2023 01G 0841

IN THE SUPREME COURT OF NEWFOUNDLAND AND LABRADOR

IN BANKRUPTCY AND INSOLVENCY

AND IN THE MATTER OF an application of Rambler Metals and Mining Canada Limited and 1948565 Ontario Inc.

IN THE MATTER OF the *Companies' Creditors Arrangement Act* R.S.C., 1985 c. C-36 as amended ("**CCAA**")

FOURTH REPORT OF GRANT THORNTON LIMITED, IN ITS CAPACITY AS MONITOR UNDER THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, C. C-36 OF RAMBLER METALS AND MINING CANADA LIMITED AND 1948565 ONTARIO INC.

May 12, 2023

GrantThornton

Grant Thornton Limited,

Court-Appointed Monitor

200 King Street West, Floor 11,
Toronto, Ontario
M5H 3T4

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INTRODUCTION

1. On February 23, 2023, Rambler Metals and Mining Canada Limited ("**Rambler Canada**") and 1948565 Ontario Inc. ("**1948**") (collectively, the "**Rambler Group**"), Rambler Metals and Mining, plc, ("**Rambler UK**"), and Rambler Mines Limited ("**Rambler Mines** and with Rambler UK and the Rambler Group, collectively the "**Companies**"), made an application to commence proceedings pursuant to the CCAA (the "**CCAA Application**").

2. On February 27, 2023, the Honourable Justice Macdonald of the Supreme Court of Newfoundland and Labrador (the "**Court**") issued an order ("**Initial Order**") granting the Rambler Group protection from its creditors pursuant to the CCAA and appointing Grant Thornton Limited ("**GTL**") as monitor ("**Monitor**").

3. Pursuant to the Initial Order, amongst other things, all creditors were stayed from commencing or contiuing any proceedings against the Rambler Group until, and including, March 6, 2023 ("**Stay Period**"), or until such date as the Court may by subsequent order direct. The Stay Period was further extended by multiple orders and, most recently, to May 19, 2023 by the further amended and restated initial order ("**FARIO**") issued on March 15, 2023. The Court also issued the sales and investment solication process order ("**SISP**" and "**SISP Order**") on March 15, 2023, which increased the DIP Charge to US$5.0 million and directed and empowered the Monitor to adminster a SISP in the CCAA Proceedings.

4. This fourth report of the Monitor ("**Fourth Report**"), the preceding reports of GTL as Proposed Monitor and as Monitor, and all other information in respect of the CCAA proceedings (the "**CCAA Proceedings**"), are posted on the Monitor's case website at www.GrantThornton.ca/Rambler. Readers are encouraged to read the following reports of the Proposed Monitor and of the Monitor, the materials filed with the Court in relation to the applications, and the orders of the Court to provide additional information:

   Reports to the Court

   (a) Pre-Filing report of Grant Thornton Limited in its capacity as Proposed Monitor dated February 23, 2023;

   (b) First Report of Grant Thornton Limited in its capacity as Monitor dated March 3, 2023; (the "**First Report**");

(c) Second Report of Grant Thornton Limited in its capacity as Monitor dated March 13, 2023 (the "**Second Report**"); and,

(d) Third Report of Grant Thornton Limited in its capacity as Monitor dated April 5, 2023 (the "**Third Report**").

<u>Court Orders</u>

(a) Endorsement dated February 24, 2023;

(b) CCAA Initial Order dated February 27, 2023, and Reasons for Judgement;

(c) Stay Extension Order dated March 6, 2023;

(d) ARIO dated March 7, 2023;

(e) FARIO dated March 15, 2023;

(f) SISP Order dated March 15, 2023; and

(g) Order regarding WEPPA declaration ("**WEPPA Order**"), dated April 6, 2023.

PURPOSE OF THE FOURTH REPORT

5. The Fourth Report is intended to provide the Court with the following:

(a) An update on the Monitor's activities since the Third Report, including an overview of the SISP to date;

(b) An update on the Rambler Group's transition from an operating mine into care and maintenance Warm Idle, as defined in the Third Report;

(c) An update on the Monitor's investigation into the alleged set off by Rambler Canada's exclusive customer, Transamine Trading S.A. ("**Transamine**"), which resulted in the Transamine Shortfall and the material adverse change reported by the Monitor on April 3, 2023, as further described in the Third Report;

(d) An update on the Rambler Group's actual cash flows for the five weeks ended May 5, 2023, as compared to the cash flow forecast included in the Third Report;

(e) The Monitor's view on the Rambler Group's cash flow forecast for the period of May 8 to September 8, 2023; and

(f) The Monitor's view on the Rambler Group's application to extend the Stay Period through September 8, 2023 and increase the DIP Charge to US$8.3 million.

TERMS OF REFERENCE

6. In preparing this Fourth Report, the Monitor has relied upon unaudited internal financial statements, certain other financial information and financial projections of the Rambler Group, discussions with management of the Rambler Group ("**Management**") and its legal advisor, and discussions with certain senior secured noteholders and their legal advisor (collectively, the "**Information**"). While the Monitor has reviewed the Information for reasonableness and believes that the information herein provides a fair summary of the transactions and underlying financial position as reflected in the documents of the Rambler Group, the Monitor has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Canadian Generally Accepted Auditing Standards.

7. Some of the Information used in preparing this Fourth Report consists of forward-looking information, including the May Forecast, defined below. The Monitor cautions that such forward looking information is based upon assumptions about future events and conditions that are not ascertainable. The actual results with respect to the forward-looking information and the variations thereof could be significant.

8. In the course of its mandate, the Monitor has assumed the integrity and truthfulness of the Information and explanations presented to it by Management, within the context in which such Information was presented. To date, nothing has come to the Monitor's attention that would cause it to question the reasonableness of these assumptions. The Monitor has requested that Management bring to its attention any significant matters which were not addressed in the course of the Monitor's specific inquiries. Accordingly, this Fourth Report is based solely on the Information (financial or otherwise) made available to the Monitor by the Rambler Group and their Management.

9. This Fourth Report has been prepared for the use of this Court and the Rambler Group's stakeholders as general information relating to the Rambler Group and these CCAA Proceedings, and to assist the Court in determining whether to grant the relief sought by

the Rambler Group. Accordingly, the reader is cautioned that this Fourth Report may not be appropriate for any other purpose. The Monitor does not assume responsibility or liability for losses incurred by the reader as a result of the circulation, publication, reproduction or use of this Fourth Report contrary to the provisions of this paragraph.

10. Unless otherwise stated, all monetary amounts contained herein are expressed in US Dollars. Capitalized terms not otherwise defined herein have the meaning given to them in the orders granted by the Court and the Monitor's previous reports as outlined above.

ACTIVITIES OF THE MONITOR

11. Since the date of the Third Report, the Monitor has, among other things:

(a) Continued to assist the Rambler Group with its communications in respect of these CCAA Proceedings, including conversations with employees, creditors, suppliers and other stakeholders;

(b) Worked with Management to gather the required information and facilitate claims by terminated employees under WEPP and pursuant to the WEPPA Order, including the creation of FAQ documents and preparing to host information sessions;

(c) Coordinated weekly update meetings with Management and the Rambler Group's newly appointed interim CEO to discuss and review ongoing matters related to the CCAA Proceedings, Warm Idle operations, the SISP, contract reviews and claim reviews, amongst other things;

(d) Monitored the actual cash flows of the Rambler Group relative to the April 3, 2023 Forecast and provided ongoing reporting of same to the DIP Lenders, pursuant to the DIP Financing Agreement;

(e) Reviewed and approved a request to disclaim or resiliate a contract pursuant to Section 32 of the CCAA that was no longer required by the Rambler Group during Warm Idle and where the disclaimer would enhance the prospects of a viable restructuring of the Business in these CCAA Proceedings:

i. A copy of the Rambler Group's notice to disclaim a lease for the use of certain equipment from Battlefield Equipment, is attached hereto as Appendix **"A"**; and

ii. As at the date of this Fourth Report, the 15 day notice period pursuant to Section 32(2) of the CCAA, by which Battlefield Equipment is required to apply to the Court for an order that the disclaimer not be effective, has expired..

(f) Worked with the Rambler Group to review several claims related to third party property located at the Rambler Canada site and respond to same. The Monitor understands the Rambler Group continues to work with several parties related to retrieving third party equipment previously used during operations, which is not required during Warm Idle

(g) Monitored the transition of the mine to Warm Idle, and assisted with reviewing contracts and holding discussions with suppliers, stakeholders and the Province of Newfoundland and Labrador in relation to the transition to Warm Idle;

(h) Worked with Management to gather information on the assertion by Transamine to exercise a right of set-off for amounts owing to the Rambler Group in order to prepare its own analysis;

(i) Gathered additional details from the Rambler Group in respect of amounts owing to CRA prior to the CCAA Proceedings, and worked with the Rambler Group to ensure post filing amounts owing to CRA were paid in the ordinary course, including the filing of GST returns;

12. On April 14, 2023, in accordance with the SISP Order and the Bidding Procedures contained therein, the Monitor launched the initial marketing process for the SISP. Activities undertaken by the Monitor to date have included, amongst other things:

(a) Sending the Solicitation Letter, attached hereto as Appendix "**B**", along with a non-disclosure agreement ("**NDA**") and the SISP Order to over 300 parties identified by the Monitor and the Rambler Group who may have potential interest in the SISP;

(b) Uploading the Solicitation Letter and marketing materials to the Monitor's case website;

(c) Publishing advertisements in the Globe and Mail, The Telegram, and the National Post describing the Opportunity and directing interested parties to the Monitor's website, as well as working with the Rambler Group to publish a press release to Canada Newswire;

(d) Reviewing executed NDA's and corresponding with Potential Bidders, prior to allowing access to the confidential virtual data room ("**VDR**"), including notifying Potential Bidders that they were deemed a Phase 1 Qualified Bidder for purposes of the SISP;

(e) Confirmed with the DIP Lenders that, in accordance with paragraph 38 of the Bidding Procedures, the DIP Lenders would not be submitting a credit bid and therefore would not be Phase 1 Qualified Bidders;

(f) Reviewing questions by Phase 1 Qualified Bidders and working with Management to provide responses to the same, as well as updating the VDR with additional due diligence information as it became available;

(g) Organizing site tours with Phase 1 Qualified Bidders; and

(h) Preparing and uploading a template letter of intent ("**LOI**") for Phase 1 Qualified Bidders to review and submit prior to May 19, 2023, being the Phase 1 Bid Deadline.

13. The Monitor continues to work with the Rambler Group to facilitate due diligence requests for Phase 1 Qualified Bidders and will provide notice by May 26, 2023 whether Bids advanced by Phase 1 Qualified Bidders are considered Phase 1 Successful Bids. A table summarizing the key dates of the SISP is set out below.

Event	Date
Phase 1 Bid Deadline: *-Phase 1 Qualified Bidders to submit non-binding LOI's*	May 19, 2023
Phase 1 Successful Bids *-Monitor to advise in writing of entry into Phase 2*	May 26, 2023
Phase 2 Bid Deadline *-Submission of definitive offers*	July 21, 2023
Selection of Successful Bidder *-Or Auction, if required*	July 28, 2023
Approval motion for Successful Bid	August 25, 2023
Anticipated closing of Successful Bid	August 31, 2023

UPDATE ON TRANSITION INTO WARM IDLE

14. As noted in the Monitor's Third Report, on March 30, 2023 Rambler Canada began shifting its operations into Warm Idle. As at the date of this Report, the Monitor understands this transition is substantially complete with minimal transition matters outstanding.

Employees

15. As of the date of this Fourth Report, Rambler Canada has 38 employees:

(a) Rambler Canada has terminated 1 active employee and 8 inactive employees during the transition to Warm Idle. The inactive employees were either on short-term or long-term disability; and

(b) Rambler Canada had two employees resign voluntarily, whom have been replaced by previously terminated employees.

16. On April 6, 2023, the Court granted the WEPPA Order and declared that the terminated employees of Rambler Canada met the criteria as prescribed by section 3.2 of the Wage Earner Protection Program Regulations and accordingly are individuals to which WEPP would apply.

17. Since the granting of the WEPPA Order, Rambler Canada has been assisting the Monitor with gathering the necessary information as required by Service Canada to file all required documents for the former employees to file a claim under WEPP. This work is ongoing.

18. The Monitor is required to file a Trustee Information Form ("**TIF**") for all terminated employees who are owed eligible wages under WEPP. The current deadline to file the TIF, as confirmed with Service Canada, is June 30, 2023.

Safety and Security

19. Rambler Canada has continued to maintain security at the mine site and mill locations with an external contractor. The Monitor understands that no major incidents or issues have been reported to date.

20. Rambler Canada has continued to maintain its emergency response plan, ongoing health and safety inspections, as well as completed first aid training for mine rescue staff. The Monitor understands that no major health or safety incidents have been reported to date.

Warm Idle Operational Activities

21. Since the date of the Third Report, Rambler Canada has completed the following operational activities to finalize the transition to Warm Idle:

(a) Mine:

i. All moveable equipment has been moved to either the surface or the 200 level;
ii. Continued with inspections of underground access ways and infrastructure;
iii. Continued to maintain pumps and clean sumps to prevent the underground from flooding;
iv. Disconnected mine services (air and water lines) on certain levels to mitigate any potential flooding from the freshwater system; and
v. Continued training all underground employees to operate the wastewater treatment plant.

(b) Surface buildings at the Mine:

i. Continued to be maintained appropriately with routine inspections.

(c) Mill:

i. Continued to work to transition the grinding mills to Warm Idle. There is minimal outstanding activity and it is expected to be completed in the coming weeks;
ii. Continued to empty thickener tanks into tailings pond;
iii. Continued to clean out the rougher and conditioner tanks, the process water

tank, filter feed and transfer tanks;

iv. Continued to maintain pumps and water treatment of the tailings pond and polishing pond;

v. Continued to clean interior of mill of concentrate residue to prevent oxidization of equipment;

vi. Emptied all pumps of residue and ensured drain lines open;

vii. Cleaned crusher building and disconnected power to reduce costs;

viii. Winterized warehouse and other storage buildings;

ix. Cleaned concentrator sump and drain area; and

x. Completed repair of the tailings pond emergency generator.

(d) Goodyear Cove:

i. Rambler Canada continues to perform routine checks of the concentrate on a weekly basis; and

ii. Continued to perform cleanup of site.

Environmental Compliance

22. Rambler Canada continues to remain in environmental compliance in accordance with its Certificate of Approval, which includes, among other things:

(a) Completion of weekly, monthly and quarterly water testing;

(b) Ensuring the tailings pond and polishing pond do not exceed operating water levels;

(c) Ensure surrounding bodies of water, for which Rambler Canada is responsible, at both the mill and mine site, remain within environmental compliance;

(d) Ensure compliance with the completion of the 2023 dam safety inspection; and,

(e) Monitor fuel storage tanks, totes of oil and other chemical storage containers.

MONITOR'S INVESTIGATION INTO MATERIAL ADVERSE CHANGE

23. The Monitor reported in its Third Report that on April 3, 2023 a material adverse change ("**MAC**") had occurred during the CCAA Proceedings as a result of the Rambler Group's exclusive customer, Transamine, advising that it had exercised a right of set off in respect of amounts owing to Rambler Canada against certain pre-filing indebtedness owing to Transamine. As a result, there was a material variance in the Rambler Group's March 13,

2023 Forecast and on March 30, 2023. As a direct result thereof, Rambler Canada immediately began transitioning its operations into Warm Idle.

24. Since the date of the Third Report, the Monitor and its counsel, Borden Ladner Gervais LLP ("**BLG**") have undertaken a review of the facts and circumstances regarding the assertion of a right of set-off of debts between the Rambler Group and Transamine, by Transamine. Amongst other things, the Monitor and BLG have reviewed:

(a) The Amended and Restated Purchase Agreement dated July 6, 2022, between, among others, Rambler Canada and Transamine (the "**Purchase Agreement**");

(b) The Intercreditor Agreement dated April 1, 2022, between, among others, Rambler and Transamine (the "**Intercreditor Agreement**");

(c) Correspondence and responses to requests for further information from the Rambler Group and its counsel; and

(d) Correspondence between Transamine and Rambler, as provided by Transamine's counsel and Rambler Canada.

25. The Monitor and BLG inquired with the Companies to further understand Transamine' assertion of a right to set-off and reviewed the available documentation related to this issue. The Monitor and BLG have also analyzed the restrictions on set-off as provided for in the Intercreditor Agreement, specifically whether or not the Intercreditor Agreement would restrict Transamine from setting off amounts owing by Transamine to Rambler pursuant to the Purchase Agreement (the "**Transamine Indebtedness**") against the overpayments made by Transamine to Rambler pursuant to the Purchase Agreement (the "**Transamine Overpayment**").

26. To assist the parties in reaching a resolution with respect to Transamine's asserted right to set off, the Monitor provided its draft analysis of the set-off issue to the Rambler Group, the DIP Lenders and the Secured Parties to the Intercreditor Agreement. On account of Transamine having an identifiable adverse interest to the Rambler Group and the other Secured Parties in respect of this issue, the Monitor's draft analysis was not provided to Transamine.

27. As at the date of this Report, the Monitor understands the Rambler Group and Transamine have started discussions with the goal of reaching a commercial resolution in respect of the set off issue and the amounts owing by Transamine for the remaining concentrate produced by Rambler post filing. The Monitor understands that these discussions are ongoing.

CASH FLOW UPDATE

28. Summarized below is Rambler Canada's budget to actual cash flow for the 5 weeks ending May 5, 2023 relative to the April 4, 2023 Forecast, as well as cumulative cash flow to date:

Rambler Group Cash Flow ($USD)				
Warm Idle: Week 7 - 11 Budget to Actual				Week 1-11
Line Items	**Budget**	**Actual**	**Variance**	**Cumulative Actual**
Receipts				
DIP Financing	2,200,000	1,700,000	(500,000)	4,470,000
Collections - 90%	-	-	-	1,407,784
Collections - 10%	-	-	-	-
HST Refunds	-	-	-	568,137
Miscellaneous	-	55,293	55,293	91,828
Total Cash Receipts	**2,200,000**	**1,755,293**	**(444,707)**	**6,537,749**
Disbursements				
Operational Stability Costs	-	-	-	(986,995)
Labour	(659,255)	(694,424)	(35,169)	(1,992,563)
Operational Costs	(610,010)	(426,339)	183,671	(2,160,824)
Leases	(117,874)	(113,219)	4,655	(496,212)
Professional Fees	(159,210)	(186,045)	(26,835)	(668,075)
CAPEX	-	-	-	-
Total Disbursements	**(1,546,349)**	**(1,420,027)**	**126,323**	**(6,304,669)**
Net Cash Flow	**653,651**	**335,266**	**(318,385)**	**233,080**

29. The Monitor's understanding of key variances in the actual receipt and disbursements as compared to budget are as follows:

(a) DIP Financing: favourable variance of US$500,000 in the forecast period is a timing difference. The Monitor notes that Rambler Canada subsequently requested the projected US$500,000 of DIP Financing in week 12, which was received as at the date of this Fourth Report;

(b) Collections – 90% & 10%: as described further in the Third Report, Rambler Canada transitioned its operations into Warm Idle, and therefore collections from operations were not anticipated or received during the forecast period;

(c) Miscellaneous income: favourable variance of approximately US$55,000 from the sale of redundant inventory as permitted by paragraph 11 (a) of the FARIO. The Monitor understands that the sale was completed at fair market value and supported by the DIP Lenders and Rambler Canada's board of Directors;

(d) Total Disbursements: favourable variance of US$126,323 primarily relates to timing differences that are expected to reverse in the coming weeks.

The Monitor understands that Management's May Forecast, as defined below, is representative of the cash requirements expected in a Warm Idle throughout the SISP period. Based on the budget to actuals noted above, the Monitor is of the view that Rambler Canada has demonstrated its ability to budget and manage cash flows prudently on a go forward basis.

REVISED CASH FLOW FORECAST

30. Rambler Canada, with the assistance of the Monitor, has prepared the May 2023 revised cashflow forecast (the "**May Forecast**"), attached hereto as Appendix "**C**". The May Forecast covers the period of May 8, 2023 to September 8, 2023. The purpose of revising the cash flow forecast is to include, amongst other things:

(a) Revised estimates of activity at the mine and costs based on actual expenditures during the first weeks of Warm Idle;

(b) Incorporating timing adjustments to certain creditor payments based on conversations had by the Monitor and Rambler Canada, as well as incorporating the impact of certain disclaimers issued by the Rambler Group pursuant to Section 32 of the CCAA; and

(c) Updating the prior cash flow for the revised Stay Period which is being requested by the Rambler Group in its application to be heard on May 16, 2023.

31. The Monitor notes that the May Forecast includes:

(a) Approximately US$3.8 million of additional funding from the DIP Lenders to finance the forecasted costs for the 18 weeks expected to solicit, negotiate and close a transaction pursuant to the SISP. While the Monitor understands the Rambler Group is currently discussing a potential commercial agreement with Transamine for the sale of the remaining concentrate produced post-filing, these potential receivables have not been included in the May Forecast as they remain uncertain at the date of this Fourth Report;

(b) Approximately US$1.3 million in costs related to labour, Management and source deductions to maintain the Warm Idle through the completion of the SISP, including a timing difference in Week 13 for amounts previously earned post-filing but not yet paid;

(c) Approximately US$1.7 million for operational and lease costs incurred during Warm Idle, including US$0.5 million for power, US$0.36 million for insurance, US$0.23 million for mining costs and US$0.19 million for equipment;

(d) Approximately US$0.65 million in professional fees incurred by (i) counsel to the Rambler Group, (ii) agent to the DIP Lender, (iii) counsel to the DIP Lender, (iv) the Monitor and (v) the Monitor's counsel through the duration of the SISP; and

(e) Approximately US$0.45 million in interest and standby fees pursuant to the DIP Financing Agreement.

32. The Monitor understands the Rambler Group and the DIP Lenders have discussed the payment of a success fee to Management in the event a successful transaction is concluded pursuant to the SISP. The Monitor further understands that such arrangement would not be included in the May Forecast, as it would not form part of the DIP Charge, but would be an agreement made by Management and the DIP Lenders. In the Monitor's view such an agreement would not prejudice any other stakeholders in these CCAA Proceedings.

33. The May Forecast has been prepared by Management using probable and hypothetical assumptions as set out in the notes to the May Forecast (the "**Probable and Hypothetical Assumptions**").

34. The Monitor has reviewed the May Forecast to the standard required of a Court-appointed Monitor pursuant to s. 23(1)(b) of the CCAA, consisting of inquiries, analytical procedures, and discussions related to information supplied to the Monitor by Management of Rambler Canada. Since the Probable and Hypothetical Assumptions need not be supported, the Monitor's procedures with respect to same were limited to evaluating whether they were consistent with the purpose of the May Forecast. The Monitor has also reviewed the support provided by Rambler Canada for the Probable and Hypothetical Assumptions and the preparation and presentation of the May Forecast.

35. Based on the Monitor's review, nothing has come to its attention that causes it to believe that, in all material respects:

    (a) The Probable and Hypothetical Assumptions are not consistent with the purpose of the May Forecast;

    (b) As at the date of this Fourth Report, the Probable and Hypothetical Assumptions developed by Management are not suitably supported and consistent with Rambler Canada's plans, or do not provide a reasonable basis for the May; or

    (c) The May Forecast does not reflect the Probable and Hypothetical Assumptions.

36. The Monitor provides the following comments on the May Forecast:

    (a) Cash disbursements appear reasonable considering actual expenditures during the transition to Warm Idle and overall reduced operations, as contemplated by Management and based on the Monitor's continued review of disbursements during the Stay Period;

    (b) The May Forecast contemplates paying employee wages and other employee obligations as well as related source deductions in the ordinary course for Rambler Canada's reduced workforce during Warm Idle;

    (c) The May Forecast contemplates paying vendors for products or services incurred during Warm Idle in accordance with existing and/or modified credit terms;

    (d) Disbursements include fees and interest that relate to the DIP Financing Agreement; and

(e) Disbursements also include forecasted payments to the Rambler Group's legal counsel, the Monitor and its legal counsel, the agent to the DIP Lender, and legal counsel to the DIP Lender.

37. Since the May Forecast is based on assumptions regarding future events, actual results will vary from the information presented even if the Probable and Hypothetical Assumptions occur, and the variations may be material. Accordingly, the Monitor expresses no assurance as to whether the May Forecast will be achieved. The Monitor expresses no opinion or other form of assurance with respect to the accuracy or completeness of any financial information presented in this Fourth report or relied upon in preparing this Fourth Report.

38. The May Forecast has been prepared solely for the purposes described in Note 1 on the face of the May Forecast and readers are cautioned that it may not be appropriate for other purposes.

EXTENSION OF THE STAY PERIOD TO SEPTEMBER 8, 2023

39. Further to the Rambler Group's application materials filed in advance of the May 16, 2023 hearing, the Rambler Group is seeking an order extending the Stay Period to and including September 8, 2023 to:

(a) Maintain continued stability in respect of the Business during Warm Idle; and

(b) Continue the advancement of the SISP through to completion in order to solicit an offer for an investment in, or purchase of all or a part or parts of, the Rambler Group;

40. The Monitor understands the requested extension is two weeks past the deadline for Court approval of a transaction derived from the SISP, being August 25, 2023, in order to take into account for the expected time required to close a transaction.

41. The Monitor is of the view that the requested stay extension is reasonable considering the remaining steps required in the SISP and the time necessary for the negotiation and completion of a potential sale, restructuring or other available transaction. Further, the Monitor understands the DIP Lenders, who are financially supporting the CCAA Proceedings and the continuation of the SISP are supportive of the extension, subject to

an increase in the DIP Charge discussed below. The May Forecast contemplates sufficient liquidity through the extension of the Stay Period.

42. Therefore, the Monitor is supportive of the Rambler Group's application to extend the Stay Period to September 8, 2023.

INCREASE TO THE DIP CHARGE

43. As of the date of this report, the Monitor understands the DIP Lenders have advanced approximately US$4.97 million of the current DIP Facility of US$5.0 million. The May Forecast estimates that Rambler Canada will require an additional US$3.83 million prior to the completion of the SISP and the expiry of the requested Stay Period extension to September 8, 2023. At such time, the total advances under the DIP Facility are forecasted to be approximately US$8.3 million.

44. The Monitor has reviewed the terms and conditions of the amendment to the DIP Financing Agreement to increase the available financing thereunder to US$8.3 million. The terms are consistent with the DIP Financing Agreement originally approved by this Court. The Monitor is of the view that the terms of the amendment to the DIP Financing Agreement are reasonable and appropriate in the circumstances. An increase to the DIP Charge up to US$8.3 million is also a condition of the amended DIP Financing Agreement. The additional funding is required to complete the SISP for the benefit of Rambler Group's creditors and stakeholders, the Monitor is supportive of the increase to the DIP Charge and the amendment to the DIP Financing Agreement.

45. The DIP Lender's Charge ranks in priority to the following known creditors of the Rambler Group (as described in detail in the Bradbury Affidavit):

Creditors	Type	Amount (USD)
NewGen Asset Management Ltd.	Secured	$ 17,874,506
Elemental Royalties Corp	Secured	$ 12,090,420
Transamine S.A.	Secured	$ 4,448,407
Sanstorm Gold Ltd.	Secured	$ 1,642,589
Canada Revenue Agency	Preferred	$ 2,439,237
Trade Payables	Unsecured	$ 14,500,000

46. The Bradbury Affidavit describes in detail the nature of the indebtedness owing to each of the aforementioned secured creditors, as well as the security provided by the Companies to those secured creditors.

47. Should the increase to the DIP Charge be granted, the charges in these CCAA Proceedings will be as follows:

Charges and Balances		
Charge	Currency	Amount
DIP Lenders' Charge		
Current DIP Charge	USD	$ 5,000,000.00
Requested Increase	USD	$ 3,300,000.00
Total Amended DIP Lenders' Charge	USD	$ 8,300,000.00
Administration Charge	CAD	$ 1,350,000.00
Directors' Charge	USD	$ 675,000.00

48. The Monitor continues to be supportive of the current charges and considers that these charges remain critical in order to assist the Rambler Group through these CCAA proceedings and the SISP process.

CONCLUSION

49. The Monitor is of the view that the Rambler Group has continued to act in good faith and with due diligence in respect of exploring various options which would enable it to restructure its business and operations for the benefit of its creditors and stakeholders in these CCAA Proceedings.

50. For the reasons set out in this Fourth Report, the Monitor is of the view that the relief requested by the Rambler Group is reasonable and respectfully recommends that this Court make an Order granting the requested relief.

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 12th day of May 2023.

GRANT THORNTON LIMITED,
SOLELY IN ITS CAPACITY AS COURT-APPOINTED MONITOR OF THE APPLICANTS,
AND NOT IN ITS CORPORATE OR PERSONAL CAPACITY

Liam Murphy, CPA, CA, CIRP, LIT

Senior Vice President

Appendix A –Notice of Disclaimer to Battlefield Equipment

Companies Creditors Arrangement Regulations, SOR/2009-219

Form 4

Notice by Debtor Company to Disclaim or Resiliate an Agreement

To:
Battlefield Equipment
6 Beclin Road
Mt. Pearl, NL A1N 5B8
Attention: Jody Jones – Jody.Jones@toromont.com

And with a Copy to:
The Monitor, Grant Thornton Limited
via email

TAKE NOTICE THAT:

1. Proceedings under the *Companies' Creditors Arrangement Act* (the "**Act**") in respect of Rambler Metals and Mining Canada Limited and 1948565 Ontario Inc. were commenced on the 27th day of February, 2023.

2. In accordance with subsection 32(1) of the Act, the debtor company gives you notice of its intention to disclaim or resilitate the following agreement (the "**Agreement**"):

   i. Rental Agreement with contract number 650K23694 for the rental of a CAT 236 Skid Steer Loader

3. As such, you are entitled to retrieve the property, as described above, at your own convenience by contacting Gus Simbanegavi at gsimbanegavi@ramblermines.com.

4. In accordance with subsection 32(2) of the Act, any party to the Agreement may, within 15 days after the day on which this notice is given and with notice to the other parties to the Agreement and to the Monitor, apply to the court for an order that the Agreement is not to be disclaimed or resiliated.

5. In accordance with paragraph 32(5)(a) of the Act, if no application for an order is made in accordance with subsection 32(2) of the Act, the Agreement is disclaimed or resiliated on the 5th day of May, 2023, being 30 days after the day on which this notice has been given.

Dated at the Town of Saint John, in the Province of New Brunswick, on the 5th day of April, 2023.

Rambler Metals and Mining Canada Limited & 1948565 Ontario Inc.
Tim Sanford, P. Eng.
Vice President & Corporate Secretary

The Monitor approves the proposed disclaimer or resiliation.

Dated at the City of Halifax, in the Province of Nova Scotia, on the 5th day of April, 2023.

Grant Thornton Limited
Phil Clarke, CPA, CA, CIRP, LIT
Senior Vice President

Appendix B – SISP Solicitation Letter, April 14, 2023

Rambler Metals and Mining Canada Limited and 1948565 Ontario Inc.

(collectively, "Rambler" or the "Company")

Sale/Investment Opportunity

April 14, 2023

Grant Thornton Limited,
in its capacity as the Monitor of
Rambler Metals and Mining Canada Limited
and 1948565 Ontario Inc.,
and not in its personal or corporate capacity

The Opportunity

Potential to invest in or acquire an established copper mine and associated infrastructure, currently in warm idle, with extensive reserves and development potential located in Newfoundland and Labrador, Canada.

Key Features

High-demand mineral

- Copper is designated as one of Canada's limited critical minerals as part of a national strategy to create building blocks for the green and digital economy.
- Economically vital given its role in construction and electronics, demand for copper is expected to increase substantially in the medium to long-term along with demand for green energy infrastructure.
- Copper prices projected to exceed USD 9,600/tonne in 2025[1].

Extensive mine life

- Mineral resource estimates prepared by the Company with an effective date of March 31, 2022, for the Ming Mine estimated 428,000 tonnes of in-situ copper at a grade of 1.80% and 271,000 ounces of in-situ gold at a grade of 0.35 grammes per tonne[2].
- The Company estimates a life span for the Ming Mine of approximately 19 years at 1,350 tonnes mined per day[3].

Development / exploration potential

- Rambler's ownership of exploration projects with similar geology (including Ming West, Ming East) as well as the Little Deer and Whalesback mines present further development opportunities.

Stable geographical location

- Experienced local workforce, supportive provincial government, minimal legal obstacles and regulatory risks, established business with key relationships.
- Access to the Goodyear Cove Port facility located approximately 140kms from the plant, allowing for domestic and international shipping.

Investment Highlights

Asset Overview

History and Mill

While mining operations at the Ming Mine originally started in 1972, Rambler purchased the mine in 2005 and completed approximately 80,000 meters of drilling, mine dewatering, and other infrastructure development before opening for commercial production in 2012.

Production in 2022 was 5,876 tons of saleable copper, 1,983* ounces of saleable gold, and 4,331* ounces of saleable silver. Rambler owns and operates the Nugget Pond Milling Facility ("Mill"), located approximately 40km from the Ming Mine. It is designed to mill up to 1,350 dry metric tonnes per day ("mtpd") at a copper recovery rate of >96%.

Rambler currently holds 6 mineral licenses, 3 mine leases, 3 surface leases and 4 crown land leases.

Processing and Shipping

In addition to copper processing, the Mill can process gold and silver with recovery rates of just above 70%. Appended to the Mill is a tailings management facility, which is projected to have sufficient storage to support operations until 2026 without further capital expenditures.

Rambler ships both domestically and internationally through a lease at the Goodyear Cove Port Facility, located approximately 140km from the Mill. The Company owns and operates an on-site storage warehouse with a maximum capacity of 10,000 wet metric tonnes of copper, as well as a conveyer loading system capable of loading cargo vessels at a rate of 800 metric tonnes per hour. The Company leases additional on-site infrastructure, including the docking facilities.

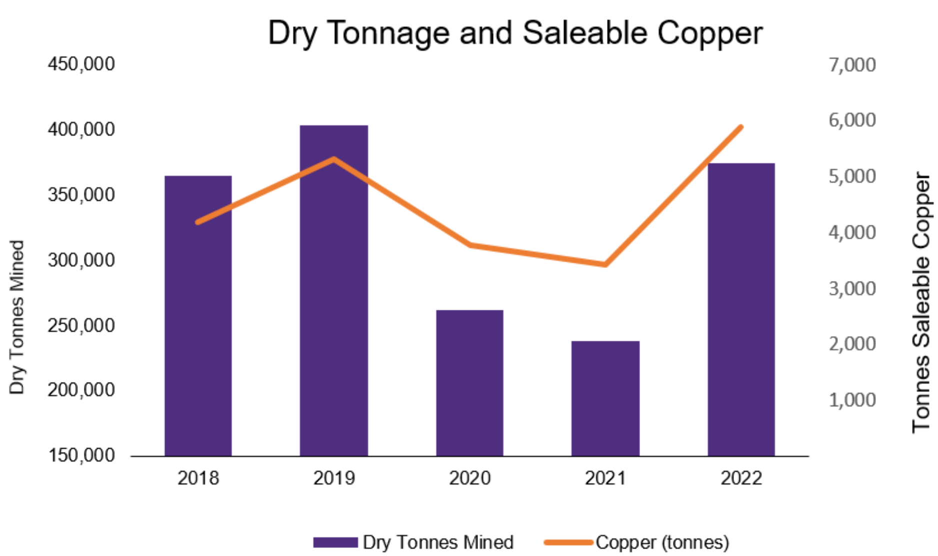
*Estimated figures; September – December assay results currently unavailable.

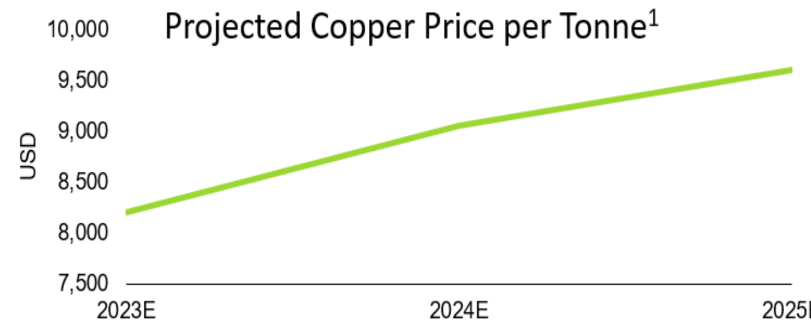
Investment Highlights

Production and Situation Overview

Production

Since scaling production in 2016, Rambler processed a peak dry tonnage of 403,752 and saleable copper of 5,299 tonnes in 2019. Headwinds related to COVID-19 public health measures and other working capital constraints negatively impacted mining operations throughout 2020 and 2021. As public health measures abated, Rambler increased production to near pre-pandemic levels, mining 374,620 dry tonnes and 5,876 saleable tons of copper in 2022. While the sales process for the business is ongoing through the CCAA Proceedings, the Mine has transitioned to a warm idle, care and maintenance mode.





Situation Overview and Exploration Potential

Rambler's inability to raise sufficient funds to fully recapitalize its mining operations, resolve operational stressors, and operate the mine at optimal levels resulted in the Company filing for protection under the CCAA in 2023. Prior to the CCAA Proceedings, the Company projected a 12% increase in dry tonnes milled and associated copper production in 2023.

Further exploration and development potential exists beyond the estimated internal reserves in the Ming Mine. The Company owns two additional mines in the province known collectively as the Little Deer Complex, which an NI 43-101 reserve report commissioned in August 2021 estimated to contain 2.9 million tonnes at 2.13% recovery of copper.

In addition, projected increases to copper pricing in the short term create an opportunity to leverage Rambler's historical investment in the Ming Mine, while similar geology at the owned Ming East and Ming West locations provide an opportunity to increase reserves and mine life.

[1] *HSBC Global Research – Metals Quarterly Q1 2023 (January 22, 2023)*
[2] *Rambler Metals and Mining – Rambler Updates Ming Mine's Mineral Resource Estimate (May 4, 2022)*
[3] *Per internal management estimates.*
[4] *Per internal production records.*

Process and Contact Information

Sales and Investment Solicitation Process ("SISP")

Parties wishing to participate in the SISP may receive further information, including a Confidential Information Memorandum ("CIM"), arrangement of mine site visits and access to an electronic data room, by executing and delivering a non-disclosure agreement ("NDA") to the Monitor at **Rambler@ca.gt.com**, **subject line "Rambler NDA - Bidder Name"**. Copies of the NDA and various orders related to the SISP are available at **www.GrantThornton.ca/Rambler**.

SISP milestones and timeline:

Key milestones, which are subject to change by the Monitor, include but are not limited to:

- **May 19:** Phase 1 deadline to deliver non-binding letter of intent ("LOI")
- **July 21:** Phase 2 deadline to deliver binding LOI
- **August 25:** Deadline to seek Court approval for sale

All enquiries should be directed to:

Grant Thornton Limited, in its capacity as Monitor of Rambler Metals and Mining Limited and 1948565 Ontario Inc., and not in its personal or corporate capacity

Liam Murphy, Senior Vice President
T +1 902 429 5435
E Liam.Murphy@ca.gt.com

Jason Kanji, Senior Manager
T +1 416 777 6136
E Jason.Kanji@ca.gt.com

Corey Hines, Senior Associate
T +1 902 491 7704
E Corey.Hines@ca.gt.com

NDA Submissions
E Rambler@ca.gt.com

Disclaimer

This document has been prepared from the Company's available books and records and from information obtained from other sources, none of which have been independently verified by the Monitor.

This document has been prepared solely for informational purposes and is intended to solicit interest in, and opportunities for: (i) one or more sales or partial sales of all, substantially all, or certain portions of the Company; and/or (ii) for an investment in, restructuring, recapitalization, refinancing or other form of reorganization of the Company. Bids considered pursuant to the sale and investment solicitation process may include one or more of an investment, restructuring, recapitalization, refinancing or other form of reorganization of the business and affairs of the Company as a going concern or a sale (or partial sales) of all, substantially all, or certain aspects of the Company, or a combination thereof (the "Opportunity"). This document is not intended to form the basis of any decision of the Opportunity. Distribution of this document is limited to specific parties who may have an interest in the Opportunity.

This document has been prepared to assist prospective purchasers in making their own preliminary evaluation of the Opportunity and does not purport to contain all the information which a prospective purchaser may need or desire. In all cases, each potential bidder should conduct and rely on its own inspection, valuation, investigation and analysis of the Opportunity and the data set forth in this document. The Monitor makes no representations or warranties whatsoever as to the accuracy or completeness of the information contained in this Teaser Letter or otherwise made available, and shall have no liability whatsoever for any information, omission, representation or warranty, express or implied, concerning the subject matter of this document or for any errors contained therein or in any other written or oral communications that are transmitted to or received by the recipient from any course whatsoever in connection with its evaluation of the Opportunity.

The sole purpose of this document is to assist recipients in deciding whether they wish to proceed with a further investigation of a possible transaction with the Company. This document does not constitute an offer or invitation for the sale or purchase of securities. The contents of this document shall not be construed as legal, tax, regulatory, accounting or investment advice or recommendation. Any recipient should consult its own counsel, tax, and financial advisors as to legal and related matters concerning any transaction with the Company.

Appendix C – Rambler Group’s May Forecast

Rambler Metals and Mining Canada Limited- in CCAA
May Forecast ($USD)
Beginning the week of May 8, 2023

	Actual	8-May-23	15-May-23	22-May-23	29-May-23	5-Jun-23	12-Jun-23	19-Jun-23	26-Jun-23	3-Jul-23	10-Jul-23	17-Jul-23	24-Jul-23	31-Jul-23	7-Aug-23	14-Aug-23	21-Aug-23	28-Aug-23	4-Sep-23	Total	Total
	Weeks 1-11	Week 12	Week 13	Week 14	Week 15	Week 16	Week 17	Week 18	Week 19	Week 20	Week 21	Week 22	Week 23	Week 24	Week 25	Week 26	Week 27	Week 28	Week 29	Week 12 - 29	29 Weeks
Cash Receipts (USD)																					
Debtor in Possession Financing (USD)	4,470,000	500,000	-	500,000	500,000	-	-	500,000	-	500,000	-	-	500,000	-	-	500,000	-	330,000	-	3,830,000	8,300,000
Collections - 90% on Production	1,407,784	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,407,784
Collections - 10% on Shipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HST Refunds	568,137	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	568,137
Miscellaneous	91,828	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	91,828
Total Cash Receipts	**6,537,749**	**500,000**	**-**	**500,000**	**500,000**	**-**	**-**	**500,000**	**-**	**500,000**	**-**	**-**	**500,000**	**-**	**-**	**500,000**	**-**	**330,000**	**-**	**3,830,000**	**10,367,749**
Cash Disbursements (USD)																					
Operational Stability Costs																					
Mining	(79,620)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(79,620)
Mill	(5,387)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(5,387)
Maintenance	(82,330)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(82,330)
Critical Orders	(13,700)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(13,700)
Week one restart prepayments	(805,959)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(805,959)
Labour																				-	-
Labour	(1,439,919)	(56,296)	-	(56,296)	-	(52,256)	-	(52,256)	-	(52,256)	-	(52,256)	-	(52,256)	-	(52,256)	-	(52,256)	(26,128)	(504,516)	(1,944,435)
Management (including Source and deductions)	(200,283)	-	(30,000)	-	(52,697)	-	-	-	(52,697)	-	-	-	-	(52,697)	-	-	-	(52,697)	-	(240,788)	(441,071)
Benefits	(46,076)	(58,859)	(4,074)	-	(28,236)	-	(4,074)	-	(28,236)	-	(4,074)	-	(4,074)	(24,162)	(4,074)	-	(4,074)	(24,162)	(4,074)	(192,174)	(238,250)
Source and deductions	(456,125)	(36,296)	(40,526)	-	(40,526)	-	(31,681)	-	(31,681)	-	(31,681)	-	(31,681)	-	(31,681)	-	(31,681)	-	(47,521)	(354,956)	(811,081)
Operational																				-	-
Mining	(892,280)	(83,995)	(30,596)	-	-	-	(34,968)	-	-	-	-	(35,339)	-	-	-	(30,967)	-	-	(7,742)	(223,606)	(1,115,886)
Mill	(131,309)	(42,600)	(4,074)	-	-	-	(4,074)	-	-	-	-	(4,074)	-	-	-	(4,074)	-	-	(1,019)	(59,915)	(191,224)
Fuel	(368,116)	-	-	-	-	(3,704)	-	-	-	(33,333)	-	-	-	-	(3,704)	-	-	-	-	(40,741)	(408,857)
Propane	(20,461)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(20,461)
Power	(4,252)	(256,005)	-	(54,074)	-	-	-	-	(54,074)	-	-	-	(54,074)	-	-	-	(54,074)	-	(27,037)	(499,339)	(503,591)
Transport	(157,971)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(157,971)
Drilling	(65,141)	(38,310)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(38,310)	(103,451)
Security and Janitor	(74,052)	(16,296)	-	(16,296)	-	(16,296)	-	(16,296)	-	(16,296)	-	(16,296)	-	(16,296)	-	(16,296)	-	(16,296)	(8,148)	(154,815)	(228,867)
Administration	(126,085)	(21,975)	-	-	(13,526)	-	-	-	(20,412)	-	-	-	(19,792)	-	-	-	-	(18,866)	(4,716)	(99,288)	(225,373)
Insurance	(226,595)	-	(55,750)	-	(55,750)	-	-	-	(77,778)		-	-	-	(77,778)		-	-	(77,778)	(19,444)	(364,278)	(590,873)
Miscellaneous/Contingency	(149)	(926)	(926)	(926)	(926)	(926)	(926)	(926)	(926)	(926)	(926)	(926)	(926)	(926)	(926)	(926)	(926)	(926)	(926)	(16,667)	(16,815)
Leases																				-	-
Leased Equipment Cost	(447,822)	-	-	-	(41,982)	-	-	-	(30,103)	-	-	-	-	(21,925)	-	-	-	(21,925)	(5,481)	(121,416)	(569,239)
Rental Equipment Cost	(48,389)	-	-	-	(15,904)	-	-	-	(15,904)	-	-	-	-	(15,904)	-	-	-	(15,904)	(3,976)	(67,591)	(115,980)
Funding Repayments																				-	-
Elemental Gold Stream	-	-	-	(80,971)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(80,971)	(80,971)
Professional Fees																				-	-
DIP Legal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment Banking Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Agent Fees	(5,053)	(2,987)	-	-	(6,022)	-	-	-	(6,022)	-	-	-	-	(6,022)	-	-		(6,022)	(1,506)	(28,581)	(33,634)
Directors' Counsel Fees	(21,583)	-	-		(8,148)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(8,148)	(29,731)
CCAA payments (New Gen/Sky Law)	(280,405)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(280,405)
Company Legal Fees	(79,887)	-	-	-	-	(62,963)	-	-	-	(25,926)	-	-	-	(25,926)	-	-	-	(37,037)	(9,259)	(161,111)	(240,998)
Monitor and Monitor's Legal Fees	(281,147)	-	-	-	-	(229,630)	-	-	-	(74,074)	-		-	(96,296)	-	-	-	(37,037)	(9,259)	(446,296)	(727,443)
Other																				-	-
DIP Interest and Standby fees	(44,202)	(52,673)	-	-	(76,689)	-	-	-	(90,903)	-	-	-	-	(104,867)	-	-	-	(114,075)	(15,474)	(454,681)	(498,883)
Foreign Exchange & Fees	(538)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(538)
Total Cash Disbursements	(6,404,837)	(667,218)	(165,947)	(208,564)	(340,407)	(365,775)	(75,723)	(69,479)	(408,736)	(202,812)	(36,681)	(108,891)	(110,547)	(495,056)	(40,385)	(104,519)	(90,755)	(474,982)	(191,711)	(4,158,188)	(10,563,025)
Net Cash Flow	132,912	(167,218)	(165,947)	291,436	159,593	(365,775)	(75,723)	430,521	(408,736)	297,188	(36,681)	(108,891)	389,453	(495,056)	(40,385)	395,481	(90,755)	(144,982)	(191,711)	**(328,188)**	**(195,276)**
Opening Cash (USD)	220,924	353,836	186,618	20,671	312,107	471,701	105,926	30,203	460,724	51,988	349,176	312,495	203,603	593,056	98,000	57,616	453,096	362,341	217,359	353,836	220,924
Net Cash Flow	132,912	(167,218)	(165,947)	291,436	159,593	(365,775)	(75,723)	430,521	(408,736)	297,188	(36,681)	(108,891)	389,453	(495,056)	(40,385)	395,481	(90,755)	(144,982)	(191,711)	(328,188)	(195,276)
Closing Cash (USD)	**353,836**	**186,618**	**20,671**	**312,107**	**471,701**	**105,926**	**30,203**	**460,724**	**51,988**	**349,176**	**312,495**	**203,603**	**593,056**	**98,000**	**57,616**	**453,096**	**362,341**	**217,359**	**25,648**	**25,648**	**25,648**

See disclaimer and notes on Page 2

Disclaimers:

1. This statement of projected cash flow of Rambler Metals and Mining Canada Limited (the "**Company**") is prepared by the debtor in accordance with s. 23(1)(b) of the *Companies Creditors' Arrangement Act* ("**CCAA**").
2. The Company has prepared this May Forecast, on probable and hypothetical assumptions that reflect the Company's planned course of action for the period of 18 weeks to accommodate the SISP. Management is of the opinion that, as at the date of filing the May Forecast, the assumptions used to
3. The May Forecast has been prepared by the Company and has been reviewed by the Monitor. The Monitor has not verified or confirmed certain expenses incurred by the Company which are reflected in this May Forecast.
4. The information contained in the May Forecast is subject to changing assumptions and/or receipt of new or additional information; actual results may vary. This May Forecast should not be used for any other purpose than its stated purpose, and creditors are cautioned that the information provided in

Notes:

1. The purpose of this May Forecast is to estimate the liquidity requirement of the Company.
2. Forecast operational costs primarily include site costs based on the forecast activity levels and known commitments and corporate G&A based on forecast head office operation costs, in light of the Company's transition into Warm Idle.
3. Despite transitioning into Warm Idle, the Company intends to maintain certain leases that will be paid as payment is comes due.
4. Professional Fees, include legal and financial advisors associated with the CCAA Proceedings and are based on estimates provided by the advisors.
6. Forecast DIP Financing are based on funding requirement and maintaining a positive balance throughout the period.

May 12, 2023

Rambler Metals & Mining Canada Limited

Per:
Celeste Van Tonder, Chief Financial Officer

Grant Thornton Limited, in its capacity as Monitor

Per:
Liam Murphy, CPA, CA, CIRP, LIT, Senior Vice President

Appendix D – Amended DIP Financing Agreement

TERMS AND CONDITIONS FOR A SENIOR SECURED SUPER PRIORITY DEBTOR-IN-POSSESSION CREDIT FACILITY

May 12 ***, 2023***

TO: **RAMBLER METALS & MINING CANADA LTD.**
P.O. Box 610, Baie Verte, NL, A0K 1B0
Route # 418, Ming's Bight Road, NL, A0K 3S0

FROM: **RMM DEBT LIMITED PARTNERSHIP, by its general partner, RMM GENERAL PARTNER INC.**
47 Edendale Crescent
Toronto, ON, M9A 4A5

Re: Loan and Security Agreement (the "Loan")

RMM Debt Limited Partnership, by its general partner, RMM General Partner Inc. (the "**Lender**" or "**RMM Debt LP**") is pleased to confirm our offer to continue and increase the presently court approved senior secured super-priority debtor-in-possession credit facility by this amended agreement without novation thereof and thereby continue to make it available to the Borrower, pursuant to its court-approved power to borrow in the Proceeding. This agreement (the "**Agreement**") is subject to the conditions precedent set out herein.

Borrower:	**Rambler Metals & Mining Canada Ltd.**
Guarantors:	**Rambler Mines Limited, 1948565 Ontario Inc., and Rambler Metals & Mining Plc.,** and any other entity as deemed necessary by the Lender and / or its counsel (collectively referred to herein as the "**Guarantor**").
Monitor to Proceeding:	**Grant Thornton Limited** (or the respective court appointed monitor, receiver or trustee) (the "**Monitor**").
CCAA Requirement:	Proceedings will issue court order supporting the terms herein in the Supreme Court of Newfoundland and Labrador (the "**Court**") pursuant to a proceeding under the *Companies' Creditors Arrangement Act* in the matter of the Borrower and Guarantors (the "**Proceeding**"). The order to be sought / granted in the Proceeding is referred to as the "**Order**". The order issued prior to the date hereof as the initial order being the "**Initial Order**".
Credit Facility:	Subject to Court approval in the Proceeding, an increased non-revolving credit facility up to the Maximum Amount (as defined below) would be made available to the Borrower for interim financing on the general terms set out herein (the "**DIP Financing**").
Maximum Amount:	The facility would be made available up to a maximum amount of US$8,300,000.00, as increased from and including the prior Court-approved US$5,000,000.00 (the "**Maximum Amount**").
Definitions:	Capitalized terms not defined herein shall have the meanings set out in Appendix A appended hereto.
Availability:	On and after the date on which the Order is issued, the Borrower may request advances under the Credit Facility by delivering to the Lender and the Monitor not less than five (5) business days prior to the requested advance, a drawdown

	certificate in form acceptable to the Lender and the Monitor detailing the amount of the requested advance and confirming without limitation the accuracy of all representations and warranties, that no Event of Default has occurred and is continuing, weekly Cash Flow Projections for the thirteen (13) week period commencing on the date that is five (5) business days prior to the requested advance, and that the requested advance conforms with the approved cash flow budget. The draws shall be in amounts of not more than $500,000 against the approved cash flow budget as amended from time to time. Receipt and disbursement of funds will be made through the Monitor. The appended terms attached hereto as Appendix B constitute a legal and binding agreement between the parties with respect to Cash Flow Projections and cash flow budget and form part of this Agreement.
Termination Date:	The maturity of the Credit Facility (the "**Termination Date**") shall be the earliest of: a) Eight (8) months from the date of the approval of the DIP Financing pursuant to the Initial Order; b) the date the stay of proceedings expires in the Proceeding without extension; c) Ten (10) days following written notice being provided by the Lender to the Borrower of the occurrence and continuation of an Event of Default as set out in Appendix J; or d) any of the additional events set out in Appendix C appended hereto which shall constitute a legal and binding agreement between the parties with respect to the Termination Date. Should the Proceeding or anticipated DIP repayment date extend past the Termination Date, the Lender shall renew the DIP Financing on terms as expressed in the Agreement (and generally consistent with the terms set out herein). For clarity, the Lender may only enforce the Credit Facility with approval of the Court on notice to the Borrower and Guarantors. The appended terms attached hereto as Appendix D constitute a legal and binding agreement between the parties with respect to Extension of the Termination Date and form part of this Agreement.
Disbursement:	Disbursements are to be consistent with the approved cash flow, Cash Flow Projections and cash flow budget and approval of the Monitor. The appended terms attached hereto as Appendix B constitute a legal and binding agreement between the parties with respect to Cash Flow Projections and cash flow budget and form part of this Agreement.
Interest Rate:	The Credit Facility shall bear interest at an annual rate equal to 17% per annum, calculated in arrears and payable monthly.
Fees:	***Standby Fee*** – the Borrower shall pay a standby charge on the unused portion of the Credit Facility equal to 2.5% per annum multiplied by the difference between (a) the Maximum Amount and (b) the amounts outstanding under the Credit Facility, calculated daily and payable monthly in arrears on the last business day of each month (the "**Standby Fee**").

Repayment:	The Credit Facility will be serviced by payments of interest-only during the Term. Any proceeds arising from (i) any disposition or other transaction involving the collateral subject to the Security including, without limitation, any refinancing thereof and including the Non-Core Assets as defined below; and (ii) any insurance proceeds in respect of any of the collateral subject to the Security shall, unless otherwise agreed to by the Lender in its sole and absolute discretion, be applied to the repayment of all amounts outstanding under the Credit Facility including, without limitation, principal, interest and fees and any such repayment shall permanently reduce the Maximum Amount available under the Credit Facility. The appended terms attached hereto as Appendix C constitute a legal and binding agreement between the parties with respect to repayment of the Credit Facility pursuant to the Termination Date. The appended terms attached hereto as Appendix E constitute a legal and binding agreement between the parties with respect to permanent reduction of the Credit Facility and form part of this Agreement.
Expenses:	The Borrower will pay all reasonable costs incurred by the Lender, directly or indirectly, including, without limitation, expenses of legal counsel, due diligence, appraisals, and any other reasonable expenses incurred in conjunction with preparing the DIP Credit Documents (as defined below).
Security:	Security for repayment of the Credit Facility would be by way of contractual security and a fully perfected court-ordered super-priority charge against all of the assets, real properties and undertakings of the Borrower with a guarantee and all assets security granted on the same basis from the Guarantors, subject only to the Monitor's court-ordered Administration Charge of not more than $1,350,000 CAD, or other court-ordered amount satisfactory to the Lender (the "**Security**"). The Security is further described and set out in the personal property and real property security documents in relation to the Credit Facility. The Lender and the Borrower also acknowledge that the Borrower shall seek from the court a Directors Charge, which priority shall rank ahead of all other charges except for the Administration Charge and the Security. The appended terms attached hereto as Appendix F constitute a legal and binding agreement between the parties with respect to supplemental Security terms and form part of this Agreement.
Assignability and Syndication:	The Lender may assign, transfer, or grant participations in its rights or obligations in whole or in part without notice or consent of the Borrower or Guarantors.
Conditions Precedent to Closing:	The execution and advance of the Loan at the time of the Initial Order was subject to the Lender's receipt of the following, all of which in form and substance satisfactory to the Lender and all of which were satisfied, but continued access is subject to those remaining and satisfied at all times and the access to the increased facility is subject to the issue of the Order: a) Execution of a definitive credit agreement (the "**Credit Agreement**") and other reasonably required transaction documents, in form and substance satisfactory to the Lender (collectively, the "**DIP Credit Documents**") and

	specifically providing a right to participate in any equity or finance offering by the Borrower or Guarantors to the amount of US$8,300,000 on the same terms as the equity or finance offering; b) Issuance of the Order (and any other required order in the Proceeding), satisfactory in form and substance to the Lender, approving and authorizing the DIP Credit Documents and the Security with the priority contemplated herein, authorizing the establishment of the Credit Facility by the Lender, and such orders being in full force and effect, un-amended, not vacated and not stayed; c) There will be no appeals, injunctions or other legal impediments relating to the completion of the DIP Financing or pending litigation seeking to restrain or prohibit the completion of the DIP Financing; d) Verification of title/ownership of all corporate assets; e) The Lender shall have been named as mortgagee and additional insured and first loss payee on the Borrower's property and casualty insurance policies, including, but not limited to, insurance with respect to any real property subject to the Security, which insurance and its terms shall be satisfactory to the Lender; f) The Borrower will have provided an up to date list of owned equipment, along with evidence of title as necessary, to the satisfaction of the Lender; g) An up to date organizational chart for the Borrowers and Guarantors confirming shareholder ownership and collateral ownership; h) An up to date Officer's Certificates, for the Borrower and Guarantors; and i) Provision of a forward-looking 13-week rolling cash flow projection, as well as any other required financial due diligence information, to the satisfaction of the Lender, such to constitute the cash flow budget to be approved by Lender for the Proceeding and thereafter to be updated monthly in consultation with the Monitor at each disbursement. j) The priority of the Security as stated in the Initial Order shall be such that notwithstanding the terms of any secured creditor intercreditor arrangement the priority of the Security will apply to this Agreement and the DIP Financing hereunder. The appended terms attached hereto as Appendix G constitute a legal and binding agreement between the parties with respect to additional Conditions Precedent to the execution and advance of the Credit Facility and form part of this Agreement.
Reporting:	Standard reporting requirements for a facility of this nature, and in particular such reporting as set out in Appendix H, which constitutes a legal and binding agreement between the parties with respect to reporting requirements and form part of this Agreement.
Covenants:	This Agreement contains affirmative and negative covenants as set out in Appendix I, which constitute a legal and binding agreement between the parties with respect to positive and negative covenants and form part of this Agreement. This Agreement does not contain any fixed covenants relating to the financial performance of the Borrower or Guarantors.
Events of Default:	Standard events of default for a DIP approved Credit Facility transaction of this nature and specifically including any assessment by the Monitor that post filing obligations will be reasonably expected to exceed financial resources or there is a

	material adverse effect on the value of the Security and/or the security held by the current noteholders. For clarity, the Lender may only enforce the Credit Facility with approval of the Court on notice to the Borrower and Guarantors. The appended terms attached hereto as Appendix J constitute a legal and binding agreement between the parties with respect to Events of Default and form part of this Agreement.
Expiration Date:	This amended to increase and extend Proposal will expire on May ____, 2023.

LENDER:

RMM DEBT LIMITED PARTNERSHIP, by its general partner, RMM GENERAL PARTNER INC.

By: Peter Fraser

Name: PETER FRASER

Title: DIRECTOR

I have authority to bind the corporation

BORROWER:

ACCEPTED this ______ day of _______________ , 2023.

RAMBLER METALS & MINING CANADA LTD.

By:________________________________

Name:

Title:

I have authority to bind the corporation

GUARANTORS:

ACCEPTED this ______ day of _______________ , 2023.

RAMBLER MINES LIMITED

By:________________________________

Name:

Title:

I have the authority to bind the corporation

	material adverse effect on the value of the Security and/or the security held by the current noteholders. For clarity, the Lender may only enforce the Credit Facility with approval of the Court on notice to the Borrower and Guarantors. The appended terms attached hereto as Appendix J constitute a legal and binding agreement between the parties with respect to Events of Default and form part of this Agreement.
Expiration Date:	This amended to increase and extend Proposal will expire on May ____, 2023.

LENDER:

RMM DEBT LIMITED PARTNERSHIP, by its general partner, RMM GENERAL PARTNER INC.

By: ________________________________

Name:

Title:

I have authority to bind the corporation

BORROWER:

ACCEPTED this 12th day of May , 2023.

RAMBLER METALS & MINING CANADA LTD.

By: ________________________________

Name: Tim Sanford

Title: Interim CEO & Corp Secretary

I have authority to bind the corporation

GUARANTORS:

ACCEPTED this 12th day of May , 2023.

RAMBLER MINES LIMITED

By: ________________________________

Name: Tim Sanford

Title: Corporate Secretary

I have the authority to bind the corporation

1948565 ONTARIO INC.

By: ______________________________

Name: Tim Sanford

Title: Interim CEO & Corp Secretary

I have authority to bind the corporation

RAMBLER METALS & MINING Plc

By:______________________________

Name: Tim Sanford

Title: Corporate Secretary

I have the authority to bind the corporation

APPENDIX A
DEFINITIONS

"Cash Flow Projections" means a statement indicating the Borrower's weekly cash flow projections setting forth (a) a rolling 13-week cash flow forecast of the cash receipts and cash disbursements of the Loan Parties from the date that is five (5) business days prior to the requested advance (the "Effective Date") through and including the date that is three (3) calendar months from the Effective Date, acceptable to the Lender; and (b) a variance report comparing (i) the actual cash receipts and cash disbursements for the preceding week to the projected cash receipts and cash disbursements for such week in the most recently delivered Cash Flow Projections, and (ii) actual cumulative cash receipts and disbursements to the cash flow budget; as such Cash Flow Projections may be amended or modified from time to time by the Borrower, provided that the Lender shall have provided prior written consent to any such amendment or modification, in its sole discretion.

"**Loan Parties**" means, collectively, the Lender, the Borrower, and the Guarantors.

"**Plan of Arrangement**" means a plan of arrangement or compromise within the CCAA Proceedings.

"**Pre-Filing Debt**" means all indebtedness of the Loan Parties for payments of principal, interest, fees or other amounts owing by the Loan Parties to any creditor as of the date of the Initial Order, including payments with respect to pre-filing trade or pre-filing unsecured liabilities of the Loan Parties, royalties, forward contracts or any similar arrangements.

APPENDIX B
CASH FLOW PROJECTIONS AND BUDGET

Cash Flow Projections

(a) The Cash Flow Projections are prepared by the Borrower, with the assistance of the Monitor, and approved in form and substance by the Lender and the Monitor. The Cash Flow Projections reflect the projected cash flow requirements of the Borrower for the 13 week period, calculated on a weekly basis commencing on the date that is five (5) business days prior to the requested advance.

(b) The Cash Flow Projections shall be updated weekly on or before the Monday of the following week to reflect actual receipts and disbursements of the prior week. A variance report shall be provided to reflect variances in the prior one-week period due to discrepancies between the actual and projected cash receipts and disbursements.

(c) The Cash Flow Projections shall be rolled forward on a weekly basis on or before the Monday of the following week. The rolled forward Cash Flow Projection shall be acceptable to the Lender and the Monitor.

(d) The Cash Flow Projections shall be certified by the Chief Financial Officer of the Borrower or such other Person agreed to by the Lender and the Monitor to be true, complete and accurate.

(e) Disbursements are to be made from the Borrower or Guarantors' resources or the Loan, and are to be consistent with both the Cash Flow Projections and cash flow budget and approved by the Monitor before such disbursement is made.

Cash Flow Budget

(a) The cash flow budget is prepared by the Borrower, with the assistance of the Monitor, and approved in form and substance by the Lender and the Monitor. The cash flow budget reflects the expense requirements of the Borrower for the three (3)-month period, calculated monthly.

(b) The cash flow budget shall be updated monthly within five (5) days after the end of each calendar month to reflect actual numbers for the prior month. A variance report shall be provided to reflect variances in the prior month due to discrepancies between the actual and projected expenses.

(c) The cash flow budget shall be rolled forward each month within five (5) days after the end of each calendar month. The rolled forward Cash Flow Budget shall be acceptable to the Lender and the Monitor.

(d) The cash flow budget shall be certified by the Chief Financial Officer of the Borrower or such other Person agreed to by the Lender and the Monitor to be true, complete and accurate.

APPENDIX C
TERMINATION DATE

01. Termination Date. In addition to the events listed in the “Termination Date” section of this Agreement, the maturity of the Credit Facility Termination Date shall be the earliest of:

(a) The effective date of any plan of arrangement or compromise under the CCAA Proceedings;

(b) The closing of a purchase and sale of all or substantially all of the assets or shares of the Borrower;

(c) The refinancing of the Credit Facility upon the prior written consent of the Lender and the Borrower;

(d) The termination or conversion of the CCAA Proceedings; or

(e) Payment in full of the obligations under the Credit Facility (the “**Obligations**”).

02. Mandatory Repayments on the Termination Date. The Borrower shall repay or pay, as the case may be, all Obligations under or in connection with the Credit Facility, including all Advances and all accrued interest, fees and other amounts then unpaid with respect to such Advances in full on the Termination Date. Repayment shall be made through the Monitor.

APPENDIX D
EXTENSION OF TERMINATION DATE

01. Extension. The Termination Date may be extended from time to time at the request of the Borrower, and with the prior written consent of the Lender and the Monitor, for such period and on such terms and conditions as the Lender may agree to.

APPENDIX E
PERMANENT REDUCTION OF CREDIT FACILITY

01. Permanent Reduction. In addition to the requirement to apply the proceeds from the sale of any Non-Core Assets (as defined above), unless otherwise consented to in writing by the Lender, and the Monitor is satisfied that the Loan Parties have sufficient cash reserves, the Credit Facility shall be promptly repaid and the amount of the Credit Facility shall be permanently reduced upon a sale of: (a) any of the collateral out of the ordinary course of business; or (b) obsolete or worn out equipment or assets ((a) and (b) consented to, in writing, by the Lender), in an amount equal to the net cash proceeds of such sale (for greater certainty, net of transaction fees and applicable taxes in respect thereof). Any amount repaid may not be reborrowed.

APPENDIX F
SUPPLEMENTAL SECURITY TERMS

01. Subject to the terms of the Order and the Initial Order, as general and continuing security for the payment and performance of the Obligations, the following Security shall be granted to the Lender from each of the Borrower and Guarantors:

(a) A super-priority security interest in all of the present and after-acquired assets, property and undertaking of the Borrower and each Guarantor.

(b) The Lender's security interest shall rank in priority to all other encumbrances save and except for the priority charges.

(c) The Lender's security interest and ranking shall be approved by the CCAA Court, on terms and conditions satisfactory to the Lender.

02. Security Valid and Enforceable Irrespective of Time of Advance. All rights, agreements and obligations of the Loan Parties and the Lender and the granting of, and the priorities of, the Security and the Obligations set out in this Agreement, will remain in full force and effect irrespective of the time of any loan or advance made to the Borrower by the Lender, including whether advanced before or after or at the same time as the creation of the security interests or before or after or at the same time as the date of execution of this Agreement.

03. Registration. The Borrower and each other Loan Party shall, at their own expense and to the satisfaction of the Lender, register, file or record, or cause to be registered, filed or recorded, the Security in all offices and jurisdictions where such registration, filing or recording is necessary or, in the Lender's determination, advisable or to the advantage of the Lender, to, create, perfect or preserve the Security granted by such Loan Party. Each Loan Party shall provide the Lender with such assistance and do such acts as the Lender may from time to time reasonably request and provide such other materials of conveyance, assignment, transfer, or charge to properly effect the Lender's security as contemplated and shall renew and maintain such registrations, filings, and recordings from time to time as and when required to keep them in full force and effect.

04. After-Acquired Property and Further Assurance. The Borrower and each other Loan Party shall from time to time execute and deliver all such further deeds or other instruments of conveyance, assignment, transfer, mortgage or hypothec, charge, security interest or pledge in connection with any assets acquired by a Loan Party and intended to be subject to the Security after the date hereof, or as may be required to properly perfect the security interest of the Lender in any collateral subject to the Security.

05. Additional Terms. For greater certainty, the terms of the Security in favour of the Lender hereunder will be deemed to give effect to the rights, benefits, and entitlements identical to those set out in the guarantees, security agreements, and other documents executed in favour of NewGen Resources Lending Inc., as agent for certain senior lenders, pursuant to the Note Purchase Agreement dated October 29, 2021 , as amended on December 1, 2021, but with such rights, benefits, and entitlements having the court-ordered super-priority charge set out in the Order and the Initial Order.

APPENDIX G
CONDITIONS PRECEDENT

01. Conditions Precedent. In addition to the conditions set out in the Conditions Precedent section of this Agreement, the execution and advance of the Loan is subject to the Lender's receipt of the following, all of which will be in form and substance satisfactory to the Lender:

(a) CCAA Materials. The Lender shall have had a reasonable opportunity to review advance copies of, and shall be reasonably satisfied with, all materials filed in respect of the CCAA Proceedings.

(b) Fees and Expenses. The Lender shall have received all fees and other amounts due and payable, including reimbursement or payment of all out-of-pocket expenses (including legal fees and expenses of any professionals or professional firms retained by the Borrower required to be reimbursed or paid by the Borrower hereunder or any of the DIP Credit Documents.

(c) Consents. All governmental and other third-party consents and approvals necessary or required by the Lender in connection with the Credit Facility and its effectiveness shall have been obtained and shall remain in full force and effect.

(d) Event of Default. No Event of Default shall have occurred and be continuing on the date of the advance or will occur after giving effect to the advance.

APPENDIX H
REPORTING REQUIREMENTS

During the term of this Agreement, the Borrower and each Guarantor, jointly and severally, covenant and agree that they shall:

01. Financial Statements, Reports, Etc. Provide to the Lender and the Monitor:

(a) Monthly Financial Statements. As soon as available, but in any event not later than five (5) days after the end of each calendar month, an unaudited consolidated balance sheet and an unaudited consolidated statement of income for such month, in each case setting forth a variance report comparing such balance sheet and statement of income against the projected consolidated balance sheet and related consolidated statements of income provided to the Lender and the Monitor in the cash flow budget, in each case, certified by an officer of the Borrower as being fairly stated in all material respects (subject to normal year-end audit adjustments and the absence of footnotes). All such financial statements delivered pursuant to this Section shall be complete and correct in all material respects (subject to normal year-end audit adjustments and quarterly adjustments and the absence of footnotes) and shall be prepared in reasonable detail and in accordance with GAAP applied consistently throughout the periods reflected therein and with prior periods.

(b) Projections; Weekly Variance Report. On the first business day of each week (i) a rolling 13-week cash flow forecast of the cash receipts and cash disbursements of the Loan Parties for the immediately following consecutive 13 weeks, set forth on a weekly basis and; and (ii) a variance report comparing (A) the actual cash receipts and cash disbursements for the preceding week to the projected cash receipts and cash disbursements provided for such week in the most recently delivered Cash Flow Projections, and (B) actual cumulative cash receipts and disbursements to the cash flow budget.

(c) Budget; Monthly Variance Report. As soon as available, but in any event not later than five (5) days after the end of each calendar month, an updated cash flow budget for the next calendar month, including a reconciliation of actual results for the immediately preceding calendar month to the cash flow budget for such month, and a detailed explanation of all material variances.

(d) Litigation. Promptly, upon becoming aware thereof, provide details of the following to the Lender and the Monitor:

i. any pending, threatened or potential claims, litigation, actions, suits, arbitrations, other proceedings or notices received in respect of same, against any Loan Party, by or before any court tribunal, Governmental Authority or regulatory body, which would be reasonably likely to result in a judgement, and

ii. any existing or threatened in writing default or dispute with respect to any Material Contracts.

(e) Other Information. Promptly, from time to time, such other information regarding the operations, business affairs, and financial condition of any Loan Party, as the Lender and/or the Monitor may reasonably request.

02. Pleadings. Deliver to the Lender and the Monitor draft copies of any court materials in respect of the CCAA Proceedings which the Borrower intends to file with the CCAA Court for review and comment by the Lender and the Monitor not less than three (3) business days prior to the date of service and filing of said court materials, or where it is not practically possible to do so, within such time, as soon as possible and in any event not less than one day prior to the date on which such motion, application, proposed order or other materials or document is served on the service list in respect of the CCAA Proceedings; provided that all such filing by the Borrower with the CCAA Court shall be in form and substance acceptable to the Lender and the Monitor and its respective counsel, acting reasonably, to the extent that any such filings affect or can reasonably be expected to affect the rights and interests of the Lender.

03. Bi-Weekly Updates. Provide to the Lender and the Monitor, on the last business day of every other week (unless waived by both the Lender and the Monitor), a status report and such other updated information relating to the conduct of the business, the CCAA Proceeding, the sales process (if applicable) and such other information as may be reasonably requested by the Lender and/or the Monitor, in form and substance reasonably acceptable to the Lender and the Monitor.

04. Default. Notify the Lender and the Monitor of the occurrence of any Event of Default.

05. Material Adverse Effect. Notify the Lender and the Monitor of any development or event that has had or could reasonably be expected to have a material adverse effect.

APPENDIX I
COVENANTS

01. Positive Covenants. During the term of this Agreement, the Borrower and each Guarantor, jointly and severally, covenant and agree that they shall:

(a) Maintenance of Existence and Status and Permits. Subject to the terms of the Initial Order, preserve, renew and keep in full force and effect its existence, organization and status in each jurisdiction of incorporation and in each other jurisdiction in which they carry on business or own assets and make all corporate, partnership or other registrations and filings necessary to do so.

(b) Payment of Obligations. Pursuant to the terms of the Initial Order, the cash flow budget and the Cash Flow Projections, duly and punctually pay all indebtedness due and payable by each of them to any person, including, without limitation the Obligations, taxes, and other contractual obligations.

(c) Compliance with Budget. Conduct business in accordance with the cash flow budget.

(d) Compliance with Laws and Contracts. Subject to the terms of the Initial Order, comply with all applicable laws and contractual obligations.

(e) Maintenance of Insurance. Subject to the terms of the Initial Order, maintain insurance with respect to its property and business (with the Lender shown as first loss payee and additional insured) with financially sound and reputable insurance companies, of such kinds and in such amounts and against such risks as is customary for the business of the Loan Parties. Furnish to the Lender and/or the Monitor, on written request, confirmation that such insurance is carried, paid and current.

(f) Inspection of Collateral, Books and Records.
   i. Keep proper books of record and accounts, in which full, true and correct entries in conformity with GAAP, its constating documents and all applicable laws, of all dealings and transactions and assets in relation to its business and activities.
   ii. Permit the Lender and/or the Monitor, on reasonable notice, to visit, inspect, appraise and conduct field examinations of any or all of the collateral and make abstracts from any of its books and records at any reasonable time and as often as may reasonably be desired and to discuss its business operations, properties and financial and other conditions with its officers, employees and its independent public accountants, subject to solicitor-client privilege, all court orders, applicable privacy laws and applicable confidentiality obligations of the lender.

(g) Disclosure of Offers. Promptly upon receipt thereof, provide the Lender with copies of any offers to purchase, expressions of interest to fund or acquire, letters of intent, memorandums of understanding or purchase or finance agreements of any kind related to the Nugget Pond Gold Mine and Little Deer Copper Complex exploration properties (the "**Non-Core Assets**").

(h) Orders. Comply with the terms of the Order, the Initial Order, the cash flow budget, the Cash Flow Projections and all orders made in connection with the Proceedings.

02. Negative Covenants. During the term of this Agreement, the Borrower and the Guarantors, jointly and severally, covenant and agree that without the prior written consent of the Lender and the Monitor, they shall not:

(a) Limitation on Obligations. Create, incur, assume, permit to exist or otherwise become liable with respect to any indebtedness, Pre-Filing Debt, encumbrance, or any other obligation other than pursuant to the Order/Initial Order or as approved by the Monitor.

(b) Material Contracts. Enter into a material contractual obligation, or terminate or amend in any material manner, an existing material contractual obligation.

(c) Guarantees. Make or give any financial assurances, in the form of bonds, letters of credit, financial guarantees or otherwise to any Person or Governmental Authority.

(d) Fundamental Changes. Merge into, amalgamate or consolidate with any other entity or engage in any business other than businesses of the type conducted by the Borrower on the date hereof and businesses reasonably related thereto.

(e) Limitation on Dispositions. Sell, lease, assign, transfer or otherwise dispose of any of its assets or property, whether now owned or hereafter acquired, except for (i) in the ordinary course of business, (ii) dispositions expressly provided or permitted in the Cash Flow Projections, the cash flow budget, or pursuant to the Initial Order or any other order of the CCAA Court, or (iii) dispositions of obsolete or worn out equipment or assets consistent with past practice, in each such case with the consent and approval of the Monitor.

(f) Limitation on Distributions. Make (i) any distribution, dividend, return of capital or other distribution in respect of equity securities (in cash, securities or other property or otherwise); (ii) a retirement, redemption, purchase, or repayment of equity securities; or (iii) any payment on account of indebtedness (including any payment of principal, interest, fees or any other payment thereon), in each case, except amounts authorized by the Cash Flow Projections, the cash flow budget or pursuant to the Order, the Initial Order, or any other order of the CCAA Court.

(g) Limitation on Contracts and Payments to Directors & Officers. Enter into, renew, amend, modify or assume any employment, consulting, management, service or analogous agreement or arrangement with any director, senior or executive officer or senior management of the Loan Parties or any related party, or make any payment to any such person in respect of any bonus, change of control payment or severance package of any kind whatsoever other than (i) as consented to by the Monitor and approved by the CCAA Court on prior notice to the Lender, (ii) as consented to by the Lender and the Monitor, acting reasonably, or (iii) as set out in the cash flow budget as amended from time to time or the Initial Order or Order.

(h) Limitation on Related Party Transactions. Enter into or be a party to any transaction including any purchase, sale, lease, license or exchange or property, the rendering of any service or the payment of any management, advisory or similar fee, with any person who is not at arm's length, other than (i) as consented to by the Monitor and approved by the CCAA Court on prior notice to the Lender; or (ii) as consented to by the Lender and the Monitor, acting reasonably.

(i) Transactions out of the Ordinary Course of Business. Make a public announcement in respect to, enter into any agreement or letter of intent with respect to, or attempt to consummate, or support an attempt to consummate by another party, any transaction or agreement outside the ordinary course of business, other than with the consent and approval of the Monitor.

(j) Orders in CCAA Proceedings. Apply for, or consent to, any new order, or amendment or modification to an existing order affecting the Lender, issued in the CCAA Proceedings.

(k) Initial Order. Seek or apply to vary, supplement, revoke, terminate or discharge the Initial Order or the Monitor's role as monitor thereunder.

(l) Plan of Arrangement. File or support the confirmation of any Plan of Arrangement or liquidation other than an Acceptable Plan of Arrangement.

(m) Projected Cash Flow or Cash Flow Budget. Amend, replace or modify the cash flow budget or the Projected Cash Flow, other than with the consent and approval of the Monitor.

03. Cash Management. Subject to the terms of the Initial Order:

(a) Each Loan Party shall, at its own expense, enforce, collect and receive all amounts owing on its accounts in the ordinary course of its business and any proceeds it so receives shall be subject to the terms hereof. Receipt and disbursement of funds hereunder shall be done through the Monitor.

(b) All cheques, cash receipts, credit card sales and receipts, all collections of accounts receivable and all other proceeds, notes, instruments or property received by a Loan Party with respect to the assets subject to a security interest under the security documents (including all amounts payable to any Loan Party from a credit card issuer or credit card processor), shall be deposited into one or more new bank accounts of the Borrower (the "**Operating Accounts**") held with the Lender and managed by the Monitor.

(c) Each Loan Party shall (i) direct all account debtors to deposit any and all proceeds into the Operating Accounts; (ii) indicate on all of its invoices that payment should be delivered to the Operating Accounts; and (iii) irrevocably authorize and direct any bank which maintains any Loan Party's initial receipt of cash, cheques or other items to promptly wire transfer all available funds to one or more of the Operating Accounts.

(d) All Advances shall be deposited in one of the Operating Accounts, as designated by the Lender and approved by the Monitor.

(e) After the occurrence and during the continuance of an Event of Default (i) the Monitor shall at all times have the sole authority to provide instructions regarding the disposition of funds on deposit in the Operating Accounts; (ii) the Borrower authorizes and directs the Monitor, in the Monitor 's sole discretion, to automatically debit the Operating Accounts for all amounts payable by the Borrower to the Lender hereunder including, without limitation, principal, interest, fees or other amounts payable by the Borrower; (iii) the Loan Parties shall have no right of withdrawal from the Operating Accounts; and (iv) the funds on deposit in the Operating Accounts shall at all times be collateral security for the Obligations.

(f) In the event that, notwithstanding the provisions of this Section, any Loan Party receives or otherwise has control of any such proceeds or collections, such proceeds and collections shall be held in trust by such Loan Party for the Lender, shall not be deposited in any account of such Loan Party (other than the Operating Accounts) and shall, not later than the business day after receipt thereof, be deposited into the Operating Accounts or dealt with in such other fashion as such Loan Party may be instructed by the Monitor.

(g) The Monitor shall record the principal amount of the Obligations and the payment of principal and interest and all other amounts becoming due to the Lender. These accounts and records shall constitute, in the absence of manifest error, prima facie evidence of the amount of the Obligations.

(h) The Loan Parties acknowledge that the implementation of the foregoing cash management provisions is required for the Lender and the Monitor to manage and monitor the Lender’s collateral position and that the Lender is relying on the Loan Parties' acknowledgements with respect to such cash management arrangements in making the Credit Facility available to the Loan Parties.

APPENDIX J
EVENTS OF DEFAULT

01. Events of Default. Any of the following shall constitute an "**Event of Default**" under this Agreement:

(a) Payment Default. The Borrower fails to pay (i) any principal amount owing under this Agreement, or any other DIP Credit Document when due, whether at stated maturity, by acceleration, or otherwise; or (ii) any interest, fee or other amount payable hereunder or under any other DIP Credit Document when due and payable and such failure remains unremedied for a period of five (5) days.

(b) Incorrect Representations. Any representation, warranty, certification or other statement of fact made or deemed made by or on behalf of any Loan Party herein or in any other DIP Credit Document or any amendment or modification hereof or thereof or waiver hereunder or thereunder proves to be false or misleading in any material respect on or as of the date made or deemed made.

(c) Breach of Covenants. Any Loan Party fails to perform or observe any other covenant, term, condition or agreement contained in this Agreement or any other DIP Credit Document in any material respect, and such failure continues unremedied for a period of five (5) days after written notice to the Borrower from the Lender.

(d) Super-Priority Claims. An order of the CCAA Court shall be entered granting any Lender an encumbrance, lien or security interest, which is pari passu with or senior to the encumbrances, liens and security interest securing the Credit Facility, or any Loan Party takes any action seeking or supporting the grant of any such encumbrance, lien, or security interest, in each case except as expressly permitted under the Initial Order or with the consent of the Lender.

(e) Challenge to Initial Order or Order. The Initial Order or Order, or the Monitor's appointment thereunder, shall fail to be in full force and effect, including by the entry of an order (i) appealing, reversing or vacating the Initial Order or Order, (ii) amending or modifying the Initial Order or Order, or (iii) staying the Initial Order or Order.

(f) Termination/Relief from the Automatic Stay. The CCAA Court shall enter an order or orders (i) terminating the CCAA Proceeding, (ii) terminating the stay granted under the Order, (iii) granting relief from the stay granted under the Order to allow any one or more creditors to execute upon or enforce encumbrances, liens on or security interests in any assets of any Loan Party without the prior consent of the Lender, or (iv) that would have a material adverse effect.

(g) Receivership/BIA Proposal/Bankruptcy. A receiver, receiver manager, interim receiver, proposal trustee, trustee in bankruptcy or similar trustee is appointed over some or all the assets of any of the Loan Parties, without the prior written consent of the Lender and the Monitor.

(h) Compliance with Orders. Any Loan Party shall fail to comply, in any material respect, with the terms of the Initial Order, the Order, or any other court orders delivered in the Proceedings.

(i) Compliance/Variance with Budget and Cash Flow Projections. (i) Any Loan Party shall fail to comply, in any material respect, with the terms of the Budget or the Cash Flow Projections, or (ii) the occurrence of any negative variances in excess of 10 percent in respect of the actual cumulative net cash flows against the forecasted cumulative net cash flows in the Budget.

(j) Pre-Filing Debt Payments. The Borrower shall make any payments on account of Pre-Filing Debt other than (i) as permitted by the Initial Order, the Order, or any other orders of the CCAA Court, (ii) as otherwise permitted by this Agreement, or (iii) as otherwise ordered by the CCAA Court and agreed in writing by the Lender in its sole discretion.

(k) Sale of Assets. Any Loan Party shall file a motion seeking, or take any action supporting a motion seeking, or the CCAA Court shall enter, an order, authorizing the sale of all or substantially all of its assets (unless, in the case of each of the foregoing, either (i) (A) the Lender consents to the filing of such motion, and (B) any order approving the sale expressly provides for application of cash proceeds in accordance with the terms of this Agreement and is otherwise in form and substance reasonably acceptable to the Lender, or (ii) the order approving such sale contemplates payment in full in cash of the Obligations upon consummation of such sale).

(l) CCAA Milestones. The failure of any Loan Party to perform any of its obligations by the times specified in any plan submitted or order obtained in the Proceedings.

(m) Cessation of Carrying on Business. If any Loan Party ceases, or threatens to cease, to carry on business in the ordinary course.

(n) Alteration of Proceedings. If any of the Loan Parties, without the consent of the Lender, seek to obtain a "critical supplier charge" or similar protection pursuant to the CCAA in favour of any party, seek to continue the Proceedings under the jurisdiction of a court other than the CCAA Court, or seek to initiate any restructuring proceedings other than the Proceedings in any court or jurisdiction.

02. Remedies. If any Event of Default shall have occurred and be continuing, the Lender may, by written notice to the Borrower, take any or all of the following actions:

(a) Declare all or any portion of the Loan to be suspended or terminated, whereupon such Loan shall forthwith be suspended or terminated;

(b) Declare all or any portion of the unpaid principal amount of all outstanding advances, all interest accrued and unpaid thereon, and all other amounts owing or payable hereunder or under any other DIP Credit Document to be immediately due and payable, without presentment, demand, protest, or (except as provided above) other notice of any kind, all of which are hereby expressly waived by the Borrower, whereupon all Obligations shall become due and payable by the Borrower;

(c) Set-off or combine any amounts then owing by the Lender to a Loan Party against the obligations of such Loan Party to the Lender.

(d) Subject to the applicable provisions of the Initial Order and the necessary Court approval for enforcement of the same, and any subsequent orders issued in the Proceedings, exercise all rights and remedies available to the Lender under the DIP Credit Documents, the Order, or applicable law.

(e) Upon five (5) days prior written notice to the CCAA Court, apply to the CCAA Court for an order, on terms acceptable to the Lender, for the appointment of a receiver, interim receiver, or receiver and manager of some or all of the assets of the Borrower or other Loan Parties or a trustee in bankruptcy of the Borrower or other Loan Parties.

(f) Upon five (5) days prior written notice to the CCAA Court, apply to the CCAA Court for an order, on terms acceptable to the Monitor and the Lender, providing the Monitor with the power, in the name of and on behalf of the Borrower, to take all necessary steps in the Proceedings.