



This is the 4<sup>th</sup> Affidavit of  
Sandra Daycock in this case and  
was made on October 19, 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 President and Chief Executive Officer 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* (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. The Stay

Period has been extended up to and including October 21, 2022, pursuant to an order pronounced by Justice Walker on October 14, 2022.

3. This affidavit is made (i) in support of GPML's notice of application, returnable on October 21, 2022 (the "**Comeback Application**"), seeking an extension of the Stay Period up to and until November 3, 2022; and, (ii) in response to the Affidavit of Paul Healey made on October 12, 2022 and the identical but partially redacted Affidavit #2 of Paul Healey made on October 18, 2022 (collectively, the "**Healey Affidavit**").

4. I have reviewed the Healey Affidavit, and note that it makes various allegations concerning GPML's finances, business, management, valuations, and financial modeling. As described in further detail below, the Healey Affidavit contains numerous inaccuracies and presents a distorted view of the facts concerning GPML's financial modeling, valuation information concerning the Tucano Mine, and relationship with Asahi Refining Canada Ltd. ("**Asahi**").

5. Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the affidavits I swore on September 28, 2022 (the "**Initial Affidavit**") and October 12, 2022 (the "**Comeback Affidavit**"), each of which was filed in these proceedings (the "**CCAA Proceedings**"), as the context may require. Unless otherwise noted, all references to monetary amounts in this affidavit are in United States dollars ("**USD**").

## II. RESPONSE TO THE HEALEY AFFIDAVIT

### A. GPML's Financial Modeling, Valuation Process, and Disclosures Made to Asahi

6. The Healey Affidavit makes various allegations to the effect that GPML's modeling cannot be relied upon. As described in further detail below, that assertion is incorrect, as:

- (a) Mr. Healey repeatedly conflates GPML's cash flow modeling, mine planning, and valuation modeling processes, which are separate and serve different purposes. Asahi has misunderstood the purpose and scope of the various models provided to it, and consistently ignored or misinterpreted GPML's explanations regarding such matters;

- (b) GPML's models have been correct in light of the available factual information at the time of their development. Some of GPML's models have required revisions in light of rapidly changing circumstances (such as in June and August 2022, as described below), which was exacerbated by shifting deadlines requested by Asahi; and
- (c) a significant number of the complaints raised by Asahi in the Healey Affidavit arose due to Asahi's failure to understand or distinguish (i) the difference between valuation and short term cash flow modeling; (ii) the purpose of certain cash flow models, which were intended to demonstrate potential alternative strategies as GPML's financial circumstances changed; and, (iii) the underlying factual circumstances which have affected GPML's various modeling processes in recent months.

7. Additionally, the Healey Affidavit presents only a small subset of the facts regarding the relationship between GPML and Asahi. As described below, not only are many of Mr. Healey's statements incorrect, but those statements which are correct are frequently presented in what I believe to be a misleading manner. Those issues are addressed under separate sub-headings, below.

*i. Background*

8. I have over two (2) decades of experience in financial modeling. Immediately prior to joining GPML, I held various positions with a publicly traded Canadian company with shares listed on the Toronto Stock Exchange and a market capitalization of over CAD\$3 billion (the "**Former Employer**"), where I worked for a period of approximately twenty (20) years. At the time of my departure, I was the Director, Corporate Development of the Former Employer. Prior to my time at the Former Employer, I held an analyst position with the capital markets division of a major Canadian financial institution, and prior to that I was an economist with the Government of Canada's Department of Finance. Each of these positions has involved reviewing, analyzing, and contributing to or developing financial models. My experience has been that the financial models I have developed have generally remained accurate in the long-term, subject only to revisions resulting from material changes in circumstances (which recently affected certain models developed by GPML, as described in further detail below).

9. For the reasons set out below, I disagree with the assertion in paragraph 55(a) of the Healey Affidavit that GPML “has never delivered a Model to Asahi that was not materially incorrect in a manner favourable to whatever GPM required at the time”.

*ii. GPML’s Cash Flow Modeling and Review Process*

10. Following each fiscal quarter, GPML conducts a review and update of its annual cash flow forecast models (the “**Annual Model**”). As information from the quarter becomes available, GPML’s staff and management update the Annual Model to account for results to date and any material recent events (such as changes in gold price, exchange rates, interest rates, inflation, or developments affecting the existing mining plan), with the resulting Annual Model forecast extending to the end of the fiscal year.

11. Specifically, the process of updating the Annual Model commences when the mine planning team, located on-site at the Tucano Mine, conducts technical meetings with all key operational parties (i.e., mining contractors, plant, maintenance, etc.) and updates the mine plan with the most recent information such as equipment numbers, availability, utilization and productivity. The updated mine plans consider (i) activity in the previous quarter up to a cut-off date, and (ii) new developments affecting the mine plan. The finalized mine operating plan is then translated into “physical” results of the quarter, including tonnes mined, tonnes processed, ounces of gold produced, and waste mined, which are then incorporated into a Tucano Mine-specific cash flow forecast (the “**Tucano Forecast**”) developed by the Rio de Janeiro-based finance team. The entire process is normally run over a period of approximately two (2) to three (3) weeks. Upon its completion, the Tucano Forecast is delivered to GPML’s Vancouver Office for review and incorporation into the Annual Forecast, which is a consolidated cash flow forecast that includes not only the Tucano Mine, but also the Vancouver Office and all other operations (being the Coricancha Mine operations and, until recently, the operations at the Mexican Properties).

12. The process of updating the Annual Forecast to include the revised Tucano Forecast takes a period of weeks. However, in the event that significant or material changes exist such that the Tucano Mine plan (the “**Tucano Mine Plan**”) must be resequenced, the process takes significantly longer as additional operational strategies need to be discussed and explored, and as described in further detail in the Initial Affidavit at paragraph 50, the Tucano Mine Plan required resequencing in October 2021 due to geological instability.



13. In addition to the Annual Model, which as described above is an annual cash flow forecast extending to the year end, GPML maintains a Quarterly Cash Flow Model which is utilized to plan over the reserve life of the open pit (*i.e.* to the end of 2025) (the “**Quarterly Model**”). The conventional 6A6F Forecast of the Tucano Mine Plan in June 2022 had to be adjusted more than once as a result of the contractor delays, new events observed in the pits such as the accumulation of additional run-off material at the bottom of the AB1 and URN pits, and issues with equipment availability as described in paragraphs 51 and 59 of the Initial Affidavit.

14. Finally, GPML maintains a long-term cash flow model for strategic business planning which is utilized to plan over a period of ten (10) years (the “**Valuation Model**”). This model includes all sources of value from the business including not only reserves, but also resources, the potential URUCUM underground process, and upside potential from exploration. The Valuation Model is used to estimate the ultimate value of GPML.

15. While the Annual Model and Quarterly Model affect the Tucano Mine Plan and incorporate factors which are relevant to the valuation of GPML, valuation is a separate process. The principles and processes applicable to valuation and financial modelling are different, most importantly due to the time horizon and level of detail involved, and these separate work streams serve different purposes.

16. Concurrently with or shortly after the affirmation of this affidavit, I will be affirming another affidavit (the “**Second Confidential Affidavit**”) which, among other things, will attach a complete copy of the current Valuation Model (the “**Confidential Valuation Model**”). I verily believe that the disclosure of the Confidential Valuation Model at this time would be likely to cause significant prejudice to GPML, including as it contains detailed information concerning GPML’s financial and operational projections, information regarding indicators of the potential value of the Tucano Mine which could prejudice the results of the SISP if disclosed, and other commercially-sensitive information. Accordingly, GPML intends to seek an order sealing the Second Confidential Affidavit on the Court file until further order.

***iii. GPML’s Financial Statements and Valuation Information***

17. GPML prepares the Valuation Model approximately once per year. The valuation modeling process takes into account the Quarterly Model, the results of the Tucano Mine’s underground projects, potential exploration upside, and various other factors. I review all

valuation models produced by the valuation team, which consists of highly qualified and experienced individuals. Valuations are led by GPML's Manager of Financial Planning and Analysis, Mr. Ledion Bushi ("**Mr. Bushi**"). Mr. Bushi has been employed by GPML for over ten (10) years. I am advised by Mr. Bushi that his educational qualifications include holding a Bachelor of Geophysical Engineering from the School of Geology and Mining at Polytechnic University of Tirana (Tirana, Albania); a Specialized Master in Mining Safety and Environment from Ecole des Mines d'Alès (Alès, France); and, a Master of Business Administration from Beedie School of Business, Simon Fraser University (British Columbia).

18. As I described in further detail in the Initial Affidavit, GPML is a publicly traded company and, until recently, GPML's shares were traded on the Toronto Stock Exchange and the NYSE American LLC exchange. As a publicly traded company in Canada and the United States, GPML is required to post its financial statements to the System for Electronic Document Analysis and Retrieval ("**SEDAR**") and the U.S. Securities and Exchange Commission's Electronic Data Gathering, Analysis and Retrieval system ("**EDGAR**").

19. GPML's internal valuation modeling process, which is utilized to produce the long-term planning Valuation Models, are not publicly released. GPML's public financial statements (collectively, the "**Financial Statements**") include book valuations of GPML's assets and properties (collectively, the "**Valuations**"). As described below, the Valuations are based upon an impairment analysis which is subjected to a thorough review and auditing process. The Valuations are not simply a repetition of the recorded carrying cost of the assets.

20. Paragraph 21 of the Healey Affidavit alleges that the book value Valuations set out in the Financial Statements are inaccurate and cannot be relied upon as "...most of the assets comprising book value are speculative or likely unrecoverable...". I disagree with Mr. Healey's statement regarding the book value. Specifically, with respect to the process of preparing the Valuations:

- (a) GPML prepares its Financial Statements on a quarterly basis under International Financial Reporting Standards ("**IFRS**"). In each reporting period, GPML's management reviews all of its assets for indicators of impairment, and in the event that indicators of impairment are identified, conducts an impairment test, as required by IFRS. Specifically, *IAS 36 Impairment of Assets* ("**IAS 36**") provides guidance regarding the assessment and recognition of impairment of assets. IAS

36 requires a two-step process to be undertaken for each financial reporting period. The first step is to assess whether there are any impairment indicators. If impairment indicators are identified then the second step is performed, which is a calculation of the recoverable amount;

- (b) As a general concept, impairment testing involves comparing the current book value of an asset to the total profit, cash flow, or other benefits to be generated by that asset; in other words, an asset is considered to be impaired if its carrying amount is higher than its recoverable amount. Indicators of impairment include both internal and external factors. External indicators of impairment include market value declines; negative changes in technology, markets, economy, or laws; increases in market interest rates; or, the net assets of a company being higher than its market capitalisation. Internal indicators of impairment include obsolescence or physical damage; an asset which is idle, part of a restructuring, or held for disposal; worse than expected economic performance; or, with respect to investments in subsidiaries, if the carrying amount is higher than the recoverable amount of the subsidiary's assets. For clarity, the aforementioned indicators are not exhaustive and other indicators of impairment may exist for a given asset. The process of re-calculating the recoverable amount of an asset is only required under IAS 36 where indicators of impairment are found to exist;
- (c) GPML's impairment review and testing is conducted by GPML's management at first instance, working under my supervision. Management's analysis regarding indicators of impairment is then reviewed by GPML's external third-party auditors, KPMG LLP (the "**Auditors**"), and the Audit Committee of GPML's board of directors (the "**Audit Committee**"). If indicators of impairment are determined to exist, then a discounted cash flow analysis is prepared by management, to calculate the recoverable amount of the potentially impaired asset, and that analysis is subsequently reviewed by the Auditors and Audit Committee;
- (d) the information reviewed by GPML, the Auditors, and the Audit Committee in support of the quarterly impairment testing includes all of the information utilized in preparing GPML's internal valuation forecasts and long-term plans, as described above;

- (e) as a result of impairment testing, GPML has on occasion reported impairment charges regarding certain assets when warranted in the circumstances. For instance, in GPML's June 2022 Financial Statements (as set out and defined below), a previous impairment loss of \$12.5 million net of depreciation and amortization of \$12.0 million was reversed with respect to the Mexican Properties, resulting in a \$0.5 million gain on reversal of impairment. This resulted from the sale of the Mexican Properties, for the reasons set out in subparagraph 20(g), below;
- (f) in comparison, the Tucano Mine has historically shown indicators of impairment very infrequently. For instance, over the past two (2) years (beginning in calendar year 2020), the Tucano Mine has only demonstrated impairment indicators on two (2) occasions, and GPML recognized an impairment of the Tucano Mine on only one (1) of those occasions:
  - (i) the first occasion was in March 2020, when the Tucano Mine's initial reserves were reduced following GPML conducting its first report pursuant to National Instrument 43-101, *Standards of Disclosure for Mineral Projects* ("NI 43-101"). NI 43-101 is a national securities law instrument which mandates certain requirements for reports issued by mining companies. As GPML's report pursuant to NI 43-101 resulted in a reduction in reported reserves at the Tucano Mine, the impact of this impairment was reflected back to the acquisition of the Tucano Mine in March 2019, resulting in a recognition of goodwill that was immediately recorded as an impairment in GPML's restated March 2019 financial statements;
  - (ii) the second occasion occurred in the second quarter of 2022, where indicators of impairment were found to exist due to ongoing production difficulties and recent cash cost spikes. Specifically, GPML identified the following indicators of impairment for the Tucano Mine: (a) the consolidated net assets of GPML (approximately \$76 million) were higher than the market capitalization of GPML (approximately \$50 million) at such time; (b) all-in-sustaining costs at the Tucano Mine were forecasted to increase materially in 2022, which was identified as an impairment indicator; and, (c) net cash flow from operations at the Tucano Mine had declined by

approximately \$25 million in GPML's then-most recent iteration of the Annual Forecast. However, GPML completed the second part of the guidance under IAS 36 and prepared an estimate of net recoverable amount, which determined that an impairment provision was not required as the net recoverable amount of \$189 million exceeded the net book value of the Tucano Mine of \$142 million;

- (g) regarding impairment tests for assets classified as "held-for-sale", the IFRS requires that non-current assets, or disposal groups comprising assets and liabilities, are classified as being "held-for-sale" if it is highly probable that they will be recovered primarily through sale rather than through continuing use (and, among other things, the sale must be expected to qualify for recognition as a completed sale within one year from the date of classification). Such assets, or disposal groups, are measured at the lower of their original carrying amount and fair value less costs to sell. Impairment losses or impairment reversal on initial classification as held-for-sale and subsequent gains or losses on remeasurement are recognized in earnings or loss. Impairment losses previously recognized, net of amortization that would have been recorded had no impairment loss been recognized in prior periods, are reversed to the extent that the reversal does not cause the net asset position to exceed the estimated fair value of the assets less costs to sell. Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortized or depreciated. As noted below, the majority of the Group's Mexican Properties (as defined in the Initial Affidavit) were recognized as being "held-for-sale" as of June 30, 2022; and
- (h) as a result of the impairment testing process, the current book value of GPML's assets in any given period is reported as being the historical net book value or the current fair market value, whichever is lower, and in appropriate circumstances impairment provisions will be recognized as losses in the Financial Statements. It is true that the amounts ultimately recoverable in a sales process for any given asset will be determined in large part by market factors and there is no guarantee that a properly-conducted valuation will prove accurate in the result. Nonetheless, I verily believe that GPML's impairment testing process is consistent with the IAS 36 guidance, appropriately reviewed by the Auditors, and as a result, may be relied upon as a reasonable approximation of value.

**iv. Specific Valuation Issues Raised by the Healey Affidavit**

21. The Healey Affidavit refers to a comparison between (i) the Valuations with respect to the Group's Peruvian and Mexican operations and (ii) the sales prices realized for such assets, as evidence that the Valuations cannot be relied upon.

22. Paragraph 21 of the Healey Affidavit asserts that "...GPM suggests that it ought to be given the opportunity to carry out its restructuring initiatives because its assets have a book value in excess of USD\$250.0 million". GPML is not relying upon the Valuations as a justification for the proposed SISF; rather GPML's senior management and board of directors, exercising their business judgment, believe that the proposed SISF is the best available means of maximizing the value of GPML's assets, for the benefit of all interested parties.

23. Nonetheless, the numbers referred to in the Healey Affidavit are inaccurate and Mr. Healey appears to have misunderstood the Valuations regarding those assets, including by failing to account for corresponding liabilities. Specifically:

- (a) paragraph 21 of the Healey Affidavit states that "GPM has previously stated that the book value of the Coricancha Mine (in Peru) is USD\$34.1 million, yet it has entered into a Letter of Intent to sell the shares of the Coricancha Mine for USD\$750,000". In response, I note that as at March 31, 2022, the total assets of the Coricancha Mine were \$46.3 million as compared with total liabilities of \$44.7 million, resulting in a net asset of \$1.9 million. As at June 30, 2022, the net assets of the Coricancha Mine were valued as being in a net deficit position of \$8.5 million (total assets of approximately \$36.5 million and total liabilities of approximately \$45.0 million). Accordingly, the LOI represents a net gain of approximately \$9.25 million as compared with the most recent Valuation of the Coricancha Mine, after accounting for both assets and liabilities as most recently reported in the Financial Statements; and
- (b) paragraph 21 of the Healey Affidavit states that "GPM had listed the book value of the Topia Mine (in Mexico) operations at USD\$74.3 million, yet sold the mine operations for approximate USD\$18 million". In response, I note that the total assets of the Group's Mexican operations (being the "GMC", "Topia", and "Exploration" segments referred to in the March 2022 FS Excerpt (as defined below)) as at March 31, 2022 was \$22.8 million as compared with total liabilities

of \$20.6 million, resulting in a net asset of \$2.2 million. As at June 30, 2022, the net assets of the Mexican operations were valued as being in a net positive position of \$0.5 million (total assets of approximately \$23.3 million and total liabilities of approximately \$22.8 million) after impairment testing. Accordingly, the proceeds of the sale of the Group's Mexican operations will result in a net gain of approximately \$17.5 million as compared with the Valuation, after accounting for both assets and liabilities as most recently reported in the Financial Statements.

24. A true copy of GPML's condensed interim unaudited Financial Statements for the three months ended March 31, 2022, and 2021, as filed on SEDAR (the "**March 2022 Financial Statements**") was attached to the Initial Affidavit as Exhibit "N" thereto. An excerpt of a true copy of the notes to the March 2022 Financial Statements section titled "Operating Segments" (the "**March 2022 FS Excerpt**") is attached hereto and marked as **Exhibit "A"** to this affidavit. The March 2022 FS Excerpt sets out the values as at March 31, 2022 as referred to in paragraph 21, above.

25. A true copy of GPML's most recent condensed interim consolidated financial statements, for the three and six months ended June 30, 2022, and 2021, as filed on SEDAR (the "**June 2022 Financial Statements**") was attached to the Initial Affidavit as Exhibit "M" thereto. An excerpt of true copies of the notes to the June 2022 Financial Statements sections titled "Operating Segments" and "Assets Held for Sale" (the "**June 2022 FS Excerpts**") is attached hereto and marked as **Exhibit "B"** to this affidavit. The June 2022 FS Excerpts set out the values as at June 30, 2022 as referred to in paragraph 21, above. For clarity, the Valuation with respect to the Group's Mexican operations was moved from the "Operating Segments" section (as in the May 2022 Financial Statements) to the "Assets Held for Sale" section (as in the June 2022 Financial Statements) because the closing of the Share Purchase Agreement (as set out and defined in the Initial Affidavit) was pending at such time.

**v. Further Information Regarding the Proposed Financial Advisor**

26. As I attested to in further detail in the Comeback Affidavit, the Proposed Financial Advisor (as defined in the Comeback Affidavit) has prepared the Confidential Financial Advisor Exhibit (as defined in the Comeback Affidavit) which, among other things, sets out a preliminary

financial assessment of the Tucano Mine, including a range of potential transaction values based on various indicators.

27. The Proposed Financial Advisor has since delivered a letter to GPML (the “**Qualifications and Process Letter**”) providing further details regarding: (i) the Proposed Financial Advisor’s qualifications and credentials; (ii) the credentials and qualifications of key members of the Proposed Financial Advisor’s execution team; and, (iii) the processes and valuation approaches utilized by the Proposed Financial Advisor in developing the Confidential Financial Advisor Exhibit. A copy of the Qualifications and Process Letter will be attached to the Second Confidential Affidavit as an exhibit thereto. GPML intends to seek the sealing of the Qualifications and Process Letter for substantially the same reasons as were asserted with respect to the sealing of the Confidential Financial Advisor Exhibit (as detailed in paragraph 13 of the Comeback Affidavit), as the Qualifications and Process Letter includes further detail regarding the information set out therein. In addition, GPML has agreed with the Proposed Financial Advisor that it will seek the sealing of the Qualifications and Process Letter.

**B. Specific Inaccuracies in the Healey Affidavit**

***i. Judicial Reorganization and Mina Tucano Debts***

28. Paragraph 18 of the Healey Affidavit alleges that there are “in excess of USD\$85 million in creditor claims” against Mina Tucano. That is incorrect. The following chart, provided to me by Sussumo Eguti of Alvarez & Marsal Brazil, sets out the latest version of the list of creditors of Mina Tucano and its shareholders within the Judicial Reorganization proceedings, with total claims (excluding intercompany claims, but including certain claims which will not be resolved within the Judicial Reorganization) of approximately USD\$76.5 million:

**General Creditors List - As of 05/Sep/22**

**Consolidated View - Mina Tucano Ltda / BDBR1 / BDBR2**

	Headcount	R\$	USD
<b>Class I</b>	<b>6</b>	<b>235.509,10</b>	<b>45.565,36</b>
Legal Counsels	6	235.509,10	45.565,36
<b>Class II</b>	<b>2</b>	<b>33.662.687,86</b>	<b>6.512.921,85</b>
BANCO BRADESCO S.A	1	21.535.833,45	4.166.666,69
Asahi Refining Canada Ltd.	1	12.126.854,40	2.346.255,16



<b>Class III</b>	<b>134</b>	<b>215.660.219,41</b>	<b>41.725.074,37</b>
Suppliers	129	190.403.284,84	36.838.463,96
Financial Debt (Bradesco)	1	15.891.862,38	3.074.693,80
Community Contribution	4	9.365.072,19	1.811.916,61
			-
<b>Class III - Intercompanies</b>	<b>4</b>	<b>949.935.149,50</b>	<b>183.789.643,13</b>
Intercompany (Tucano)	1	2.523.678,41	488.271,18
Intercompany (Tucano) - Gold Pre-payment	1	128.006.114,16	24.766.109,62
Intercompany (BD1 & BD2)	2	819.405.356,93	158.535.262,34
<b>Class IV</b>	<b>118</b>	<b>13.397.808,54</b>	<b>2.592.154,27</b>
Suppliers	118	13.397.808,54	2.592.154,27
<b>Subject to JR Creditors</b>	<b>264</b>	<b>1.212.891.374,40</b>	<b>234.665.358,98</b>
<b>Subject to JR Creditors (wo/ Intercompany)</b>	<b>260</b>	<b>262.956.224,90</b>	<b>50.875.715,84</b>
<b>Non Subject Creditors</b>	<b>11</b>	<b>132.202.353,89</b>	<b>25.577.981,25</b>
ACC Lenders	4	130.086.307,49	25.168.577,08
Taxes	7	2.116.046,40	409.404,17
<b>Total Creditors</b>	<b>275</b>	<b>1.345.093.728,29</b>	<b>260.243.340,23</b>
<b>Total Creditors (wo/ Intercompany)</b>	<b>271</b>	<b>395.158.578,79</b>	<b>76.453.697,09</b>
<b>Total Debt (wo/ Intercompany and Asahi)</b>	<b>270</b>	<b>383.031.724,39</b>	<b>74.107.441,94</b>

29. I note that Asahi is listed as a “Class II” creditor alongside Banco Bradesco S.A., a Brazilian bank which has made certain credit facilities available to Mina Tucano.

**ii. Allegations Regarding SISP Matters**

30. Paragraph 9 of the Healey Affidavit states, in full:

“For the reasons set out below, Asahi is of the view that GPM is no longer acting in the best interest of its creditors (but rather for its equity holders) and, accordingly, Asahi has lost complete confidence in management of FPM and is not supportive of GPM’s restructuring initiatives or any plan of arrangement and compromise that GPM might present to its creditors. In particular, Asahi is extremely concerned about the use of the remaining cash on hand to fund a sale process for its Brazilian

gold mining operations (the "Tucano Mine"), carried on by its indirect subsidiary, Mina Tucano Ltda. ("Mina Tucano"), based on speculative projections and with an unknown chance of success at generating any value that would flow up to GPM for the benefit of GPM's creditors.

31. Paragraph 17 of the Healey Affidavit includes a similar statement, that GPML will be required to "...use the remaining cash on hand to fund a sale process in the hopes of selling the Tucano Mine for a purchase sufficient to generate returns to Mina Tucano's shareholders".

32. In response, I note that:

- (a) the assertion that GPML is acting for the benefit of its equity holders, rather than its creditors, is incorrect. The SISP is not to act to the benefit of its equity holders, but rather to maximize value for all stakeholders. Specifically, the proposed SISP is intended to maximize value for all interested stakeholders, which includes creditors, employees, the environment, and others. It is true that based upon the information set out in the Confidential Financial Advisor Exhibit, which was prepared by an arm's length third party with significant experience in conducting distressed sales processes in the mining industry, it appears that there is a reasonable likelihood that value may be available to GPML's equity holders. That would undoubtedly be a positive result to the SISP. However, it is my understanding that equity holders would only receive any distributions in the event that all of GPML's creditors were repaid, in full, which is clearly to the benefit of such creditors. Even in the event that GPML's creditors are not repaid in full (such that no value is available to GPML's equity holders), a comprehensive sales process is to the benefit of all creditors as it provides an opportunity to test the market and obtain the highest and best bid in respect of both GPML and the Tucano Mine; and
- (b) GPML is not intending to use "the remaining cash on hand to fund a sales process" with an "unknown chance of success". The cash flow forecasts prepared by GPML's management and appended to the Monitor's reports to this Court set out the anticipated cash used during the applicable projection periods, which currently extend to November 4, 2022. The first phase of the proposed SISP will involve a marketing or "market discovery" phase ("**Phase 1**") which will quickly reveal whether there is material value to be realized from the Tucano

Mine, over a period of approximately six (6) to eight (8) weeks. In the event that Phase 1 indicates there is little chance of success in obtaining a favourable transaction, that determination will be arrived at well before GPML has utilized its existing cash on hand.

**iii. Unforeseen Production Issues**

33. Paragraph 31 of the Healey Affidavit states, in pertinent part: "In October of 2021, one month after the advance under the Gold Prepayment Agreement, GPM advised Asahi that it was experiencing production problems at the Tucano Mine." This statement is factually accurate but potentially misleading. The production issues arising at the Tucano Mine in late 2021 were entirely unexpected (as the existing pushback operation was anticipated to conclude shortly), well-documented, and occurred after the Prepayment Agreement had been executed. As noted in paragraph 22 of the Initial Affidavit, the Prepayment Agreement is dated September 20, 2021. As noted in paragraphs 49 and 50 of the Initial Affidavit:

"In May 2021, the UCS Pit experienced a new instability event, which required another temporary cessation of mining operations. To address instability at the UCS Pit, the Group started the execution of a "pushback" operation in the west pit wall (the "Initial Pushback"), in which waste was removed from the UCS Pit and the pit wall was resurfaced to increase safety. In October 2021, while the Initial Pushback was still in execution, the UCS Pit had another larger instability event. Accordingly, mining was halted for safety reasons and the Group did not realize any significant metal production from the pit in late 2021 or early 2022 as had been planned. ... As a result of the October 2021 instability event in the UCS Pit, the entire Tucano Mine plan was re-sequenced."

34. Prior to the October 2021 instability event, GPML had anticipated generating significant cashflow from the UCS Pit in the fourth quarter of 2021:

**iv. Inconsistencies in Underground Modeling**

35. Paragraph 34 of the Healey Affidavit states that on December 15, 2021, GPML contacted Asahi to advise of certain inconsistencies relating to underground production in the model delivered by GPML to Asahi on December 10, 2021 (the "**December 10 Model**"). That is correct. True copies of the emails delivered to Asahi attaching the December 10 Model, and advising of the inconsistencies, are attached hereto and marked as **Exhibits "C" and "D"**, respectively, to this affidavit. GPML notified Asahi immediately when the error was identified, and circulated a revised model which corrected the error on December 22, 2021 (the

**“December 22 Model”**). A copy of the email delivering the December 22 Model (the **“December 22 Email”**) is attached hereto and marked as **Exhibit “E”** to this affidavit.

36. While the December 10 Model did include a minor inconsistency in the underground portion of the modeling, this error was immaterial. The underground mining projects are an ongoing project in the process of continuous development and therefore mining rates and sequencing will change as the engineering team adjusts parameters such as dilution, recovery, economics of the project, and development layouts. Additionally, the underground projects were not anticipated to materially contribute to GPML’s cash flow in calendar year 2023; GPML circulated the corrected December 22 Model solely to ensure that Asahi had correct information. The total cash flow from operations in the 2022 - 2023 projection period, as set out in the December 22 Model, was \$100.1 million; whereas the total cash flow from operations during the same period, as set out in the December 10 Model, was \$102.4 million, a difference of approximately \$2.3 million.

37. The December 22 Email also advised Asahi to ignore the NPV (net present value) calculations in the model, which were not relevant because the models being shared with Asahi intentionally excluded the long-term value of the Tucano Mine and thus presented a significantly lower NPV as compared with previous information. The explanation for this is that the December 10 Model and December 22 Model were intended to demonstrate cash flow projections, for the purpose of determining GPML’s ability to repay loans, and they were never intended to present an accurate valuation. However, despite GPML’s advice, Asahi became focused on the apparently significant changes in NPV as compared with previous information provided by GPML. As a result, the changes in GPML’s financial position were less significant than Asahi’s perception of those changes as set out in the Healey Affidavit.

**v. Incomplete Description of February 2022 Communications**

38. Paragraph 36 of the Healey Affidavit states that, as of February 2022, Asahi and GPM were “attempting to negotiate an extension of the payment obligations and potentially an increase to the Asahi Loan under the Gold Prepayment Agreement”. That is not the full story. On February 25, 2022, Asahi advised that it would not support GPML’s request for additional financing, and instead offered only a temporary deferral of principal payments (to be paid *pro rata* over the balance of the remaining term) which would be conditional on certain hedging

requirements. A copy of Asahi's February 25, 2022 email is attached hereto and marked as **Exhibit "F"**.

39. While GPML initially attempted to work with Asahi to implement the February 25, 2022 proposal, it quickly became apparent to GPML's senior management that any hedging requirement could pose as a significant deterrent to obtaining a replacement or alternative lender. As described in paragraph 58 of the Initial Affidavit, GPML was simultaneously canvassing a number of potential alternative or replacement lenders. As well, as described in paragraph 57 of the Initial Affidavit, GPML received significant cash inflows from the Nyrstar Settlement and a tax refund. Accordingly, GPML informed Asahi that the request for a principal deferral would be put on hold while GPML sought a longer-term solution. A copy of my May 9, 2022 email advising Asahi of this change is attached hereto and marked as **Exhibit "G"** to this affidavit. Throughout the following months, GPML continued its discussion with another pre-payment debt lender as well as a convertible debt lender.

***vi. June 2022 Tucano Mine Plan changes and August 2022 Models***

40. Paragraphs 37 to 43 of the Healey Affidavit refer to a number of events which occurred in August 2022 and which appear to form one of the main grounds for Asahi's assertion that GPML's financial modeling is inaccurate. The information provided by Mr. Healey does not present a complete or accurate picture of GPML's modeling processes, the discussions between Asahi and GPML in August 2022, or the purposes of the information set out in the models delivered to Asahi during this period.

41. On July 6, 2022, GPML delivered a model (the "**July 6 Model**") which was stated to be in draft form. At this time, I emphasized to Asahi that the July 6 Model had not yet been thoroughly reviewed, and that it was based on out-of-date information which would require updating after GPML's June 30, 2022 financial statements and mining results became available. I also noted that the July 6 Model projected significant cash flow restraints in the first quarter of 2023, and that as a result, GPML was requesting that Asahi consider a longer-term deferral of principal payments to provide relief in that period as well as an extension of the repayment term under the Prepayment Agreement. A copy of my July 6, 2022 email to Asahi is attached hereto and marked as **Exhibit "H"** to this affidavit.

42. As noted above, changes to the Tucano Mine Plan led to a delay in updating GPML's financial forecasting. On July 24, 2022, GPML sent Asahi a revised version of the July 6 Model



(referred to as "**Scenario 56**") based upon results as at June 30, 2022, which had only recently become available to GPML. For clarity, Scenario 56 was a cash flow model based upon a hypothetical Tucano Mine Plan without adjustment for topography. Unfortunately, GPML's financial outlook had worsened between the delivery of the July 6 Model and the development of Scenario 56. Concurrent with the distribution of Scenario 56 to Asahi, GPML requested that Asahi consider providing an additional \$10 million in financing, along with relief regarding principal payments through to the second quarter of 2023. A copy of the email dated July 24, 2022, delivering Scenario 56 to Asahi, is attached hereto and marked as **Exhibit "I"** to this affidavit.

43. Members of the management teams of Asahi and GPML met on July 25, 2022, to discuss the Scenario 56 model. I was present for this meeting. During the meeting, GPML's representatives advised that GPML would need to further revisit the Tucano Mine Plan to address liquidity issues which were now anticipated to arise in early 2023. On July 27, 2022, the mining contractor MINAX announced further delays in the mobilization of critical equipment, which triggered a further review of the Tucano Mine Plan, resulting in an adjusted scenario referred to as "**Scenario 63**". As changes to the Tucano Mine Plan would take a significant amount of time, Asahi's representatives were advised that a new model incorporating the revised Tucano Mine Plan Scenario 63 (the "**First Revised August Model**") would not be available until August 12, 2022. Asahi agreed to this timing and confirmed that, so long as the First Revised August Model was received by August 12, 2022, Asahi would have sufficient time to review the model and seek credit approval for a loan agreement to close on or before August 31, 2022.

44. On August 8, 2022, I received an email from a representative of Asahi requesting that GPML deliver a copy of the First Revised August Model that day. The stated reason for this request was that a key member of Asahi's staff, Mr. Ikuya Hirabayashi, would be leaving for one (1) week the following week and would no longer be available to review the First Revised August Model. A copy of the August 8, 2022 email requesting delivery of the First Revised August Model is attached hereto and marked as **Exhibit "J"** to this affidavit.

45. Accordingly, on August 9, 2022, GPML delivered the First Revised August Model to Asahi for its review. Due to the urgent request by Asahi to deliver the First Revised August Model, GPML completed the model by utilizing mining information that was valid up to June 30, 2022 and adjusted for known changes in July 2022; however, the First Revised August Model

did not fully reflect the changes to the Tucano Mine Plan. As well, the Tucano Mine underground projects were removed from the First Revised August Model, with the explanation given that “a decision on this project will be subject to management being satisfied that sufficient funding sources are available. This is not saying that we won’t do it, but we would need a better gold price or perhaps a JV partner to go forward.” To provide further context for that remark, I note that: (i) the underground project expenditures amounted to only USD\$8 million over the course of the repayment term of the Asahi Advance; and, (ii) the underground project expenditures were discretionary expenditures and GPML’s management considered it appropriate to exclude such expenditures in order to maximize cash flow. A copy of the August 9, 2022 email delivering the First Revised August Model (the “**August 9 Email**”) is attached hereto and marked as **Exhibit “K”** to this affidavit.

46. During this time period, GPML was also arranging to issue an equity offering for the purpose of supplementing the restructuring of the Asahi debt. A prospectus supplement was drafted, but as short-term cash flow forecasting as of early August 2022 was beginning to reveal a deficit in November 2022, GPML determined that it would be imprudent to access equity markets until it had secured either a new lender or a commitment from Asahi regarding the restructuring of its obligations under the Prepayment Agreement. Accordingly, the August 9 Email stated that “in the very near term we have a cash squeeze, even with additional financing achieved” and that GPML would need to complete an equity offering and reach an agreement with Asahi in order to “ensure [GPML] has sufficient cash to operate in the next 6 months”.

47. Representatives of GPML and Asahi met on August 10, 2022 (the “**August 10 Meeting**”), to discuss the First Revised August Model. I was in attendance at the August 10 Meeting, as was Mr. Healey. During the course of the August 10 Meeting, representatives of GPML shared a weekly cash flow forecast which showed GPML’s available cash dropping to unsustainable levels in November 2022 (the “**August 10 Cash Flow**”). GPML also provided Asahi with a copy of the August 10 Cash Flow by way of email on August 12, 2022. A copy of the August 12, 2022 email delivering the August 10 Cash Flow to Asahi is attached hereto and marked as **Exhibit “L”** to this affidavit.

48. Notwithstanding GPML’s liquidity challenges, Asahi indicated that it would be willing to increase the amount of the Asahi Advance (as defined in the Initial Affidavit) by an additional \$10 million. However, Asahi required that: (i) any funding would be contingent upon GPML completing an equity raise in the amount of at least \$5 million; and, (ii) half of the \$10 million

increase to the Asahi Advance would be advanced after November 2022. These conditions were not acceptable to GPML as it would not solve the anticipated liquidity issues in November 2022. I therefore advised Asahi's representative that this would be insufficient to bridge GPML's liquidity issues by way of an email dated August 11, 2022 (the "**August 11 Email**"). A copy of the August 11 Email, and a prior email from a representative of Asahi on the same date, is attached hereto and marked as **Exhibit "M"** to this affidavit.

49. The conditions and events referred to in paragraph 48, above, are the same conditions and events referred to in paragraph 37 of the Healey Affidavit. However, Mr. Healey refers to "encouraging news on the Tucano Mine from GPM" as a factor in Asahi's offer of a conditional \$10 million advance. I note that by this point in the negotiations, GPML had already advised Asahi that it would be facing a severe liquidity crunch in the short term. The cash flow situation regarding the Tucano Mine had rapidly deteriorated, particularly with new information available in early August 2022, as was reflected in the various models delivered to Asahi during that period.

50. Discussions continued throughout August 2022, as did GPML's modeling efforts and financial planning. GPML delivered a number of cash flow models to Asahi during the month of August 2022 (collectively, including those referred to above, the "**August Cash Flow Forecasts**"). The August Cash Flow Forecasts were subject to ongoing changes as a result of the contractor mobilization delays referred to above. The August Cash Flow Forecasts were delivered to Asahi in connection with the negotiation of a potential restructuring of the Asahi Advance, and accordingly were not valuation models. Rather, the August Cash Flow Forecasts were cash flow forecasts based upon hypothetical scenarios which would result from certain proposed changes to the Tucano Mine Plan and other methods of delaying expenditures in order to preserve liquidity and present positive cash flow during the periods under consideration. The purpose of the August Cash Flow Forecasts was generally to demonstrate that GPML would be able to maintain positive cash flow during the remaining loan term if specific corrective actions were taken, and assuming GPML retained the support of Asahi.

51. I do not agree with Mr. Healey's assessment that GPML continued to provide worse models over time. GPML was exploring potential options as part of its requested restructuring of Asahi's loans, and the projected cash flow set out in the hypothetical models improved over the course of August 2022.



52. The summary of the various cash flow models set out in paragraph 42 of the Healey Affidavit is incomplete. The following table summarizes key features of the first and last cash flow forecasts delivered in August 2022, for the period beginning in the third quarter of 2022 and ending on December 31, 2023:

<b>Amount (Millions USD)</b>	<b>August 9, 2022 (First Revised August Model)</b>	<b>August 25, 2022 ("Scenario 68" model)</b>
Tucano Mine Revenue	\$319	\$296
Tucano Mine Cash from Operations	\$46.5	\$47
Tucano Mine Capital Expenditures	\$22	\$14
Ending Cash as at December 31, 2023	\$25.3	\$51.9

**vii. Post-Filing Gold Sales and Accuracy of Cash Flow Forecasts**

53. Paragraph 57 of the Healey Affidavit identifies an alleged "\$5 million discrepancy in GPM's projected post-filing gold sales to Asahi", based upon a comparison of paragraphs 7.5(c) and 10.1 of the First Report of the Proposal Trustee, dated October 3, 2022 (the "**First Proposal Trustee's Report**"). To the best of my knowledge, there is no such discrepancy on a proper interpretation of the cash flow forecasts set out in the First Proposal Trustee's Report, as prepared by GPML's management. I am advised by Anthony Tillman, a representative of the Monitor, that the Monitor will address this issue in a report to be submitted to this Honourable Court.

**viii. Potential Severance Claims**

54. The Healey Affidavit refers to Asahi's assessment of its likely recoveries in a bankruptcy of GPML. While the basis of that assessment is not set out, I note that the employees of GPML - including myself - would have material severance claims which I understand would constitute unsecured or preferred claims in a bankruptcy, ranking equally with (or potentially above) claims by Asahi against the GPML estate.

**ix. GPML Shareholdings**

55. As noted above, the Healey Affidavit has made various allegations to the effect that GPML is acting in the interests of its equity holders rather than its creditors. In addition, I am informed by Lance Williams, counsel to GPML, and do verily believe that counsel to Asahi made submissions to this court on October 14, 2022 that the directors of GPML are shareholders and may be pursuing the SISF in their own self interest.

56. I understand that the members of the board of directors of GPML will be swearing or affirming separate affidavits which, among other things, will confirm that such persons have only minimal shareholdings in GPML. Beyond that, I note that GPML is a widely-held corporation, without any material shareholders. An excerpt (the "**Circular Excerpt**") of a true copy of GPML's most recent Notice of Annual General and Special Meeting of Shareholders and Management Information Circular, dated May 16, 2022, is attached hereto and marked as **Exhibit "N"** to this affidavit. As noted in the Circular Excerpt:

"To the knowledge of the Directors and Executive Officers of the Company, there are currently no persons or companies who beneficially own or control, directly or indirectly, Common Shares carrying more than 10% of the voting rights attached to all outstanding Common Shares of the Company as at May 11, 2022."

57. To the best of my knowledge, the above-noted statement remains accurate as of the date hereof. I am also not aware of any other significant shareholdings which fall below the ten percent (10%) threshold referred to in the Circular Excerpt.

**x. Verbal Representations Regarding Stockpiled Ounces**

58. Paragraph 47 refers to a representation which I made verbally, that the partial care and maintenance strategy being explored by GPML envisioned approximately 12,000 ounces of gold in stockpiles. It is true that there was a subsequent reduction in estimated stockpiles which led to lower overall ounces in stockpiles during the period. The reduction was in the amount of approximately 4,600 ounces, which amounts to a reduction of approximately \$117,000 in the potential repayment of pre-filing debts to Asahi under Post-Filing Asahi Agreement (*i.e.* 1.5% of the anticipated \$7,650,000 sale price of 4,600 ounces of gold at the prevailing market rate). This amount is relatively immaterial in light of the total amount of GPML's pre-filing indebtedness to Asahi. Moreover, even if the stockpile reduction had been 7,500 ounces as Asahi appears to have perceived of it (which it was not), at the 1.5% margin under the Post-Filing Asahi

Agreement, this would represent approximately a \$191,000 reduction in the payment of pre-filing debts; which is still an immaterial amount in light of the total debt.

59. Although paragraph 50 of the Healey Affidavit states that the reduction in ounces available for refining “may have changed Asahi’s course of action”, I do not believe that this statement is accurate as: (i) as noted above, the effect on the repayment of Asahi’s pre-filing debt was minimal; and, (ii) GPML advised Asahi, on numerous occasions, that GPML’s view was that in the absence of the Post-Filing Asahi Agreement, Asahi would be required to comply with the terms of the Refining Agreement on a post-filing basis due to the stay of proceedings established by the filing of the NOI. However, GPML agreed to negotiate the Post-Filing Asahi Agreement in good faith because it wished to preserve its relationship with Asahi and avoid the cost and time of locating an alternative refiner.

***xi. Marketing Fee***

60. Paragraph 30 of the Healey Affidavit states that the marketing fee charged by GPML to Mina Tucano was “3%”. This is incorrect. As set out in paragraph 71 of the Initial Affidavit, the fee charged by GPML to Mina Tucano is a sales commission fee of 2.40% (plus or minus 0.03% depending upon the foreign exchange rate, gold price, and quantity per shipment), which has been temporarily reduced to 1.50% during the Judicial Reorganization proceedings.

**C. Update on Sale of Peruvian Business and Subsidiaries**

***i. Status of LOI***

61. As I attested to in the Initial Affidavit, GPML has executed a non-binding letter of intent (the “LOI”) with Newrange Gold (“**Newrange**”) concerning the sale of GPML’s Canadian and Peruvian subsidiaries which hold interests in the Coricancha Mine (collectively, the “**Peruvian Transaction**”). Since the execution of the LOI, GPML has diligently worked to advance the proposed Peruvian Transaction and to negotiate a definitive share purchase agreement (the “**Definitive Documentation**”) with Newrange.

62. While the LOI is generally non-binding (subject to certain specific binding terms concerning confidentiality, exclusivity, and other similar matters), the LOI was intended to provide Newrange with sufficient certainty to enable it to generate investor interest with the ultimate goal of obtaining financing for the Peruvian Transaction. In the period immediately following execution of the LOI, while Newrange sought out potential investors and financing

options, the parties did not advance the Definitive Documentation. This delay was intended to avoid making unnecessary expenditures until it was sufficiently certain that Newrange would be able to obtain financing. On or around October 4, 2022, GPML's management determined that it was satisfied that Newrange had provided sufficient evidence of investor interest to warrant advancing the Definitive Documentation in respect of the Peruvian Transaction.

63. On October 4, 2022, Newrange delivered an initial draft of the Definitive Documentation to GPML, through their respective counsel. Further comments and revisions were delivered by the parties, through their respective counsel, on October 8, 2022; October 12, 2022 (multiple drafts having been exchanged on this date); and, October 13, 2022. GPML has also prepared a closing agenda and closing documents. Although there are certain outstanding Peruvian tax matters which remain to be addressed in the Definitive Documentation, based upon my discussions with GPML's senior management and advisors, I believe that the parties will likely be able to finalize and execute the Definitive Documentation as soon as this week. Closing of the Peruvian Transaction will then be subject to various conditions precedent, including GPML obtaining this Honourable Court's approval of the Definitive Documentation, and Newrange obtaining certain approvals from the TSX Venture Exchange. The current draft of the Definitive Documentation contemplates closing occurring within thirty (30) days of execution, although that timeline is potentially subject to change due to the aforementioned tax matters (which, for clarity, the parties are in the process of resolving).

## *ii. Expenses*

64. GPML is currently spending approximately \$100,000 per week with respect to the preservation of the Coricancha Mine pending the completion of the Peruvian Transaction, including care and maintenance and environmental matters (collectively, the "**Coricancha Expenditures**"). This spending is anticipated to stop at the end of November 2022, with the corresponding payment of \$750,000 under the LOI (the "**Coricancha Purchase Payment**") anticipated to be received in mid-December 2022. Accordingly, GPML forecasts that the Coricancha Expenditures will be offset by the Coricancha Purchase Payment.

65. Virtually 100% of the funding from GPML to support the Coricancha Mine is in relation to environmental stewardship and monitoring. All operation expenditures other than those necessary to maintain the environmental integrity of the Coricancha Mine have been discontinued.

**III. CONCLUSION**

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

AFFIRMED BEFORE ME at Vancouver,  
British Columbia, on October 19, 2022.



A Commissioner for taking Affidavits for  
the Province of British Columbia

**H. LANCE WILLIAMS**

Barrister & Solicitor

**McCarthy Tétrault LLP**

SUITE 2400 - 745 THURLOW STREET

VANCOUVER, B.C. V6E 0C5

DIRECT 604-643-7154



SANDRA DAYCOCK

This is **Exhibit "A"** referred to in the Affidavit #4 of Sandra Daycock affirmed before me at Vancouver, British Columbia, on this 19<sup>th</sup> day of October, 2022.



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A Commissioner for taking Affidavits  
for the Province of British Columbia

## 20. OPERATING SEGMENTS

The Company's operations are all within the mining sector, consisting of three operating segments, two of which are located in Mexico, one of which is located in Brazil, plus one segment associated with Coricancha in Peru, one Exploration segment and one Corporate segment. Due to diversities in geography and production processes, the Company operates Tucano, the GMC and Topia mines separately, with separate budgeting and evaluation of results of operations and exploration activities. The Coricancha segment contains the net assets associated with Coricancha, and the cost of its exploration, evaluation and development activities are separately budgeted and reported. The Corporate segment provides financial, human resources and technical support to the three mining operations and Coricancha. The GMC, currently on care and maintenance, produces silver and gold in concentrate, and the Topia operation produces silver, gold, lead and zinc in concentrate for refining off-site. The Tucano operation produces gold doré. The Exploration segment includes the Company's mineral exploration and evaluation assets at Santa Rosa, El Horcón, and Plomo.

	Operations						Total
	Tucano	GMC	Topia	Coricancha	Exploration	Corporate	
<b>Three months ended</b>							
<b>March 31, 2022</b>							
External revenue	\$ -	\$ -	\$ 6,259	\$ -	\$ -	\$ 27,172	\$ 33,431
Intersegment revenue	25,343	-	-	-	-	(25,343)	-
Amortization and depletion	3,926	413	1,319	80	-	64	5,802
Exploration and evaluation expenses	19	130	369	1,582	113	166	2,379
Care and maintenance costs	-	1,651	-	-	-	-	1,651
Finance income	30	-	-	-	-	35	65
Finance expense	407	-	-	85	-	407	899
Income (loss) before income taxes	(1,790)	(2,612)	(362)	(1,927)	(165)	(2,029)	(8,885)
Net income (loss)	(1,790)	(2,612)	(362)	(1,927)	(165)	(2,029)	(8,885)
<b>As at March 31, 2022</b>							
Total assets	\$188,707	\$ 4,216	\$ 16,401	\$ 46,346	\$ 2,154	\$ 32,395	\$ 290,219
Total liabilities	\$100,121	\$ 18,493	\$ 2,062	\$ 44,663	\$ 10	\$ 30,082	\$ 195,431

This is **Exhibit "B"** referred to in the Affidavit #4 of Sandra Daycock affirmed before me at Vancouver, British Columbia, on this 19<sup>th</sup> day of October, 2022.

A handwritten signature in blue ink, consisting of a series of loops and a long horizontal stroke.

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A Commissioner for taking Affidavits  
for the Province of British Columbia



# GREAT PANTHER MINING LIMITED

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
(Tabular amounts expressed in thousands of US dollars, except where otherwise noted)

As at and for the three and six months ended June 30, 2022, and 2021 (Unaudited)

## 21. OPERATING SEGMENTS

The Company's operations are all within the mining sector, consisting of one operating segment, which is located in Brazil, plus one segment associated with Coricancha in Peru, one Exploration segment and one Corporate segment. The Corporate segment provides financial, human resources and technical support to the other segments. The Tucano operation produces gold doré. The Exploration segment includes the Company's mineral exploration and evaluation assets at Plomo.

	Operations				Assets held for sale	Total
	Tucano	Coricancha	Exploration	Corporate		
<b>Three months ended June 30, 2022</b>						
External revenue	\$ -	\$ -	\$ -	\$ 30,022	\$ -	\$ 30,022
Intersegment revenue	29,903	-	-	(29,903)	-	-
Amortization and depletion	4,340	78	-	69	-	4,487
Exploration and evaluation expenses	10	1,809	(8)	(11)	-	1,799
Finance income	65	-	-	22	-	87
Finance expense	1,008	4	-	340	-	1,350
Income (loss) before income taxes	(3,591)	(4,068)	44	(4,420)	-	(12,035)
Income tax expense (recovery)	-	-	-	17	-	17
Loss from continuing operations	(3,591)	(4,068)	44	(4,437)	-	(12,052)
Loss from discontinued operations, net of tax	-	-	-	-	(276)	(276)
Net income (loss)	(3,591)	(4,068)	44	(4,437)	(276)	(12,328)
<b>Six months ended June 30, 2022</b>						
External revenue	\$ -	\$ -	\$ -	\$ 57,194	\$ -	\$ 57,194
Intersegment revenue	55,246	-	-	(55,246)	-	-
Amortization and depletion	8,117	157	-	139	-	8,413
Exploration and evaluation expenses	29	3,391	33	156	-	3,609
Finance income	95	-	-	38	-	133
Finance expense	1,413	90	-	637	-	2,140
Income (loss) before income taxes	(5,381)	(5,889)	(51)	(5,641)	-	(16,962)
Income tax expense	-	-	-	17	-	17
Loss from continuing operations	(5,381)	(5,889)	(51)	(5,658)	-	(16,979)
Loss from discontinued operations, net of tax	-	-	-	-	(4,234)	(4,234)
Net income (loss)	(5,381)	(5,889)	(51)	(5,658)	(4,234)	(21,213)
<b>As at June 30, 2022</b>						
Total assets	\$ 184,139	\$ 36,544	\$ 41	\$ 17,920	\$ 23,311	\$261,964
Total liabilities	\$ 101,798	\$ 45,043	\$ 1	\$ 16,573	\$ 22,813	\$186,228

This is **Exhibit "C"** referred to in the Affidavit #4 of Sandra Daycock affirmed before me at Vancouver, British Columbia, on this 19<sup>th</sup> day of October, 2022.

A handwritten signature in blue ink, appearing to be 'L. J. ...', written over a horizontal line.

A Commissioner for taking Affidavits  
for the Province of British Columbia

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**From:** Sandra Daycock  
**Sent:** December 10, 2021 9:48 AM  
**To:** Carmen V. Rodriguez <[carmen.rodriguez@asahirefining.com](mailto:carmen.rodriguez@asahirefining.com)>; Ikuya Hirabayashi <[Ikuya.Hirabayashi@asahirefining.com](mailto:Ikuya.Hirabayashi@asahirefining.com)>  
**Cc:** Ledion Bushi <[lbushi@greatpanther.com](mailto:lbushi@greatpanther.com)>; Carrie Ma <[cma@greatpanther.com](mailto:cma@greatpanther.com)>  
**Subject:** Financial Forecast

Hello Carmen and Ikuya,

Attached you will find our most recent model that is consistent with the company's 2022 budget which was approved on Wednesday.

We are sending you not only the Tucano model tab but the fully consolidated model to get a sense of GPR's financial position. As we foreshadowed in our Q3 press release, 2022 will be a good year from an overall production perspective, but 75% of that production will be realized in the second half of the year. The reason for this is that we will be focussed in H1 on stripping our largest pit, "AB1", and deferring the pushback of the UCS pit until dryer, safer weather conditions prevail.

You will see in the model that we have an additional financing requirement of \$25 million in Q1 – this is in part because our debt repayments for the Gold Prepayment Agreement with Asahi commence in Q2, 2022. We are evaluating options to secure this financing. Ideally, we would love to work with you to adjust our repayment terms to commence in Q4, 2022 and increase the size of the facility by \$15 million. I have attached a second version of the model (the "Proposed" version) that illustrates what this would look like. You will see that in the first 6 months of 2022, we would also require the Loan Coverage Ratio threshold to be temporarily lowered to 3.0x instead of 4.0x to accommodate the higher loan amount with the lower production in that period.

Regarding our 43-101 report, our current expectation is this report would not be available until February, but we do expect it to show reserves to be relatively unchanged (i.e. that we replaced our reserves).

I would like to discuss this more on Monday and understand that you will not have had a chance to talk to your corporate team to assess appetite at that point. On Monday's meeting we can provide you with a lot more details

about the change to our production plans and our plans to develop the underground resource in the second half of 2022, which as you can see from the model, is forecast to provide strong cash flows and gold production in 2023.

All the best,

Sandra

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This is **Exhibit "D"** referred to in the Affidavit #4 of Sandra Daycock affirmed before me at Vancouver, British Columbia, on this 19<sup>th</sup> day of October, 2022.

A handwritten signature in blue ink, appearing to be 'L. Z.', written over a horizontal line.

A Commissioner for taking Affidavits  
for the Province of British Columbia

---

**From:** Sandra Daycock  
**Sent:** December 15, 2021 10:27 AM  
**To:** Carmen V. Rodriguez <[carmen.rodriguez@asahirefining.com](mailto:carmen.rodriguez@asahirefining.com)>; Ikuya Hirabayashi <[Ikuya.Hirabayashi@asahirefining.com](mailto:Ikuya.Hirabayashi@asahirefining.com)>  
**Subject:** Model

Hello Carmen and Ikuya,

We have identified some inconsistencies between our latest information related to underground production in the model we sent. We will re-send with the correct information as soon as possible.

Apologies for any inconvenience.

Sandra

**Sandra Daycock, CPA,CMA**  
**Chief Financial Officer**



**D** +1 604-638-8958

**C** +1 604 218 7556

**T** +1 604 608 1766 ext. 1258

1330 - 200 Granville Street, Vancouver, Canada V6C 1S4

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This is **Exhibit "E"** referred to in the Affidavit #4 of Sandra Daycock affirmed before me at Vancouver, British Columbia, on this 19<sup>th</sup> day of October, 2022.

A handwritten signature in blue ink, consisting of a stylized, cursive 'L' followed by a horizontal line and some additional flourishes.

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for the Province of British Columbia



---

**From:** Sandra Daycock

**Sent:** December 22, 2021 2:09 PM

**To:** Carmen V. Rodriguez <[carmen.rodriguez@asahirefining.com](mailto:carmen.rodriguez@asahirefining.com)>

**Cc:** Ikuya Hirabayashi <[Ikuya.Hirabayashi@asahirefining.com](mailto:Ikuya.Hirabayashi@asahirefining.com)>; Paul Healey <[paul.healey@asahirefining.com](mailto:paul.healey@asahirefining.com)>; Carrie Ma <[cma@greatpanther.com](mailto:cma@greatpanther.com)>; Ledion Bushi <[lbushi@greatpanther.com](mailto:lbushi@greatpanther.com)>

**Subject:** Revised model

Carmen,

As promised attached is a revised model (see "proposed" version, which ties to our request for a \$15 million increase and extension of payment terms). We have revised our assumptions on the underground project to match the latest analysis that we have. I should stress that this underground work is still a work in progress and we still need to optimize the plan to maximize cash flow (in this version, the Underground Project does not generate positive cash for GPR until 2024 which is outside of the period for this model). I have also added the use of the ATM facility through 2023 and have made a small adjustment to the fx assumption for BRL to be consistent with our 2022 assumptions. As discussed I added a tab which shows the detailed mine plan for the open pit mines for each of 2022 and 2023.

I have also included an "alternative" version of the model which would see us go to an alternative lender (a convertible debenture) to borrow an additional \$20 million. If we went with this option, we would need Asahi to agree to allow a subordinated pledge of shares on Tucano, and we would also request a 1-QTR extension of the principal payments to commence in July, 2022 instead of April.

I believe that the alternative solution would actually be better from Asahi's perspective as it reduces Asahi's exposure to GPR without impacting our gold sales arrangements and allows GPR to preserve liquidity through the first half of 2022 in order to realize the 2022 mine plan of approximately 100 k ounces.

If we pursue the convertible debt option, we would need a response from Asahi as soon as possible on a willingness to agree to this amendment. Let me know how early we could expect your reply.

All the best,

Sandra



Sandra Daycock, CPA,CMA  
Chief Financial Officer



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This is **Exhibit "F"** referred to in the Affidavit #4 of Sandra Daycock affirmed before me at Vancouver, British Columbia, on this 19<sup>th</sup> day of October, 2022.

A handwritten signature in blue ink, consisting of several fluid, connected strokes, positioned above a horizontal line.

A Commissioner for taking Affidavits  
for the Province of British Columbia

---

**From:** Carmen V. Rodriguez <[carmen.rodriguez@asahirefining.com](mailto:carmen.rodriguez@asahirefining.com)>  
**Sent:** February 25, 2022 2:52 PM  
**To:** Sandra Daycock <[sdaycock@greatpanther.com](mailto:sdaycock@greatpanther.com)>  
**Subject:** Deferral Request

Dear Sandra,

We received approval from Asahi Holdings for a repayment deferral, however with a hedging requirement.

**1. Deferral**

April- June repayments of \$1,666,666.67 will be spread evenly over the remaining term of the loan, thus increasing the current repayments of \$1,666,666.66 by \$833,333.30 to \$2,500,000.01.

**Deferral penalty rate:** 3%

**2. Hedging requirement:**

**Option I**

**Type:** Zero cost collars

**Period:** July -March 2023

1,250 oz. per month

<b>Spot Price</b>	\$1,850.00	\$1,890.00	\$1,905.00
<b>Put Strike</b>	\$1,750.00	\$1,800.00	\$1,800.00
<b>Call Strike</b>	\$1,985.00	\$2,013.00	\$2,050.00

**Option II**

**Period:** July -March 2023

3,750 oz. per month

<b>Spot Price</b>	\$1,850.00	\$1,890.00	\$1,905.00
<b>Put Strike</b>	\$1,750.00	\$1,800.00	\$1,800.00
<b>Call Strike</b>	\$1,985.00	\$2,013.00	\$2,050.00

Deferral penalty waived

As discussed,  
We can go over this on Monday.

Have a good weekend!

Regards,  
Carmen



Carmen V. Rodriguez | Vice President, Precious Metals Sales and Refining

A: Asahi Refining USA, Inc. | 4601 W 2100 S | Salt Lake City, UT 84120

E: [carmen.rodriguez@asahirefining.com](mailto:carmen.rodriguez@asahirefining.com) | W: <https://www.asahirefining.com>

D: +1 321 249 3555



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This is **Exhibit "G"** referred to in the Affidavit #4 of Sandra Daycock affirmed before me at Vancouver, British Columbia, on this 19<sup>th</sup> day of October, 2022.

A handwritten signature in blue ink, consisting of a series of fluid, connected strokes that form a stylized name.

---

A Commissioner for taking Affidavits  
for the Province of British Columbia

---

**From:** Sandra Daycock  
**Sent:** May 9, 2022 12:57 PM  
**To:** Carmen V. Rodriguez <[carmen.rodriguez@asahirefining.com](mailto:carmen.rodriguez@asahirefining.com)>  
**Cc:** Ledion Bushi <[lbushi@greatpanther.com](mailto:lbushi@greatpanther.com)>; Carrie Ma <[cma@greatpanther.com](mailto:cma@greatpanther.com)>  
**Subject:** RE:

Hi Carmen,

Apologies for the silence, as I mentioned our results go out this week and we have had a lot going on. That said, we received a major tax refund of \$7.5m USD and are now questioning whether the payment deferral is coming at the wrong time for us. Our need for cash has been shifted and deferring payments at a time when we have ample cash no longer seems sensible.

I meant to come back to you ASAP with a revised request which would either:

- a) Push the request for deferral to some later payments (eg Q3 payments), and/or
- b) As contemplated by the loan agreement, extend the maturity date of the loan based on the revised MRMR.

Let me know if you expect Asahi would have an appetite for either of those two ideas. Our results conference call is on Friday morning so perhaps we could schedule a call to discuss options on Monday May 16? Let me know of some times that could work for you.

Best,

Sandra

---

**From:** Carmen V. Rodriguez <[carmen.rodriguez@asahirefining.com](mailto:carmen.rodriguez@asahirefining.com)>  
**Sent:** May 9, 2022 12:45 PM  
**To:** Sandra Daycock <[sdaycock@greatpanther.com](mailto:sdaycock@greatpanther.com)>  
**Subject:**

Hello Sandra,

How are you?

Are you keeping us in suspense for a reason?

Regards,  
Carmen



Carmen V. Rodriguez | Vice President, Precious Metals Sales and Refining

A: Asahi Refining USA, Inc. | 4601 W 2100 S | Salt Lake City, UT 84120

E: [carmen.rodriguez@asahirefining.com](mailto:carmen.rodriguez@asahirefining.com) | W: <https://www.asahirefining.com>

D: +1 321 249 3555



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This is **Exhibit "H"** referred to in the Affidavit #4 of Sandra Daycock affirmed before me at Vancouver, British Columbia, on this 19<sup>th</sup> day of October, 2022.

A handwritten signature in blue ink, consisting of stylized, flowing letters, positioned above a horizontal line.

A Commissioner for taking Affidavits  
for the Province of British Columbia



---

**From:** Sandra Daycock

**Sent:** July 6, 2022 8:42 AM

**To:** Carmen V. Rodriguez <[carmen.rodriguez@asahirefining.com](mailto:carmen.rodriguez@asahirefining.com)>

**Cc:** Paul Healey <[paul.healey@asahirefining.com](mailto:paul.healey@asahirefining.com)>; Ikuya Hirabayashi <[Ikuya.Hirabayashi@asahirefining.com](mailto:Ikuya.Hirabayashi@asahirefining.com)>; Ledion Bushi <[lbushi@greatpanther.com](mailto:lbushi@greatpanther.com)>; Carrie Ma <[cma@greatpanther.com](mailto:cma@greatpanther.com)>

**Subject:** Asahi - GPR Corporate Model - Q2 22 - Q4 25 (cash flow forecast) v5.xlsm

Hi Carmen,

As promised here is a draft revised model. As I mentioned I haven't had a chance to thoroughly review this version. Further, it is based on our last forecast done based on actuals up to March 31. We will update once the June 30 forecast is available. In the meantime, we have adjusted the model for a revised cash starting point for the cash balance known at June 30 as well as known changes anticipated for Q3 and Q4 based on our weekly forecasting process:

**Q3 2022 changes vs the previous version:**

1. \$3m higher spending at Tucano in Q3 (partly driven by the exchange rate which has since reversed, as well as inflation pressures on costs and settlement payments to U&M – this timing only as we previously assumed payment in Q4)
2. \$1m from additional spending at MMR due to delayed timing of closing
3. \$0.5m from additional interest expense in Q3 (Asahi higher rates + Samsung interest per delayed closing of MMR)
4. \$0.5m from cash we need to leave with MMR at closing per agreement reached with buyer
5. \$1.5m from WC/other differences



**Q4 2022 changes vs the previous version:**

1. \$3m from lower spending per U&M settlement agreement

You will see cash dips down to \$12 million in Q1 2023 and then recovers. Would Asahi consider keeping the \$0.5m/month payments for Q1, 2023 and then spread the balance (\$5.3m total in each of Q2 and Q3 2023 when cash flow is higher)?

Please let me know what additional payment relief could be available from Q3 2022 to Q1 2023.

I also hope to have a term sheet mark-up today pending legal review.

Best

Sandra

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This is **Exhibit "I"** referred to in the Affidavit #4 of Sandra Daycock affirmed before me at Vancouver, British Columbia, on this 19<sup>th</sup> day of October, 2022.



---

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---

**From:** Sandra Daycock  
**Sent:** July 24, 2022 6:28 PM  
**To:** Carmen V. Rodriguez <[carmen.rodriguez@asahirefining.com](mailto:carmen.rodriguez@asahirefining.com)>  
**Cc:** Alan Hair <[ahair@greatpanther.com](mailto:ahair@greatpanther.com)>; Fernando Cornejo <[fcornejo@greatpanther.com](mailto:fcornejo@greatpanther.com)>; Carrie Ma <[cma@greatpanther.com](mailto:cma@greatpanther.com)>; Ledion Bushi <[lbushi@greatpanther.com](mailto:lbushi@greatpanther.com)>; Ikuya Hirabayashi <[Ikuya.Hirabayashi@asahirefining.com](mailto:Ikuya.Hirabayashi@asahirefining.com)>; Paul Healey <[paul.healey@asahirefining.com](mailto:paul.healey@asahirefining.com)>  
**Subject:** Asahi - GPR Corporate Model - Q3 22 - Q4 25 (cash flow forecast) v8 - July 24, 2022.xlsx  
**Importance:** High

Dear Carmen,

Thanks for your patience in receiving our updated financial model. The model reflects the following situation, which has impacted our near-term cash outlook:

- Lower than anticipated July production (5300 oz versus 11000 oz in our earlier model), primarily due to slower than expected mobilization of our new contractor. We believe the delayed equipment will be arriving on the coming weeks.
- Increases in our Brazil costs due to higher fuel and other key consumable prices such as cyanide, oxygen
- Higher than anticipated costs in Mexico as we wait to close our transaction
- Lower total proceeds from Mexico sale due to a decline in working capital and a lower share price assumption for sale of GS shares
- A revised forecast for H2 2022 which includes the impact of the higher costs noted above as well as an updated mine plan for 2022 and 2023

When we first ran the model, Q1 and Q2 2023 cash was not sufficient. Based on this, we have assumed the following additional measures, of which first three bullets are already in the model:

- Reduce exploration for 1-year (retention of key people for limited exploration work or transfer to ops, layoffs for remainder)
- Delay underground development by 1-year

- Corporate G&A reduction of \$3m (annual savings)
- Accelerating understanding of potential for additional ounces from UCS pit which could be available as early as Q1-23. We hope to take the next two weeks to define this opportunity which is a very recent development

For the Asahi debt restructuring, we are requesting an additional \$10 million with a repayment profile as reflected in the model as follows:

- \$1.7m in July, 2022
- \$0 for remainder Q3, 2022
- \$0.5m / month in Q4, 2022
- \$0.75m/month in Q1, 2023
- \$2.2m/month for the remainder of the term
- Term extended to Dec 31, 2023

We are also assuming that we can access our ATM facility for ~\$1m/month, and that we would be successful in launching an equity deal in early 2023 on the back of higher production results for Q4, 2022 along with robust production guidance for 2023 and a positive decision on the URN underground project.

I look forward to our discussion tomorrow.

All the best,

Sandra

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This is **Exhibit "J"** referred to in the Affidavit #4 of Sandra Daycock affirmed before me at Vancouver, British Columbia, on this 19<sup>th</sup> day of October, 2022.

A handwritten signature in blue ink, consisting of a stylized 'Z' followed by a horizontal line and a small flourish.

---

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for the Province of British Columbia



---

**From:** Sandra Daycock  
**Sent:** August 8, 2022 10:40 AM  
**To:** Carmen V. Rodriguez <[carmen.rodriguez@asahirefining.com](mailto:carmen.rodriguez@asahirefining.com)>  
**Cc:** Carrie Ma <[cma@greatpanther.com](mailto:cma@greatpanther.com)>  
**Subject:** RE: Assistance needed

Sure, I think we can do that. I'll ask Fernando to provide an email update on operations

---

**From:** Carmen V. Rodriguez <[carmen.rodriguez@asahirefining.com](mailto:carmen.rodriguez@asahirefining.com)>  
**Sent:** August 8, 2022 10:33 AM  
**To:** Sandra Daycock <[sdaycock@greatpanther.com](mailto:sdaycock@greatpanther.com)>  
**Cc:** Carrie Ma <[cma@greatpanther.com](mailto:cma@greatpanther.com)>  
**Subject:** RE: Assistance needed

Hi Sandra,

1. No need to push a call with Fernando an email with an update is fine.
2. Why the accelerated timing?

Ikuya is away next week.

I need the #'s to finalize the credit application (90% done), get it into circulation for Asahi North America Risk Management's Approval so that he can finalize the presentation and get it off to Japan **before** he leaves on Friday. Otherwise, we will lose a week...

Can we compromise for Wednesday?

Regards,  
Carmen



Carmen V. Rodriguez | Vice President, Precious Metals Sales and Refining

A: Asahi Refining USA, Inc. | 4601 W 2100 S | Salt Lake City, UT 84120  
 E: [carmen.rodriguez@asahirefining.com](mailto:carmen.rodriguez@asahirefining.com) | W: <https://www.asahirefining.com>  
 D: +1 321 249 3555




---

**From:** Sandra Daycock <[sdaycock@greatpanther.com](mailto:sdaycock@greatpanther.com)>  
**Sent:** Monday, August 8, 2022 10:29 AM  
**To:** Carmen V. Rodriguez <[carmen.rodriguez@asahirefining.com](mailto:carmen.rodriguez@asahirefining.com)>  
**Cc:** Carrie Ma <[cma@greatpanther.com](mailto:cma@greatpanther.com)>  
**Subject:** RE: Assistance needed

Hi Carmen,

Fernando is away – I'll have to check his availability to take a call. Can you suggest a few times that could work.

We haven't finished the model – we were targeting Aug 12 which was the date you gave. We are still awaiting a full set of information from the site. We could probably get you something tomorrow if we move mountains. Why the accelerated timing?

Sandra

---

**From:** Carmen V. Rodriguez <[carmen.rodriguez@asahirefining.com](mailto:carmen.rodriguez@asahirefining.com)>  
**Sent:** August 8, 2022 8:08 AM  
**To:** Sandra Daycock <[sdaycock@greatpanther.com](mailto:sdaycock@greatpanther.com)>  
**Cc:** Carrie Ma <[cma@greatpanther.com](mailto:cma@greatpanther.com)>  
**Subject:** RE: Assistance needed

Hi Sandra,

Please assist with an updated model to reflect the Mexican Asset, etc. by cob today if possible.

We would also like an update from Fernando and his team on the new production goals.

Without this information I cannot circulate the Credit application to Risk Comittee for sign off – then it goes to EXCO- Japan- Please and thank you!

Regards,  
 Carmen



Carmen V. Rodriguez | Vice President, Precious Metals Sales and Refining

A: Asahi Refining USA, Inc. | 4601 W 2100 S | Salt Lake City, UT 84120  
 E: [carmen.rodriguez@asahirefining.com](mailto:carmen.rodriguez@asahirefining.com) | W: <https://www.asahirefining.com>  
 D: +1 321 249 3555





**From:** Carrie Ma <[cma@greatpanther.com](mailto:cma@greatpanther.com)>

**Sent:** Friday, August 5, 2022 11:31 AM

**To:** Sandra Daycock <[sdaycock@greatpanther.com](mailto:sdaycock@greatpanther.com)>; Carmen V. Rodriguez <[carmen.rodriguez@asahirefining.com](mailto:carmen.rodriguez@asahirefining.com)>

**Subject:** RE: Assistance needed

Hi Carmen,

Please see the requested info below.

Financial Highlights in USD for three months ended June 30, 2022,	
Revenue: \$30.02 M	Net Loss: \$12.328 M
Cash Balance: \$21.06 M	Capital Expenditures: \$22.06M
Cash Cost: \$1,575	Working Capital Ratio: .68
AISC: \$3,080	Debt Repayments: \$5.67M*

\*This amount represents the Q2 debt repayments net of new borrowings (i.e. \$5M Asahi repayment + \$1.3M Samsung repayment + \$0.3M Bradesco repayment - \$1.0M new ACC loan)

Thanks

**Carrie Ma, CPA, CA**

**Director, Finance and Treasury**



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**From:** Sandra Daycock <[sdaycock@greatpanther.com](mailto:sdaycock@greatpanther.com)>

**Sent:** Friday, August 5, 2022 9:54 AM

**To:** Carmen V. Rodriguez <[carmen.rodriguez@asahirefining.com](mailto:carmen.rodriguez@asahirefining.com)>

**Cc:** Carrie Ma <[cma@greatpanther.com](mailto:cma@greatpanther.com)>

**Subject:** RE: Assistance needed

Hi Carmen.

I'm traveling today but Carrie can address your questions.

I'm also attaching a draft amendment agreement for your review (obviously subject to receiving an updated model which is in progress).

We kept the hedge quantity at 23,800 versus the 23,500 you indicated in your email yesterday as I believe this was your intent. This results in 1586 oz per month and the last month 1596.

Sandra

**From:** Carmen V. Rodriguez <[carmen.rodriguez@asahirefining.com](mailto:carmen.rodriguez@asahirefining.com)>  
**Sent:** August 5, 2022 9:27 AM  
**To:** Sandra Daycock <[sdaycock@greatpanther.com](mailto:sdaycock@greatpanther.com)>  
**Subject:** Assistance needed

Hi Sandra,

I'm sure you are relieved with getting passed Q2 and the Closing of the Mexican Asset sale.

I'm finalizing the formal submission to credit and need your help with the **blanks**- please.

Financial Highlights in USD for three month ended June 30, 2022,	
Revenue: \$30.02 M	Net Loss: \$12.328 M
Cash Balance: \$21 M	Capital Expenditures:
Cash Cost: \$1,575	Working Capital Ratio:
AISC: \$3,080	Debt Repayments: *

**\*Debt repayments explained**

Thank you!

Regards,  
Carmen



Carmen V. Rodriguez | Vice President, Precious Metals Sales and Refining

A: Asahi Refining USA, Inc. | 4601 W 2100 S | Salt Lake City, UT 84120

E: [carmen.rodriguez@asahirefining.com](mailto:carmen.rodriguez@asahirefining.com) | W: <https://www.asahirefining.com>

D: +1 321 249 3555



**External Email:** Exercise caution before clicking links or opening attachments | **Courriel externe:** Soyez prudent avant de cliquer sur des liens ou d'ouvrir des pièces jointes

This is **Exhibit "K"** referred to in the Affidavit #4 of Sandra Daycock affirmed before me at Vancouver, British Columbia, on this 19<sup>th</sup> day of October, 2022.

A handwritten signature in blue ink, appearing to be 'L. B.', written over a horizontal line.

A Commissioner for taking Affidavits  
for the Province of British Columbia

---

**From:** Sandra Daycock

**Sent:** August 9, 2022 5:43 PM

**To:** V. Rodriguez Carmen <[carmen.rodriquez@asahirefining.com](mailto:carmen.rodriquez@asahirefining.com)>; Paul Healey <[paul.healey@asahirefining.com](mailto:paul.healey@asahirefining.com)>; Ikuya Hirabayashi <[ikuya.hirabayashi@asahirefining.com](mailto:ikuya.hirabayashi@asahirefining.com)>

**Cc:** Carrie Ma <[cma@greatpanther.com](mailto:cma@greatpanther.com)>; Fernando Cornejo <[fcornejo@greatpanther.com](mailto:fcornejo@greatpanther.com)>; Alan Hair <[ahair@greatpanther.com](mailto:ahair@greatpanther.com)>

**Subject:** Model

Dear Carmen, Ikuya and Paul,

Attached you will find an updated model which includes the latest long-term assumptions for our mine plan, costs and capital expenditures. Key changes since the last version (to see these clearly look at the 'Variance vs last version' in the summary tab, columns AZ to BW)

- Accelerated stripping in Q3-Q4 to bring production into Q1 and Q2 2023. This has resulted in lower cashflow in H2, 2022 but better overall cashflow in 2023
- Deleted the Underground project, as a decision on this project will be subject to management being satisfied that sufficient funding sources are available. This is not saying that we won't do it, but we would need a better gold price or perhaps a JV partner to go forward
- Increase in Tucano Open Pit capex. The previous capital expenditure numbers were left over from an earlier model version which assumed higher tailings dam expenditures in 2022 – these expenditures are now occurring in 2023
- Reduction in discretionary exploration expenditures – again, these will be contingent upon cash generation
- Change Guanajuato share price assumption to current share price

- Changed timing on equity with \$5 million raised immediately to support debt restricting. We have already been in discussions with our main broker and they have advised a minimum of \$5 million is achievable. We are well advanced on documentation and ready to launch.

You will see from this model that cash stays manageable with a minimum dip to \$12.6m in Q2, 2023 versus the previous \$2.9 million.

We will show you tomorrow, however, that in the very near term we have a cash squeeze, even with additional financing achieved. We expect to actually exceed \$5 million in the equity offering, but have been told by our advisors that we should not proceed with the equity unless we have a commitment on the restructuring (we can also make closing the financing subject to issuing equity).

As I'm sure you can appreciate, we need to work with you to ensure both of these transactions happen to ensure GPR has sufficient cash to operate in the next 6 months.

Provided you are comfortable proceeding on this basis, we would ask whether Asahi could consider full payment relief in Q4, 2022 to be caught up in H2 2023?

I look forward to our discussion.

Sandra

**Sandra Daycock, CPA,CMA**

Chief Financial Officer

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This is **Exhibit "L"** referred to in the Affidavit #4 of Sandra Daycock affirmed before me at Vancouver, British Columbia, on this 19<sup>th</sup> day of October, 2022.

A handwritten signature in blue ink, consisting of a series of fluid, connected strokes, positioned above a horizontal line.

A Commissioner for taking Affidavits  
for the Province of British Columbia

---

**From:** Sandra Daycock  
**Sent:** August 12, 2022 11:34 AM  
**To:** Carmen V. Rodriguez <[carmen.rodriguez@asahirefining.com](mailto:carmen.rodriguez@asahirefining.com)>  
**Subject:** Scenarios

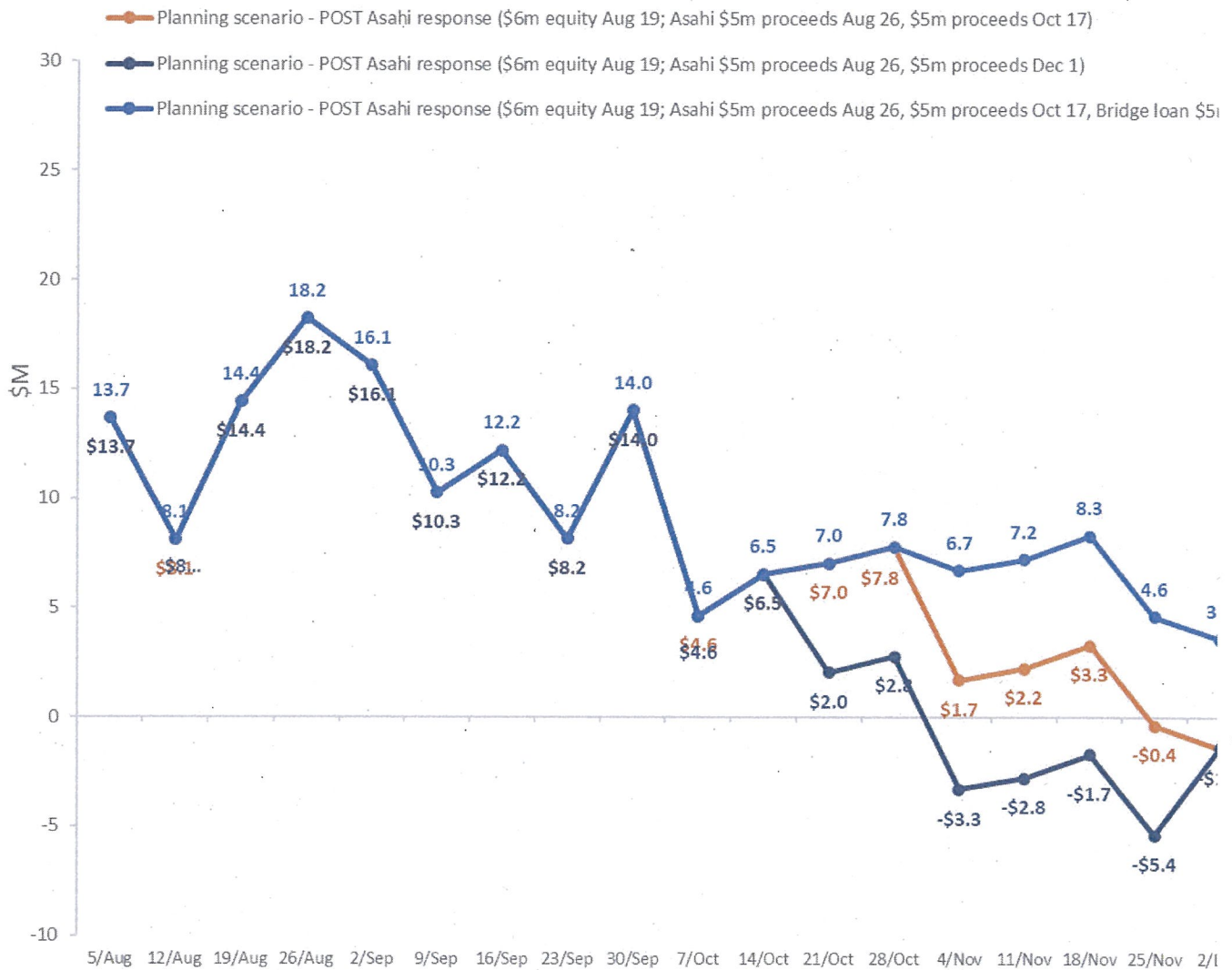
Hi Carmen,

See below. The chart reflects three outcomes – the proposal you outlined yesterday, a revised scenario where we push the date to Oct 15, 2022 for the second tranche, and a 3<sup>rd</sup> scenario where we do the second tranche Oct 15 AND a bridge loan for Nov-Dec 2022, secured against GS shares.

There is upside to the below if we can secure >\$6 million in equity and if we can move more ounces into Oct-Nov. We won't have the cash impact of moving the additional ounces forward until Monday.



## Cash Forecast to December 30, 2022



Sandra Daycock, CPA, CMA  
Chief Financial Officer



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This is **Exhibit "M"** referred to in the Affidavit #4 of Sandra Daycock affirmed before me at Vancouver, British Columbia, on this 19<sup>th</sup> day of October, 2022.

A handwritten signature in blue ink, consisting of a series of fluid, connected strokes that form a stylized name.

---

A Commissioner for taking Affidavits  
for the Province of British Columbia

---

**From:** Sandra Daycock

**Sent:** August 11, 2022 2:23 PM

**To:** Carmen V. Rodriguez <carmen.rodriguez@asahirefining.com>

**Cc:** Alan Hair <ahair@greatpanther.com>; Fernando Cornejo <fcornejo@greatpanther.com>; Paul Healey <Paul.Healey@asahirefining.com>; Ikuya Hirabayashi <Ikuya.Hirabayashi@asahirefining.com>; Chris Warner <Chris.Warner@asahirefining.com>; Shohei Yasuda <Shohei.Yasuda@asahirefining.com>

**Subject:** RE: Asahi Response

Hello Carmen,

Thanks for this, I very much appreciate the efforts. As you saw yesterday from our chart, \$5 million will be insufficient for us to preserve our liquidity in November, which is when we are facing our largest cash crunch. Therefore, if we cannot secure the \$10 million up front, we will be setting ourselves up for failure.

We do not have another lender lined up to take Asahi's place, and to do so will take time. We have now reached out to our alternative lender to see if there is still interest.

Given this, would Asahi consider offering the terms you have outlined below, except with no hedged volume until October 31, at the latest, and half the upfront fee payable in December, rather than on close? If a new lender were to take over, then the hedge would no longer be required and the second portion of the upfront fee would not longer be payable. We request this as it would be important to any new lender to have no hedge in place.

Let me know your views

---

**From:** Carmen V. Rodriguez <carmen.rodriguez@asahirefining.com>

**Sent:** August 11, 2022 10:44 AM

**To:** Sandra Daycock <sdaycock@greatpanther.com>

**Cc:** Alan Hair <ahair@greatpanther.com>; Fernando Cornejo <fcornejo@greatpanther.com>; Paul Healey <Paul.Healey@asahirefining.com>; Ikuya Hirabayashi <Ikuya.Hirabayashi@asahirefining.com>; Chris Warner <Chris.Warner@asahirefining.com>; Shohei Yasuda <Shohei.Yasuda@asahirefining.com>

**Subject:** Asahi Response

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Dear Sandra,

As a follow-up to yesterday's call with the team,

- 1) Asahi is willing to increase the facility by an additional \$10m as we previously discussed, however, the changes in the model give us some concern, so we condition this \$10m as follows:
  - a. GRP raises a minimum of \$5m in equity prior to the draw,
  - b. The draws will be in 2 tranches:
    - i. The first is available after confirmation of equity raise
    - ii. The 2nd draw of \$5m no earlier than December 2022 and conditional upon GPR meeting their production and cost targets outlined in the model
- 2) No change in the Q'4 2023 repayment schedule as we previously agreed
  - a. October 2022 - \$500k
  - b. November 2022 - \$500k
  - c. December 2022 - \$500k
- 3) Confirmation of July stripping volumes and if GPR is on schedule to strip
  - a. Q3 2022 = 8,933 kt
  - b. Q4 2022 = 7,854 kt
  - c. Q1 2023 = 6,042 kt
- 4) Formal approval by Asahi Holding cannot occur prior to end of August 2022
- 5) All other terms per the email dated July 29, 2022
- 7) Asahi doesn't believe that a public release of the amended arrangement is necessary and therefore we don't consent to its release.
- 6) If GPR can find a financier willing to assume Asahi's position, Asahi would be agreeable to releasing security in favour of the new company.

We look forward to your response.

Regards,  
Carmen



Carmen V. Rodriguez | Vice President, Precious Metals Sales and Refining

A: Asahi Refining USA, Inc. | 4601 W 2100 S | Salt Lake City, UT 84120

E: [carmen.rodriguez@asahirefining.com](mailto:carmen.rodriguez@asahirefining.com) | W: <https://www.asahirefining.com>

D: +1 321 249 3555



This is **Exhibit "N"** referred to in the Affidavit #4 of Sandra Daycock affirmed before me at Vancouver, British Columbia, on this 19<sup>th</sup> day of October, 2022.

A handwritten signature in blue ink, consisting of a series of fluid, connected strokes that form a stylized representation of a name.

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A Commissioner for taking Affidavits  
for the Province of British Columbia



## RECORD DATE AND VOTING SECURITIES

### Record Date

The Board has fixed May 11, 2022, as the record date (the "Record Date") for the determination of persons entitled to receive notice of and vote at the Meeting. Only Shareholders of record at the close of business on the Record Date who either (i) attend the Meeting online, (ii) complete, sign and deliver a form of proxy in the manner and subject to the provisions described above, or (iii) vote in one of the manners provided for in the VIF, will be entitled to vote or to have their Common Shares voted at the Meeting.

### Voting Securities

Great Panther's authorized share capital consists of an unlimited number of Common Shares without par value, and an unlimited number of Class A preferred shares without par value, issuable in series and an unlimited number of Class B preferred shares without par value, issuable in series. The Common Shares are listed for trading on the Toronto Stock Exchange (the "TSX") under the symbol "GPR" and on the NYSE American under the symbol "GPL". As of the Record Date, there were 471,094,691 Common Shares issued and outstanding. As of the same date, there were no Class A preferred shares, and no Class B preferred shares issued and outstanding.

Holders of Common Shares are entitled to one vote per Common Share at meetings of Shareholders. No group of Shareholders of the Company has the right to elect a specified number of Directors, nor are there cumulative or similar voting rights attached to the Common Shares, other than as described under "Number of and Election of Directors – Nominees for Election".

To the knowledge of the Directors and Executive Officers of the Company, there are currently no persons or companies who beneficially own or control, directly or indirectly, Common Shares carrying more than 10% of the voting rights attached to all outstanding Common Shares of the Company as at May 11, 2022.

## PARTICULARS OF MATTERS TO BE ACTED UPON AT THE MEETING

### A. NUMBER AND ELECTION OF DIRECTORS

#### Set Number of Directors

Pursuant to the terms of the Company's Articles, the number of Directors may be set or changed by ordinary resolution, subject to a limited right of the Board to increase the number of Directors between Shareholder meetings. The number of Directors on the Board was last set by Shareholders at nine by ordinary resolution of the Shareholders on June 9, 2021. The Board proposes that the number of Directors be set at seven. Therefore, at the Meeting, Shareholders will be asked to approve an ordinary resolution that the number of Directors to be elected to the Board be set at seven.

The term of office of each of the current Directors will end immediately before the election of Directors at the Meeting. Unless a Director's office is vacated earlier in accordance with the provisions of the *Business Corporations Act* (British Columbia) ("BCA"), each Director elected will hold office until immediately before the election of Directors at the next annual general meeting, or if no Director is then elected until a successor is elected, or until they otherwise ceases to hold office under the BCA or the terms of the Articles.

#### Majority Voting for Directors

The Board has adopted a policy (the "Majority Voting Policy") stipulating that if the votes in favour of the election of a nominee Director at a Shareholders' meeting involving an uncontested Director election represent less than a majority of the shares voted and withheld, the nominee will submit his or her written resignation immediately after the meeting to the Board, to be effective upon acceptance by the Board. If such a Director refuses to tender his or her resignation subject to the Majority Voting Policy, such Director will not be nominated for election the following year. The Majority Voting Policy does not apply to any