bid are eligible to participate in the Auction. Each Auction Bidder shall identify to the Financial Advisor and the Monitor at least 24 hours in advance of the Auction who will attend the Auction on their behalf. The identity of each Bidder participating in the Auction (each Bidder participating in the Auction being an "**Auction Bidder**") will be disclosed to all other Auction Bidders. Each Auction Bidder shall keep the identities of each other Auction Bidder confidential.
16. Except as otherwise set forth herein, Tacora, in consultation with the Financial Advisor and the Monitor, may waive and/or employ and announce at the Auction additional rules that it considers reasonable under the circumstances for conducting the Auction, provided that such rules are: (a) disclosed to each Auction Bidder; and (b) designed, in Tacora's business judgement, to result in the highest and/or best offer.
17. Tacora will arrange for the actual bidding at the Auction to be transcribed or recorded. Each Auction Bidder participating in the Auction will designate a single individual to be its spokesperson during the Auction. The Auction shall be conducted on an open basis, such that all material terms of each Auction Bid at the Auction will be fully disclosed to all other Auction Bidders throughout the entire Auction.
18. Each Auction Bidder participating in the Auction must confirm on the record, at the commencement of the Auction and again at the conclusion of the Auction, that it has not engaged in any collusion with Tacora, another Bidder or any other person, without the consent of the Financial Advisor and the Monitor, regarding the Auction Process. Further, each Auction Bidder shall disclose all co-bidding or team bidding arrangements, whether formal or informal, among the Auction Bidder and any third party or financing source. The identity of any and all co-bidders or team bidders involved in submitting any Auction Bid shall be disclosed on the record at the Auction.

19. Bidding at the Auction will continue in minimum increments in excess of the Opening Bid determined from time to time by Tacora, in consultation with the Financial Advisor and the Monitor. Each overbid (an **"Auction Bid"**) announced on the record at the Auction shall be deemed to be an irrevocable offer capable of acceptance by Tacora and may not be withdrawn or amended by the Auction Bidder without the consent of Tacora, in consultation with the Financial Advisor and the Monitor.
20. For the purposes of facilitating bidding, Tacora, in consultation with the Financial Advisor and the Monitor, may (but is not required to) ascribe a monetary value to any non-cash considerations of any of the Auction Bids, including by way of example, to different levels of conditionality to closing. If requested by Tacora, in consultation with the Financial Advisor and the Monitor, each Auction Bidder will provide evidence of its financial wherewithal and ability to consummate the transaction at an increased purchase price.
21. The Auction will continue until the bidding has concluded and Tacora, in consultation with the Financial Advisor and the Monitor, determine the Successful Bid. Tacora, in consultation with the Financial Advisor and the Monitor shall determine which Auction Bidder has submitted the highest and/or best Auction Bid of the Auction. At the conclusion of bidding, the Auction will be closed, and the highest and/or best Auction Bid, as determined by Tacora, in consultation with the Financial Advisor and the Monitor, will be the **"Successful Bid"** (and the offeror making such Successful Bid will be the **"Successful Bidder"**) and the next highest and otherwise best Auction Bid will be the **"Back-Up Bid"** (and the offeror making such Back-Up Bid the **"Back-Up Bidder"**), as applicable. Any Auction Bids submitted after the conclusion of the Auction will not be considered.
22. In determining the Successful Bid at the Auction, 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 Auction Bidder); (b) the firm, irrevocable commitment for financing of the transaction; (c) the claims likely to be created by such Auction Bid in relation to other Auction 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 Auction Bid; (i) any restructuring costs that would arise from the Auction 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
23. Upon selection of the Successful Bidder and a Back-Up Bidder, if any, Tacora will require the Successful Bidder and the Back-Up Bidder, if any, to execute, as soon as practicable, an amended Subscription Agreement or APA, as applicable, that reflects its final Bid and any other modifications submitted and agreed to during the Auction.
24. If the 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 Bid. Any Back-Up Bid shall remain open for acceptance until the completion of the transaction with the Successful Bidder.

25. All Qualified Bids (other than the Successful Bid and the Back-Up Bid, if any) 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.
26. The Monitor shall supervise the Auction Process as outlined herein. Any disputes relating to a disagreement regarding or clarification required as to the interpretation or application of these Auction Procedures, the construction and enforcement of an Auction Bidder's Auction Bid and/or executed transaction documents, the responsibilities of the Monitor, the Financial Advisor or Tacora hereunder, shall be determined by the Court and each Auction Bidder shall be deemed to have consented to the jurisdiction of the Court in connection with any such disputes. The Court will have jurisdiction to hear such matters 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

Deposits

27. All Deposits will be retained by the Monitor and deposited in an interest bearing trust account. The Deposit paid by the Successful Bidder and Back-Up Bidder whose Bid(s) is/are approved at the Approval Motion will be dealt with in accordance with the definitive documents for the transaction contemplated by the Successful Bid or the Back-Up Bid, as applicable, and will be non-refundable, other than in the circumstances set out in the Successful Bid or Back-Up Bid, as applicable. The Deposits (and any interest thereon) of Qualified Bidders not selected as the Successful Bidder or Back-Up Bidder will be returned to such Qualified Bidders within five (5) Business Days after the selection of the Successful Bidder or such 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 the Back-Up Bidder no later than five (5) Business Days after closing of the transaction contemplated by the Successful Bid.

Approval Motion

28. The Approval Motion shall be heard on [●]. At the Approval Motion, Tacora shall seek the Approval Order.
29. Prior to the Approval Motion, the Monitor shall provide the Court with a report providing information on the process and including its recommendation in connection with the relief sought at the Approval Motion.

"As Is, Where Is"

30. Any sale of the Shares, Business, and/or Property, as applicable, will be on an "as is, where is" basis and without surviving representations or warranties of any kind, nature, or description by Tacora, the Financial Advisor or the Monitor, or their advisors or agents, except to the extent otherwise provided under any definitive sale agreement with the Successful Bidder or Back-Up Bidder, if any, executed by Tacora. None of Tacora, the Financial Advisor or the Monitor, or their advisors or agents, including the Financial Advisor, make any representation or warranty as to the information contained in any teaser letter, any management presentation or the VDR, except to the extent otherwise provided under any definitive sale agreement

with the Successful Bidder or Back-Up Bidder, if any, executed by Tacora. Each 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 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 agreement executed by Tacora.

No Entitlement to Expense Reimbursement or Other Amounts

31. Bidders shall not be entitled to any breakup fee, termination fee, expense reimbursement, or similar type of payment or reimbursement.

Jurisdiction

32. Upon submitting a Bid, the Bidder shall be deemed to have submitted to the exclusive jurisdiction of the Court with respect to all matters relating to the Auction Process and the terms and conditions of these Auction Procedures and any Bid.
33. None of Tacora, the Financial Advisor or 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 Auction Process arising out of any agreement or arrangement entered into by the parties that submitted the Successful Bid and Back-Up Bid.

APPENDIX “A”

DEFINED TERMS

- (a) “**APA**” shall have the meaning attributed to it in the preamble;
- (b) “**Approval Motion**” means the motion seeking approval by the Court of the Successful Bid;
- (c) “**Approval Order**” means an order of the Court approving, among other things, if applicable, the Successful Bid and the consummation thereof;
- (d) “**Auction Bid**” shall have the meaning attributed to it in Section 19;
- (e) “**Auction Bidder**” shall have the meaning attributed to it in Section 15;
- (f) “**Auction Order**” shall have the meaning attributed to it in the preamble;
- (g) “**Auction Process**” shall have the meaning attributed to it in the preamble;
- (h) “**Auction Procedures**” shall have the meaning attributed to it in the preamble;
- (i) “**Back-Up Bid**” shall have the meaning attributed to it in Section 21;
- (j) “**Back-Up Bidder**” shall have the meaning attributed to it in Section 21;
- (k) “**Bid**” shall have the meaning attributed to it in Section 10;
- (l) “**Bidder**” means a Potential Bidder interested in the Opportunity who has executed an NDA with Tacora;
- (m) “**Bid Deadline**” shall have the meaning attributed to it in Section 10;
- (n) “**Business**” shall have the meaning attributed to it in the preamble;
- (o) “**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;
- (p) “**CCA**” shall have the meaning attributed to it in the preamble;
- (q) “**CCA Proceedings**” shall have the meaning attributed to it in the preamble;
- (r) “**Court**” shall have the meaning attributed to it in the preamble;
- (s) “**Credit Bid**” shall have the meaning attributed to it in Section 3;
- (t) “**Deposit**” shall have the meaning attributed to it in Section 10.i);
- (u) “**Financial Advisor**” shall have the meaning attributed to it in the preamble;
- (v) “**Initial Order**” shall have the meaning attributed to it in the preamble;

- (w) **“Monitor”** shall have the meaning attributed to it in the preamble;
- (x) **“Monitor’s Website”** means <http://cfcanada.fticonsulting.com/Tacora>;
- (y) **“NDA”** shall have the meaning attributed to it in Section 6.b);
- (z) **“Note Indentures”** means collectively, (a) the indenture dated as of May 11, 2021, and second supplemental indenture dated February 16, 2022, among Tacora and Computershare Trust Company, N.A., as successor to the initial trustee and collateral agent, pursuant to which Tacora issued \$225,000,000 of senior notes bearing interest at a rate of 8.25%; (b) the 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, pursuant to which 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; (c) the third supplemental indenture dated June 23, 2023; and (d) the fourth supplemental indenture dated September 8, 2023.
- (aa) **“Offtake Agreement”** means the Restatement of the Iron Ore Sale and Purchase Agreement dated November 11, 2018, as amended;
- (bb) **“Opening Bid”** shall have the meaning attributed to it in Section 13;
- (cc) **“Opportunity”** shall have the meaning attributed to it in Section 2;
- (dd) **“Potential Bidder”** shall have the meaning attributed to it in Section 6.b);
- (ee) **“Preliminary Motion”** shall have the meaning attributed to it in the preamble;
- (ff) **“Property”** shall have the meaning attributed to it in the preamble;
- (gg) **“Qualified Bid”** shall have the meaning attributed to it in Section 10;
- (hh) **“Residual Co.”** means a corporation to be incorporated by Tacora in advance of closing the transaction contemplated by the Successful Bid, to which any excluded Property or liabilities will be transferred to, which shall have no issued and outstanding shares;
- (ii) **“RVO”** shall have the meaning attributed to it in the preamble;
- (jj) **“Shares”** shall have the meaning attributed to it in the preamble;
- (kk) **“Subscription Agreement”** shall have the meaning attributed to it in the preamble;
- (ll) **“Successful Bid”** shall have the meaning attributed to it in Section 21;
- (mm) **“Successful Bidder”** shall have the meaning attributed to it in Section 21;
- (nn) **“Template APA”** shall have the meaning attributed to it in Section 7;
- (oo) **“Template Subscription Agreement”** shall have the meaning attributed to it in Section 7; and

(pp) **“VDR”** means a confidential virtual data room in relation to the Opportunity that will be made available by Tacora to Bidders that have executed an NDA.

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

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

Applicant

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

Proceeding commenced at Toronto

**AIDE MEMOIRE OF TACORA RESOURCES
INC.**

STIKEMAN ELLIOTT LLP

Barristers & Solicitors
5300 Commerce Court West
199 Bay Street
Toronto, Canada 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

Lawyers for the Applicant