



No. S-227894  
Vancouver Registry

**IN THE SUPREME COURT OF BRITISH COLUMBIA**

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

– AND –

IN THE MATTER OF THE *BUSINESS CORPORATIONS ACT*,  
S.B.C. 2002, c. 57, AS AMENDED

– AND –

IN THE MATTER OF A PLAN OF COMPROMISE AND ARRANGEMENT OF  
GREAT PANTHER MINING LIMITED

PETITIONER

**THIRD REPORT OF THE MONITOR  
ALVAREZ & MARSAL CANADA INC.**

**November 2, 2022**



ALVAREZ & MARSAL

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### **Appendix A - Third CCAA Cash Flow Forecast**

## 1.0 INTRODUCTION

- 1.1 On September 6, 2022, Great Panther Mining Limited (“**GPR**” or the “**Company**”) filed a Notice of Intention to Make a proposal (“**NOI**”) pursuant to subsection 50.4(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”). Alvarez & Marsal Canada Inc. (“**A&M**”) consented to act as Trustee in the NOI proceedings (the “**NOI Proceedings**”).
- 1.1 On October 4, 2022 (the “**Filing Date**”), GPR was granted an initial order (the “**Initial Order**”) by this Honourable Court to commence proceedings (the “**CCAA Proceedings**”) under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (“**CCAA**”). Among other things, the Initial Order stayed all proceedings against the Company from the Filing Date up to and including October 14, 2022 (the “**Stay Period**”) and appointed Alvarez & Marsal Canada Inc. (in such capacity, the “**Monitor**”) as monitor of GPR during the CCAA Proceedings.
- 1.2 On October 12, 2022, the Company filed an application (the “**Comeback Application**”) for an amended and restated initial order (the “**ARIO**”) which, among other things, sought: (a) to extend the Stay Period to November 3, 2022; (b) to increase the Administration Charge (as defined in the Initial Order) from CAD \$100,000 to CAD \$150,000; and (c) the grant of a charge (the “**Directors’ Charge**”) in favour of the Company’s directors and officers (the “**D&Os**”) as security for the Company’s obligations to indemnify the D&Os up to the maximum amount of CAD \$150,000. The Monitor filed the First Report of the Monitor (the “**First Monitor’s Report**”) with this Honourable Court on October 13, 2022.
- 1.3 On October 13, 2022, Asahi Refining Canada Ltd. (“**Asahi**”) filed an application (the “**Lift Stay Application**”) seeking, among other things, an order: (a) lifting the stay of proceedings granted in respect of the Company under the Initial Order; (b) authorizing it to file a bankruptcy petition against the Company (the “**Proposed Bankruptcy Petition**”); and (c) restricting certain of the Company’s business activities pending the hearing of the Proposed Bankruptcy Petition.
- 1.4 On October 14, 2022, this Honourable Court granted the ARIO, which, among other things: (a) provided for the grant of the Administration Charge and Directors’ Charge as sought by the Company; (b) extended the Stay Period to October 21, 2022; and (c) imposed certain cash flow restrictions on the Company during the Stay Period as sought by Asahi.
- 1.5 On October 19, 2022, the Company filed an application (the “**Amendment Application**”) which, among other things, sought to amend the ARIO to remove the certain cash flow restrictions imposed thereunder, and extend the Stay Period to November 3, 2022 (the “**Second Stay Extension**”).

- 1.6 The Monitor filed the Second Report of the Monitor (the “**Second Monitor’s Report**”) with this Honourable Court on October 20, 2022, and the First and Second Supplemental Reports to the Second Monitor’s Report on October 25, 2022 (the “**First Supplemental Report**”) and October 27, 2022 (the “**Second Supplemental Report**”), respectively.
- 1.7 On October 26, 2022, this Honourable Court granted an amendment to the ARIO, whereby: (a) certain cash flow restrictions under section 11(f) were varied; and (b) the Stay Period was extended to October 27, 2022.
- 1.8 On October 27, 2022, this Honourable Court granted a further amendment to the ARIO, whereby: (a) Asahi’s Lift Stay Application and the Company’s Amendment Application were adjourned to November 3, 2022; (b) the Stay Period was extended to November 3, 2022; and (c) the Company was granted short leave to bring an application for approval of a sales and investment solicitation process and other relief on that same date.
- 1.9 On November 2, 2022, the Company filed an application (the “**November 2 Application**”) seeking, *inter alia*:
- a) approval of (as it relates to GPR): (i) a Sales and Investment Solicitation Process (the “**CCAA SISP**”) for GPR, Mina Tucano Ltda. (“**Mina Tucano**”), Beadell (Brazil) Pty Ltd. and Beadell (Brazil 2) Pty Ltd. (collectively with Mina Tucano, the “**Tucano Parties**”, and collectively with GPR, the “**Group**”); and (ii) the engagement letter between, among others, the Company and RBC Dominion Securities Inc. (“**RBC**”) dated October 5, 2022 (the “**Sales Advisor Agreement**”), in respect of the engagement of RBC as the sale advisor (in such capacity, the “**Sales Advisor**”) for the CCAA SISP, and including payment by the Company of its portion of certain fees and expenses to the Sales Advisor (collectively, the “**Sales Advisor Compensation**”) to be secured by: (1) a charge on the Property (as defined in the ARIO) in relation to the Sales Advisor’s work fee in the maximum amount of CAD \$75,000 (the “**Work Fee Charge**”); and (2) a charge on all proceeds from a Transaction (as defined in the Sales Advisor Agreement) payable to GPR, including, for certainty and without limitation, in respect of intercompany indebtedness owing to GPR which is to be repaid in connection with such transaction (the “**Proceeds Charge**”, and together with the Work Fee Charge, the “**Sales Advisor Charges**”). The Sales Advisor Charges are proposed to be ranked *pari passu* with the Administration Charge;

- b) approval of GPR's proposed Key Employee Retention Program ("**KERP**") and a corresponding charge of up to CAD \$117,500 (the "**KERP Charge**"), to rank behind the Administration Charge, the proposed Sales Advisor Charge, and the Directors' Charge;
- c) approval of the Share Purchase Agreement between GPR and Newrange Gold Corp. ("**Newrange**") dated October 25, 2022 (the "**Coricancha SPA**") in relation to the proposed sale of GPR's Peruvian operations (the "**Coricancha Transaction**");
- d) this Honourable Court's direction that GPR shall forthwith cause its Peruvian subsidiary, Great Panther Coricancha S.A.C. ("**Coricancha S.A.C.**"), to advise the relevant ministry or regulatory agency of the Government of Peru of: (i) the existence of the Coricancha SPA and the Coricancha Transaction; and (ii) that absent the closing of the Coricancha SPA on or before November 26, 2022, Coricancha S.A.C. may not have sufficient funds to continue care and maintenance at the Coricancha Mine after that date; and
- e) an extension of the Stay Period from November 3, 2022, to December 16, 2022 (the "**Third Stay Extension**").

1.10 Further information regarding the NOI Proceedings and the CCAA Proceedings, including the Initial Order, the petition, affidavits, notices of application, reports of the proposal trustee and the Monitor, and all other court-filed documents and notices are available on the Monitor's website at [www.alvarezandmarsal.com/GPR](http://www.alvarezandmarsal.com/GPR) (the "**Monitor's Website**").

## **2.0 PURPOSE**

2.1 This report (the "**Third Monitor's Report**") has been prepared by the Monitor to provide information to this Honourable Court in respect of the following:

- a) the activities of the Monitor;
- b) the activities of the Company since the Second Monitor's Report;
- c) a comparison of the actual receipts and disbursements of the Company as compared to the statement of projected cash flow (the "**Second CCAA Cash Flow Forecast**") for the period from October 8 to 28, 2022;
- d) the status of the Coricancha Transaction;
- e) the CCAA SISP;
- f) the proposed engagement of the Sales Advisor;
- g) the KERP;

- h) GPR's cash flow projection for the period from October 29, 2022 to January 6, 2023 (the "**Third CCAA Cash Flow Forecast**");
  - i) the judicial reorganization proceedings (the "**JR Proceedings**") commenced by the Tucano Parties, including additional information requested by this Honourable Court at the hearing on October 27, 2022;
  - j) the Company's application for the Third Stay Extension; and
  - k) the conclusions and recommendations of the Monitor in respect of the foregoing, as applicable.
- 2.2 In addition to the Third Monitor's Report, the Monitor has filed the Confidential Supplement to the Third Report of the Monitor dated November 2, 2022 (the "**First Confidential Report**") to provide this Honourable Court with further details of, and the Monitor's comments in relation to, the Company's proposed engagement of the Sales Advisor.
- 2.3 The Third Monitor's Report should be read in conjunction with the Company's application materials dated November 2, 2022, and other materials filed in the CCAA Proceedings (collectively, the "**Filed Materials**"), as background information contained in the Filed Materials has not been included herein to avoid unnecessary duplication.

### **3.0 TERMS OF REFERENCE**

- 3.1 In preparing this report, A&M has necessarily relied upon unaudited financial and other information supplied, and representations made to it, by certain senior management of GPR ("**Management**"). Although this information has been subject to review, A&M has not conducted an audit nor otherwise attempted to verify the accuracy or completeness of any of the information prepared by Management or otherwise provided by the Company. Accordingly, A&M expresses no opinion and does not provide any other form of assurance on the accuracy and/or completeness of any information contained in this Third Monitor's Report, or otherwise used to prepare this Third Monitor's Report.
- 3.2 Certain of the information referred to in this report consists of financial forecasts and/or projections prepared by Management. An examination or review of financial forecasts and projections and procedures as outlined by the Chartered Professional Accountants of Canada has not been performed. Readers are cautioned that since financial forecasts and/or projections are based upon assumptions about future events and conditions that are not ascertainable, actual results will vary from those forecasts and/or projected and the variations could be significant.

3.3 All monetary amounts contained in this report are expressed in United States dollars unless otherwise noted.

#### **4.0 ACTIVITIES OF THE MONITOR**

4.1 Since the Second Monitor's Report and up to and including the date of this Third Monitor's Report, the Monitor has, among other things:

- a) monitored disbursement approvals and cash flow reporting of the Company in accordance with the ARIO;
- b) reviewed and considered the terms of the Company's proposed KERP;
- c) considered the CCAA SISP and discussed the CCAA SISP with stakeholders, including Asahi;
- d) in respect of the Coricancha Transaction: (i) reviewed the Coricancha SPA; and (ii) held discussions with: (1) Mr. Larry Breckenridge, Principal Environmental Engineer of Global Resource Engineering, regarding the environmental concerns surrounding the continued operation of the Coricancha Mine (as reported to this Honourable in the Second Supplemental Report); and (2) Mr. Robert Archer, President and CEO of Newrange, regarding sources of funding and closing matters, as further described below;
- e) attended various court hearings under the CCAA Proceedings;
- f) communicated with and attended to various inquiries from trade creditors and other stakeholders; and
- g) prepared the First Supplemental Report, the Second Supplemental Report, this Third Monitor's Report and the First Confidential Report.

#### **5.0 ACTIVITIES OF THE COMPANY**

5.1 Since the Second Monitor's Report, the Company has taken steps to advance its restructuring under the CCAA, including, among other things, by:

- a) working with the Sales Advisor, with the assistance of the Monitor, to finalize the CCAA SISP and the Sales Advisor's proposed engagement;
- b) continuing to work with the Tucano Parties to progress the JR Proceedings in Brazil;
- c) engaging with Newrange to progress the Coricancha Transaction, including finalizing and executing the Coricancha SPA;
- d) developing the KERP;

- e) with the assistance of the Monitor, reviewing GPR's staffing needs and further reducing GPR's headcount by one individual, and terminating a contractor of the Company;
- f) attending court hearings under the CCAA Proceedings and responding to the materials presented to this Honourable Court by Asahi,
- g) overseeing local management and accounting functions of GPR and its foreign subsidiaries; and
- h) preparing the Third CCAA Cash Flow Forecast.

## 6.0 CASH FLOW VARIANCES FOR THE PERIOD ENDED OCTOBER 28, 2022

6.1 As part of the ongoing oversight and monitoring of the business and financial affairs of GPR, the Monitor has set up a weekly cash flow review protocol with the Company to compare actual cash flows against the Second CCAA Cash Flow Forecast. GPR's actual cash receipts and disbursements as compared to the Second CCAA Cash Flow Forecast for the period from October 8 to 28, 2022, are summarized below:

Great Panther Mining Limited			
Cash Flow Forecast Variance Analysis - Prepared by Management			
For the three weeks ended October 28, 2022			
<i>US\$'000</i>			
	Actual	Forecast	(\$)
<b>Receipts</b>			
Gold sales	\$ 147	\$ 2,900	\$ (2,753)
Other	-	-	-
<b>Total Receipts</b>	<b>147</b>	<b>2,900</b>	<b>(2,753)</b>
<b>Disbursements</b>			
Gold purchase	2,114	2,703	(589)
Advances to the Coricancha Mine	252	290	(38)
Payroll, benefits and payroll taxes	131	164	(32)
Payments to corporate suppliers	169	149	20
Professional fees - restructuring	346	114	232
Contingency	-	30	(30)
<b>Total Disbursements</b>	<b>3,013</b>	<b>3,450</b>	<b>(437)</b>
<b>Net Cash Flow</b>	<b>(2,865)</b>	<b>(549)</b>	<b>(2,316)</b>
<b>Cash Position</b>			
Opening Cash Available	4,540	4,540	-
<b>Closing Cash Available</b>	<b>1,674</b>	<b>3,990</b>	<b>(2,316)</b>
<b>GIC</b>	<b>151</b>	<b>151</b>	<b>-</b>
<b>Total Cash and Cash Equivalents</b>	<b>1,825</b>	<b>4,142</b>	<b>(2,316)</b>

6.2 The Company experienced an unfavourable cash flow variance of \$2.3 million over this period, mainly driven by the following:

- a) unfavourable timing difference in gold sales receipts amounting to \$2.8 million. The Company purchased gold from Mina Tucano on October 28, 2022 and expects the corresponding gold sale to Asahi to occur during the week ending November 4, 2022
- b) a favourable timing difference of \$589,000 in gold purchases is expected to be reversed during the week ending November 4, 2022 as GPR purchases additional gold from Mina Tucano; and
- c) unfavourable net disbursement variances (other than gold purchases noted above) totaling \$151,000, primarily attributable to higher than forecast professional fees on account of unanticipated court appearances and the associated drafting of related materials by counsel to the Company, the Monitor and its counsel, and payment of select Asahi legal fees.

**7.0 CORICANCHA TRANSACTION**

7.1 As described in the Second Monitor’s Report and the First Supplemental Report, as part of the Company’s restructuring efforts, since about September 9, 2022 GPR has been in negotiations with Newrange in respect of the Coricancha Transaction, which, generally, contemplates a share sale for net sale proceeds of \$750,000.

7.2 The Coricancha SPA, a complete copy of which is attached as Exhibit “D” to the Affidavit #7 of Sandra Daycock sworn November 2, 2022, is dated effective October 25, 2022.

7.3 Key terms of the Coricancha SPA are summarized as follows; capitalized terms used but not otherwise defined have the meanings ascribed to them in the Coricancha SPA:

<b>Terms</b>	<b>Details</b>
Vendor	Great Panther Mining Limited
Purchaser	Newrange Gold Corp.
Purchase Price	\$750,000 with no working capital adjustments
Transaction	Newrange to purchase all of the issued and outstanding shares of each of Great Panther Peru Holdings Ltd. (“ <b>Peru Holdings</b> ”) and Great Panther Silver Peru S.A.C. (“ <b>GPS</b> ”), except for the one share of GPS that is held by Peru Holdings from the Vendor so as to indirectly acquire Coricancha S.A.C. and the Coricancha Mine.

Terms	Details
	<p>Coricancha S.A.C. shall remain liable for all of its existing liabilities, including reclamation liabilities, tax liabilities, and incremental closure bond requirements.</p> <p>The two mine closure surety bonds (the “<b>Reclamation Bond</b>”) issued by a Peruvian insurance company and delivered to the Ministry of Energy and Mines of Peru, in the value of US \$10,971,424 and the US \$9,021,424 in cash collateral deposited in the name of GPS with the relevant insurance company shall remain in place on Closing.</p>
Closing	11:00 a.m., Vancouver time, one Business Day after the last of the conditions to Closing has been satisfied or waived.
Select key conditions precedent	<p>The Purchaser shall have delivered to the Vendor evidence reasonably acceptable to the Vendor that the Coricancha Transaction and any associated financing has been approved or consented to by the Exchange (as subsequently defined).</p> <p>The Court shall have approved the Coricancha Transaction within the CCAA Proceedings.</p>
Termination	<p>The Coricancha SPA may be terminated at any time before Closing:</p> <ul style="list-style-type: none"> <li>(i) by mutual written consent of GPR and Newrange;</li> <li>(ii) by either party if conditions in favour of such party have not been waived or fulfilled on or before the date which is one month after execution of the Coricancha SPA (i.e. November 26, 2022) or such later date as parties may agree (the “<b>Outside Date</b>”);</li> <li>(iii) by either party if the other party is in material breach of the Coricancha SPA that has not been cured as required; or</li> <li>(iv) by law.</li> </ul>

7.4 As noted above, the closing date under the Coricancha SPA is one business day after all conditions precedent are satisfied. Notable conditions precedent include (a) the approval of the Coricancha Transaction by the TSX Venture Exchange (the “**Exchange**”), which the Monitor understands requires, among other things, evidence satisfactory to the Exchange that Newrange has sufficient

financing to operate the mine for a period of time post-closing, and (b) approval by this Honourable Court.

- 7.5 If the conditions precedent in favour of the Company (including Exchange approval) are not satisfied within 30 days following execution (i.e. by November 26, 2022, the “**Outside Date**”), GPR may terminate the Coricancha SPA by written notice to Newrange. GPR expects to request the Monitor’s consent if the Outside Date is to be extended, which is reflected in paragraph 8 of the draft sale approval order.
- 7.6 As noted in the First Supplemental Report, further to obtaining Exchange approval, Newrange is actively sourcing \$10 million of capital in order to close the Coricancha Transaction and to support working capital needs post-closing.
- 7.7 On November 1, 2022, the Monitor held discussions with Mr. Archer, President and CEO of Newrange, and was informed by Mr. Archer that:
- a) as of the date of this Third Monitor’s Report, Newrange has engaged a broker to arrange financing for the Coricancha Transaction, and is currently in discussions with three other brokers who may also be engaged to arrange a portion or all of the required financing; and
  - b) Newrange has made all submissions required by the Exchange to obtain approval of the Coricancha Transaction and, pending receipt of any feedback on these submissions; no other diligence matters remain outstanding.
- 7.8 In light of the foregoing, obtaining financing now appears to be the only step required to obtain Exchange approval and close the Coricancha Transaction. Mr. Archer could not provide the Monitor with a definitive timeline for Newrange to obtain financing, but provided assurances that Newrange remained focused on closing in the coming days or weeks.

#### **Monitor’s Comments**

- 7.9 The Monitor’s comments on the Coricancha SPA are as follows:
- a) while a sales process for the Coricancha Mine was not conducted during the NOI or CCAA Proceedings under the supervision of the Proposal Trustee or the Monitor, it is apparent to the Monitor that the Company has marketed the Coricancha Mine with its advisors since prior to the NOI and CCAA filings, and Newrange was the only party who has expressed significant interest in acquiring this asset;
  - b) GPR is insolvent and does not have the ability to continue to fund the Coricancha Mine indefinitely. Given the significant potential environmental concerns as discussed in the Second

Supplemental Report, the Monitor is of the view that it is in the best interest of the Company (and other stakeholders) to divest its interest in the Coricancha Mine and allow a new buyer to maintain the Coricancha Mine;

- c) as discussed further in section 10.0, below, Management, in consultation with the Monitor and with the consent of Asahi, intends to advance an additional \$313,000 to the Coricancha Mine up to the week ending November 26, 2022, as presented in the Third CCAA Cash Flow Forecast. This coincides with the Outside Date to close the Coricancha Transaction. No further advances to the Coricancha Mine are stipulated in the Third CCAA Cash Flow Forecast;
- d) Newrange is still in the process of sourcing financing to close the Coricancha Transaction. While Newrange appears to be making progress based on Mr. Archer's representations to the Monitor, there can be no guarantee that Newrange will obtain financing as anticipated. However, the Monitor notes that closing the Coricancha Transaction would be the most beneficial outcome for all stakeholders, and, therefore, is of the view that GPR should continue to maintain the care and maintenance status at the Coricancha Mine, including by providing funding to November 26, 2022, as discussed above; and
- e) as noted above, the Monitor acknowledges the possibility that the Coricancha Transaction will not close before November 26, 2022, as well as the potential environmental consequences that may transpire if financial and management support to the Coricancha Mine were to cease. Accordingly, the Monitor is of the view that the Company (or its Peruvian subsidiaries) should immediately alert the relevant Peruvian authorities of the risk that the Coricancha Transaction may not close and, accordingly, after November 26, 2022, no further funding will be provided by GPR to the Coricancha Mine for care and maintenance activities. The purpose of this notice would be to provide lead time to the Peruvian authorities such that the environmental concerns raised can be managed.

## **8.0 CCAA SISP**

- 8.1 As noted in the First Monitor's Report, in order to ensure the timely commencement of the CCAA SISP, the Company, with the assistance of A&M, contacted seven investment banks at the outset of these CCAA Proceedings and ultimately obtained marketing proposals from three firms.
- 8.1 In regards to the selection of a sales advisor to assist with the CCAA SISP, the Monitor and GPR considered several factors, including: the sales advisor's experience, particularly in Canadian and international mining transactions; familiarity with GPR's assets; ability to rapidly commence the CCAA SISP; and access to potential buyers in Canada and internationally.

- 8.2 In consultation with the Monitor, the Company ultimately selected RBC Dominion Securities Inc., a member company of RBC Capital Markets, to assist with the CCAA SISP as sales advisor.
- 8.3 In the November 2 Application, the Company seeks, among other things, court approval of the Sales Advisor Agreement, which sets out the terms of the Sales Advisor's engagement. A copy of the Sales Advisor Agreement with the financial terms redacted (the "**Sales Advisor Agreement**") is attached as Exhibit "A" to the Affidavit #7 of Sandra Daycock affirmed November 2, 2022 ("**Daycock #7**"), and a complete, unredacted copy (the "**Confidential Sales Advisor Agreement**") is attached as an exhibit to the Affidavit #8 of Sandra Daycock affirmed November 2, 2022 (the "**Third Confidential Affidavit**"). GPR intends to apply to file the Third Confidential Affidavit under seal under the November 2 Application.
- 8.4 In the following section, the Monitor provides general comments on the Sales Advisor Agreement and the Sales Advisor Charges (as described above), whereas more specific comments on the financial terms contained in the Confidential Sales Advisor Agreement shall be contained in the First Confidential Report.
- 8.5 For the following reasons, the Monitor considers the scope of the Sales Advisor Agreement, the proposed compensation payable thereunder, and the Sales Advisor Charges to be commercially reasonable:
- a) the scope of the Sales Advisor Agreement is generally consistent with the CCAA SISP, and is comparable to other SISP's A&M has been engaged with as well as the proposals submitted by the investment banks (the "**Other Firms**") who participated in the selection process;
  - b) the quantum of fees proposed by the Sales Advisor is competitive with fee levels charged in the market, and comparable to the fees proposed by the Other Firms;
  - c) the Work Fee Charge, which, if granted, would secure payment by GPR up to the maximum sum of CAD \$75,000, is based on a certain number of months' of Work Fees and expenses payable by GPR to the Sales Advisor. The Monitor is of the view that the quantum and basis for this charge is reasonable given GPR's cash flows and the scope of the Sales Advisors' engagement;
  - d) the Proceeds Charge in relation to the success fees is only charged against proceeds payable to GPR from a transaction arising from the CCAA SISP, and the Monitor is of the view that the basis for the charge is reasonable; and

- e) the Monitor notes that the Sales Advisor Charges are proposed to rank *pari passu* with the Administration Charge, and it does not oppose the proposed priority being granted to the Sales Advisor Charges.

**Summary of SISP and Timetable**

- 8.6 Key process milestones and target dates included in the CCAA SISP, along with the Monitor's comments regarding the CCAA SISP, are summarized in the following table. Capitalized terms used but not otherwise defined have the meanings ascribed to them in the CCAA SISP.

<b>Phases</b>	<b>Target Date</b>	<b>Comments</b>
CCAA SISP to commence	November 4, 2022, or immediately upon Court approval	The Sales Advisor to have finalized the Teaser Letter, the Confidentiality Agreement, a list of Known Potential Bidders, and a press release for the CCAA SISP, and set up the Virtual Data Room (“VDR”).  GPR to issue press release and Sales Advisor to commence outreach to Potential Bidders with reference to the Teaser Letter and Confidentiality Agreement. Also, the Sales Advisor is to draft a confidential information memorandum that will be posted in the VDR.
Phase I deadline for submission of non-binding Letters of Intent (“LOIs”)	December 9, 2022 (end of Phase I)	Sales Advisor to receive LOIs by December 9, 2022.  The Company, with the assistance of the Monitor and the Sales Advisor, shall review and evaluate the LOIs and select party(ies) to participate in Phase II of the CCAA SISP.
Phase II of the CCAA SISP begins	December 16, 2022	Select participants to be invited to the Phase II VDR and arrange management presentations and site visits (as necessary).
Final Bid Deadline	January 27, 2023	Sales Advisor to receive definitive proposals by January 27, 2023.  The Company, with the assistance of the Monitor and the Sales Advisor, shall review and evaluate the definitive proposals and select the winning bidder (the “ <b>Successful Bidder</b> ”) and a backup bidder (the “ <b>Backup Bidder</b> ”), as applicable.
Final Agreement Deadline	February 10, 2023	Deadline for the Company to enter into a definitive agreement or agreements (each a “ <b>Final Agreement</b> ”) with the Successful Bidder.
Deposit	Within five (5) Business Days after being notified that it has been selected as a Successful Bidder or Backup Bidder	Successful Bidder and each Backup Bidder shall pay a deposit (the “Deposit”) of (i) ten percent (10%) with respect to any such consideration up to and including fifty million dollars (\$50,000,000), plus (ii) five percent (5%) with respect to any such additional consideration beyond fifty million dollars (\$50,000,000).
Outside Closing Date	June 10, 2022	The Company shall apply for an order from this Court and the supervising court in the Brazilian Proceeding (as applicable) approving the transaction contemplated in the Final Agreement and any necessary relief required to consummate the winning bid.  It is contemplated that the closing of the transaction with the Successful Bidder shall not be later than the Outside Closing Date.

- 8.7 The above timeline may be modified and may be amended or extended by GPR and the Tucano Parties with the consent of the Sales Advisor, Asahi and the Monitor if such parties deem it to be necessary or advisable to do so, or by further order of this Honourable Court.
- 8.8 The CCAA SISP provides that, upon confirmation from Asahi that Asahi and its affiliates are not participating directly or indirectly in the CCAA SISP, and upon execution of confidentiality agreements and confirmations as the Monitor may reasonably require, GPR, the Sales Advisor and the Monitor may share the Qualified LOIs and their analysis with Asahi.
- 8.9 In addition, GPR shall be permitted to proceed to Phase II of the CCAA SISP only if a) Asahi has consented to permit GPR to continue to Phase II, or b) by further Court order. In the event GPR ceases to participate in the CCAA SISP, the Tucano Parties may continue with the CCAA SISP process in accordance with the terms of the CCAA SISP, as may be amended.

**Monitor's observations and comments**

- 8.10 The Monitor's comments on the CCAA SISP are as follow:
- a) the CCAA SISP was developed with the assistance of the Monitor and input from the proposed Sales Advisor, which has extensive experience in mining transactions;
  - b) Asahi, GPR's major unsecured creditor, has been consulted in respect of the CCAA SISP;
  - c) based on discussions with the proposed Sales Advisor, the Monitor is advised that the Sales Advisor intends to launch the marketing program with an extensive group of Potential Bidders (over 100). The Monitor is therefore satisfied that the CCAA SISP will constitute a thorough, fair and transparent marketing process;
  - d) the Monitor recognizes that adherence with certain deadlines in the CCAA SISP may be challenging to meet for potential bidders given the relatively short timeframe under Phase I (approximately four (4) weeks assuming CCAA SISP commences on November 4, 2022), but is satisfied that the CCAA SISP contains sufficient flexibility to amend milestones and deadlines as required; and
  - e) based on the above, it is the Monitor's view that the CCAA SISP terms and timelines are reasonable in the circumstances.

**9.0 KEY EMPLOYEE RETENTION PROGRAM**

- 9.1 As part of the ongoing restructuring efforts of GPR, Management, together with its Board of Directors and its legal counsel, and with input from the Monitor, have identified five (5) employees (the "**Key Employees**") that are critical to the ongoing operations of the Company and a successful CCAA SISP.

- 9.2 The Company believes that the Key Employees each provide a unique range of experience and company knowledge that will be essential to maintain ongoing operations during the CCAA Proceedings and are critical to the success of the CCAA SISP. The role of each Key Employee and a summary of their relevant skills are detailed in the Key Employee Retention Plan, which is attached to the Third Confidential Affidavit.
- 9.3 The KERP has been developed to incentivize the Key Employees to continue their employment with the Company through to December 9, 2022, which is the proposed CCAA SISP Phase I deadline for submission of non-binding LOIs. If after the receipt and evaluation of the LOIs, the Company decides to advance the CCAA SISP to Phase II, Management and its advisors intend to examine whether there is a need to expand and extend the KERP.
- 9.4 Select key terms of the KERP are:
- a) five (5) employees have been identified as Key Employees;
  - b) total KERP payments are expected to be CAD \$117,500 (the “**KERP Fund**”), which represents approximately 11.0% of the Key Employees’ current aggregate annual salaries or approximately half-a-month to two months’ salary, depending on the employee;
  - c) the KERP Fund is to be disbursed to the Key Employees upon the earlier of:
    - i. the determination that one (1) or more of the LOIs received in Phase I of the CCAA SISP is selected to participate in Phase II of the CCAA SISP, regardless of whether Management elects to advance the CCAA SISP to Phase II, or Phase II is conducted solely by affiliates or subsidiaries of GPR; or
    - ii. the termination of the CCAA Proceedings.
  - d) The KERP contemplates that the KERP Funds are to be secured by a charge (the “**KERP Charge**”) over all of the Property (as defined in the ARIO) up to a maximum of CAD \$117,500, and will rank behind the Administration Charge, the Directors’ Charge and the Sales Advisor Charge.
- 9.5 When determining the quantum of the KERP Funds payable to each Key Employee under the KERP, Management, together with its advisors and with input from the Monitor, performed a review to evaluate each employee’s role at the Company, current salary, potential involvement in the CCAA SISP, and other recently approved KERP CCAA filings.
- 9.6 The Monitor is of the view that the KERP and the KERP Charge are reasonable and appropriate in the circumstances for the following reasons:

- a) the continued employment of the Key Employees is important for the stability of the business and promotes the success of the CCAA SISP;
- b) in the absence of the KERP, there is a material risk that the Key Employees would consider other employment options;
- c) the Key Employees each have significant knowledge of the business in their respective areas, which would be difficult for the Company to replace in the near term;
- d) the number of Key Employees is reasonable and appropriate for the size of GPR's operations and its organizational structure;
- e) the Monitor has compared the KERP to other recent key employee retention plans approved under the CCAA and noted that the number of employees and quantum of payments is reasonable;
- f) the timing of the KERP payment is consistent with the proposed CCAA SISP and its timeline;
- g) the Company's independent Board of Directors has reviewed the proposed KERP and is supportive of it; and
- h) the KERP Charge is proposed to rank behind the Administration Charge, Directors' Charge and the proposed Sales Advisor Charge. The Monitor is of the view that the priority ranking of the KERP Charge is reasonable.

## **10.0 THIRD CCAA CASH FLOW FORECAST**

10.1 Further to the Second CCAA Cash Flow Forecast presented to this Honourable Court on October 14, 2022, Management has prepared an extended cash flow projection for GPR on a weekly basis for the period from October 29, 2022 to January 6, 2023 (the "**Third Forecast Period**"), using the probable and hypothetical assumptions set out in the notes to the Third CCAA Cash Flow Forecast. A copy of the Third CCAA Cash Flow Forecast along with its notes and assumptions is attached hereto as Appendix "A". The Third CCAA Cash Flow Forecast is summarized below:

**Great Panther Mining Limited**  
**Third CCAA Cash Flow Statement**  
**For the period ending January 6, 2023**  
*US\$'000*

<b>Receipts</b>	
Gold Sales	\$ 8,816
Coricancha sale proceeds	750
<b>Total Receipts</b>	<u>9,566</u>
<b>Disbursements</b>	
Gold purchase	6,275
Advances to the Coricancha Mine	313
Payroll, benefits and payroll taxes	206
Key Employee Retention Plan	88
Payments to corporate suppliers	371
Professional fees - restructuring	516
Sales agent - work fee	84
Contingency	50
<b>Total Disbursements</b>	<u>7,904</u>
<b>Net Cash Flow</b>	<b>1,662</b>
<b>Cash Position</b>	
Opening Cash Position	1,674
<b>Closing Cash Position</b>	<u><b>\$ 3,337</b></u>
<b>GIC</b>	<u>151</u>
<b>Total Cash and Cash Equivalents</b>	<u><b>\$ 3,488</b></u>

10.2 Further, the Monitor notes that:

- a) during the Forecast Period, GPR is expected to generate \$8.8 million from gold sales to Asahi, and is forecast to purchase \$6.3 million of gold from Mina Tucano;
- b) as noted in the Second Supplemental Report, GPR currently owns approximately 25 million shares of Guanajuato Silver Company Ltd. (“GSilver”), as part of the proceeds from the sale of GPR’s Mexican operations to GSilver. The GSilver shares are subject to specific hold periods, and the hold period for 50% of the shares held is expiring in early December 2022. It is not contemplated in the Third CCAA Cash Flow Forecast that these shares will be liquidated during the Third Forecast Period. As noted in the Second Monitor’s Report, Management is aware that any shares sales exceeding the threshold as provided in the ARIO will be subject to the approval from this Honourable Court;
- c) advances of \$313,000 are forecast to be made to cover critical payments at the Coricancha Mine to maintain its care and maintenance status while Newrange secures financing to close the Coricancha Transaction. Such payments are only forecast to be made up until the week ending November 25, 2022;

- d) as mentioned above, KERP payments are forecast to be paid during the Forecast Period in the week of December 16, 2022 (i.e. to coincide with the close of Phase I of the SISP) in the amount of \$88,000 (or CAD \$117,500). The Company is seeking the approval from this Honourable Court for the KERP and a corresponding KERP Charge, as previously discussed;
- e) general head office costs, including payroll, directors' fees, payment to suppliers and rent are forecast at approximately \$577,000 during the Forecast Period;
- f) professional fees in respect of these CCAA Proceedings are forecast to total \$516,000 during the Forecast Period; and
- g) work fees payable to the Sales Advisor during the Forecast Period are forecast to total \$84,000. As discussed earlier, the Company is seeking the approval from this Honourable Court for approval of the Sales Advisor's engagement and the corresponding Sales Advisor Charge.

10.3 Pursuant to section 23(1)(b) of the CCAA and in accordance with the Canadian Association of Insolvency and Restructuring Professionals Standards of Professional Practice No. 9, the Monitor hereby reports as follows:

- a) the Third CCAA Cash Flow Forecast has been prepared by Management for the purpose described in the notes to the Cash Flow Forecast, using probable and hypothetical assumptions as set out in the notes;
- b) the Monitor's review of the Third CCAA Cash Flow Forecast consisted of inquiries, analytical procedures, and discussion related to information supplied to it by Management. Since hypothetical assumptions need not be supported, the procedures with respect to them were limited to evaluating whether they were consistent with the purposes of the Third CCAA Cash Flow Forecast. The Monitor also reviewed the support provided by Management for the probable assumptions and the preparation and presentation of the Third CCAA Cash Flow Forecast;
- c) based on the Monitor's preliminary review of the Third CCAA Cash Flow Forecast, nothing has come to its attention that causes A&M to believe that, in any material respects:
  - i. the hypothetical assumptions are not consistent with the purpose of the Third CCAA Cash Flow Forecast;
  - ii. as at the date of this Third Monitor's Report, the probable assumptions developed by Management are not suitably supported and consistent with the plans of the Company or

do not provide a reasonable basis for the Third CCAA Cash Flow Forecast, given the hypothetical assumptions; or

- iii. the Third CCAA Cash Flow Forecast does not reflect the probable and hypothetical assumptions.
- d) since the Third CCAA Cash Flow Forecast is based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and the variations may be material. Accordingly, A&M does not express any assurance as to whether the Third CCAA Cash Flow Forecast will be accurate. A&M does not express any opinion or other form of assurance with respect to the accuracy of any financial information presented in this report, or relied upon by us in preparing this report; and
- e) the Third CCAA Cash Flow Forecast has been prepared solely for the purpose described in Note 1 of the accompanying notes to the Third CCAA Cash Flow Forecast, and readers are cautioned that it may not be appropriate for other purposes.

#### **11.0 BRAZIL JUDICIAL REORGANIZATION PROCEEDINGS**

- 11.1 As reported in the First Report of the Proposal Trustee dated October 3, 2022 (the “**First Trustee Report**”), on September 6, 2022, the Tucano Parties filed a request to initiate the JR Proceedings in the judicial district of Rio de Janeiro, Brazil.
- 11.2 As mentioned above, at the hearing on October 27, 2022, this Honourable Court requested additional information on the JR Proceedings, including regarding the anticipated timeline and structure of those proceedings, as well as a status update.
- 11.3 In the context of the Company’s Brazilian restructuring, the Monitor notes that, in the Affidavit #1 of Sandra Daycock affirmed September 28, 2022, the Company has given evidence that: (a) Brazil is the “centre of main interest” (“**COMI**”) for Mina Tucano, and the JR Proceedings are the primary insolvency proceeding with respect to that entity; and (b) in the event that it becomes necessary or desirable for the Canadian, American, and Brazilian courts supervising the group’s restructuring to communicate directly, the Company intends to seek approval of an inter-court communications protocol. The Monitor understands that there is not yet a need for such a protocol to be established.
- 11.4 Since the hearing on October 27, 2022, the Monitor has sought the additional information requested by this Honourable Court from the financial advisor for the Tucano Parties, Alvarez & Marsal Brazil (the “**Brazil FA**”), and Mina Tucano’s counsel, Pinheiro Neto Advogados. Following is a summary of the advice received by the Monitor from these sources.

## Timeline

- 11.5 The Monitor understands that the timeline and steps to be taken under the JR Proceedings is somewhat dependant on the type of transaction (share sale or asset sale) that ultimately forms the basis of the final Judicial Reorganization Plan in those proceedings (the “**Final Plan**”). The Monitor further understands that asset sales in JR Proceedings are rare because the time required for such a transaction to complete the Brazilian National Mining Agency approval process (4 to 12 months) makes them impractical.
- 11.6 In light of the foregoing, the table below lists the anticipated stages and steps of the JR Proceedings process, alongside actual (**bolded**) and prospective dates, based on the assumptions that: (a) the Final Plan will involve the sale of the Tucano Shareholders’ shares; and (b) negotiations with creditors on the Final Plan will not begin until the parameters of a share sale are established through the Tucano Parties’ receipt of a viable bid or the execution of a share purchase agreement.

<b>Date</b>	<b>Event</b>
<b>September 6, 2022</b>	Filing of the request to initiate judicial reorganization proceedings.
<b>September 9, 2022</b> ("Grant Date")	Court order granting the processing of the request to initiate the JR Proceedings (the " <b>Processing Order</b> ") and appointment of the Administradors Judicial (the " <b>Administrators</b> ").
<b>September 19, 2022</b> ("First Appearance Date")	First appearance of the Tucano Parties in the JR Proceedings after the Grant Date.
<b>October 10, 2022</b> ("Publication Date")	Deadline for Administrators to publish first creditor list and notify creditors of its publication.
<b>October 25, 2022</b> (or Publication Date +15 days, the " <b>Challenge Deadline</b> ")	Deadline for creditors to submit proofs of claims to the Administrators in order to dispute the first creditor list.
November 8, 2022	Date that the Tucano Parties are targeting for the filing of the first judicial reorganization plan (the " <b>First Plan</b> ").  The First Plan may be amended based on subsequent negotiations with creditors.
November 19, 2022 (or Appearance Date +60 days)	Estimated formal deadline for the Tucano Parties to file the First Plan.
December 9, 2022 (or Challenge Deadline +45 days, the " <b>Claim Confirmation Deadline</b> ")	Deadline for the Administrators to publish a revised creditors list.

December 18, 2022 (or Claim Confirmation Deadline +10 days)	Deadline for creditors or Tucano Parties to challenge the revised creditors list.
Early to mid-January 2023	Tucano Parties to finalize share sale framework and begin negotiations with creditors: (i) regarding the Final Plan; and (ii) for the consent adjournment of the General Meeting of Creditors ("GMC").  Begin antitrust approval process for the restructuring transaction (est. 120 days)
February 6, 2023 (or Grant Date +150 days)	Deadline for GMC unless adjourned with creditors' consent.
Early February 2023	Tucano Parties begin presenting negotiated Final Plan to creditors.
March 7, 2023 (or Grant Date +180 days)	End of stay period.  If the GMC is not concluded by this date, the stay period may be extended for an additional 180 days by court order.
May/ June 2023	Antitrust approval process concludes; concurrent closing of restructuring transaction under Final Plan.

### **Plan Approval Criteria**

- 11.7 In general, the Final Plan will need to be approved by each of the Tucano Parties' four classes of creditors (described further below). However, if a class does not approve, the Final Plan may still be approved by a cram down if: (a) the non-approving class has an approval percentage above 33%; and (b) 50% plus 1 of all creditors approve. Class 1 approval requires a regular majority of creditors (50% plus 1), and Classes 2 through 4 require a regular majority by number and by value.
- 11.8 The following table provides a breakdown of the creditor claims that fall within Classes 1 through 4 as set forth in Affidavit #4 of Sandra Daycock affirmed October 19, 2022. It should be noted that: (a) Asahi is listed as a Class 2 creditor with a claim of approximately \$2.35 million (approximately 36.0% of the Class 2 claims); and (b) intercompany claims of approximately \$183.8 million fall under Class 3, but are excluded from the below figures.

Mina Tucano Ltda. Creditors' claims USDS'000			
Class	Description	# of creditors	Amount
1	Labour-related claims (including legal fees)	6	\$ 46
2	Secured creditors	2	6,513
3	Unsecured creditors	134	41,725
4	Suppliers	118	2,592
	Excluded claims (e.g. post-filing claims, taxes, etc.)	11	25,578
<b>TOTAL</b>		<b>271</b>	<b>\$ 76,454</b>

### Update

- 11.9 As indicated in the timeline above at section 7.5, the steps listed beside the **bolded** dates have been completed. In addition, the Monitor:
- a) is advised that the Challenge Date passed on about October 25, 2022. Prior to that date Asahi, filed a proof of claim, meaning that the Administrators will have until approximately December 9, 2022 to submit a revised creditors list in response to Asahi's and others' proofs of claims;
  - b) understands that the Tucano Parties intend to file the First Plan on or around November 8, 2022. The Monitor has been provided with an outline of the First Plan as of the date of this Third Monitor's Report;
  - c) is advised that the Public Prosecutor's Officer has filed two appeals in the JR Proceedings; one in respect of the Processing Order (which is appealed on two grounds) and the other in respect of an order regarding the Administrators' fees. Mina Tucano has filed responses in opposition to the appeals of the Processing Order, and has filed a motion which, in the Monitor's understanding, aligns with the appellant's position in the appeal pertaining to the order on the Administrators' fees. The two appeals are currently pending before the Court of Appeals of the State of Rio de Janeiro, and are not expected to be determined until the end of Q1 2023. The Monitor is advised by counsel for the Tucano Parties that, in its view, the appeals are not expected to alter the above timeline or outcome of the JR Proceedings.
- 11.10 The Monitor will provide this Honourable Court with further updates in relation to the above as they become available.

**12.0 EXTENSION OF STAY OF PROCEEDINGS**

12.1 Pursuant to the ARIO, the Stay Period will expire on November 3, 2022. The Company is seeking an extension of the Stay Period to December 16, 2022.

12.2 The Monitor supports the Third Stay Extension for the following reasons:

- a) the extension of the Stay Period to that date will ensure the Company continues to be afforded the benefits of the ARIO and will be granted time to implement the CCAA SISP;
- b) the Company will require the extension of the Stay Period to close the Coricancha Transaction;
- c) as indicated in the Third CCAA Cash Flow Forecast, the Company has sufficient liquidity to continue operating in the ordinary course of business during the requested extension of the Stay Period;
- d) no creditor of GPR would be materially prejudiced by the extension of the Stay Period; and
- e) the Company has acted in good faith and with due diligence in these CCAA Proceedings since the date of the Initial Order.

**13.0 RECOMMENDATIONS**

13.1 The Monitor respectfully recommends that this Honourable Court:

- a) approve the CCAA SISP and grant the order approving same;
- b) approve the engagement of the Sales Advisor and grant the Sales Advisor Charge;
- c) approve the KERP and grant the KERP Charge; and
- d) grant the extension of the Stay Period to December 16, 2022.

\*\*\*\*\*

All of which is respectfully submitted to this Honourable Court this 2<sup>nd</sup> day of November, 2022.

**Alvarez & Marsal Canada Inc.,  
in its capacity as Monitor of Great Panther Mining Limited  
and not in its personal or corporate capacity**

  
Per: Anthony Tillman  
Senior Vice President

  
Per: Pinky Law  
Vice President

**Appendix A – Third CCAA Cash Flow Forecast**

Great Panther Mining Limited  
Cash Flow Statement<sup>1</sup>  
For the period ending January 6, 2023  
US\$'000

Week		Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8	Week 9	Week 10	Total
Week Ending	Notes	4-Nov	11-Nov	18-Nov	25-Nov	2-Dec	9-Dec	16-Dec	23-Dec	30-Dec	6-Jan	
Gold Sales	3	\$ 2,294	\$ 3,769	\$ 2,316	\$ 110	\$ 202	\$ 126	\$ -	\$ -	\$ -	\$ -	\$ 8,816
Coricancha sale proceeds	4	-	-	-	-	-	-	750	-	-	-	750
Other		-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue</b>		<b>2,294</b>	<b>3,769</b>	<b>2,316</b>	<b>110</b>	<b>202</b>	<b>126</b>	<b>750</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,566</b>
<b>Disbursements</b>												
Gold purchase	3	1,499	2,388	2,388	-	-	-	-	-	-	-	6,275
Advances to the Coricancha Mine	4	146	95	31	42	-	-	-	-	-	-	313
Payroll, benefits and payroll taxes	5	-	41	-	-	33	-	33	-	99	-	206
Key Employee Retention Plan	6	-	-	-	-	-	-	88	-	-	-	88
Payments to corporate suppliers	7	49	27	61	72	83	55	4	0	19	-	371
Professional fees - restructuring	8	70	102	53	53	28	28	49	49	68	18	516
Sales agent - work fee	9	28	-	-	-	28	-	-	-	-	28	84
Contingency		-	10	-	10	-	10	-	10	-	10	50
<b>Total Disbursements</b>		<b>1,792</b>	<b>2,664</b>	<b>2,534</b>	<b>176</b>	<b>172</b>	<b>93</b>	<b>174</b>	<b>59</b>	<b>186</b>	<b>56</b>	<b>7,904</b>
<b>Net Cash Flow</b>		<b>502</b>	<b>1,105</b>	<b>(218)</b>	<b>(66)</b>	<b>30</b>	<b>33</b>	<b>576</b>	<b>(59)</b>	<b>(186)</b>	<b>(56)</b>	<b>1,662</b>
<b>Cash Position</b>												
Opening Cash Position	2	1,674	2,176	3,282	3,064	2,998	3,028	3,061	3,637	3,578	3,392	1,674
<b>Closing Cash Position</b>		<b>\$ 2,176</b>	<b>\$ 3,282</b>	<b>\$ 3,064</b>	<b>\$ 2,998</b>	<b>\$ 3,028</b>	<b>\$ 3,061</b>	<b>\$ 3,637</b>	<b>\$ 3,578</b>	<b>\$ 3,392</b>	<b>\$ 3,337</b>	<b>\$ 3,337</b>
<b>GIC</b>	2	151	151	151	151	151	151	151	151	151	151	151
<b>Total Cash and Cash Equivalents</b>		<b>\$ 2,327</b>	<b>\$ 3,433</b>	<b>\$ 3,215</b>	<b>\$ 3,149</b>	<b>\$ 3,179</b>	<b>\$ 3,212</b>	<b>\$ 3,788</b>	<b>\$ 3,729</b>	<b>\$ 3,543</b>	<b>\$ 3,488</b>	<b>\$ 3,488</b>

**Great Panther Mining Limited (“GPR” or the “Company”)**

**Third CCAA Cash Flow Forecast**

**Notes and Assumptions**

1. The cash flow statement (the “Third CCAA Cash Flow Forecast”) has been prepared by management (“Management”) of Great Panther Mining Limited to set out the liquidity requirements of the Company during the *Companies’ Creditors Arrangement Act* proceedings (the “CCAA Proceedings”).

The Third CCAA Cash Flow Forecast is presented on a weekly basis from October 29, 2022 to January 6, 2023 (the "Period") and represents Management's best estimate of the expected results of operations during the Period. Readers are cautioned that since the estimates are based on future events and conditions that are not ascertainable, the actual results achieved will vary, even if the assumptions materialize, and such variations may be material. There are no representations, warranties or other assurances that any of the estimates, forecasts, or projections will be realized. The projections are based upon certain estimates and assumptions discussed below and may be amended from time to time during the CCAA proceedings. Upon such amendments, Management will update its cash flow forecast accordingly as included herein.

Unless otherwise noted, the Third CCAA Cash Flow Forecast is presented in U.S. dollars.

2. The opening cash position as presented in the Third CCAA Cash Flow Forecast includes the Company’s actual cash availability as of the first day of the Third CCAA Cash Flow Forecast.

The Company has maintained a Guaranteed Investment Certificate ("GIC") with the Royal Bank of Canada as collateral to its corporate credit cards. Accordingly, the Company is unable to redeem the GIC unless the corporate credit cards are cancelled, and all credit card debts paid out. As the Company requires the use of its corporate credit card on a regular basis, it is not intending to redeem the GIC during the Period. The GIC of CAD\$202,000 (USD\$151,000) is excluded from the opening cash balance.

3. GPR is expected to make three gold purchases (for a total of 3,942 oz or approximately \$6.3 million) from its Brazilian subsidiary, Mina Tucano Ltda. (“Mina Tucano”), during the Period and immediately sell the gold to Asahi Refining Canada Ltd. (“Asahi”) upon each

respective purchase (total estimated net proceeds: \$8.6 million). GPR is expected to receive 95% of total gold sale proceeds upfront, and the remaining 5% approximately 30 business days after the shipment date and upon finalizing the assaying results.

Other gold sales over the period totaling approximately \$228,000 represents the net collection of the remaining 5% from prior gold sales made by the Company to Asahi.

Asahi is entitled to apply 1.5% of total gold sales to its outstanding pre-filing indebtedness. These amounts have been taken into account in the estimated gold sale proceeds described above.

4. Advances to the Coricancha Mine represents critical payments to be made at the Coricancha project in Peru to maintain its care and maintenance status while GPR and Newrange Gold Corp conclude the anticipated sale of the Coricancha Mine for a purchase price of \$750,000 plus assumption of all liabilities. Proceeds from the transaction are currently expected to be collected during the week ending December 16, 2022.
5. Payroll, benefits and payroll taxes includes bi-monthly Vancouver corporate office executive and staff payroll, Canada Life group benefits and Employee Health Tax (EHT) costs and directors' fees.
6. The first payment under the proposed Key Employee Retention Plan payment is scheduled to be made during the week ending December 16, 2022.
7. Payments to corporate suppliers for post-filing services, including utilities, IT services, expenses in relation to the gold sales, and office rent for the head office in Vancouver, B.C. (scheduled to be vacated by the end of November 2022), are forecast to be paid in the ordinary course of business.
8. Restructuring professional fees have been forecast based on projected costs of professional services firms relating to the CCAA Proceedings, and include the Company's legal counsel as well as the Monitor and its legal counsel.
9. Sales agent fees represent GPR's portion of the fees payable to RBC Dominion Securities in its capacity as sales agent to GPR and Mina Tucano for the proposed Sales and Investment Solicitation Process.