



This is the 2nd Affidavit of
Sandra Daycock in this case and
was made on October 12, 2022

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 OR ARRANGEMENT OF
GREAT PANTHER MINING LIMITED

PETITIONER

A F F I D A V I T

I, **Sandra Daycock**, businessperson, of 1330 – 200 Granville Street, Vancouver, British Columbia, AFFIRM THAT:

I. INTRODUCTION

1. I am the Chief Financial Officer ("**CFO**") of the petitioner, Great Panther Mining Limited ("**GPML**"). I am responsible for and have overseen GPML's restructuring efforts to date. I have also reviewed the books and records maintained by GPML, in the ordinary course of business, and as such I have direct knowledge of the information deposed to in this affidavit, except where stated to be on information and belief, in which case I believe such information to be true. I am authorized to make this affidavit on behalf of GPML.

2. On October 4, 2022, the Honourable Justice Walker granted an initial order (the "**Initial Order**") in respect of GPML under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"). Among other things, the Initial Order established a stay of proceedings against GPML for an initial period of ten (10) days (the "**Stay Period**"). Alvarez &

Marsal Canada Inc. ("**A&M**") was appointed as the monitor (when referred to in such capacity, the "**Monitor**") of GPML.

3. This affidavit is made in support of an application (the "**Comeback Application**") by GPML for: (i) an order (the "**ARIO**") amending and restating the relief granted under the Initial Order; and, (ii) an order (the "**Sealing Order**") sealing the Confidential Financial Advisor Exhibit (as defined below) on the Court record until further order of the Court.

4. As described in further detail below, GPML has made substantial progress in advancing the formulation and implementation of its proposed restructuring plan during the initial Stay Period, given the short period of time. Most significantly, GPML has selected a financial advisor to assist it in preparing a sales and investment solicitation process (the "**SISP**") with respect to GPML and its subsidiaries (collectively, the "**Group**"). GPML has not yet finalized the terms of engagement of the proposed financial advisor (which is in progress) or the terms of the SISP (which will be completed at the earliest opportunity upon finalization of the engagement terms). GPML's management currently intends to seek the approval of this Honourable Court with respect to both such matters by way of a subsequent motion, which is anticipated to be brought in the near term. However, based upon the range of values indicated in preliminary assessments prepared by the proposed financial advisor, as set out in the Confidential Financial Advisor Exhibit (as defined below), I verily believe that there is a reasonable likelihood that significant value will be available to the creditors and shareholders of GPML, upon completion of the proposed SISP.

5. Capitalized terms used herein and not otherwise defined shall have the meaning ascribed to them in the affidavit I swore on September 28, 2022 (the "**Initial Affidavit**"), which was filed in these proceedings (the "**CCAA Proceedings**"). Unless otherwise noted, all references to monetary amounts in this affidavit are in Canadian dollars ("**CAD**").

II. PETITIONER'S ACTIVITIES SINCE THE PRONOUNCEMENT OF THE INITIAL ORDER

A. Financial Advisor Engagement

6. As I attested to in further detail in the Initial Affidavit, the Group's most significant asset is the Tucano Mine, located in the state of Amapá in northern Brazil. The Group also owns assets in multiple countries, including Canada, Brazil, Peru (pending the closing of the LOI, as described in further detail in the Initial Affidavit), and, to a much lesser extent, Mexico. As a mining company, maximizing value within any sales process in respect of GPML will require the engagement of

individuals possessing specialized knowledge, relationships, and skills applicable to transactions in the mining industry. Accordingly, GPML's senior management believes that it will be necessary to engage a financial advisor to assist in the proposed SISP.

i. Selection Process

7. On or around September 13, 2022, GPML began the process of identifying a financial advisor to assist in marketing GPML's business and assets and negotiating and completing a transaction, to be carried out in connection with and pursuant to the terms of a court-approved SISP.

8. GPML's senior management believes that, in light of the complexities involved in pursuing and completing the sale of an international mining company, any potential financial advisor would require a specific skillset. Among other things, the financial advisor would require broad mining industry connections, extensive experience in capital markets transactions, industry-specific knowledge with respect to precious metals mining, experience in negotiating transactions with a cross-border component, experience in distressed transactions and restructuring proceedings, and a large and experienced team of representatives. GPML sought and received the Monitor's assistance in identifying potential financial advisor candidates which could satisfy these requirements.

9. With the Monitor's assistance, GPML identified and approached seven (7) candidates: four (4) Canadian banks, one (1) Canadian advisory firm and two (2) Brazilian banks. Two (2) of the Canadian banks and one (1) of the Brazilian banks declined the opportunity. GPML's senior management engaged with the remaining candidates and received various proposals and presentations from those candidates during the initial Stay Period, recently narrowing the choice to two (2) candidates.

10. After initial discussions with the Brazilian candidate, GPML's management determined that the engagement of an advisor based in Canada would be preferable in the circumstances. Among other reasons: (i) Canada-based candidates would open up additional connections with potential strategic and financial investors who may be capable of completing a transaction with respect to GPML; (ii) Canada plays a central role in global mining (for example, the Toronto Stock Exchange is a preferred stock exchange for mining companies); and, (iii) as a result, Canadian financial advisors are highly-qualified with respect to mining transactions, regardless of the physical location of the mine site.

11. GPML's management ultimately determined that it would seek to engage an affiliate of a Canadian financial institution (the "**Proposed Financial Advisor**") to serve as the exclusive financial advisor to GPML. Both of the final candidates had suitable qualifications, including relevant recent experience, restructuring knowledge, broad and experienced teams, and deep knowledge bases. However, the Proposed Financial Advisor was able to offer the most competitive fee structure, including: (i) a significantly lower work fee in comparison with the other final candidate, which is an important concern in light of GPML's limited cash flow; and, (ii) a fee structure which is weighted more heavily to closing a successful transaction.

ii. Terms of Engagement

12. GPML and the Proposed Financial Advisor are currently in the process of negotiating the terms of the Proposed Financial Advisor's engagement, which will be subject to court approval. Due to timing considerations and the need to urgently seek an extension of the Stay Period prior to its expiry on October 14, 2022, the parties have not yet been able to finalize such terms. It is anticipated that GPML will seek approval of the executed engagement letter in a motion, to be filed at the earliest opportunity. As GPML and the Proposed Financial Advisor have not yet reached a definitive agreement regarding the terms of engagement, GPML's senior management has determined not to publicly name the Proposed Financial Advisor at this time. However, the identity of the Proposed Financial Advisor is set out in the Confidential Financial Advisor Exhibit (as defined below). While the final terms of engagement have not yet been determined, GPML is exploring potential options for having the Proposed Financial Advisor's costs and success fees partially funded by Mina Tucano or directly by the investor in the case of the success fee, to further reduce strain on GPML's cash flow.

iii. Confidential Financial Advisor Exhibit

13. In connection with the financial advisor selection process, the Proposed Financial Advisor prepared a preliminary assessment of the potential realizable value of the Tucano Mine. The results of this preliminary assessment are set out in an engagement proposal provided to GPML by the Proposed Financial Advisor (the "**Financial Advisor Proposal**"). Among other things, the Financial Advisor Proposal sets out the qualifications of the Proposed Financial Advisor and its proposed execution team. As the Financial Advisor Proposal contains confidential business and competitive information and is preliminary in nature, GPML is seeking the Sealing Order with respect to the Financial Advisor Proposal. Concurrently with or shortly after the affirmation of this

affidavit, I will swear another affidavit (the “**Confidential Affidavit**”) which, among other things, will attach an unredacted, complete copy of the Financial Advisor Proposal (the “**Confidential Financial Advisor Exhibit**”). I verily believe that the disclosure of the Confidential Financial Advisor Exhibit at this time would be likely to cause significant prejudice to GPML and to the Proposed Financial Advisor, including as it contains detailed information concerning GPML’s financial and operational projections, the Proposed Financial Advisor’s proposed fee structure and strategy, information regarding indicators of the potential value of the Tucano Mine which could potentially prejudice the results of the SISP if disclosed (including by establishing a “ceiling” for bids or otherwise influencing the quantum of bids), and other commercially-sensitive information.

14. Page 10 of the Confidential Financial Advisor Exhibit sets out a preliminary financial assessment of the Tucano Mine, including a range of potential transaction values based on various indicators. Based upon the indicative values set out therein, I verily believe that there is a reasonable likelihood that a sales process which includes the Tucano Mine will return material value to GPML’s Canadian stakeholders. Further, in many of the potential scenarios described therein, such a transaction could not only result in the payment in full of GPML’s outstanding indebtedness to its creditors, but also lead to some returns for shareholders of GPML. While the values set out in the Confidential Financial Advisor Exhibit are preliminary in nature and based upon certain assumptions, GPML’s senior management considers this to be a significant positive indicator regarding the value of the Group.

15. GPML has provided a copy of the Confidential Financial Advisor Exhibit to Asahi Refining Canada Ltd. (“**Asahi**”) upon receiving certain commitments from Asahi regarding the confidentiality of same, and Asahi has signed a confidentiality agreement in connection with the delivery of the Confidential Financial Advisor Exhibit.

B. Board and Management Changes

16. In the Initial Affidavit, specifically paragraph 84 thereof, I described the intended downsizing of GPML’s board of directors. During the Stay Period, GPML has implemented or announced a number of board and management changes, as follows:

- (a) effective September 30, 2022, three (3) directors of GPML resigned: Elise Rees, Kevin Ross, and Dana Williams (collectively, the “**Board Resignations**”). The board of directors of GPML now consists of four (4) directors, being Trudy Marie

Curran, Joseph Steven Gallucci, Alan Thomas Chalmer Hair ("Mr. Hair"), and Peter John Jennings;

- (b) effective October 17, 2022, Mr. Hair will resign as the Interim Chief Executive Officer of GPML and will resume his previous position as Non-Executive Chair of the Board;
- (c) effective October 17, 2022, I will resign from the position of CFO of GPML and will assume the role of President and Chief Executive Officer of GPML; and,
- (d) effective October 17, 2022, Shawn Turkington, who is currently GPML's Vice President, Finance, will assume the role of CFO.

17. As described in the Initial Affidavit, the Board Resignations are intended as a cost-saving measure as the full skillset of the previous board is no longer required due to GPML's insolvency and limited operations at present. In addition, the changes to the composition of GPML's officer cohort are intended to streamline operations, increase management efficiency and reduce cost.

C. Status of Restructuring Proceedings

18. In addition to the matters discussed above, GPML and Mina Tucano have continued to engage and negotiate with their material stakeholders. Among others, GPML has continued to engage with Asahi regarding the Post-Filing Asahi Agreement (as defined and discussed in the Initial Affidavit), GPML's proposed restructuring plan, and the prospects for the Group moving forward, as well as GPML's intention to conduct a SISF. GPML has also continued to work with Newrange Gold, the counterparty to the LOI (as defined and discussed in the Initial Affidavit) to reach a definitive agreement for the sale of GPML's Peruvian subsidiaries. Mina Tucano has continued negotiations with its creditors, contractual counterparties, and others, regarding the Judicial Reorganization (as defined and discussed in the Initial Affidavit). GPML has also continued to work with the Monitor regarding financial matters and cash flow projections, the engagement of a financial advisor, and the Group's ongoing operations.

19. In the Initial Affidavit, specifically at paragraphs 64 - 65, 79, and 83 thereof, I attested that part of the Group's restructuring plan would involve (i) processing existing ore stockpiles at the Tucano Mine in order to obtain additional working capital; and, (ii) completing construction work at the Tucano Mine's east tailings dam. Mina Tucano has engaged mining contractors to process the existing ore stockpiles, which is proceeding on schedule. Work is also ongoing with respect

to the tailings dam construction. It is currently anticipated that the ore processing will be completed by the end of October and tailings dam construction will be completed by December 2022. These projects are being paid for using funds from Mina Tucano's cash flow.

20. In addition, Asahi is also included as a creditor within the Judicial Reorganization and accordingly would potentially have the ability to obtain recoveries within that proceeding.

III. RESTRUCTURING MATTERS

A. Sales and Investment Solicitation Process

21. As described above, GPML is preparing to formulate a SISP with the assistance of the Proposed Financial Advisor, in its capacity as financial advisor, and the Monitor. GPML's senior management considers the implementation of the SISP to be a top priority and it is anticipated that GPML will seek approval of the SISP within the Stay Period, if extended by this Honourable Court (as discussed below), and likely within a period of two (2) weeks from the hearing of the Comeback Application.

B. Relationship Between Canadian and Brazilian Proceedings

22. In the Initial Affidavit, including in paragraphs 3 - 12 and 65 - 75 thereof, I attested to the Group's corporate structure and the key role played by GPML in managing the Group's operations. To summarize, GPML is the ultimate parent company of all members of the Group and is responsible for head office, strategic management, sales, contractual negotiations, risk management, treasury, investment management, and cash management functions for the Group. Mina Tucano's only customer is GPML. In the ordinary course, the Group operates as a highly-integrated enterprise with substantive connections between its operating units, which are centrally managed through GPML.

23. In addition to the relationships and functions described in the Initial Affidavit, and the key role that GPML plays in the Group's operations, I verily believe that maintaining the relationship between GPML and Mina Tucano is crucial to the success of the proposed SISP and the success of these CCAA Proceedings. GPML's head office functions include hosting a senior executive team with the capability for negotiating with potential investors, providing detailed financial and operational information in response to due diligence requests, holding investor meetings, and managing the Group's financial and operational strategy during the course of its restructuring. Mina Tucano does not have a senior executive team which has experience in completing these

tasks. In fact, all of the Group's material financial and M&A contracts have historically been negotiated by or overseen and directed by individuals located in Canada. The Group's long-standing relationships with customers, financial institutions, and insurance providers are primarily (although not exclusively) managed through GPML.

24. Among other individuals, GPML's key management team includes myself, Fernando Cornejo ("**Mr. Cornejo**"), Shawn Turkington ("**Mr. Turkington**") and Andrew Shannon ("**Mr. Shannon**"). I have extensive experience in financial and capital markets matters and I will be available to assist the financial advisor in responding to questions from potential acquirors or investors regarding same. Mr. Cornejo is the Chief Operating Officer of GPML and has extensive knowledge of GPML's operations, including technical and historical matters, which I believe would be exceedingly difficult to replicate or replace. As noted above, Mr. Turkington will become GPML's CFO effective October 17, 2022. He has important knowledge of global taxation and insurance matters that will be critical when working with potential interested parties from multiple jurisdictions. He also has knowledge of GPML's internal forecasts and historical financial reporting which will be valuable during the SISP. Finally, Mr. Shannon is the Vice President, Corporate Development of GPML and has extensive connections with investors and mining companies, as well as experience in preparing datarooms, responding to investor inquiries, and participating in sales transactions. Other members of the senior management team also have unique experience, knowledge, and relationships, which are not present in Mina Tucano; particularly as Mina Tucano's leadership team has comparatively very limited experience in capital markets.

25. Accordingly, I verily believe that maintaining the relationship between GPML and Mina Tucano as a going concern is likely to be crucial in ensuring the success of the SISP and preserving and maximizing value for all of GPML's stakeholders, including creditors, employees, shareholders, and the environment.

C. Stay Period

26. GPML seeks the approval of an extension of the Stay Period for a period of twenty (20) days, up to and until November 3, 2022. The extension of the Stay Period is critical to GPML's ability to restructure, providing breathing room while GPML develops and implements its restructuring plan. As described above, GPML has utilized the short stay of proceedings under the initial Stay Period to materially advance its restructuring.

27. GPML is developing a viable solution to its fiscal challenges that is both realistic and achievable. In particular, the commencement of the SISP is likely to increase the value obtained by GPML's stakeholders. However, this will only be possible if GPML has an opportunity to continue to advance its restructuring, which in turn requires the extension of the Stay Period.

28. With the assistance and input of the Monitor, GPML's senior management has prepared a cash flow forecast for the period ending November 3, 2022 (the "**Second Cash Flow Forecast**"). As set out in the Second Cash Flow Forecast, GPML is anticipated to have sufficient liquidity to satisfy its obligations during the extended Stay Period. As of the time I am affirming this affidavit, GPML and the Monitor are finalizing certain details with respect to the Second Cash Flow Forecast and the corresponding notes. A copy of the finalized Second Cash Flow Forecast will be attached to a report of the Monitor to be filed prior to the Comeback Application.

29. I verily believe that GPML has acted, and is continuing to act, in good faith and with due diligence.

D. Priority Charges

i. D&O Charge

30. In the Initial Affidavit, at paragraphs 102 - 109 thereof, I set out the factual basis and rationale for GPML's request for a priority charge (the "**D&O Charge**") over the assets, properties and undertakings of GPML (collectively, the "**Property**"), in favour of its directors and officers (collectively, the "**Canadian D&Os**") in their capacities as directors or officers, as applicable, of GPML. The D&O Charge is intended to secure GPML's obligations to indemnify the Canadian D&Os. After the filing of the Initial Affidavit and prior to the hearing of the application concerning the Initial Order, as a result of discussion with its creditors, the Monitor, and its professional advisors, GPML temporarily withdrew its request for approval of the D&O Charge at such time.

31. In connection with the Comeback Hearing, GPML is renewing its request for the D&O Charge, in the amount of CAD\$150,000, on the same basis as set out in the Initial Affidavit.

32. I have been advised by one of the Canadian D&Os that such individual may resign upon the expiration of the D&O Insurance (as defined and described in the Initial Affidavit) on December 23, 2022, absent the granting of the D&O Charge and/or GPML obtaining sufficient replacement insurance. I verily believe that certain other Canadian D&Os are also considering resignation in

the absence of such charge, due to (among other things) concerns for potential liabilities which could arise in connection with employee or environmental matters.

33. As I previously noted in the Initial Affidavit, the quantum of the D&O Charge was arrived at with the assistance and input of A&M (prior to its appointment as Monitor) and GPML's senior management believes that the quantum of the D&O Charge is fair and reasonable in the circumstances, and will provide a reasonable level of protection for the Canadian D&Os that will continue to occupy such roles throughout these proceedings.

ii. Administration Charge

34. The Initial Order established a priority charge over the Property in the amount of CAD\$100,000 (the "**Administration Charge**") in favour of the Monitor, the Monitor's counsel, and GPML's counsel, to secure their respective fees and disbursements incurred at their standard rates and charges. In connection with the Comeback Application, GPML also requests that this Honourable Court increase the quantum of the Administration Charge to CAD\$150,000. GPML has consulted with and obtained guidance from the Monitor in proposing this amount. GPML's senior management believes that the quantum of the Administration Charge is appropriate given the length of the extension of the Stay Period which is being sought by GPML and the anticipated liabilities to be incurred with respect to the fees and disbursements of the Monitor, the Monitor's counsel, and GPML's counsel, during such period.

iii. Priority of Charges

35. It is proposed that the Charges shall be granted the priority set out in the draft ARIO, which includes priority over existing security interests against GPML, but not including any security interests validly registered and perfected in the British Columbia Personal Property Registry as of October 4, 2022. Specifically, the draft ARIO contemplates the following priority, as between the Charges:

- (a) **First** - Administration Charge (up to the maximum amount of CAD\$150,000); and,
- (b) **Second** - D&O Charge (up to the maximum amount of CAD\$150,000).

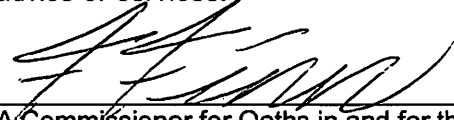
IV. CONCLUSION

36. I affirm this affidavit for the purposes set out in paragraph 3, above, and for no other or improper purposes.

37. I am affirming this affidavit using video technology, outside the commissioner's physical presence, in accordance with the process outlined in the Supreme Court of British Columbia's March 27, 2022 Notice to the Profession, the Public and the Media entitled "Affidavits for Use in Court Proceedings" (COVID-19 Notice No. 2).

AFFIRMED BEFORE ME at Winnipeg,)
Manitoba, on October 12, 2022.)

The deponent was not physically present)
before me but was linked with me using)
video technology. I followed the process)
described in the Supreme Court of British)
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and complied with the Law Society of)
British Columbia best practices for using)
videoconferencing when providing legal)
advice or services.)



A Commissioner for Oaths in and for the)
Province of British Columbia)

SANDRA DAYCOCK

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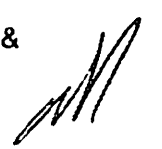
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15. GPML has provided a copy of the Confidential Financial Advisor Exhibit to Asahi Refining Canada Ltd. ("**Asahi**") upon receiving certain commitments from Asahi regarding the confidentiality of same, and Asahi has signed a confidentiality agreement in connection with the delivery of the Confidential Financial Advisor Exhibit.

B. Board and Management Changes

16. In the Initial Affidavit, specifically paragraph 84 thereof, I described the intended downsizing of GPML's board of directors. During the Stay Period, GPML has implemented or announced a number of board and management changes, as follows:

- (a) effective September 30, 2022, three (3) directors of GPML resigned: Elise Rees, Kevin Ross, and Dana Williams (collectively, the "**Board Resignations**"). The board of directors of GPML now consists of four (4) directors, being Trudy Marie

Curran, Joseph Steven Gallucci, Alan Thomas Chalmer Hair ("Mr. Hair"), and Peter John Jennings;

- (b) effective October 17, 2022, Mr. Hair will resign as the Interim Chief Executive Officer of GPML and will resume his previous position as Non-Executive Chair of the Board;
- (c) effective October 17, 2022, I will resign from the position of CFO of GPML and will assume the role of President and Chief Executive Officer of GPML; and,
- (d) effective October 17, 2022, Shawn Turkington, who is currently GPML's Vice President, Finance, will assume the role of CFO.

17. As described in the Initial Affidavit, the Board Resignations are intended as a cost-saving measure as the full skillset of the previous board is no longer required due to GPML's insolvency and limited operations at present. In addition, the changes to the composition of GPML's officer cohort are intended to streamline operations, increase management efficiency and reduce cost.

C. Status of Restructuring Proceedings

18. In addition to the matters discussed above, GPML and Mina Tucano have continued to engage and negotiate with their material stakeholders. Among others, GPML has continued to engage with Asahi regarding the Post-Filing Asahi Agreement (as defined and discussed in the Initial Affidavit), GPML's proposed restructuring plan, and the prospects for the Group moving forward, as well as GPML's intention to conduct a SISF. GPML has also continued to work with Newrange Gold, the counterparty to the LOI (as defined and discussed in the Initial Affidavit) to reach a definitive agreement for the sale of GPML's Peruvian subsidiaries. Mina Tucano has continued negotiations with its creditors, contractual counterparties, and others, regarding the Judicial Reorganization (as defined and discussed in the Initial Affidavit). GPML has also continued to work with the Monitor regarding financial matters and cash flow projections, the engagement of a financial advisor, and the Group's ongoing operations.

19. In the Initial Affidavit, specifically at paragraphs 64 - 65, 79, and 83 thereof, I attested that part of the Group's restructuring plan would involve (i) processing existing ore stockpiles at the Tucano Mine in order to obtain additional working capital; and, (ii) completing construction work at the Tucano Mine's east tailings dam. Mina Tucano has engaged mining contractors to process the existing ore stockpiles, which is proceeding on schedule. Work is also ongoing with respect

to the tailings dam construction. It is currently anticipated that the ore processing will be completed by the end of October and tailings dam construction will be completed by December 2022. These projects are being paid for using funds from Mina Tucano's cash flow.

20. In addition, Asahi is also included as a creditor within the Judicial Reorganization and accordingly would potentially have the ability to obtain recoveries within that proceeding.

III. RESTRUCTURING MATTERS

A. Sales and Investment Solicitation Process

21. As described above, GPML is preparing to formulate a SISP with the assistance of the Proposed Financial Advisor, in its capacity as financial advisor, and the Monitor. GPML's senior management considers the implementation of the SISP to be a top priority and it is anticipated that GPML will seek approval of the SISP within the Stay Period, if extended by this Honourable Court (as discussed below), and likely within a period of two (2) weeks from the hearing of the Comeback Application.

B. Relationship Between Canadian and Brazilian Proceedings

22. In the Initial Affidavit, including in paragraphs 3 - 12 and 65 - 75 thereof, I attested to the Group's corporate structure and the key role played by GPML in managing the Group's operations. To summarize, GPML is the ultimate parent company of all members of the Group and is responsible for head office, strategic management, sales, contractual negotiations, risk management, treasury, investment management, and cash management functions for the Group. Mina Tucano's only customer is GPML. In the ordinary course, the Group operates as a highly-integrated enterprise with substantive connections between its operating units, which are centrally managed through GPML.

23. In addition to the relationships and functions described in the Initial Affidavit, and the key role that GPML plays in the Group's operations, I verily believe that maintaining the relationship between GPML and Mina Tucano is crucial to the success of the proposed SISP and the success of these CCAA Proceedings. GPML's head office functions include hosting a senior executive team with the capability for negotiating with potential investors, providing detailed financial and operational information in response to due diligence requests, holding investor meetings, and managing the Group's financial and operational strategy during the course of its restructuring. Mina Tucano does not have a senior executive team which has experience in completing these

tasks. In fact, all of the Group's material financial and M&A contracts have historically been negotiated by or overseen and directed by individuals located in Canada. The Group's long-standing relationships with customers, financial institutions, and insurance providers are primarily (although not exclusively) managed through GPML.

24. Among other individuals, GPML's key management team includes myself, Fernando Cornejo ("Mr. Cornejo"), Shawn Turkington ("Mr. Turkington") and Andrew Shannon ("Mr. Shannon"). I have extensive experience in financial and capital markets matters and I will be available to assist the financial advisor in responding to questions from potential acquirors or investors regarding same. Mr. Cornejo is the Chief Operating Officer of GPML and has extensive knowledge of GPML's operations, including technical and historical matters, which I believe would be exceedingly difficult to replicate or replace. As noted above, Mr. Turkington will become GPML's CFO effective October 17, 2022. He has important knowledge of global taxation and insurance matters that will be critical when working with potential interested parties from multiple jurisdictions. He also has knowledge of GPML's internal forecasts and historical financial reporting which will be valuable during the SISP. Finally, Mr. Shannon is the Vice President, Corporate Development of GPML and has extensive connections with investors and mining companies, as well as experience in preparing datarooms, responding to investor inquiries, and participating in sales transactions. Other members of the senior management team also have unique experience, knowledge, and relationships, which are not present in Mina Tucano; particularly as Mina Tucano's leadership team has comparatively very limited experience in capital markets.

25. Accordingly, I verily believe that maintaining the relationship between GPML and Mina Tucano as a going concern is likely to be crucial in ensuring the success of the SISP and preserving and maximizing value for all of GPML's stakeholders, including creditors, employees, shareholders, and the environment.

C. Stay Period

26. GPML seeks the approval of an extension of the Stay Period for a period of twenty (20) days, up to and until November 3, 2022. The extension of the Stay Period is critical to GPML's ability to restructure, providing breathing room while GPML develops and implements its restructuring plan. As described above, GPML has utilized the short stay of proceedings under the initial Stay Period to materially advance its restructuring.



27. GPML is developing a viable solution to its fiscal challenges that is both realistic and achievable. In particular, the commencement of the SISP is likely to increase the value obtained by GPML's stakeholders. However, this will only be possible if GPML has an opportunity to continue to advance its restructuring, which in turn requires the extension of the Stay Period.

28. With the assistance and input of the Monitor, GPML's senior management has prepared a cash flow forecast for the period ending November 3, 2022 (the "**Second Cash Flow Forecast**"). As set out in the Second Cash Flow Forecast, GPML is anticipated to have sufficient liquidity to satisfy its obligations during the extended Stay Period. As of the time I am affirming this affidavit, GPML and the Monitor are finalizing certain details with respect to the Second Cash Flow Forecast and the corresponding notes. A copy of the finalized Second Cash Flow Forecast will be attached to a report of the Monitor to be filed prior to the Comeback Application.

29. I verily believe that GPML has acted, and is continuing to act, in good faith and with due diligence.

D. Priority Charges

i. D&O Charge

30. In the Initial Affidavit, at paragraphs 102 - 109 thereof, I set out the factual basis and rationale for GPML's request for a priority charge (the "**D&O Charge**") over the assets, properties and undertakings of GPML (collectively, the "**Property**"), in favour of its directors and officers (collectively, the "**Canadian D&Os**") in their capacities as directors or officers, as applicable, of GPML. The D&O Charge is intended to secure GPML's obligations to indemnify the Canadian D&Os. After the filing of the Initial Affidavit and prior to the hearing of the application concerning the Initial Order, as a result of discussion with its creditors, the Monitor, and its professional advisors, GPML temporarily withdrew its request for approval of the D&O Charge at such time.

31. In connection with the Comeback Hearing, GPML is renewing its request for the D&O Charge, in the amount of CAD\$150,000, on the same basis as set out in the Initial Affidavit.

32. I have been advised by one of the Canadian D&Os that such individual may resign upon the expiration of the D&O Insurance (as defined and described in the Initial Affidavit) on December 23, 2022, absent the granting of the D&O Charge and/or GPML obtaining sufficient replacement insurance. I verily believe that certain other Canadian D&Os are also considering resignation in



the absence of such charge, due to (among other things) concerns for potential liabilities which could arise in connection with employee or environmental matters.

33. As I previously noted in the Initial Affidavit, the quantum of the D&O Charge was arrived at with the assistance and input of A&M (prior to its appointment as Monitor) and GPML's senior management believes that the quantum of the D&O Charge is fair and reasonable in the circumstances, and will provide a reasonable level of protection for the Canadian D&Os that will continue to occupy such roles throughout these proceedings.

ii. Administration Charge

34. The Initial Order established a priority charge over the Property in the amount of CAD\$100,000 (the "**Administration Charge**") in favour of the Monitor, the Monitor's counsel, and GPML's counsel, to secure their respective fees and disbursements incurred at their standard rates and charges. In connection with the Comeback Application, GPML also requests that this Honourable Court increase the quantum of the Administration Charge to CAD\$150,000. GPML has consulted with and obtained guidance from the Monitor in proposing this amount. GPML's senior management believes that the quantum of the Administration Charge is appropriate given the length of the extension of the Stay Period which is being sought by GPML and the anticipated liabilities to be incurred with respect to the fees and disbursements of the Monitor, the Monitor's counsel, and GPML's counsel, during such period.

iii. Priority of Charges

35. It is proposed that the Charges shall be granted the priority set out in the draft ARIO, which includes priority over existing security interests against GPML, but not including any security interests validly registered and perfected in the British Columbia Personal Property Registry as of October 4, 2022. Specifically, the draft ARIO contemplates the following priority, as between the Charges:

- (a) **First** - Administration Charge (up to the maximum amount of CAD\$150,000); and,
- (b) **Second** - D&O Charge (up to the maximum amount of CAD\$150,000).



IV. CONCLUSION


36. I affirm this affidavit for the purposes set out in paragraph 3, above, and for no other or improper purposes.

37. I am affirming this affidavit using video technology, outside the commissioner's physical presence, in accordance with the process outlined in the Supreme Court of British Columbia's March 27, 2022 Notice to the Profession, the Public and the Media entitled "Affidavits for Use in Court Proceedings" (COVID-19 Notice No. 2).

AFFIRMED BEFORE ME at Winnipeg,
Manitoba, on October 12, 2022.

The deponent was not physically present
before me but was linked with me using
video technology. I followed the process
described in the Supreme Court of British
Columbia's March 27, 2022 Notice to the
Profession, the Public and the Media
entitled "Affidavits for Use in Court
Proceedings" (COVID-19 Notice No. 2)
and complied with the Law Society of
British Columbia best practices for using
videoconferencing when providing legal
advice or services.

A Commissioner for Oaths in and for the
Province of British Columbia



SANDRA DAYCOCK

