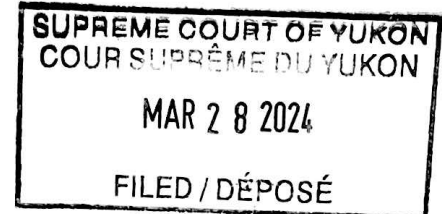


No. 23-A0086

SUPREME COURT OF YUKON

SUMITOMO CANADA LIMITED
Petitioner



And

MINTO METALS CORP.
Respondent

RECEIVER'S THIRD REPORT TO COURT
(Prepared for the April 5, 2024 Court Hearing)

March 27, 2024

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1. INTRODUCTION

- 1.1 On June 29, 2023, (the “**Limited Receivership Date**”) the Supreme Court of British Columbia (the “**BC Court**”), on application by Sumitomo Canada Limited (“**Sumitomo**”), granted an Order (the “**Limited Receivership Order**”) which, among other things:
- 1.1.1 Appointed PricewaterhouseCoopers Inc., LIT (“**PwC**”) as limited receiver and manager (the “**Limited Receiver**”) without security, over certain assets of Minto Metal Corp. (“**Minto**” or the “**Debtor**”). The certain assets refer to all copper concentrates produced by Minto in respect of which title had not already transferred (the “**Unsold Concentrate**”) and all proceeds thereof;
- 1.1.2 Authorized and directed the Limited Receiver to sell the Unsold Concentrate up to 403.3 dry metric tonnes (“**DMT**”) to Sumitomo for the purchase price of United States Dollars (“**USD**”) \$1,488,927.14, less all reasonably incurred transportation costs (the “**Receiver’s Concentrate Sale**”); and
- 1.1.3 Authorized Sumitomo to remove any copper concentrates owned by Sumitomo, located at Minto’s mine site (the “**Sold Concentrate**”), without interference.
- 1.2 On July 5, 2023, the BC Court granted a further order, which amended the Limited Receivership Order (the “**Amended Limited Receivership Order**”) and among other things:
- 1.2.1 Confirmed that all claims shall attach to the net proceeds of sale from the Unsold Concentrate in the same priority as they had with respect to the Unsold Concentrate immediately prior to the sale; and
- 1.2.2 Authorized all lien claimants to take the necessary steps to preserve their rights as lien claimants.
- 1.3 On July 14, 2023, the Limited Receiver issued an initial report to the BC Court (the “**Limited Report**”) for the purpose of updating the BC Court on the Limited Receiver’s activities.
- 1.4 On July 24, 2023, the BC Court set aside the Amended Limited Receivership Order and granted two orders that, among other things:
- 1.4.1 Approved a settlement agreement between Sumitomo and the Government of Yukon (“**YG**”);
- 1.4.2 Authorized and directed the Limited Receiver to pay to YG the funds collected under the Receiver’s Concentrate Sale (the “**Settlement Payment**”);

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- 1.4.3 Discharged the Limited Receiver, upon payment of the Settlement Payment to YG; and
- 1.4.4 Appointed PricewaterhouseCoopers Inc., as the receiver and manager (the “**Receiver**”), without security, of all of the assets, undertakings and property of Minto (the “**Receivership Order**”).
- 1.5 On August 1, 2023, YG confirmed receipt of the Settlement Payment from the Receiver, and accordingly the Limited Receiver was discharged.
- 1.6 On August 25, 2023, the Supreme Court of Yukon (the “**Yukon Court**”) granted an Order transferring these proceedings from the BC Court to the Yukon Court.
- 1.7 On November 2, 2023, the Receiver issued its First Report to the Yukon Court (the “**First Report**”) to support the Receiver’s application for an order to increase the collective amount of the Receiver’s Charge and Receiver’s Borrowing Charge.
- 1.8 On November 8, 2023, the Receiver issued its Supplement to the First Report (the “**Supplemental First Report**”) which provided information to the Yukon Court with respect to the Sale and Investment Solicitation Process (the “**SISP**”) and seeking an increase to its Receiver’s Charge and Receiver’s Borrowing Charge.
- 1.9 On November 28, 2023, the Yukon Court granted an order increasing the Receiver’s Charge and Receiver’s Borrowing Charge from \$500,000 to \$1,000,000.
- 1.10 On January 31, 2024, the Receiver issued its Second Report to the Yukon Court (the “**Second Report**”) to provide an update on the SISP since its Supplemental First Report, details in support of its application for approval of the Receiver’s activities up to January 26, 2024, and details on the Receiver’s intention to assign an insurance claim to Sumitomo.
- 1.11 On February 9, 2024, the Receiver issued its Supplemental to the Second Report (the “**Supplemental Second Report**”) to provide details on Minto’s director and officer insurance policy (the “**Insurance Policy**”), in response to a letter received by the Receiver from YG.
- 1.12 On February 12, 2024, the Yukon Court granted an order approving the activities of the Receiver set out in the First Report, the Supplemental First Report and the Second Report. The application for the Receiver’s intention to assign the insurance claim to Sumitomo was adjourned by the Yukon Court to February 26, 2024.
- 1.13 On February 26, 2024, the Yukon Court granted an order authorizing the Receiver to execute the assignment agreement related to the insurance claim (the “**Assignment Agreement**”).

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- 1.14 This is the Receiver's Third Report to the Yukon Court (the "**Third Report**"). The purpose of the Third Report is to provide the Yukon Court with information regarding the:
- 1.14.1 Receiver's activities to date;
 - 1.14.2 Progress of the SISP since the Supplemental Second Report; and
 - 1.14.3 Receiver's proposed next steps.
- 1.15 Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian Dollars ("**CAD**").
- 1.16 Attached as **Appendix A** is a Glossary of Defined Terms used in this First Report.
- 1.17 The Receiver has set up a website at www.pwc.com/ca/minto (the "**Receiver's Website**"). All prescribed materials filed by the Receiver in relation to these proceedings are available to creditors and other interested parties in electronic format on the Receiver's Website. The Receiver will make regular updates to the website to ensure creditors and other interested parties are kept current on the status of these proceedings.

2. RECEIVER'S ACTIVITIES

- 2.1 Since the Second Report, the Receiver has undertaken, *inter alia*, the following activities:
- 2.1.1 Continued to hold various discussions with the relevant stakeholders to advance the SISP;
 - 2.1.2 Verified mailing addresses of former employees and issued T4s to over 220 former employees;
 - 2.1.3 Held in person discussions with SFN regarding the SISP;
 - 2.1.4 Held in person discussions with YG regarding the permitting requirements related to the sale of assets pursuant to the SISP;
 - 2.1.5 Held discussions with the reclamation bonding company and Capstone Mining Corporation ("**Capstone**") as the guarantor regarding the SISP;
 - 2.1.6 Coordinated discussions for permitting and reclamation bonding with the relevant stakeholders in relation to the sale of assets pursuant to the SISP;
 - 2.1.7 Obtained an extension from the Canadian Nuclear Safety Commission ("**CNSC**") for a permit to assist with the removal of nuclear gauges from the Minto Mine;

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- 2.1.8 Held discussions with Yukon Water Board (“YWB”) regarding Minto’s water license;
 - 2.1.9 Continued to work with YG on equipment requirements for regulatory obligations in advance of the 2024 freshet season;
 - 2.1.10 Reviewed requests from and coordinated with suppliers, who provided the Receiver with sufficient documentation to validate their ownership of equipment located at the Minto Mine, to help facilitate access to the Minto Mine for removal of their assets;
 - 2.1.11 Addressed questions from former employees regarding WEPP payments;
 - 2.1.12 Held discussions with individuals from local mines interested in potentially purchasing equipment owned by Minto;
 - 2.1.13 Responded to letters received regarding leased equipment at the Minto site;
 - 2.1.14 Negotiated the Minto Term Sheet with a Bidder under the SISP;
 - 2.1.15 Provided copies of the Minto D&O policies as requested by stakeholders;
 - 2.1.16 Held discussions with auctioneers to determine potential options in terms of a liquidation;
 - 2.1.17 Completed statutory and administrative requirements pursuant to the BIA; and
 - 2.1.18 Prepared this Third Report to the Court.
- 2.2 The Receiver is seeking approval of its activities as described in its Third Report. The Receiver has reviewed its activities and believes that such work was within the scope of the Receiver’s powers and authority under the Receivership Order, and further, was necessary for the Receiver to carry out its obligations in these proceedings. The Receiver therefore, believes its activities to be fair and reasonable in the circumstances.
- 2.3 The Receiver anticipates that it will return to the Yukon Court for the approval of the Receiver’s fees and its Counsel’s fees at the next court hearing when it will be better able to advise on the realization of the Minto assets.

3. TERMINATION OF THE SISP

- 3.1 Since the Second Report, the Receiver has pursued what it views as the most viable Bidder in terms of reasonable financial offering and the Bidder that the Receiver felt could most

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accommodate the stakeholders that would be impacted by the future operations the Minto Mine (the “**Key Stakeholders**”).

- 3.2 The Receiver has facilitated numerous conversations with the Key Stakeholders in an attempt to advance the bid set out in the Minto Term Sheet, as described in more detail in the next section of the Report.
- 3.3 At this time, however, the Receiver does not have the confidence that the conversations with the Bidder and Key Stakeholders have advanced sufficiently to warrant a further extension of the SISP. As at the date of this Third Report, there are still significant issues that remain to be resolved with the Key Stakeholders, which make it unlikely that a definitive agreement can be reached in the near term.
- 3.4 The Receiver has run the SISP in good faith and with due diligence and has significantly extended deadlines to ensure all parties had the opportunity to fully participate in the process and that every opportunity was made available to ascertain whether it was possible to have the Mino Mine return to production.
- 3.5 As a result, the Receiver plans to terminate the SISP and move to actioning alternative methods of realizing on the Property, namely an outright liquidation of all assets.

4. SUMMARY RESULTS OF THE SISP

The Sale and Investment Solicitation Process

- 4.1 Section 2 of the Supplemental First Report outlined a summary of the SISP and the progress of the SISP up to the date that the Revised Non-Binding Bids were received. Section 2 of the Supplemental First Report is attached as **Appendix B**. However, the details of the Bids received were not disclosed to protect the commercial aspects of the process.
- 4.2 The non-binding bid deadline was set for October 6, 2023, however, this was extended to October 9, 2023 (the “**Extended NBB Deadline**”), at the request of several Bidders. The Receiver received a total of six Non-Binding Bids, each for all of the Property of Minto, either through an asset purchase, or by way of a share purchase.
- 4.3 As noted in the Supplemental First Report, the Receiver reviewed each of the Non-Binding Bids, and engaged in extensive conversations with the Key Stakeholders to discuss the uniqueness of each Non-Binding Bid, and ultimately extended the non-binding bid deadline again to November 1, 2023, for a limited number of Bidders (the “**Revised Non-Binding Bids**”). By November 1, 2023, the Receiver received three Revised Non-Binding Bids, from three different parties (hereinafter “**Bidder 1**”, “**Bidder 2**” and “**Bidder 3**”).

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- 4.4 From October 6, 2023 to December 15, 2023, the Receiver undertook an extensive review of each Revised Non-Binding Bid and communicated with the Key Stakeholders. The Receiver worked with the Key Stakeholders and Bidders to seek solutions to the challenges presented with each of the Revised Non-Binding Bids, as described in detail for each Bidder below.
- 4.5 In addition to the Revised Non-Binding Bids, the Receiver was provided with a proposal (the “**New Proposal**”) outside of the SISP timelines. The Receiver informed the relevant stakeholders of the proposal at the time it was received, however, the Receiver did not advance the New Proposal due to a number of due diligence matters that would need to be resolved.

The review criteria

- 4.6 The review of each bid was based on the evaluation criteria as set out in the SISP, as follows:
- 4.6.1 Purchase Price;
 - 4.6.2 Any non-cash consideration (royalty payments, deferred payments, liabilities to be assumed, etc.);
 - 4.6.3 Structural complexity of the proposed transaction;
 - 4.6.4 Nature and sufficiency of funding for the proposed transaction;
 - 4.6.5 Probability of closing the proposed transaction and any relevant risks thereto, including nature of any remaining conditions and due diligence requirements;
 - 4.6.6 Planned working relations with and expected benefits that may accrue to SFN, including royalty payment assumptions;
 - 4.6.7 Whether the proposed transaction leaves any of the Property within the Receivership;
 - 4.6.8 Impact on former employees of the Debtor and Yukon businesses;
 - 4.6.9 Strength of a Qualified Bidder’s proposal for posting bonding as required by YG and any other security required by any other applicable regulator;
 - 4.6.10 Qualified Bidder’s willingness and demonstrated ability to obtain and maintain any necessary regulatory approval in connection with ownership, development and exploration, and operation or care and maintenance of the Minto Mine, and associated projected capital expenditures, timelines, and mining targets;

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- 4.6.11 Qualified Bidder's financial strength, technical and environmental expertise and relevant experience to carry out work required to maintain regulatory compliance at the Minto Mine after closing of the proposed transaction; and
- 4.6.12 Qualified Bidder's historical health, safety and environmental records, operational experience with undertakings of similar nature and/or scale and record of successful restart of mines out of care and maintenance.

The Revised Non-Binding Bids

Bidder 1

- 4.7 Bidder 1 is a BC company that operates in the critical mineral space. Bidder 1 has various mining projects across Canada and the world, and as of the date of its bid had a market capitalization of \$30 million.
- 4.8 On October 20, 2023, Bidder 1 provided the Receiver with a Revised Non-Binding Bid for the acquisition of 100% of the shares in Minto.
- 4.9 Bidder 1's total bid value was documented at \$26 million, made up of the following:
 - 4.9.1 \$1 million in cash, on closing;
 - 4.9.2 \$10 million assumption of existing reclamation liabilities; and
 - 4.9.3 \$15 million in notes payable, repayable from free-cash-flows and to be initiated 12 months after the start of commercial production.
- 4.10 Bidder 1's bid included several material conditions:
 - 4.10.1 Excluding the assumption of reclamation liabilities, Minto would have no liabilities upon acquisition; and
 - 4.10.2 The Wheaton Precious Metal Streaming Agreement (the "**Streaming Agreement**") would be extinguished on or prior to closing.
- 4.11 Bidder 1's additional due diligence included review of the following areas:
 - 4.11.1 Claims & Permits;
 - 4.11.2 Existing reclamation liabilities;
 - 4.11.3 Environmental;

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- 4.11.4 Communities & First Nations;
- 4.11.5 Geological;
- 4.11.6 Geophysics;
- 4.11.7 Resource;
- 4.11.8 Legal; and
- 4.11.9 Tax.

Review of Bidder 1's Bid

- 4.12 When evaluating Bidder 1's bid against the SISP evaluation criteria, the following items were identified as key areas of concern:
 - 4.12.1 The upfront cash consideration would be insufficient to cover the costs of the Receiver's Borrowing Charge and Receiver's Charge, and would result in no distribution to the creditors upon close;
 - 4.12.2 Significant due diligence was still required to complete the transaction; and
 - 4.12.3 There is no regulatory framework to decouple the reclamation liability from the permits and licenses, making it impossible to transfer the permits and licenses without the associated liability.
- 4.13 As a result of the Receiver's assessment of Bidder 1's bid against the evaluation criteria, on November 2, 2023, the Receiver informed Bidder 1 that it would not be moving forward with Bidder 1's bid.

Bidder 2

- 4.14 Bidder 2 is a team of mine explorers, developers and operators that has over 3 decades of experience starting up mining companies around the world.
- 4.15 On November 1, 2023, Bidder 2 provided the Receiver with a Revised Non-Binding Bid, for the acquisition of Minto through either an asset purchase or a purchase of the shares through a reverse vesting order.
- 4.16 Bidder 2's total bid value was documented at \$15.25 million, made up of the following:
 - 4.16.1 \$2.25 million in cash, on closing;

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- 4.16.2 The greater of \$3 million or 75% of net proceeds of surplus asset sales made within 6 months after closing;
 - 4.16.3 \$5 million in cash, payable upon the recommencement of commercial production;
 - 4.16.4 \$2.5 million in cash, payable upon the sale of a total of 10 million pounds of copper; and
 - 4.16.5 \$2.5 million in cash, payable upon the sale of an additional 10.0 million pounds of copper (for a total of 20 million pounds).
- 4.17 Bidder 2's bid included several material conditions:
- 4.17.1 Minto would be acquired free of any obligation for indebtedness and liabilities;
 - 4.17.2 All of Minto's mining claims, leases, licenses and permits would be maintained until close, and the transaction would be subject to the authorizations remaining in place or the issuance of new authorizations satisfactory to Bidder 2; and
 - 4.17.3 In regard to the reclamation liabilities:
 - 4.17.3.1 YG would continue to carry out closure activities, while utilizing Minto's reclamation surety bond of \$75.2M (the "**Reclamation Bond**"), as indemnified by Capstone Mining Corp. ("**Capstone**") to reduce existing liabilities on site, not attributable to works required for interim care and maintenance and future operations;
 - 4.17.3.2 Upon restart of the Minto Mine, Bidder 2 would continue or replace the Reclamation Bond as required under a new mine plan and reclamation and closure plan; and
 - 4.17.3.3 Capstone would continue to backstop the Reclamation Bond and support the Bidder 2 bid.
- 4.18 In addition to the purchase price and material conditions, Bidder 2's bid also included the following key components:
- 4.18.1 The new company would provide SFN with significant equity and governance in the new company. The exact structure of this consideration was not shared with the Receiver;
 - 4.18.2 Bidder 2 would take over care and maintenance activities of the Minto Mine, while YG would continue carrying out closure activities until Bidder 2 was prepared to restart the Minto Mine;

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- 4.18.3 Care and maintenance would include ensuring that the Minto Mine was maintained in compliance with all permits and environmental obligations, maintaining the site, and reducing the volume of water contained within the Minto Mine;
- 4.18.4 Bidder 2 would discontinue dewatering the underground mine;
- 4.18.5 Bidder 2 would initiate an exploration and drilling program and complete an updated feasibility study after the environmental liabilities associated with the Minto Site had been reduced;
- 4.18.6 Bidder 2 would commit to working with SFN directors, officers and senior management in relation to the funding and management of the Minto Mine, as well as use SFN and other qualified Yukon-based services and suppliers; and
- 4.18.7 Concurrent with the acquisition, Bidder 2 would seek equity financing for \$10 to 20 million in the first year to fund care and maintenance and exploration.

Review of Bidder 2's Bid

- 4.19 When evaluating Bidder 2's bid against the SISP evaluation criteria, the following items were identified as key areas of concern:
 - 4.19.1 A substantial portion of the cash consideration was contingent upon events happening which were outside of the Receiver's control, and therefore, challenging to quantify the value of the bid. Further, the upfront cash consideration and net proceeds to be received from the liquidation of assets would result in minimal distribution to the creditors. Overall, the Receiver felt that the cash consideration was insufficient to warrant the risks and significant costs and time spent associated with trying to negotiate a complex transaction of this nature;
 - 4.19.2 Bidder 2's bid contemplated that YG would continue carrying out closure activities, utilizing the Reclamation Bond to do so, while Bidder 2 carried out care and maintenance activities. Bidder 2 was unable to articulate how, in practice, the two parties would work alongside each other or what activities would constitute care and maintenance vs. closure activities;
 - 4.19.3 By December 15, 2023, the Bidder 2 had over 3.5 months to perform due diligence, however, it was clear to the Receiver, based on conversations with Bidder 2 in December 2023, that Bidder 2 was still unfamiliar with the Minto Mine, and the authorizations related to Minto's permits and licenses that were associated with Bidder 2's plans for exploration. As such, the Receiver suspected that Bidder 2 would need to complete significant due diligence before finalizing the terms of a

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transaction, and which could result in a material change in the nature and structure of the Bidder 2 bid and therefore, the Receiver's analysis of the Bidder 2 bid; and

4.19.4 The Receiver became concerned about the steps taken by Bidder 2 to contact stakeholders and officials outside of the formal SISP process and without the Receiver's knowledge, seemingly to create leverage to encourage the Receiver to select Bidder 2's bid. These actions negatively impacted the fairness and integrity of the SISP with respect to this bid.

4.20 As a result of the Receiver's assessment of Bidder 2's bid against the evaluation criteria, on December 15, 2023, Receiver notified Bidder 2 that it would not be moving forward with Bidder 2's bid.

Bidder 3

4.21 Bidder 3 is a Canadian exploration company, who is familiar with operations in the Yukon.

4.22 On October 19, 2023, Bidder 3 provided the Receiver with a Revised Non-Binding Bid for the acquisition of Minto through either an asset purchase or the shares through a vesting order, at the Receiver's determination.

4.23 Bidder 3's total bid value was documented at \$18 million, made up of the following:

4.23.1 \$5 million in cash, on closing;

4.23.2 \$3 million in cash, 180 days after closing, but not subject to any conditions; and

4.23.3 \$10 million, upon the restart of the Minto Mine or the occurrence of commercial production. To be generated from funds from operations or an equivalent value of shares, at the Receiver's determination.

4.24 Bidder 3's bid included one material condition:

4.24.1 YG would continue to carry out closure activities, while utilizing Minto's Reclamation Bond to reduce existing liabilities on site. Bidder 3 would only require the exploration license to perform their exploration work until the Minto Mine was ready for restart. Upon that time, Bidder 3 would assume all other permits and licenses related to the Reclamation Bond;

4.25 In addition to the purchase price and material condition, Bidder 3's bid also included the following key components:

4.25.1 Bidder 3 provided the Receiver with a commitment letter to substantiate funding for the \$6 million in initial funding;

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- 4.25.2 SFN would be provided with 12.5% interest in the new company and one of four seats at the board of directors;
- 4.25.3 Upon completion of the initial exploration work Bidder 3 would raise an additional \$16 million to launch a 20,000 to 30,000 meter drilling program to expand the resource base and conduct a feasibility study. This work was targeted to take 24 months from the initial exploration work; and
- 4.25.4 Bidder 3 would then seek a mine operator partner, raise additional capital for restart, and look to restart the Minto Mine. At this time Bidder 3 would assume all permits and licenses associated with the Minto Mine and be required to assume or post new reclamation security as it may be assessed by the regulatory bodies.

Review of the Bidder 3's bid

- 4.26 When evaluating Bidder 3's bid against the SISP evaluation criteria, the following items were identified as areas of concern:
 - 4.26.1 Key Stakeholders had concerns about the financial capability of Bidder 3.
 - 4.26.2 As Bidder 3 is an exploration company, in the event that the Minto Mine was found viable for restart, there was uncertainty around who the potential future operator of the Minto Mine would be, and whether they would be an appropriate party to responsibly operate the Minto Mine, or if the Minto Mine would find itself in a similar situation that lead to the receivership;
 - 4.26.3 Although Bidder 3 was only interested in obtaining the exploration licenses associated with Minto Mine, and acquiring the permits and licenses in 2 to 3 years, upon restart of the Minto Mine, there is currently no regulatory framework to freeze or postpone the permits and licenses, which have annual and ongoing reporting requirements to stay in good standing, such that the Minto estate would incur additional costs in the interim period; and
 - 4.26.4 Bidder 3 offered more upfront cash than any other bidder, but also contained a provision for a delayed payment of \$3 million and a subsequent future payment of \$10 million through the assumption of liabilities. There was concern that in the event Bidder 3 did not advance the \$3 million after 180 days, the Receiver would have to pursue Bidder 3 for recourse which would likely be a costly endeavor. Further, if the \$10 million in assumption of liabilities was to be issued via shares, the Receiver would need to consider how to value and treat those amounts.

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- 4.27 Ultimately the Receiver determined that the benefits associated with Bidder 3's bid outweighed the areas of concern. In making this decision, the Receiver considered the following:
- 4.27.1 Bidder 3 was able to provide a letter of commitment for the initial capital requirements and throughout the SISP. Further, Bidder 3 is a well-established company with local ties to the community, whose reputation would be negatively impacted if they decided not to furnish the purchase price. This provided the Receiver with comfort that financing would not be a concern to close the transaction;
 - 4.27.2 Throughout the negotiation period, Bidder 3 continued to be flexible and thoughtful in their approach to working out a transaction, particularly given the complexities associated with the Minto Mine; and
 - 4.27.3 Bidder 3's proposal for the Minto Mine would have minimal impact on the environment and allow for YG to continue with reclamation activities over the next few years, reducing the ongoing liabilities, which would positively benefit the Yukon as a whole.

Further discussions regarding Bidder 3

- 4.28 In January, the Receiver negotiated a Minto Term Sheet with Bidder 3. By the Second Report, the Minto Term Sheet had been substantially agreed upon, however, there were certain concerns related to the details of how the Minto Mine would operate after the transaction closed.
- 4.29 On February 15, 2024, the Receiver met with the Key Stakeholders to discuss these matters, namely:
- 4.29.1 How would the Receiver and Bidder 3 ensure that the transaction would not impair YG's ability to access the Reclamation Bond and continue carrying out reclamation activities, to ensure that the environmental risks at the Minto Mine continued to be mitigated. It was determined that the Receiver would need to discuss this matter with Capstone and Zurich Insurance Group ("**Zurich**");
 - 4.29.2 How could the permits and licenses associated with the Reclamation Bond be held by the Receiver until such a time as they were ready to be transferred to Bidder 3, upon restart, and through what mechanism could YG continue to utilize the Property to carry out closure activities at the Minto Mine, during the period of restart. The Receiver outlined that the Minto Term Sheet would split the Property into two categories:

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- 4.29.2.1 Property to be transferred at close, which was needed for exploration activities; and
 - 4.29.2.2 Property which Bidder 3 would have the option to acquire once it was ready to restart the Minto Mine, which would also include assets necessary for closure activities that the Receiver could lease to YG. Obligations under the permits and licenses would need to be carried out by YG. It was determined that further conversations would need to occur to determine whether the permits could in fact be maintained this way. Further, as some of the permits and licenses were regulated by the YWB, conversations would need to occur with them.
 - 4.29.3 How would Bidder 3 access the Minto Mine after the transaction was closed. Bidder 3 advised the Receiver that it was prepared to enter into any agreement, as deemed fit by YG, limiting Bidder 3's access to the Minto Mine; and
 - 4.29.4 How, in the event that the reclamation and closure plan called for the closure of any Property that Bidder 3 deemed was necessary for restart or future operations, a resolution would be established. Bidder 3 advised the Receiver that it was prepared to enter into an agreement, whereby YG would have the right to carry out their closure plan as they saw fit; however Bidder 3 and YG would have quarterly meetings to discuss the progress of the closure plan. In the event that any closure activities contemplated the closure of Property Bidder 3 deemed necessary for restart or future operations, Bidder 3 could request that the plan be changed or take ownership of the Property and its associated liabilities, with YG having a veto to approve or reject the request.
- 4.30 On February 28, 2024, the Receiver travelled to Whitehorse to meet with the Key Stakeholders and discuss the Bidder 3 offer in more detail and to make a final attempt to ascertain a clear path to the consummation of a transaction. At this meeting, it was established that the Receiver would have to renegotiate the Minto Term Sheet with Bidder 3, to include certain points required by the Key Stakeholders. Further discussions and potentially additional revisions would then be necessary before the Key Stakeholders could confirm that they were comfortable with Bidder 3's bid as represented by the revised Minto Term Sheet. The requested changes to the Minto Term Sheet included the condition that Bidder 3 complete a number of milestones before the option to acquire the remaining Property could be exercised, such as:
- 4.30.1 Exploration and development activities performed at certain funding metrics;
 - 4.30.2 Creation of a restart plan; and
 - 4.30.3 Confirmation that the Property is no longer needed for reclamation activities.

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- 4.31 The Receiver worked with Bidder 3 to make the requested amendments, and on March 11, 2023, the Receiver and Bidder 3 finalized and executed the Minto Term Sheet.
- 4.32 On March 12, 2024, the Receiver reached out to Capstone to discuss issues associate with access to the Reclamation Bond. On March 20, 2024, the Receiver agreed to prepare the first draft of an agreement between Capstone and YG regarding access to the Reclamation Bond under the Bidder 3 transaction. The Receiver has not advanced this document, as by March 20, 2023, a large number of concerns remained outstanding.
- 4.33 As of the date of this report, a large number of the concerns remain outstanding and the Receiver does not believe it will obtain the support of the Key Stakeholders and complete all of the conditions precedent to bringing a definitive agreement to this Court. The Receiver has exhausted all efforts and funds available to it in managing the SISP.
- 4.34 The Receiver pursued the foregoing course of action based on its belief that the best result for Minto's creditors and the community as a whole was to see a sale of substantially all of the Property, with the potential for the Minto Mine to restart. However, the Receiver must begin pursuing alternative methods for realizing on the Property, to mitigate the risk that it will miss critical windows of time during the spring and summer months to liquidate equipment.

5. LIQUIDATION PLAN AND THE RECEIVER'S PROPOSED NEXT STEPS

- 5.1 The Receiver has spent considerable time and effort pursuing a transaction for the going-concern sale of the Minto Mine, as it believes such a transaction is the most optimal resolution for the stakeholders and Minto's creditors.
- 5.2 The Receiver recognizes and acknowledges there are complexities associated with the sale of the Minto Mine, including land leases, royalties, assignments of permits and licenses, reclamation security and environmental conditions that need to be resolved appropriately. As such, throughout the period of October 6, 2023 to March 25, 2024, in an effort to advance the bids, the Receiver has met the Key Stakeholders virtually or in-person on over 30 separate occasions to discuss the Minto Mine.
- 5.3 The Receiver does not see a near term resolution of the complex and multi-dimensional issues that currently remain unresolved. As a result, the Receiver cannot support the ongoing costs of attempting to pursue a going-concern sale. Accordingly, the Receiver intends to immediately proceed with a liquidation of the assets of the Minto Mine.
- 5.4 The Receiver has developed a preliminary liquidation plan (the "**Liquidation Plan**") which contemplates:

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- 5.4.1 Liquidating the majority of the Property by May 31, 2024, this is due to the complexity of access to the Minto Mine and the type of Property owned by Minto;
 - 5.4.2 The Receiver has been in discussion with two auctioneers to obtain a proposal for the liquidation of the Property. Once the Receiver obtains the proposals, it will review them and select a company to auction the Property;
 - 5.4.3 The Receiver has had several mining companies in and near the Yukon that have reached out regarding interest in purchasing the Minto Property. Concurrently, during the development of the auctioneers proposals, the Receiver intends to have discussions with these interested parties for the potential sale of the Minto Property;
 - 5.4.4 Access to the Minto Mine is by barge as it requires crossing the Yukon River, which would be possible once the spring season commences in the Yukon. Additionally, the type of Property owned by Minto is mining equipment, allowing for parties located in and near the Yukon to participate during the spring months as the Property can be relocated from the Minto Mine;
 - 5.4.5 The Receiver contemplates relocating the equipment to Whitehorse. The equipment would be staged in Whitehorse during the marketing and auction phase of the Liquidation Plan;
 - 5.4.6 The Receiver contemplates the equipment be auctioned as part of a larger auction being held by an auctioneer to allow for maximum exposure to parties in and near the Yukon, but also across Canada;
 - 5.4.7 The intangible assets, including the mineral claims will be offered for sale separately from the mining equipment and other tangible assets; and
 - 5.4.8 The mill and its equipment will require special focus as this will require dismantling and removal of large pieces of equipment and portions of the mill.
- 5.5 The Receiver will also explore options with YG to ensure that assets necessary for carrying out reclamation and closure activities are kept at the Minto Mine to mitigate any potential risks to the environment.

6. CASH FLOW FORECAST

- 6.1 The Receiver has prepared a cash flow statement for the period of the Receivership Date to June 30, 2024 (the “**Cash Flow Forecast**”), attached as **Appendix C**. The cash flow statement reflects actual cash flow results for the period to March 25, 2024 and estimated cash flows until June 30, 2024.

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- 6.2 The Receiver has borrowed \$1 million to date from Maynbridge to fund Minto's receivership, the activities of the Receiver and its counsel by way of the Receiver's Borrowing Charge. The loan with Maynbridge is due for renewal on March 31, 2024, and the Receiver is in discussions with Maynbridge to have the renewal period extended to allow for the liquidation of Minto's Property.
- 6.3 As of this Third Report, the Receiver has incurred total fees and disbursements \$950,000, of which \$569,047 remains outstanding and unpaid, excluding taxes. The Receiver's legal counsel has incurred total fees and disbursements of \$175,000 of which \$105,164 remains outstanding and unpaid, excluding taxes.
- 6.4 The Receiver estimates that it will take an additional \$150,000 in fees for both the Receiver and its counsel to June 30, 2024.

7. RECEIVER'S STATEMENT OF RECEIPTS AND DISBURSEMENTS

- 7.1 The Receiver's Statement of Receipts and Disbursements from the July 24, 2023 to March 25, 2024 (the "**Period**"), is attached as **Appendix D**.
- 7.2 For the Period, receipts totaled \$978,071.26, including:
- 7.2.1 \$1,000,000 of funding received under the Receiver's Borrowing Charge, less \$50,000 in commitment fees;
 - 7.2.2 \$10,000 in receipts, related to recoveries for the disposal of chemicals, lubricants, etc.;
 - 7.2.3 \$7,174 from tax refunds issued by various Provincial bodies;
 - 7.2.4 Cash obtained from Minto's bank accounts of \$6,426, after conversion from USD to CAD; and
 - 7.2.5 Interest received of \$4,472.
- 7.3 For the Period, disbursements totaled \$952,827.96, including:
- 7.3.1 \$380,952 for the Receiver's fees;
 - 7.3.2 \$333,746 for commercial general liability and property insurance;
 - 7.3.3 \$69,836 for the Receiver's legal counsel;
 - 7.3.4 \$36,659 to engage a third-party appraiser to attend the Minto Mine and perform an appraisal of all buildings, infrastructure and equipment;

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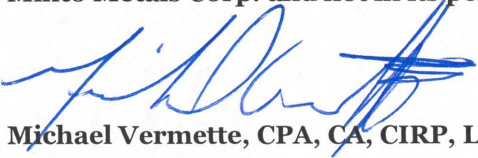
- 7.3.5 \$31,053 for GST and PST paid on various goods and services;
 - 7.3.6 \$25,000 to renew a land access permit with the SFN for the Minto Mine;
 - 7.3.7 \$23,250 paid on SISP related expenditures, such as the dataroom, exploration software and restart studies;
 - 7.3.8 \$44,301 in interest paid on the Receiver's Borrowings;
 - 7.3.9 \$6,063 for the Receiver to personally attend site and coordinate the visit of the third-party appraiser; and
 - 7.3.10 Other costs of \$1,968.
- 7.4 The Receiver is holding approximately \$25,243 in its trust account as of March 25 2024.

8. CONCLUSION

- 8.1 The Receiver is seeking the Yukon Court's approval of its activities under its Supplemental Second Report and this Third Report.
- 8.2 The Receiver has continued to carry out the SISP, but recommends the SISP should be terminated as there are still significant issues to be resolved with Key Stakeholders. The Receiver is of the view that it is unable to continue a going-concern sale of the Property and proposes that it should move to liquidate the Property of Minto to realize on the assets for Minto's creditors.
- 8.3 The Receiver intends to finalize the Liquidation Plan over the coming weeks and implement the majority of the Liquidation Plan by May 31, 2024.
- 8.4 The Receiver will take such further action as may be ordered by the Yukon Court.

This report is respectfully submitted this 27th day of March, 2024.

PricewaterhouseCoopers Inc., LIT
In its capacity as Court-Appointed Receiver of
Minto Metals Corp. and not in its personal capacity


Michael Vermette, CPA, CA, CIRP, LIT
Senior Vice President


Spencer Oppal, CPA
Senior Manager

APPENDIX A
Glossary of Defined Terms

Term	Definition
Amended Limited Receivership Order	The Order granted by the Court on July 5, 2023 amending the Limited Receivership Order
BC Court	The Supreme Court of British Columbia
CAD	Canadian Dollars
CNSC	Canadian Nuclear Safety Commission
Concentrate	The estimated 11,290 DMT of concentrate located at the Minto Mine as of the Receivership Date
Concentrate Shed	The storage shed for concentrate at the Minto Mine
Court	The Supreme Court of British Columbia
Debtor	Minto Metals Corp.
DMT	Dry Metric Tonnes
First Report	The Receiver's First Report to the Yukon Court dated November 2, 2023
Final Payment	The final 10% payment for the purchase of concentrate under the Offtake Agreement
Insurance Claim	The claim raised by Sumitomo related to the shortfall of delivered concentrate on the Sold Concentrate
JDS	JDS Energy & Mining Inc.
Limited Report	The Receiver's First Report to the BC court dated July 14, 2023
Limited Receivership Order	The Order granted by the Court on June 29, 2023, appointing PwC as receiver and manager of certain assets of Minto Metals Corp.
Limited Receiver	PricewaterhouseCoopers Inc.
Minto	Minto Metals Corp.
Minto Mine	The mine located 240km northwest of Whitehorse, Yukon
Minto Term Sheet	The term sheet contemplated for the sale of the Minto asset's
Offtake Agreement	The agreement dated July 2019, entered into by Sumitomo and Minto, for the sale of concentrate
Period	July 24, 2023 to January 26, 2024
Port of Discharge	An undetermined port located in Japan, where the Concentrate is offloaded
Port of Loading	The Port of Stewart, Located in British Columbia, where the Concentrate is loaded for eventual shipment to the Port of Discharge
Property	Assets, undertakings and property of Minto Metals Corp.
Provisional Payment	The 90% payment by Sumitomo to Minto for the purchase of concentrate under the Offtake Agreement
PwC	PricewaterhouseCoopers Inc.
Receiver	PricewaterhouseCoopers Inc., in its capacity as Court-Appointed Receiver of Minto Metals Corp.
Receiver's Concentrate Sale	The sale of 403.3 DMT of copper concentrate to Sumitomo for USD\$1,488,927.14
Receiver's Website	www.pwc.com/ca/minto
Receivership Date	June 29, 2023, the date the Court granted the Limited Receivership Order
Receivership Order	The order granted by the BC Court on July 24, 2023

Term	Definition
Second Report	The Receiver's Second Report to the Yukon Court dated January 30, 2023
Settlement Payment	Payment of the Receiver's Concentrate Sale to YG on behalf of SFN
SISP	Sale and Investment Solicitation Process
Sold Concentrate	All concentrate owned by Sumitomo, located at the Minto's mine site
Supplemental First Report	The Receiver's Supplemental to the First Report dated November 8, 2023
Supplemental Second Report	The Receiver's Supplemental to the Second Report dated February 9, 2024
Sumitomo	Sumitomo Canada Limited, the petitioner
Unsold Concentrate	Copper concentrates owned by Minto, in which respect title has not transferred and all proceeds thereof
USD	United States Dollars
WEPP	Wage Earner and Protection Program
Whitehorse Staging Location	A transfer station / staging shed located in Whitehorse, Yukon
WMT	Wet Metric Tonnes
YG	The Government of Yukon
Yukon Court	The Supreme Court of Yukon
YWB	Yukon Water Board

APPENDIX B

Section 2 of the Supplemental First Report

**IN THE MATTER OF THE RECEIVERSHIP OF
CERTAIN ASSETS OF MINTO METALS CORP.
SUPPLEMENT TO THE RECEIVER’S FIRST REPORT TO COURT**

November 8, 2023

1. INTRODUCTION AND PURPOSE OF THIS SUPPLEMENTAL REPORT

- 1.1 On November 2, 2023, the Receiver filed its First Report to the Court dated November 2, 2023, for the purpose of providing information to the Yukon Court with respect to the Receiver’s:
- 1.1.1 Activities since its appointment; and
- 1.1.2 Application for an order to increase the authorized borrowing amount under paragraph 29 of the Receivership Order, and to increase the collective amount of the Receiver’s Charge and Receiver’s Borrowings Charge under paragraph 30 of the Receivership Order.
- 1.2 This Supplement to the First Report (“**Supplemental Report**”) is being filed to provide details on the status and progress of the Sale and Investment Solicitation Process commenced by the Receiver (the “**SISP**”), append the Receiver’s cash flow forecasts, and request for Court approval of the Receiver’s application for an order to increase the Receiver’s Borrowings Charge from \$500,000 to \$1,000,000.

2. THE SALE AND INVESTMENT SOLICITATION PROCESS

Need for and Development of the SISP

- 2.1 Upon the Receiver’s appointment, the Receiver was of the view that a SISP had to be commenced expeditiously to limit the significant ongoing carrying costs associated with the Minto Mine, the upcoming winter season, which limits access to the Minto Mine, and to capitalize on the expressions of interest that had been received both leading up to and after the Receiver’s appointment. Given these factors, the Receiver made the decision to commence the SISP on August 28, 2023, pursuant to paragraph 2 (j) of the Receivership Order.
- 2.2 As such, the Receiver and its legal counsel worked to develop the SISP with the goal of marketing and selling the Property of the Debtor through an en bloc sale.
- 2.3 Although time did not allow the Receiver to seek Court approval of its proposed SISP, it is similar in form and substance to other formal, court-approved sales and investment solicitation processes run by the Receiver in the past, and in the Receiver’s view, is a fair, transparent, and robust process.
- 2.4 As discussed in the First Report, before the appointment of the Receiver, the Debtor had commenced a sales and investment solicitation process in about mid-June 2023 (the “**Pre-Filing SISP**”), with Ernst & Young Inc. (“**EY**”) acting as the Debtor’s sales advisor.

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- 2.5 Upon its appointment, the Receiver reached out to the Debtor and EY to obtain a copy of any records and materials used in the Pre-Filing SISP. Based on the Receiver’s review of the records and materials used in the Pre-Filing SISP, it appeared that critical information was missing from the Debtor’s records, such that interested parties participating in the Pre-Filing SISP would not have been able to perform sufficient due diligence to transact a sale.
- 2.6 Most critically, the Debtor hosted the majority of its books and records on a virtual server, and the service provider had deactivated the virtual servers due to non-payment. As such, data in relation to the most recent exploration performed in 2021 and 2022 was not made available to interested parties involved in the Pre-Filing SISP. The Receiver worked with the virtual service providers to reactivate the main server and gain access to the books and records of the Debtor and was able to use this information to generate a more fulsome data room to be used as part of the SISP.
- 2.7 In developing the SISP, the Receiver held discussions with key stakeholders impacted by the outcome of the SISP as it related to regulatory and environmental matters, activities on the land, and bonding (e.g. Selkirk First Nations, Yukon Government, and Capstone).

Summary of the SISP

- 2.8 The objective of the SISP was to solicit proposals for an en bloc purchase of all or substantially all of the assets of the Debtor or to make an investment with respect to the Debtor’s business, and during that process, to facilitate negotiations of definitive agreement(s) that would form the basis of a sales transaction. Any sale of the Debtor’s assets would be on an “as is, where is” basis.
- 2.9 A Court approved sale of the assets will allow for the transfer of a number of licenses, permits and agreements that will be critical to future operations.
- 2.10 The SISP provides for flexibility with respect to target dates and the conduct of the SISP. The following table sets out the key milestones originally contemplated as part of the SISP:

Milestone	Time Period	Date
Notify the target list of the commencement of the SISP	Within 2 calendar days of the Sale Process commencement	August 30, 2023
Due Diligence Period (NDAs signed, access to VDR granted and site visits organized)	2 calendar days of the Sale Process commencement to 30 calendar days thereafter	September 29, 2023
Non-Binding Bid Deadline	7 calendar days after the Due Diligence Period ends	October 6, 2023
Period of time to perform Bid Assessment, Communication to Qualified Bidders, and perform Final Due Diligence	21 calendar days after the Non-Binding Bid Deadline	October 27, 2023

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Milestone	Time Period	Date
Binding Bid Deadline	3 calendar days after the Final Due Diligence Period ends	October 30, 2023
Period of time to perform Final Bid Assessment and notification of Selected Bidder(s), if any	28 calendar days after the Binding Bid Deadline	November 27, 2023
Court Approval of Successful Bid (if applicable)	Within 60 calendar days of the selection of a Successful Bid	January 26, 2024

- 2.11 As outlined later in the Supplemental Report, due to a number of factors, the target dates for key milestones were extended by the Receiver, which were communicated to stakeholders and prospective purchasers throughout the process.
- 2.12 The Receiver advised parties that it would evaluate qualified bids based upon several factors, including but not limited to:
- 2.12.1 Purchase price;
 - 2.12.2 Any non-cash consideration, such as royalty payments, deferred payments, liabilities to be assumed, etc.;
 - 2.12.3 The structural complexity of the proposed transaction and the probability of the transaction closing, including the nature of any conditions and due diligence requirements;
 - 2.12.4 Plan with respect to ongoing care and maintenance of the Minto Mine until a potential restart;
 - 2.12.5 The nature and sufficiency of funding for the proposed transaction;
 - 2.12.6 Planned working relations with and expected benefits that may accrue to the SFN, including royalty payment assumptions;
 - 2.12.7 Impact on former employees of the Debtor and Yukon businesses;
 - 2.12.8 Strength of the proposal in regard to bonding requirements as required by YG and any other security required by any other applicable regulator; and
 - 2.12.9 Strength of the bidder's previous experience for similar projects or situations, including technical, financial, environmental, regulatory, and operational experience.
- 2.13 The Receiver is of the view that the SISP represents the most efficient and effective way to optimize the value for the Debtor's stakeholders.

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- 2.14 The Receiver acknowledges that the timeline of the SISP were compressed; however, in light of the significant ongoing costs of maintaining the Minto Mine, and the need to capitalize on the current interest in the Minto Mine, the Receiver is of the view that a compressed process was appropriate and reasonable in the circumstances. In hindsight, the level of interest, participation, and feedback from prospective purchasers in the SISP demonstrated that the timelines established under the SISP were reasonable.

Progress of the SISP to date

- 2.15 On August 28, 2023, the Receiver commenced the sales process by reaching out to a list of potential bidders (the “**Known Potential Bidders**”).
- 2.16 The Known Potential Bidders consisted of parties who were expected to have a potential interest in investing in the Debtor or acquiring all or substantially all of the Debtor’s Property, and included any parties who had expressed an interest during the Pre-Filing SISP.
- 2.17 Given the remote location and complexities involved with the asset, the Receiver chose to reach out to a limited number of parties. In total, 44 Known Potential Bidders were contacted by email and/or phone and provided with information on the SISP.
- 2.18 The Receiver also publicly advertised the SISP on the Receiver’s website to ensure parties other than the Known Potential Bidders could express interest. Third-party stakeholders were encouraged to identify any additional parties that they thought should be included as a Known Potential Bidder.
- 2.19 Since the commencement of the SISP, in addition to the Known Potential Parties, an additional seven parties have reached out to express interest therein. As such, a total of 51 potential interested parties have been identified to date. (the “**Updated Known Potential Bidders**”).
- 2.20 Of the Updated Known Potential Bidders, eight parties signed (the “**Potential Bidders**”) a non-disclosure agreement (“**NDA**”) and were provided access to virtual data rooms (“**VDR**”). The VDR includes approximately 40GB of data related to the Debtor’s exploration data, mine design, operations, financials, and general assets, for the purpose of allowing Potential Bidders to complete due diligence activities. Additionally, throughout the SISP the Receiver has been communicating with the Potential Bidders to provide them with any additional information as may be requested.
- 2.21 The Potential Bidders also received a letter from the Receiver outlining information required as part of their non-binding bid (the “**Non-Binding Bid**”) and informed them of the non-binding bid deadline of October 6, 2023 (the “**Non-Binding Deadline**”).

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CERTAIN ASSETS OF MINTO METALS CORP.
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November 8, 2023

- 2.22 On October 6, 2023, a number of Non-Binding Bids were submitted to the Receiver. Several other bidders requested extension of time to submit bids, which extensions were granted. Upon the Receiver's review of the Non-Binding Bids, the Receiver communicated with a number of the Potential Bidders to clarify certain aspects of their offers.
- 2.23 Since receiving and assessing the Non-Binding Bids, the Receiver has engaged in extensive conversations with the relevant stakeholders to discuss the interest received and how to address the uniqueness of each of the respective Non-Binding Bids.
- 2.24 Ultimately, the Receiver extended the non-binding bid deadline to November 1, 2023, to a limited number of prospective purchasers and requested they submit revised Non-Binding Bids to address and/or clarify key terms of their offers (the "**Revised Non-Binding Bids**").
- 2.25 The Receiver has reviewed the Revised Non-Binding Bids and is currently in active discussions with various affected parties as to how to further address these Revised Non-Binding Bid. Given the uniqueness of various aspects of these bids and the diverse interests of impacted parties, it will likely take a few weeks for the Receiver to have concluded on its view of the appropriate direction to take.
- 2.26 Prior to selecting a successful bid, the Receiver continues to engage in extensive conversations with key stakeholders and Potential Bidders to evaluate the Revised Non-Binding Bids against the criteria set out in s. 2.12, above.

3. CASH FLOW FORECAST

- 3.1 The Receiver has prepared a cash flow forecast for the period of the Receivership Date to May 31, 2024 (the "**Cash Flow Forecast**") in support of the Receiver's request to increase the Receiver's Borrowings Charge from \$500,000 to \$1,000,000, with leave to apply for a further increase in the future.
- 3.2 The Cash Flow Forecast includes notes which support the significant assumptions used in the preparation of the Cash Flow Forecast.
- 3.3 The Receiver has to date borrowed \$500,000 from Maynbridge to fund Minto's receivership and the activities of the Receiver described above and in the First Report. The accrued costs of the Receivership administration now require additional funding until a transaction for the sale can be completed.
- 3.4 Without an increase in the Receiver's Borrowings Charge, the Receiver will be unable to carry out its duties under the Receivership Order.

APPENDIX C

**Cash Flow Statement for the period of
the Receivership Date to June 30, 2024**



Minto Metals Corp.
Cash Flow Forecast
For the period of the Jul 24, 2023 to June 30, 2024

\$'s in CAD	24-Jul-2023 to 29-Feb-2024	Mar-2024 to Jun-2024	Total
	Actuals	Estimated	
Receipts			
(1) Cash in bank	6,426	-	6,426
(2) Receiver's Borrowings	1,000,000	-	1,000,000
(3) Tax Refund	7,514	-	7,514
Interest Allocation	3,994	138	4,132
(4) Miscellaneous Receipts	10,000	-	10,000
Total Receipts	1,027,934	138	1,028,072
Disbursements			
Operations			
(5) Insurance	333,746	-	333,746
(6) Site visits	6,063	-	6,063
(7) Land Use Permit	25,000	-	25,000
(8) Underground mine restart plan	6,400	-	6,400
Subtotal - Operations	371,209	-	371,209
SISP			
(6) Site visits	-	-	-
(9) Appraisal	36,659	-	36,659
(10) Data room	4,850	-	4,850
(11) Miscellaneous SISP expenses	-	-	-
Subtotal - SISP	41,509	-	41,509
Professional Fees			
(12) Receiver's fees	380,952	670,000	1,050,952
(12) Legal counsel	69,836	150,000	219,836
Miscellaneous expenses	690	-	690
Subtotal - Professional fees	451,478	820,000	1,271,478
Receivership Financing Costs			
(13) Commitment Fee on Receiver's Borrowings	50,000	-	50,000
(13) Interest and Standby Fee on Receiver's Borrowings	44,301	30,987	75,288
Subtotal - Repayment of Receiver's Borrowings	94,301	30,987	125,288
Total Disbursements	958,497	850,987	1,809,484
Total Receipts & Disbursements	69,437	(850,849)	(781,412)
Sales Tax	31,053	-	31,053
Projected Cash Balance / (Shortfall)	38,384	(812,465)	(812,465)

Notes

- (1) Reflects the Company's cash balance as of the Receiver's appointment.
- (2) Pursuant to the Funding Agreement with Maynbridge Capital Inc., ("Maynbridge"), the Receiver has secured funding not to exceed \$1 million.
- (3) A PST refund of \$6,152 was received in October 2023 and, pursuant to a notice from the BC Ministry of Finance, a further refund of \$1,362 was received in December 2023.

In order to comply with a Yukon Worker's Safety Inspection Report, the Receiver arranged for third party contractors to remove mostly expired chemicals and lubricants from the Minto Mine. It was
(4) expected that a portion of the chemicals and lubricants would be restocked and resold by the third parties. However, the costs were greater than expected and no additional remittance will be made to the Receiver. The \$10K represents the initial advance by the third party contractor.
- (5) The Receiver obtained CGL and property insurance for the Minto Property. The policy is active up to September 30, 2024 and the amounts reflected above are based on the payment plan made available by the insurance broker. While there may be potential recoveries if a transaction closes prior to September 30, 2024, the cash flow projections do not assume any refund to remain conservative.
- (6) The cash flow forecast assumes no additional site visits are required by the Receiver in respect of operations or the SISP.
- (7) The Receiver renewed Minto's Land Use and Access Permit with SFN. The permit allows the Receiver to operate a barge crossing and build an ice road to cross the Yukon River.
- (8) The Receiver completed an options analysis on costs associated with restarting the underground mine.
- (9) A third-party appraiser to attend the Minto Mine site and complete a full appraisal of all buildings, infrastructure and equipment.
- (10) The Firmex data room is paid for September 11, 2023 to January 10, 2024.
- (11) Miscellaneous SISP expenses include, but are not limited to, the costs to reactive a third-party software used to provide an interactive 3D model of the existing Minto Mine and details on development/exploration completed by Minto. This was used to provide interested parties with details of the exploration completed in December 2022 and drilling results completed in March 2023.
- (12) The Receiver's and Legal Counsel's fees shows outstanding fees incurred and the additional fees required for the Receiver and Legal Counsel to complete the majority of the liquidation by the end of May 2024.
- (13) The Funding Agreement contemplated a \$50K commitment fee which was deducting from the initial advance of \$500K. Interest and standby fees are paid on a monthly basis.

APPENDIX D

**Statement of Receipts and Disbursements for the period of
the Receivership Date to March 25, 2024**

**IN THE MATTER OF THE RECEIVERSHIP OF
MINTO METALS CORP.**

**RECEIVER'S STATEMENT OF RECEIPTS AND DISBURSEMENTS
For the Period July 24, 2023 to March 25, 2024**

PricewaterhouseCoopers Inc. - Receiver

	<u>Amount (\$)</u>
RECEIPTS	
Administration	
Receiver's Borrowing Charge, net of commitment fee	950,000.00
Ad-hoc receipts	10,000.00
Tax refund	7,173.66
Cash in bank	6,425.63
Interest Received	4,471.97
TOTAL RECEIPTS	<u><u>978,071.26</u></u>
DISBURSEMENTS	
Receiver's fees	380,952.38
Insurance	333,745.82
Legal Fees	69,836.06
Fee for asset appraisal	36,659.44
Sales taxes paid	31,052.86
Permit renewals	25,000.00
SISP expenses	23,250.00
Interest paid	44,301.37
Site visits	6,062.50
Miscellaneous expenses	1,967.53
TOTAL DISBURSEMENTS	<u><u>952,827.96</u></u>
EXCESS OF RECEIPTS OVER DISBURSEMENTS	<u>25,243.30</u>
Represented by:	
Cash in bank	<u>25,243.30</u>
