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VANCOUVER
SUPREME COURT SCHEDULING

No. S-226670
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

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

AND

**IN THE MATTER OF THE *BUSINESS CORPORATIONS ACT*,
S.B.C. 2002, c. 57, AS AMENDED AND THE *BUSINESS CORPORATIONS ACT*, S.N.B.
1981, c. B-9.1, AS AMENDED**

AND

**IN THE MATTER OF A PLAN OF COMPROMISE AND ARRANGEMENT OF
TREVALI MINING CORPORATION AND TREVALI MINING (NEW BRUNSWICK)
LTD.**

PETITIONERS

TWENTY-THIRD REPORT OF THE MONITOR

DECEMBER 12, 2025

TWENTY-THIRD REPORT OF THE MONITOR

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INTRODUCTION

1. On August 19, 2022, Trevali Mining Corporation (“**Trevali Corp.**”) and Trevali Mining (New Brunswick) Ltd. (“**Trevali NB**” and collectively, “**Trevali**”) commenced proceedings (the “**CCAA Proceedings**”) under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”) pursuant to an order granted by this Honourable Court, which was subsequently amended and restated on August 29, 2022 (the “**ARIO**”).
2. The ARIO appointed FTI Consulting Canada Inc. (“**FTI**”) as monitor in the CCAA Proceedings (in such capacity, the “**Monitor**”) and established a stay of proceedings (the “**Stay of Proceedings**”) in favour of Trevali until October 6, 2022. The Stay of Proceedings has since been extended until and including March 31, 2026 in respect of Trevali Corp.
3. On June 28, 2023, this Honourable Court granted an order expanding the powers of the Monitor with respect to Trevali Corp. and its property.
4. On December 12, 2025, the Monitor filed a Notice of Application returnable December 16, 2025, for an order (the “**Settlement Approval Order**”), among other things, approving the Settlement Agreement dated December 10, 2025 (the “**Settlement Agreement**”) among Trevali Corp., Cerro de Pasco Resources Inc. (“**CDPR**”), and the Monitor.

PURPOSE

5. This Twenty-Third Report of the Monitor is a special purpose report to provide this Honourable Court and Trevali’s stakeholders with information with respect to the Monitor’s application for the Settlement Approval Order.

CDPR SETTLEMENT AGREEMENT

6. On or about November 5, 2021, CDPR entered into an agreement (the “**Trevali Peru Agreement**”) to acquire all of the shares of Trevali Peru S.A.C. (“**Trevali Peru**”), a wholly-owned subsidiary of Trevali Corp., from Trevali Corp.
7. The consideration payable by CDPR in respect of its purchase of Trevali Peru included the following:
 - a. 10 million shares in CDPR (the “**CDPR Shares**”);
 - b. the sum of CAD 1 million (the “**Base Cash Amount**”), and either:
 - i. plus the amount of excess working capital on the closing date; or
 - ii. less the amount of shortfall working capital on the closing date (collectively with the Base Cash Amount, the “**Cash Amount**”); and
 - c. a contingent amount of CAD 2.5 million, payable in accordance with the Trevali Peru Agreement (the “**Contingent Cash Amount**” and together with the Consideration Shares and Cash Amount, the “**Purchase Price**”).
8. As of December 2, 2024, the CDPR Shares were no longer subject to any trading restrictions pursuant to the Trevali Peru Agreement and related closing documents.
9. In February 2025, the Monitor commenced a trading program to liquidate the CDPR Shares.
10. On March 31, 2025, this Honourable Court granted an order approving the sale of any CDPR Shares as of that date and authorizing and empowering the Monitor to sell any remaining CDPR Shares.

11. On April 11, 2025, the Monitor complete the liquidation of the CDPR Shares. The net proceeds from the sale of the CDPR Shares was approximately CAD 2.5 million.
12. In addition to liquidating the CDPR Shares, the Monitor commenced arbitration proceedings in accordance with the Trevali Peru Agreement to recover the remaining balance of the Cash Amount and the Contingent Cash Amount owing.
13. The dispute resolution provisions of the Trevali Peru Agreement required arbitration before a single arbitrator in accordance with the Vancouver International Arbitration Centre rules. CDPR responded in the arbitration proceedings and also brought a counterclaim seeking to set-off the amounts owing to Trevali Corp. under the Trevali Peru Agreement by way of counterclaim in the arbitration proceeding.
14. The parties' respective claims are summarized as follows:
 - a. The Monitor, on behalf of Trevali Corp., advanced a claim against CDPR for unpaid amounts owing under the Trevali Peru Agreement, including the balance of the Cash Amount and the Contingent Cash Amount (the "**Claim**"). The Monitor estimates the value of the Claim at CAD 5,924,633.55.
 - b. CDPR advanced a counterclaim alleging:
 - i. that in breach of certain representations and warranties under the Trevali Peru Agreement, Trevali Corp. failed to disclose facts related to:
 1. a January 2021 incident regarding failure of ground supports at the mine owned by Trevali Peru (the "**Mine**"), resulting in a fatality of a contract worker at the Mine;
 2. a December 2019 incident whereby a truck carrying zinc concentrate rolled over, spilling zinc concentrate on a road at the Mine;

3. regulatory investigations by Peruvian environmental regulator, Organismo de Evaluacion y Fiscalizacion Ambiental (“OEFA”), spanning from 2016-2018, resulting in a conclusion that the Mine was not in compliance with the applicable Mining and Environmental Regulations and ordering remedial work be conducted;
4. a 2021 investigation by Peruvian mining regulator, Organismo supervisor de la inversion en energia y mineria, which concluded that portions of the Mine’s infrastructure were not compliant with designs approved by the regulator;
5. a further 2019 investigation by OEFA, resulting in a conclusion that that the Mine was not in compliance with various applicable environmental laws;
6. improper tax returns filed by Trevali Peru for the years 2018 and 2019 resulting in fines being issued to CDPR;

and that Trevali Peru was subject to various administrative and other legal proceedings in connection with the facts giving rise to these breaches, resulting in adverse costs awards and other damages flowing to CDPR;

- ii. that the unpaid amounts under the Trevali Peru Agreement are not owing as a result of Trevali Corp.’s alleged breaches; and
- iii. as a further consequence of Trevali Corp.’s alleged breaches of certain representations and warranties under the Trevali Peru Agreement, CDPR was entitled to set off all amounts incurred in connection with the alleged breaches and related administrative or legal proceedings from any amount owing to Trevali Corp. in connection with the Claim.

15. Although CDPR claimed that it had suffered damages in excess of the amount claimed by Trevali Corp., CDPR agreed that its counterclaim was for set off only and limited to the amount claimed by Trevali Corp. CDPR did not advance a claim for any amounts in excess of Trevali Corp.'s claim.
16. The Monitor, on behalf of Trevali Corp., and CDPR, took initial steps in the arbitration, including both parties advancing security for costs applications and exchanging initial document requests. Further, the Monitor, on behalf of CDPR, prepared and delivered a memorial setting out its position with respect to the Claim.
17. On July 23, 2025, the security for costs applications were decided by the arbitrator in CDPR's favour, resulting in an order requiring the Monitor, on behalf of Trevali Corp., to post funds in the amount of CAD 700,000 in trust with Dentons Canada LLP, as security for any costs award against Trevali Corp. These funds remain in trust with Dentons Canada LLP.
18. Prior to the delivery of CDPR's counter-memorial, which was due on December 18, 2025, the parties reached an agreement to settle all claims between them for an all-inclusive payment of CAD 2,000,000 (the "**Settlement Amount**") from CDPR to Trevali Corp. On December 10, 2025, the Monitor, on behalf of Trevali Corp., and CDPR executed the Settlement Agreement.
19. A copy of the Settlement Agreement is attached as Appendix "A".
20. The terms of the Settlement Agreement included, among other terms:
 - a. no further steps will be taken in the arbitration proceeding;
 - b. the security for costs in the amount of CAD 700,000 will be remitted to the Monitor;
 - c. CDPR will pay the Monitor the Settlement Amount;

- d. mutual releases among the parties in the ordinary form; and
- e. each party will bear their own costs.

21. The Settlement Agreement is subject only to approval by this Honourable Court.

22. The Monitor considered the following in respect of the Settlement Amount:

- a. the costs anticipated for the Monitor to advance the Claim and defend CDPR's counterclaim through the arbitration would be significant;
- b. the risk that if Monitor did not succeed in full in advancing the Claim and defending CDPR's counterclaim in full, the Monitor would not be indemnified in full for Trevali Corp.'s costs and could be required to indemnify CDPR in full or in part for its costs in the arbitration;
- c. while the Monitor viewed the Claim as strong, preliminary documents produced by CDPR provided a reasonable basis to accept that CDPR could succeed in proving damages for some portions of its counterclaim. Any damages proved by CDPR would have resulted in a set-off against any amount awarded to Trevali Corp.; and
- d. given the arguments raised and preliminary documents produced, progressing the arbitration proceeding to a final determination would be lengthy.

23. In light of the above, the Monitor determined the Settlement Agreement would avoid a complex and costly arbitration proceeding and contribute to advancing the CCAA Proceedings on a timely and efficient basis.

24. Both the Monitor, on behalf of Trevali Corp., and CDPR, through their respective counsel, have made substantial efforts to resolve the claims. The Settlement Agreement is the result of significant good faith arms-length efforts of the parties.

25. Given the circumstances, the Monitor is of the view that the Settlement Agreement:

- a. is fair and reasonable as it appropriately balances the interests of all parties;
- b. will provide substantial benefits to stakeholders as the Settlement Amount will increase recoveries for creditors; and
- c. is consistent with the remedial purposes and objectives the CCAA.

26. Upon approval of the Settlement Agreement by this Honourable Court, the parties have mutually agreed to request that the arbitrator execute an order (i) terminating the arbitration proceeding, and (ii) ordering that the CAD 700,000 presently held in trust by Dentons Canada LLP as security for costs in the arbitration be remitted to the Monitor.

CONCLUSION AND RECOMMENDATION

27. Based on the forgoing, the Monitor respectfully recommends that this Honourable Court grant the Settlement Approval Order.

All of which is respectfully submitted this December 12, 2025.

FTI Consulting Canada Inc.
in its capacity as Monitor of Trevali


Tom Powell
Senior Managing Director


Mike Clark
Managing Director

Appendix A

CDPR Settlement Agreement

SETTLEMENT AGREEMENT

THIS SETTLEMENT AGREEMENT (the **Agreement**) is dated for reference December 10th, 2025.

BETWEEN:

TREVALI MINING CORPORATION

AND:

CERRO DE PASCO RESOURCES INC.

AND:

FTI CONSULTING CANADA INC., in its capacity as court-appointed monitor of Trevali Mining Corporation

WHEREAS:

- A. Cerro de Pasco Resources Inc. (**CDPR**) and Trevali Mining Corporation (**Trevali**) are parties to a Share Purchase Agreement dated November 5, 2021 (as amended, the **Agreement**) in connection with CDPR's purchase of all the shares of Trevali Peru S.A.C. (subsequently renamed to Cerro de Pasco Resources Subisidaria del Perú S.A.C.) which in turn owned and operated the Santander Mine located in Lima, Peru (the **Mine**) from Trevali.
- B. On August 19, 2022, Trevali sought and obtained an initial order from the Supreme Court of British Columbia under the Companies' Creditors Arrangement Act, RSC 1985, c. C-36 (the **CCAA**). FTI Consulting Canada Inc. is the court-appointed monitor of Trevali (in such capacity, the **Monitor**). Collectively, the Monitor, Trevali and CDPR are referred to herein as the **Parties**.
- C. On December 13, 2024, the Monitor on behalf of Trevali commenced an arbitration against CDPR under the Agreement (the **Arbitration**) seeking, among other things, at least CAD \$5,924,633.55 (converted from USD \$4,167,091) (the **Claims**).
- D. On February 13, 2025, CDPR delivered a Notice of Counterclaim (which was amended on June 20, 2025) in the Arbitration seeking, among other things, declarations that Trevali breached the Agreement and an order dismissing the Claims (the **Counterclaims**). The Claims and the Counterclaims are referred to collectively herein as the **Arbitration Claims**.
- E. As confirmed in an Appointment and Remuneration Agreement dated May 8, 2025, Robert J.C. Deane was appointed as sole arbitrator in the Arbitration (the **Arbitrator**).
- F. By Procedural Order No. 3 made in the Arbitration dated July 23, 2025, the Arbitrator ordered, among other things, that the Monitor shall post security for the costs of CDPR in the amount of CAD\$700,000 (the **Security for Costs**). The Monitor subsequently deposited the Security for Costs into the trust account of Dentons Canada LLP in accordance with Procedural Order No. 3.

The Parties have agreed to settle and finally resolve the Arbitration Claims on the terms set out below.

NOW THEREFORE in consideration of the terms set out below, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties **HEREBY COVENANT AND AGREE AS FOLLOWS:**


1. The Monitor and CDPR agree to:
 - (a) take no further steps in the Arbitration; and
 - (b) upon the Supreme Court of British Columbia's approval of the settlement described herein pursuant to the *CCAA* (**Court Approval**), instruct their respective counsel to instruct the Arbitrator:
 - (i) that the Arbitration has been resolved by settlement and request that the Arbitrator terminate the Arbitration; and
 - (ii) that the Security for Costs in the amount of CAD \$700,000 be remitted to the Monitor,which instructions would be reflected in an order made substantially in the form attached hereto as Schedule "A" (the **Termination Order**) or in separate orders if the Arbitrator prefers.
2. CDPR shall pay to the Monitor the all-inclusive sum of CAD \$2,000,000 in full and final settlement of the Claims in the Arbitration within 10 days of the issuance of the Termination Order by the Arbitrator.
3. In consideration of the mutual promises and covenants contained in this Agreement, the Monitor and Trevali hereby remise, release and forever discharge CDPR and its administrators, agents, directors, officers, employees, solicitors, insurers, successors and assigns of and from any and all actions, causes of action, claims, debts, demands and damages of every nature and kind, whatsoever and howsoever arising, which the Monitor or Trevali ever had, now has/have or may hereafter have, whether known or unknown, suspected or unsuspected, arising by reason of any cause, matter or thing existing up to the date hereof.
4. In consideration of the mutual promises and covenants contained in this Agreement, CDPR hereby remises, releases and forever discharges each of the Monitor and Trevali and their respective heirs, executors, administrators and/or legal or personal representatives, agents, directors, officers, employees, solicitors, insurers, successors and assigns of and from any and all actions, causes of action, claims, debts, demands and damages of every nature and kind, whatsoever and howsoever arising, which CDPR ever had, now has/have or may hereafter have, whether known or unknown, suspected or unsuspected, arising by reason of any cause, matter or thing existing up to the date hereof.
5. Each of the Parties agree for the consideration expressed herein not to take any steps or initiate any proceedings in respect of any matters that are the subject of this Agreement against any other party or any other person, organization or other legal entity who can, shall or may claim contribution or indemnity or other relief from any of the Parties.

6. The Parties shall bear their own legal costs in connection with the Arbitration and settlement thereof, and agree to share equally all outstanding costs of the Arbitrator, including, but not limited to, any fees of the Arbitrator related to the Termination Order.
7. The settlement herein is a compromise of disputed claims and shall not constitute or be construed as an admission of liability on the part of any of the Parties.
8. The Parties acknowledge that they have consulted with and have been advised by their respective solicitors regarding this Agreement and have been give a reasonable opportunity to do so.
9. Each of the Parties acknowledges that the facts and law in respect of which this Agreement is given may be different from the facts and law now known or believed to be true, and agrees that this Agreement will be in all respects enforceable and not subject to termination, rescission, or variation by discovery of any difference in facts or law.
10. If any term of this Agreement is held to be void, voidable or unenforceable, said term or terms shall be severed from this Agreement, and the remaining terms thereof shall remain in force and effect.
11. This Agreement shall be construed in accordance with and governed by the laws of British Columbia and the federal laws of Canada applicable in British Columbia, which is deemed to be the proper law of this Agreement.
12. This Agreement contains the entire agreement between the Parties with respect to the settlement of the Arbitration Claims and there are no warranties, representations, terms, conditions or collateral agreements, expressed or implied between the Parties in connection with the making or subject matter of this Agreement, other than expressly set forth herein.
13. The Parties acknowledge that they have entered into this Agreement without any undue influence or coercion.
14. The terms of this Agreement are contractual and not mere recitals.
15. Time is of the essence of this Agreement.
16. This Agreement shall enure to the benefit of, and be binding on, the Parties and their respective heirs, executors, administrators, successors and assigns.

17. This Agreement may be executed in counterparts, each of which so executed will be deemed to be an original and together will constitute one and the same instrument, and once executed, this Agreement may delivered by facsimile or electronic copy.

AGREED TO BY THE PARTIES EFFECTIVE THE DATE WRITTEN ABOVE:

Cerro de Pasco Resources Inc.



Name: Steven Zadka

Date: December 10, 2025

The Monitor on behalf of Trevali Mining Corporation

Name:

Date: _____

FTI Consulting Canada Inc., in its capacity as court-appointed monitor of Trevali Mining Corporation

Name:

Date: _____

17. This Agreement may be executed in counterparts, each of which so executed will be deemed to be an original and together will constitute one and the same instrument, and once executed, this Agreement may delivered by facsimile or electronic copy.

AGREED TO BY THE PARTIES EFFECTIVE THE DATE WRITTEN ABOVE:

Cerro de Pasco Resources Inc.

Name:

Date: _____

The Monitor on behalf of Trevali Mining Corporation

Signed by:

AB93D29CF2B344A

Name:

Date: December 10, 2025

FTI Consulting Canada Inc., in its capacity as court-appointed monitor of Trevali Mining Corporation

Signed by:

AB93D29CF2B344A...

Name:

Date: December 10, 2025

SCHEDULE “A”

VanIAC File No.: 20247-DCA

IN THE MATTER OF AN ARBITRATION PURSUANT TO

Share Purchase Agreement dated November 5, 2021, made between Trevali Mining Corporation and Cerro de Pasco Resources Inc. (as amended, the Agreement)

AND

Arbitration Act, S.B.C. 2020, c. 2 and Vancouver International Arbitration Centre Domestic Arbitration Rules

BETWEEN:

THE MONITOR ON BEHALF OF TREVALI MINING CORPORATION

CLAIMANT

AND:

CERRO DE PASCO RESOURCES INC.

RESPONDENT

TERMINATION ORDER

WHEREAS on December __, 2025, the Claimant and the Respondent (collectively, the **Parties**) wrote jointly to the Arbitrator to (i) advise that the Parties have finally settled and resolved all disputes and claims in these proceedings and (ii) request that the Arbitrator issue an order for the termination of these proceedings;

THE ARBITRATOR HEREBY ORDERS:

1. In accordance with s. 47(2) of the *Arbitration Act*, SBC 2020, c. 2, the Arbitrator hereby orders the termination of these proceedings.
2. The Arbitrator hereby orders that the security for costs posted by the Monitor in the amount of \$700,000 currently held in the trust account of Dentons Canada LLP pursuant to Procedural Order No. 3 be remitted to the Monitor.

Signed at Vancouver, Canada, on December _____, 2025

Rober J.C. Deane