



Court No. B-220363  
Estate No. 11-2862600  
Province of British Columbia  
Bankruptcy Division  
Vancouver Registry

**IN THE SUPREME COURT OF BRITISH COLUMBIA  
IN BANKRUPTCY AND INSOLVENCY**

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF  
GREAT PANTHER MINING LIMITED**

**FIRST REPORT OF THE PROPOSAL TRUSTEE**

**ALVAREZ & MARSAL CANADA INC.**

**OCTOBER 3, 2022**



ALVAREZ & MARSAL

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## 1.0 INTRODUCTION

- 1.1 On September 6, 2022, Great Panther Mining Limited (“GPR” or the “Company”) filed a Notice of Intention to Make a Proposal (“NOI”) pursuant to subsection 50.4(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “BIA”). Alvarez & Marsal Canada Inc. (“A&M” or the “Proposal Trustee”) consented to act as Trustee in the NOI proceedings (the “NOI Proceedings”).
- 1.2 Pursuant to section 50.4(8) of the BIA, there is an automatic stay of proceedings against GPR until October 6, 2022 (the “Initial Stay Period”).
- 1.3 A copy of the Certificate of Filing of the NOI issued by the Office of the Superintendent of Bankruptcy (the “OSB”) is attached hereto as Appendix “A”. Other information in respect of these NOI Proceedings is posted on the Proposal Trustee’s website at <https://www.alvarezandmarsal.com/GPR> (the “Proposal Trustee’s Website”).
- 1.4 On October 3, 2022, the Company filed a Notice of Application (the “CCAA Application”) with this Honourable Court seeking, among other relief, orders:
  - a) converting the NOI Proceedings into proceedings under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “CCAA Proceedings”);
  - b) granting a stay of proceedings against GPR and its property (the “Stay of Proceedings”) of not more than 10 days from the date of the Initial Order;
  - c) appointing A&M as monitor (the “Proposed Monitor”) of the Company pursuant to section 11.7 of the CCAA;
  - d) granting certain priority charges to secure certain obligations of GPR arising during the first 10 days following pronouncement of the Initial Order, specifically, the Administration Charge and the Directors’ Charge (as defined herein and, collectively, the “CCAA Charges”);
  - e) approving the Post-Filing Asahi Agreement (as defined herein);
  - f) scheduling a comeback hearing (the “Comeback Hearing”) on a date to be set by this Honourable Court; and
  - g) seeking such further and other relief as the Company may request and this Honourable Court may deem just.

## 2.0 PURPOSE OF THE REPORT

- 2.1 The purpose of this first report by the Proposal Trustee (the “First Report”) is to provide this Honourable Court and GPR’s stakeholders with:

- a) a summary of select background information of the Company, including its cash management system;
  - b) a summary of the activities of the Proposal Trustee prior to and after the date on which the NOI was filed;
  - c) an update on the Company's restructuring efforts to date;
  - d) a comparison of the actual receipts and disbursements of the Company as compared to the statement of projected cash flow (the "**First Cash Flow Forecast**") for the period from September 6 to September 23, 2022. A copy of the First Cash Flow Forecast together with the underlying assumptions is attached hereto as **Appendix "B"**;
  - e) the statement of projected cash flow for the four-week period from September 24 to October 21, 2022 (the "**CCAA Cash Flow Forecast**");
  - f) the Company's application to convert the NOI Proceedings to the CCAA Proceedings; and
  - g) the Proposal Trustee's recommendations in respect of the relief sought by the Company in the CCAA Application.
- 2.2 Capitalized terms not defined in this First Report have the meanings ascribed to them in the CCAA Application or the first affidavit of Sandra Daycock sworn September 28, 2022 (the "**First Daycock Affidavit**", and together with the CCAA Application, the "**Filed Materials**").
- 2.3 This First Report should be read in conjunction with the Filed Materials as certain information contained in the Filed Materials has not been included herein to avoid unnecessary duplication.
- 2.4 All monetary amounts contained in this First Report are expressed in United States dollars unless otherwise noted.
- 3.0 TERMS OF REFERENCE**
- 3.1 In preparing this report, A&M has necessarily relied upon unaudited financial and other information supplied, and representations made to it, by certain senior management of GPR ("**Management**"). Although this information has been subject to review, A&M has not conducted an audit nor otherwise attempted to verify the accuracy or completeness of any of the information prepared by Management or otherwise provided by the Company. Accordingly, A&M expresses no opinion and does not provide any other form of assurance on the accuracy and/or completeness of any information contained in this First Report, or otherwise used to prepare this First Report.
- 3.2 Certain of the information referred to in this report consists of financial forecasts and/or projections prepared by Management. An examination or review of financial forecasts and

projections and procedures as outlined by the Chartered Professional Accountants of Canada has not been performed. Readers are cautioned that since financial forecasts and/or projections are based upon assumptions about future events and conditions that are not ascertainable, actual results will vary from those forecasts and/or projections and the variations could be significant.

#### **4.0 GPR'S BUSINESS AND FINANCIAL AFFAIRS**

- 4.1 GPR is incorporated pursuant to the laws of the Province of British Columbia and was listed on the Toronto Stock Exchange (TSX: GPR) and the New York Stock Exchange (NYSE-A: GPL). The Company operates as a precious metals mining and exploration company, and its registered and records office is located at 1330 – 200 Granville Street, Vancouver, British Columbia. GPR was formerly known as Great Panther Silver Limited and changed its name to Great Panther Mining Limited in March 2019. A copy of GPR's most recent organization chart is attached hereto as **Appendix "C"**.
- 4.2 Immediately prior to August 4, 2022, the Company had the following three wholly owned mining operations:
- a) in Mexico: the Topia mine (the **"Topia Mine"**) in the state of Durango, which produces concentrates containing silver, gold, lead and zinc; the Guanajuato Mine Complex (the **"GMC Mine"**) in the state of Guanajuato; and certain exploration projects (the El Horcón property, Santa Rosa and the Plomo property). The Mexican assets (Topia Mine, GMC Mine, and the exploration projects) were held by GPR's subsidiary, Minera Mexicana El Rosario S.A. de C.V. (**"MMR"**);
  - b) in Brazil: the Tucano gold mine (the **"Tucano Mine"**), which produces gold doré and is located in Amapá State in northern Brazil; and
  - c) in Peru: the Coricancha Mine Complex (the **"Coricancha Mine"**), a gold-silver-copper-lead-zinc mine and processing facility in the central Andes of Peru, approximately 90 kilometers east of Lima.

##### **Mexico - Sale of MMR to GSilver**

- 4.3 On August 4, 2022, GPR closed the sale of MMR to Guanajuato Silver Company Ltd. (**"GSilver"**).
- 4.4 The consideration payable by GSilver to GPR included, among other things:
- a) \$8 million of cash, plus additional cash of approximately \$1.35 million pursuant to the working capital adjustment; and

- b) 25,787,200 common shares of GSilver (the “**GSilver Shares**”), valued at approximately \$8.9 million as of the close of business on August 4, 2022. 50% of the GSilver Shares are subject to a hold period of four (4) months (expiring early December 2022), 25% are subject to an eight-month hold period and the remaining 25% are subject to a 12-month hold period.
- 4.5 Approximately \$3.5 million of the sale proceeds were used to repay all outstanding indebtedness of GPR to Samsung C&T U.K. Ltd. (“**Samsung**”), a wholly owned subsidiary of Samsung C&T Corporation, pursuant to a lead concentrate prepayment agreement between MMR, the Company (as guarantor) and Samsung. Upon repayment of the amount owing to Samsung, Samsung released its security interest in the shares of MMR and GSilver assumed all future obligations of the Company under the prepayment agreement.
- Brazil - Mina Tucano – Judicial Reorganization and US Chapter 15**
- 4.6 The Tucano Mine consists of a land package of approximately 200,000 hectares and is held by the Company’s Brazilian subsidiary, Mina Tucano Ltda. (“**Mina Tucano**”). Mina Tucano is owned by two wholly owned Australian subsidiaries of GPR: Beadell (Brazil) Pty Ltd. and Beadell (Brazil 2) Pty Ltd. (together, the “**Tucano Shareholders**”). The Tucano Mine was acquired by GPR in March 2019, by way of a Scheme of Arrangement under the *Corporations Act 2001* (Australia).
- 4.7 At present, all of the gold doré produced at the Tucano Mine is sold via GPR to Asahi Refining Canada Ltd. (“**Asahi**”) for refining, pursuant to a refining agreement (and subsequent amendments thereof) between Asahi and GPR (the “**Refining Agreement**”).
- 4.8 On September 6, 2022, Mina Tucano and the Tucano Shareholders commenced formal restructuring proceedings in the judicial district of Rio De Janeiro, State of Rio de Janeiro, Brazil (the “**Judicial Reorganization**”).
- 4.9 On September 7, 2022, Mina Tucano filed a petition under Chapter 15 of Title 11 of the United States Code (the Bankruptcy Code) (the “**Chapter 15 Petition**”) with the United States Bankruptcy Court (Southern District of New York) (the “**US Court**”) to seek recognition of the Judicial Reorganization proceeding as a foreign main proceeding. On September 14, 2022, the US Court granted an order of provisional relief to recognize the Judicial Reorganization proceeding.
- 4.10 The Chapter 15 Petition was filed primarily to address certain funds, totaling approximately \$4.2 million, held in various U.S. accounts with Banco Bradesco, a Brazilian financial services company.

### **Peru - Coricancha Mine**

- 4.11 The Coricancha Mine consists of a land package of approximately 3,700 hectares and is held by two of the Company's Peruvian subsidiaries, Great Panther Peru Holdings Ltd. and Great Panther Silver Peru S.A.C., which, together, own all of the issued and outstanding shares of Great Panther Coricancha S.A.C., the entity that owns the Coricancha Mine (together, the "**Coricancha Subsidiaries**").
- 4.12 The Coricancha Mine was acquired by the Company in July 2017. The mine was placed in care and maintenance in August 2013, prior to GPR's acquisition. At the time of this First Report, the Coricancha Mine continues to be in care and maintenance. The Coricancha Subsidiaries currently hold certain necessary licenses and permits which will be required should operations resume at the Coricancha Mine.
- 4.13 The Coricancha Mine has been subjected to certain political, environmental and financial challenges as outlined in the First Daycock Affidavit. GPR has been engaged in an ongoing attempt to market and sell the Coricancha Mine since 2021.
- 4.14 On September 13, 2022, GPR announced that it had signed a non-binding Letter of Intent with Newrange Gold Corp. ("**Newrange**") to sell 100% of the shares of the Coricancha Subsidiaries for a total purchase price of \$750,000 (the "**Coricancha Transaction**").
- 4.15 The completion of the Coricancha Transaction is subject to certain conditions including, without limitation, the completion of definitive documentation, completion of financing by Newrange, and receipt of all necessary third-party consents and approvals by the Company and Newrange respectively.
- 4.16 As of the date of this First Report, Newrange is in the process of securing its financing for the Coricancha Transaction. Further updates regarding this transaction will be provided to this Honourable Court as they become available.

### **Operations of GPR**

- 4.17 GPR is the parent company. Its head office is in Vancouver, B.C. GPR performs strategic management functions for GPR and its subsidiaries, including global treasury planning and execution, strategic planning, legal, and oversight of the GPR's subsidiaries' local operations.

- 4.18 As of the date of this report, GPR has 16 employees with 14 in Vancouver, B.C. and 2 located in Toronto, O.N.

### Assets and Liabilities of GPR

- 4.19 The book value of GPR's assets as of July 31, 2022, is summarized below:

<b>Great Panther Mining Limited</b>	
<b>Summary of Assets</b>	
<b>As at July 31, 2022</b>	
<b>(In US\$000s)</b>	
<b>Assets</b>	<b>Unaudited</b>
Cash and cash equivalents	\$ 2,790
Accounts receivable	977
Inventory	873
Prepays & other current assets	1,683
Intercompany advances/receivables	89,033
Investment in subsidiaries	161,011
Property plant & equipment	124
<b>Total Assets</b>	<b>\$ 256,491</b>

- 4.20 As of July 31, 2022, the book value of the Company's assets (GPR only) was \$256.5 million, which is comprised primarily of the following:
- a) Cash and cash equivalents of \$2.8 million, which consisted of \$2.5 million of cash, \$157,000 of restricted cash, and \$122,000 of marketable securities;
  - b) Accounts receivables of \$1.0 million, which included \$822,000 of other receivables and \$155,000 of VAT receivables;
  - c) inventory of \$873,000 relating to gold bullion;
  - d) prepaids & other current assets of \$1.7 million;
  - e) intercompany advances/receivables of \$89.0 million, of which \$20.1 million relates to advances to subsidiaries in Mexico, \$21.6 million to subsidiaries in Peru and \$47.3 million for the Brazilian operations; and
  - f) investments in subsidiaries of \$161.0 million, which includes \$52.7 million in Mexico, \$12.5 million in Peru, and \$95.9 million in Brazil.
- 4.21 As previously noted, GPR closed the sale of the shares of MMR to GSilver on August 4, 2022. Accordingly, assets and liabilities in relation to the Mexican operations were subsequently removed from GPR's balance sheet, and GPR currently holds the GSilver Shares, which are subject to a hold period, and not reflected in the July 31, 2022 financial statements.



- 4.22 At the time of the NOI filing, GPR's total liabilities were estimated at approximately CAD \$17.9 million, all of which were unsecured. Of the CAD \$17.9 million of outstanding liabilities, CAD \$17.1 million (or US\$13.0 million) is due to Asahi, in relation to the Asahi Advance (defined below).
- 4.23 On September 21, 2021, GPR and Asahi entered into a gold doré prepayment agreement (the "**Asahi Prepayment Agreement**") whereby Asahi would provide the Company with an advance of \$20 million (the "**Asahi Advance**") to be repaid by GPR in twelve (12) monthly instalments of approximately \$1.7 million (the "**Asahi Instalment**") starting in April 2022. To repay part of the Asahi Advance, the Company sold gold doré purchased from Mina Tucano to Asahi at a 0.5% discount to the spot price of gold upon delivery.
- 4.24 Interest over the course of the Asahi Prepayment Agreement was accrued at an annual rate of 1-month US dollar LIBOR plus 4.75%. As security for the Asahi Advance, GPR pledged all of its equity interest in Mina Tucano through pledges of shares held by the Tucano Shareholders.
- 4.25 The Asahi Prepayment Agreement requires that the Company remit the Asahi Instalment by the last business day of each month. On August 31, 2022, the Company did not remit the Asahi Instalment as required, and as a result, an event of default was triggered under the Asahi Prepayment Agreement.
- 4.26 Other liabilities totaling \$814,000 as of the date of the NOI were related to freight charges for GPR's gold sales to Asahi, TSX/NYSE compliance matters and various utilities, and other services purchased by GPR's head office.

#### **Cash Management System**

- 4.27 GPR utilized a centralized cash management system (the "**Cash Management System**") to support its day-to-day operations and to provide funding to the Coricancha Mine and the Tucano Mine. The Cash Management System is administered by the Company's treasury department located in Vancouver, British Columbia.
- 4.28 As of the date of the NOI filing, GPR was in the process of closing a bank account it maintained with ING Bank in Luxembourg. Management successfully closed the account on September 9, 2022 and received the remaining funds held in the account (\$545,000) during the week ended September 23, 2022.
- 4.29 The Company utilizes two accounts held with the Royal Bank of Canada ("**RBC**") and two held with Canaccord Genuity, to fund its Canadian and overseas operations.

- 4.30 Apart from bank accounts, RBC also provides the Company with corporate credit card services, which are secured by a Guaranteed Investment Certificate (“**GIC**”) in the amount of CAD \$202,000 (or \$160,000).
- 4.31 Prior to the NOI filing, the Company’s overseas operations (Tucano Mine and Coricancha Mine, collectively, the “**Sites**”) generally required funding from GPR, in the form of intercompany transfers, to support their day-to-day operations. The Sites were required to maintain their respective 12-week budgets that outlined their expected cash needs. The Sites typically submitted their cash calls to GPR on a weekly basis, which were reviewed by the Manager, Treasury & Metal Sales, who would investigate any variance from the 12-week budget greater than \$100,000. Once variances were investigated, the cash calls were approved and wire transfers were then completed by GPR.
- 4.32 Since the filing of the NOI (and the commencement of the Judicial Reorganization process), GPR has not been providing any funding by way of intercompany transfers to Mina Tucano, and has only been funding critical payments required to maintain the care and maintenance status at the Coricancha Mine.
- 4.33 In addition to the regular funding to the Sites, the Company maintains an approval matrix for budgeted and non-budgeted items, with approvals being required for all expenditures.

#### **Factors Leading to the NOI Filing**

- 4.34 Prior to the filing of the NOI, the Company experienced significant operational challenges, including delays to mobilization of new contractors at the Tucano Mine, critical capital expenditures that were not forecast, and inflation that negatively impacted costs.
- 4.35 As a result of the operational challenges, the Company was not able to make debt payments as they became due, including the Asahi Instalment due on August 31, 2022.
- 4.36 Further information regarding the Company’s business affairs and the circumstances leading to its significant liquidity constraints are discussed in the First Daycock Affidavit.

### **5.0 ACTIVITIES OF THE PROPOSAL TRUSTEE**

- 5.1 Prior to and since the filing of the NOI, the Proposal Trustee has engaged in the following activities:
- a) in accordance with section 50.4(6) of the BIA, prepared the initial notice to all known creditors, which was mailed on September 8, 2022;

- b) in accordance with section 50.4(2) of the BIA, filed the First Cash Flow Forecast with the OSB on September 11, 2022;
- c) posted the initial notice to creditors and the Certificate of Filing the NOI on the Proposal Trustee's Website;
- d) performed initial monitoring of the financial affairs and activities of the Company, including establishing a weekly cash flow review and disbursement protocol;
- e) engaged in discussions with the Company, Mina Tucano and its financial advisor (Alvarez & Marsal Brazil, the "**Brazilian FA**") in relation to the Judicial Reorganization process;
- f) provided assistance in locating potential interim financiers for Mina Tucano;
- g) participated in discussions with the Company regarding the Coricancha Transaction;
- h) engaged in discussions regarding the potential sales process of the assets of GPR (subsequently discussed);
- i) engaged in discussions with Management regarding the Company's intention to convert the NOI Proceedings into the CCAA Proceedings;
- j) responded to various stakeholder inquiries; and
- k) prepared the First Report.

## **6.0 CASH FLOW VARIANCES FOR THE PERIOD ENDED SEPTEMBER 23, 2022**

- 6.1 As part of the ongoing oversight and monitoring of the business and financial affairs of GPR, the Proposal Trustee has set-up a weekly cash flow review protocol with the Company to compare actual cash flows against the First Cash Flow Forecast. The Company's actual cash receipts and disbursements as compared to the First Cash Flow Forecast for the 3-week period from September 6 to September 23, 2022 (the "**Reporting Period**") are summarized below:

**Great Panther Mining Limited**  
**NOI Cash Flow Forecast - Variance Analysis**  
**For the three weeks ended September 23, 2022**  
**US\$'000**

	<u>Actual</u>	<u>Forecast</u>	<u>(\$)</u>
<b>Receipts</b>			
Gold sales	\$ -	\$ 5,886	\$ (5,886)
Transfer of cash in Luxemburg accounts to Canada	545	546	(1)
GST refund & miscellaneous	22	-	22
<b>Total Receipts</b>	<b>567</b>	<b>6,432</b>	<b>(5,865)</b>
<b>Disbursements</b>			
Gold purchase	-	2,740	(2,740)
Advances to Peru	269	268	1
Payroll, benefits and payroll taxes	164	135	29
Payments to corporate suppliers	55	107	(52)
Professional fees - restructuring	46	179	(133)
Vancouver corporate office rent	-	-	-
Insurance	-	36	(36)
Contingency	1	75	(74)
<b>Total Disbursements</b>	<b>534</b>	<b>3,540</b>	<b>(3,006)</b>
<b>Net Cash Flow</b>	<b>33</b>	<b>2,892</b>	<b>(2,859)</b>
<b>Cash Position</b>			
Opening Cash Available	2,200	2,195	5
<b>Closing Cash Available</b>	<b>2,233</b>	<b>5,087</b>	<b>(2,855)</b>
<b>GIC</b>	<b>160</b>	<b>160</b>	<b>(0)</b>
<b>Total Cash and Cash Equivalents</b>	<b>2,393</b>	<b>5,248</b>	<b>(2,855)</b>

6.2 Over the Reporting Period, the Company experienced an unfavourable net cash flow variance of \$2.9 million. A summary of the significant variances is as follows:

- gold sales were \$5.9 million lower than expected due to the Company delaying sales until the Post-Filing Asahi Agreement (defined herein) was finalized, and is now forecast to be completed during the Forecast Period (subsequently defined and discussed);
- GST refund & miscellaneous were \$22,000 higher than expected due to the receipt of a GST refund in the amount of \$13,000 and a \$9,000 insurance refund, both of which were not previously forecast;
- gold purchases were \$2.7 million lower than expected due to the Company delaying purchases until the Post-Filing Asahi Agreement was finalized (subsequently discussed);
- payments to corporate suppliers and professional fees were \$185,000 lower than forecast due to temporary timing differences: and

- e) insurance payments were \$36,000 lower than forecast as the forecast payment related to broker charges that were stayed and not paid during the Reporting Period.

## **7.0 RESTRUCTURING EFFORTS**

- 7.1 Prior to and since the filing of the NOI, GPR and Management have engaged in the following activities:

### **NOI Proceedings**

- a) prepared the First Cash Flow Forecast and the CCAA Cash Flow Forecast with the assistance of the Proposal Trustee;
- b) prepared and implemented a detailed communication plan to inform its various stakeholders about the filing of the NOI;
- c) engaged in discussions with Asahi in relation to the Asahi Advance, and negotiated an amended refining agreement (the “**Post-Filing Asahi Agreement**”) in relation to gold sales subsequent to the NOI filing (discussed below);
- d) held various discussions regarding the Company’s restructuring efforts, together with GPR’s counsel McCarthy Tétrault LLP (“**McCarthy**”) and in consultation with the Proposal Trustee, resulting in Management’s decision to convert the NOI Proceedings into CCAA proceedings;
- e) continued to advance the potential sale of the Coricancha Mine;
- f) commenced a process to identify a financial advisor capable of leading a sales and investment solicitation process, with efforts to date including updating mine models, preparing a preliminary data room and interviewing select investment banks;
- g) reviewed head office costs and decided to terminate four employees (effective September 30, 2022) after a reallocation of duties. Additionally, three Board members have resigned as part of general cost cutting efforts;

### **Judicial Reorganization process**

- a) worked with Mina Tucano to file the petition for the Judicial Reorganization;
- b) continued discussions with management of Mina Tucano, its legal advisors (Bumachar and Pinheiro Neto) and the Brazilian FA to advance the Judicial Reorganization process;
- c) worked with Mina Tucano and White & Case, Mina Tucano’s US counsel, to advance the Chapter 15 Petition;

- d) considered, together with Mina Tucano management, the various restructuring strategies upon the commencement of the Judicial Reorganization, and reviewed cash flow models under several care and maintenance scenarios;
- e) engaged in discussions with Mina Tucano and the Brazilian FA to advance interim lending discussions under the Judicial Reorganization process; and
- f) worked with Mina Tucano to renegotiate select mining contracts permitting partial care and maintenance at the site.

#### **Asahi – Refining Amendment**

- 7.2 As previously noted, prior to the filing of the NOI, Asahi purchased 100% of the gold doré bars from the Tucano Mine pursuant to the Refining Agreement.
- 7.3 Since the NOI filing, the Company has been in discussions with Asahi in relation to the arrangements under the Refining Agreement. On September 23, 2022, GPR and Asahi executed an amended agreement (the “**Post-Filing Asahi Agreement**”) whereby Asahi would continue to purchase the gold extracted from the Tucano Mine from GPR, subject to certain changes to the Refining Agreement. Select terms of the Post-Filing Asahi Agreement are as follows:
- a) unless otherwise stated, the terms and conditions of the Refining Agreement shall continue in full force and effect;
  - b) Asahi will continue to receive 100% of the gold doré bars from the Tucano Mine;
  - c) Asahi agrees to not seek to set-off payment for any gold doré bars received after the filing of the NOI against amounts owing in respect of claims that arose prior to filing the NOI;
  - d) 1.5% of the gold refined from each shipment of gold doré bars will be retained by Asahi and applied against the principal outstanding in respect of the Asahi Advance (the “**Pre-Filing Credit**”), to be approved by this Honourable Court; and
  - e) finance fee interest for early settlements is set at the Secured Overnight Financing Rate (“**SOFR**”) plus 6.75% per annum.
- 7.4 Prior to the NOI and Judicial Reorganization proceedings, GPR charged Mina Tucano a sales commission fee of 2.4% (plus or minus 0.03% depending upon the foreign exchange rate, gold price, and quantity per shipment) (the “**Sales Agency Fee**”) for GPR’s sales and marketing services in relation to the gold sales. The Sales Agency Fee is considered arm’s length pricing and is supported by a transfer pricing study. Upon the commencement of the Judicial Reorganization, the Sales Agency Fee has been temporarily reduced to 1.5%, to match the Pre-Filing Credit.

- 7.5 The Proposal Trustee reviewed the Post-Filing Asahi Agreement and is of the view that the Post-Filing Asahi Agreement, including the Pre-Filing Credit, should be approved by this Honourable Court, for the following reasons:
- a) GPR's cash flow forecast was prepared on the assumption that gold sales continue to take place. Without a reliable and timely source of funding from gold sales, GPR and Mina Tucano may not have sufficient liquidity to support the restructuring process. GPR (and Mina Tucano) has been selling 100% of its gold produced to Asahi. It is challenging for GPR or Mina Tucano to be able to locate and negotiate a replacement for the current arrangement that would address liquidity needs in a timely manner;
  - b) the Pre-Filing Credit is a condition precedent to the Post-Filing Asahi Agreement;
  - c) while the Post-Filing Asahi Agreement provides the ability for Asahi to apply 1.5% of the produced gold as a credit against GPR's pre-filing indebtedness to Asahi, given that Asahi is by far the largest listed creditor under the NOI Proceedings (CAD \$17.1 million; representing 95.5% of the total known creditors as of the NOI filing date), the Proposal Trustee is of the view that the 1.5% credit is not considered significant. According to the First Cash Flow Forecast and the CCAA Cash Flow Forecast, GPR expects total gold sales to Asahi during the post-filing period to be approximately \$12.6 million, and, therefore, the Pre-Filing Credit is estimated to represent 1.4% of Asahi's total outstanding debt (or \$189,000); and
  - d) as noted above, GPR is charging Mina Tucano a Sales Agency Fee of 1.5% on gold purchases. Accordingly, the Pre-Filing Credit of 1.5% poses a limited cost to GPR as it is able to pass through the cash impact to Mina Tucano through the Sales Agency Fee.

#### **Conversion to CCAA**

- 7.6 Given the complexity of GPR's overseas operations and the concurrent Judicial Reorganization proceedings currently in place in Brazil and recognition under Chapter 15 in the U.S., Management is of the view that the conversion of the NOI Proceedings into the CCAA Proceedings would be beneficial as the CCAA Proceedings would provide additional flexibility to the overall restructuring strategy for GPR and its subsidiaries.

### **8.0 CONVERSION TO CCAA PROCEEDINGS**

- 8.1 As discussed above, the Company is seeking to convert the NOI Proceedings to CCAA Proceedings as part of its restructuring plans. The Proposal Trustee notes the following factors when considering the conversion to CCAA Proceedings:

- a) CCAA Proceedings are internationally recognized and allow for easier cross-border collaboration of various insolvency proceedings, including recognition in a foreign proceeding (if required);
- b) conversion to CCAA proceedings would allow for more flexibility and time for the Company to restructure its affairs; and
- c) there are no deemed assignments in bankruptcy under the CCAA in the event a plan is not accepted by the Company's creditors, thus allowing additional flexibility.

## **9.0 QUALIFICATION AND CONSENT OF A&M TO ACT AS MONITOR**

9.1 A&M is a licensed trustee within the meaning of subsection 2(1) of the BIA.

9.2 A&M is not, and has never been:

- a) a director, officer or employee of GPR;
- b) related to GPR or to any director or officer of GPR;
- c) the auditor, accountant or legal counsel, or a partner or an employee of the auditor, accountant or legal counsel, of GPR;
- d) the trustee under a trust indenture issued by GPR or, to the best of its knowledge, any person related to GPR, or the holder of a power of attorney under an act constituting a hypothec within the meaning of the *Civil Code of Quebec* that is granted by GPR or, to the best of its knowledge, any person related to GPR, or
- e) to the best of its knowledge, related to the trustee, or the holder of a power of attorney, referred to in paragraph 9.2 (d).

9.3 The restrictions as to who may be appointed as a Monitor under section 11.7(2) of the CCAA do not preclude A&M from acting as Monitor for the Company.

9.4 A&M has consented to act as Monitor in these proceedings should this Honourable Court grant the initial order on substantially the terms sought by the Company. A copy of A&M's consent to act as Monitor is attached hereto as **Appendix "D"**.

## **10.0 CCAA CASH FLOW FORECAST**

10.1 The Company, with the assistance of the Proposal Trustee, has prepared the CCAA Cash Flow Forecast for the four-week period from September 24 to October 21, 2022 (the "**Forecast Period**"). A copy of the CCAA Cash Flow Forecast together with the underlying notes and assumptions is attached hereto as **Appendix "E"**.



**Great Panther Mining Limited**  
**Cash Flow Statement**  
**For the period ending October 21, 2022**  
*US\$'000*

<b>Receipts</b>	
Gold Sales	\$ 7,692
<b>Total Receipts</b>	<b>7,692</b>
<b>Disbursements</b>	
Gold purchase	4,681
Advances to the Coricancha Mine	362
Payroll, benefits and payroll taxes	331
Payments to corporate suppliers	130
Professional fees - restructuring	222
Vancouver corporate office rent	23
Contingency	100
<b>Total Disbursements</b>	<b>5,849</b>
<b>Net Cash Flow</b>	<b>1,844</b>
<b>Cash Position</b>	
Opening Cash Position	2,234
<b>Closing Cash Position</b>	<b>\$ 4,077</b>
<b>GIC</b>	<b>151</b>
<b>Total Cash and Cash Equivalents</b>	<b>\$ 4,228</b>

10.2 A summary of the CCAA Cash Flow Forecast and its underlying notes and assumptions is as follows:

- a) GPR is expected to generate \$7.7 million from gold sales to Asahi, and is forecast to purchase \$4.7 million of gold from Mina Tucano during the Forecast Period;
- b) advances of \$362,000 are forecast to be made to cover critical payments at the Coricancha Mine to maintain its care and maintenance status while Newrange secures financing for the Coricancha Transaction;
- c) general head office costs, including payroll, directors' fees, payment to suppliers and rent are forecast at approximately \$484,000 during the Forecast Period; and
- d) professional fees are forecast at \$222,000, and include fees incurred during the proposal proceedings and to be incurred under the CCAA Proceedings.

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

- a) the CCAA Cash Flow Forecast has been prepared by Management for the purpose described in the notes to the Cash Flow Forecast, using probable and hypothetical assumptions as set out in the notes;
- b) the Proposal Trustee's review of the CCAA Cash Flow Forecast consisted of inquiries, analytical procedures, and discussion related to information supplied to it by Management. Since hypothetical assumptions need not be supported, the procedures with respect to them were limited to evaluating whether they were consistent with the purposes of the CCAA Cash Flow Forecast. The Proposal Trustee also reviewed the support provided by Management for the probable assumptions and the preparation and presentation of the CCAA Cash Flow Forecast;
- c) based on the Proposal Trustee's preliminary review of the CCAA Cash Flow Forecast, nothing has come to its attention that causes A&M to believe that, in any material respects:
  - i. the hypothetical assumptions are not consistent with the purpose of the CCAA Cash Flow Forecast;
  - ii. as at the date of this First Report, the probable assumptions developed by Management are not suitably supported and consistent with the plans of the Company or do not provide a reasonable basis for the CCAA Cash Flow Forecast, given the hypothetical assumptions; or
  - iii. the CCAA Cash Flow Forecast does not reflect the probable and hypothetical assumptions.
- d) since the CCAA Cash Flow Forecast is based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and the variations may be material. Accordingly, A&M does not express any assurance as to whether the CCAA Cash Flow Forecast will be accurate. A&M does not express any opinion or other form of assurance with respect to the accuracy of any financial information presented in this report, or relied upon by us in preparing this report; and
- e) the CCAA Cash Flow Forecast has been prepared solely for the purpose described in Note 1 of the accompanying notes to the CCAA Cash Flow Forecast, and readers are cautioned that it may not be appropriate for other purposes.

## **11.0 PROPOSED COURT-ORDERED CHARGES**

- 11.1 Pursuant to the CCAA Application, the Company proposes the following two Court-ordered charges summarized below.

### **Administration Charge**

- 11.2 The proposed Initial Order provides for a charge on the assets, property and undertakings of the Company in an amount not to exceed \$500,000 in favour of the Proposed Monitor, legal counsel to the Proposed Monitor and legal counsel to the Company (the “**Administration Charge**”). The Administration Charge is to be granted in priority to all other Court-ordered charges.
- 11.3 It is the view of the Proposal Trustee that the quantum of the proposed Administration Charge is reasonable and appropriate in the circumstances, having regard to the scale and complexity of GPR and the CCAA proceedings, the services to be provided by the beneficiaries of the Administration Charge and the size of the charges approved in similar CCAA proceedings.

### **Directors’ Charge**

- 11.4 The proposed Initial Order provides for a charge on the assets, property and undertakings of the Company in an amount not to exceed \$150,000 in favour of the directors and officers of the Company (the “**Directors’ Charge**”). The Directors’ Charge is a second-priority charge to rank in priority to all other charges other than the Administration Charge.
- 11.5 The Proposal Trustee’s view is that the continued support and services of the directors of the Company during the CCAA proceedings would be beneficial to the Company’s efforts to preserve value and maximize recoveries for stakeholders through completion of the CCAA proceedings.
- 11.6 The Proposal Trustee has reviewed the underlying assumptions upon which the Company has based the estimate of the potential liability in respect of the directors’ statutory obligations and is of the view that the Directors’ Charge is reasonable and appropriate in the circumstances.

## **12.0 PROPOSAL TRUSTEE'S RECOMMENDATION**

12.1 Based on the current information that has been made available to the Proposal Trustee by Management, the Proposal Trustee respectfully recommends that this Honourable Court:


- a) approve the conversion of the NOI Proceedings into the CCAA Proceedings;
- b) approve the CCAA Charges; and
- c) approve the Post-Filing Asahi Agreement.

All of which is respectfully submitted to this Honourable Court this 3<sup>rd</sup> day of October, 2022.

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



Per: Anthony Tillman  
Senior Vice President



Per: Pinky Law  
Vice President

**Appendix A – Certificate of Filing of a Notice of Intention to Make a Proposal**  
**dated September 6, 2022**



Industry Canada  
Office of the Superintendent  
of Bankruptcy Canada

Industrie Canada  
Bureau du surintendant  
des faillites Canada

District of British Columbia  
Division No. 03 - Vancouver  
Court No. 11-2862600  
Estate No. 11-2862600

In the Matter of the Notice of Intention to make a proposal of:

**Great Panther Mining Limited**

Insolvent Person

**ALVAREZ & MARSAL CANADA INC.**

Licensed Insolvency Trustee

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Date of the Notice of Intention:

September 06, 2022

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CERTIFICATE OF FILING OF A NOTICE OF INTENTION TO MAKE A PROPOSAL  
Subsection 50.4 (1)

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that the aforementioned insolvent person filed a Notice of Intention to Make a Proposal under subsection 50.4 (1) of the Bankruptcy and Insolvency Act;

Pursuant to subsection 69. (1) of the Act, all proceedings against the aforementioned insolvent person are stayed as of the date of filing of the Notice of Intention.

Date: September 06, 2022, 14:45

E-File/Dépôt Electronique

Official Receiver

300 Georgia Street W, Suite 2000, Vancouver, British Columbia, Canada, V6B6E1, (877)376-9902

**Canada**

## **Appendix B – First Cash Flow Forecast**

**In the matter of the Proposal of Great Panther Mining Limited**  
**Statement of Projected Cash Flow**  
**For the period ending October 7, 2022<sup>1</sup>**  
**US\$'000**

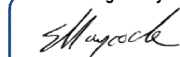
Week Week Ending	Notes	Week 1 9-Sep	Week 2 16-Sep	Week 3 23-Sep	Week 4 30-Sep	Week 5 7-Oct	Total
Gold sales	3	-	3,175	2,711	-	167	6,053
Transfer of cash in Luxembourg accounts to Canada	4	-	546	-	-	-	546
<b>Total Receipts</b>		<b>-</b>	<b>3,721</b>	<b>2,711</b>	<b>-</b>	<b>167</b>	<b>6,599</b>
<b>Disbursements</b>							
Gold purchase	3	-	-	2,740	-	-	2,740
Advances to Peru	5	52	105	111	114	-	382
Payroll, benefits and payroll taxes	6	-	135	-	125	-	260
Payments to corporate suppliers	7	-	35	72	29	11	147
Professional fees - restructuring	8	67	62	50	60	30	270
Vancouver corporate office rent	7	-	-	-	24	-	24
Insurance	9	-	-	36	-	-	36
Contingency		25	25	25	25	25	125
<b>Total Disbursements</b>		<b>144</b>	<b>361</b>	<b>3,034</b>	<b>377</b>	<b>66</b>	<b>3,983</b>
<b>Net Cash Flow</b>		<b>(144)</b>	<b>3,359</b>	<b>(323)</b>	<b>(377)</b>	<b>101</b>	<b>2,616</b>
<b>Cash Position</b>							
Opening Cash Available	2	2,195	2,051	5,411	5,087	4,710	2,195
<b>Closing Cash Available</b>		<b>2,051</b>	<b>5,411</b>	<b>5,087</b>	<b>4,710</b>	<b>4,811</b>	<b>4,811</b>
<b>GIC</b>	2	160	160	160	160	160	160
<b>Total Cash and Cash Equivalents</b>		<b>2,212</b>	<b>5,571</b>	<b>5,248</b>	<b>4,870</b>	<b>4,971</b>	<b>4,971</b>

This Statement of Projected Cash Flow was prepared in accordance with Section 50.4(2) of the *Bankruptcy and Insolvency Act* for the purpose described in Note 1, using probable and hypothetical assumptions set out in Notes 2-9 and should be read in conjunction with the attached Notes as well as the accompanying Report on Cash-Flow Statement by Great Panther Mining Limited and the Trustee's Report on Cash-Flow Statement.

Dated as at September 11, 2022.

**Great Panther Mining Limited**

DocuSigned by:



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**Ms. Sandra Daycock, CFO**

**Alvarez & Marsal Canada Inc.**, in its capacity  
as Trustee of the Proposal of Great Panther Mining Limited



**Anthony Tillman, Senior Vice President**



**Great Panther Mining Limited (“GPR” or the “Company”)**  
**Statement of Projected Cash Flow (the “Cash Flow Statement”)**  
**Notes and Assumptions**

1. The Cash Flow Statement is to be read in conjunction with the attached Form 30 - Report on Cash-Flow Statement by the person making the Proposal and Form 29 - Trustee's Report on Cash-Flow Statement. The projection has been prepared solely for the purpose of evaluating the currently expected ability of the Company to fund the business activities as set out herein and noted in the assumptions set forth below.

The Cash Flow Statement is presented on a weekly basis from September 6 to October 7, 2022 (the "Period") and represents Management's best estimate of the expected results of operations during the Period. Readers are cautioned that since the estimates are based on future events and conditions that are not ascertainable, the actual results achieved will vary, even if the assumptions materialize, and such variations may be material. There are no representations, warranties or other assurances that any of the estimates, forecasts, or projections will be realized. The projections are based upon certain estimates and assumptions discussed below and may be amended from time to time during the Proposal proceedings. Upon such amendments, Management will update its cash flow forecast accordingly as included herein.

Unless otherwise noted, the Cash Flow Statement is presented in U.S. dollars.

2. The opening cash position as presented in the Cash Flow Statement includes the Company's actual cash availability as of the first day of the Cash Flow Statement.

The Company has maintained a Guaranteed Investment Certificate ("GIC") with the Royal Bank of Canada ("RBC") as collateral to its corporate credit cards. Accordingly, the Company is unable to redeem the GIC unless the corporate credit cards are cancelled, and all credit card debts paid out. As the Company requires the use of its corporate credit card on a regular basis, it is not intending to redeem the GIC during the Period. The GIC of CAD\$208,000 is excluded from the opening cash balance.

3. GPR purchased \$3.3 million of gold (totaling 1,943 oz) from its Brazilian subsidiary, Mina Tucano Ltda. in August 2022, and is forecast to sell the gold on hand to an identified third party during the week ending September 16, 2022. GPR is expected to receive 95% of total

gold sale proceeds upfront, and the remaining 5% approximately 30 business days after the shipment date and upon finalizing the assaying results (estimated receipt during week ending October 7, 2022).

GPR is also expected to make two additional gold purchases (for a total of 1,659 oz or approximately \$2.7 million) from its Brazilian subsidiary and immediately sell the gold to the same third party, all during the week ending September 23, 2022.

4. Prior to the proposal proceedings, GPR was in the process of closing a bank account it maintained with ING Bank in Luxembourg. Management successfully closed the said account on September 9, 2022. Funds held in the ING Bank account of approximately \$546,000 are expected to be deposited into GPR's RBC account during the week ending September 16, 2022.
5. Advances to Peru represents payments to fund the Coricancha project in Peru to maintain care and maintenance status at the mine site.
6. Payroll, benefits and payroll taxes include bi-monthly Vancouver corporate office executive and staff payroll, Canada Life group benefits and Employee Health Tax (EHT).
7. Payments to corporate suppliers for post-filing services, including utilities, IT services and expenses in relation to the gold sales, and office rent for the head office in Vancouver, BC are forecast to be paid in the ordinary course of business.
8. Restructuring professional fees have been forecast based on projected costs of professional services firms relating to the proposal proceedings and include the Company's legal counsel as well as the Proposal Trustee and its legal counsel.
9. Insurance represents the last instalment payment of the Company's business insurance policy premiums for fiscal year 2022.

District of: British Columbia  
Division No. 03 - Vancouver  
Court No. 11-2862600  
Estate No. 11-2862600

-- FORM 29 --

Trustee's Report on Cash-Flow Statement  
(Paragraphs 50(6)(b) and 50.4(2)(b) of the Act)

In the Matter of the Proposal of  
Great Panther Mining Limited

The attached statement of projected cash flow of Great Panther Mining Limited, as of the 11th day of September 2022, consisting of projections for the 5-week period from September 6 to October 7, 2022, has been prepared by the management of the insolvent person (or the insolvent debtor) for the purpose described in the notes attached, using the probable and hypothetical assumptions set out in the notes attached.

Our review consisted of inquiries, analytical procedures and discussion related to information supplied to us by: ☒ the management and employees of the insolvent person or ☐ the insolvent person. Since hypothetical assumptions need not be supported, our procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the projection. We have also reviewed the support provided by: ☒ management or ☐ the insolvent person for the probable assumptions and preparation and presentation of the projection.

Based on our review, nothing has come to our attention that causes us to believe that, in all material respects,

(a) the hypothetical assumptions are not consistent with the purpose of the projection;

(b) as at the date of this report, the probable assumptions developed are not suitably supported and consistent with the plans of the insolvent person or do not provide a reasonable basis for the projection, given the hypothetical assumptions; or

(c) the projection does not reflect the probable and hypothetical assumptions.

Since the projection is based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and the variations may be material. Accordingly, we express no assurance as to whether the projection will be achieved.

The projection has been prepared solely for the purpose described in the notes attached, and readers are cautioned that it may not be appropriate for other purposes.

Dated at the city of Vancouver in the Province of British Columbia, this 11th day of September 2022.

Alvarez & Marsal Canada Inc. - Licensed Insolvency Trustee

Per:



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Anthony Tillman - Licensed Insolvency Trustee  
Cathedral Place Building  
925 West Georgia Street, Suite 902  
Vancouver BC V6C 3L2  
Phone: (604) 638-7440 Fax: (604) 638-7441

District of: British Columbia  
Division No. 03 - Vancouver  
Court No. 11-2862600  
Estate No. 11-2862600

\_FORM 29\_ - Attachment  
Trustee's Report on Cash-flow Statement  
(Paragraphs 50(6)(b) and 50.4(2)(b) of the Act)

In the Matter of the Proposal of  
Great Panther Mining Limited

Purpose:

Per note 1 of the Notes to the Cash Flow Projections

Projection Notes:

Prepared by Management in accordance with the Notes to the Cash Flow Projections

Assumptions:

Please refer to the Notes to the Cash Flow Projections

Dated at the city of Vancouver in the Province of British Columbia, this 11th day of September 2022.

Alvarez & Marsal Canada Inc. - Licensed Insolvency Trustee

Per:



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Anthony Tillman - Licensed Insolvency Trustee  
Cathedral Place Building  
925 West Georgia Street, Suite 902  
Vancouver BC V6C 3L2  
Phone: (604) 638-7440 Fax: (604) 638-7441

District of: British Columbia  
Division No. 03 - Vancouver  
Court No. 11-2862600  
Estate No. 11-2862600

- FORM 30 -  
Report on Cash-Flow Statement by the Person Making the Proposal  
(Paragraphs 50(6)(c) and 50.4(2)(c) of the Act)

In the Matter of the Proposal of  
Great Panther Mining Limited

The Management of Great Panther Mining Limited, has/have developed the assumptions and prepared the attached statement of projected cash flow of the insolvent person, as of the 11th day of September 2022, consisting of projections for the 5-week period from September 6 to October 7, 2022.

The hypothetical assumptions are reasonable and consistent with the purpose of the projection described in the notes attached, and the probable assumptions are suitably supported and consistent with the plans of the insolvent person and provide a reasonable basis for the projection. All such assumptions are disclosed in the notes attached.

Since the projection is based on assumptions regarding future events, actual results will vary from the information presented, and the variations may be material.

The projection has been prepared solely for the purpose described in the notes attached, using a set of hypothetical and probable assumptions set out in the notes attached. Consequently, readers are cautioned that it may not be appropriate for other purposes.

Dated at the city of Vancouver in the Province of British Columbia, this 11th day of September 2022.

DocuSigned by:



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Great Panther Mining Limited  
Debtor

Sandra Daycock

Name and title of signing officer

Chief Financial Officer

Name and title of signing officer

District of: British Columbia  
Division No. 03 - Vancouver  
Court No. 11-2862600  
Estate No. 11-2862600

FORM 30 - Attachment  
Report on Cash-Flow Statement by the Person Making the Proposal  
(Paragraphs 50(6)(c) and 50.4(2)(c) of the Act)

In the Matter of the Proposal of  
Great Panther Mining Limited

Purpose:

Per note 1 of the Notes to the Cash Flow Projections

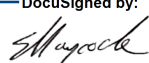
Projection Notes:

Prepared by Management in accordance with the Notes to the Cash Flow Projections

Assumptions:

Please refer to the Notes to the Cash Flow Projections

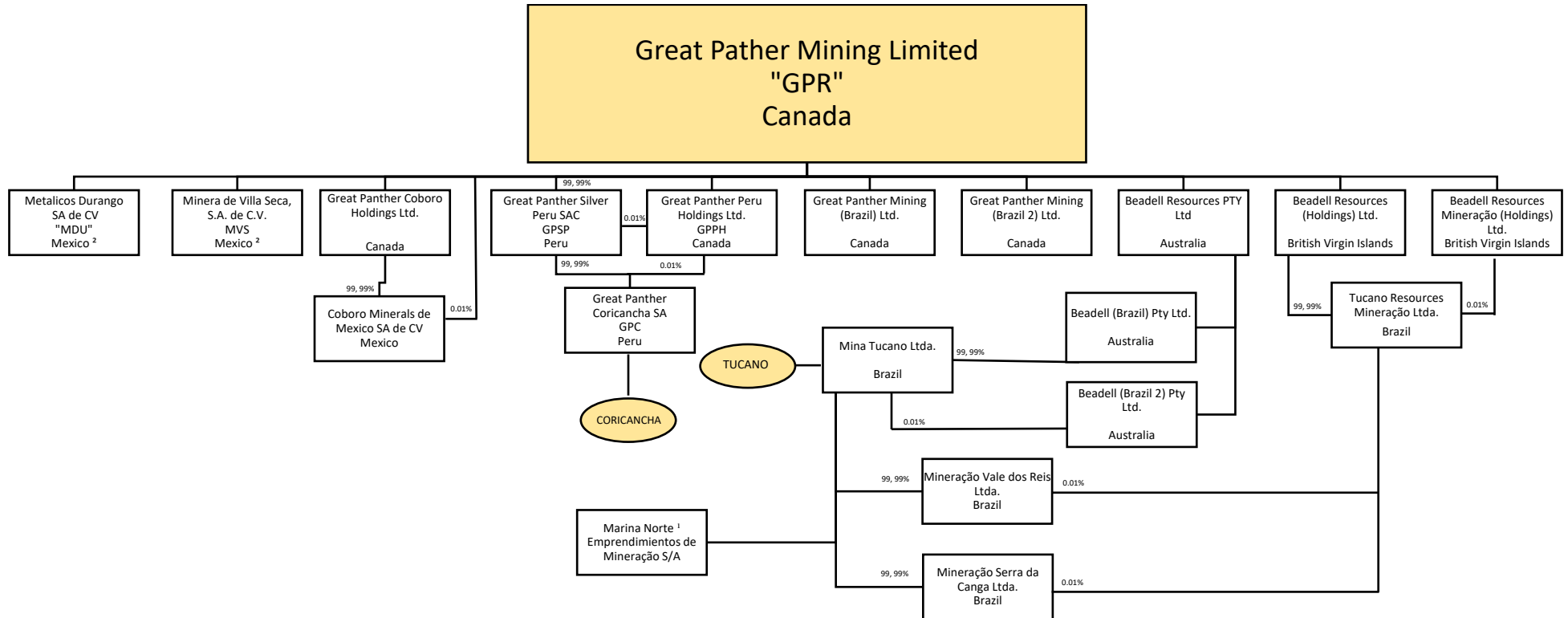
Dated at the city of Vancouver in the Province of British Columbia, this 11th day of September 2022.

DocuSigned by:  
  
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Great Panther Mining Limited

## **Appendix C – Organization Chart**



All Ownerships are 100% beneficial ownership, unless otherwise noted.

<sup>1</sup> Marina Norte Empreendimentos de Mineração S.A. is not a subsidiary, but Mina Tucano holds 39,99% of Common Shares and 100% of Preferred Shares.

<sup>2</sup> Great Panther Mining Ltd holds 99,99% of the common shares.



## **Appendix D – Consent to Act**

NO. \_\_\_\_\_  
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


**CONSENT TO ACT AS MONITOR**

Alvarez & Marsal Canada Inc., of Cathedral Place Building, 925 West Georgia Street, Suite 902, Vancouver, BC, V6C 3L2, a Licensed Insolvency Trustee, hereby consents to act as court-appointed monitor of Great Panther Mining Limited in these proceedings, if so appointed by this Honourable Court.

DATED at the City of Vancouver, in the Province of British Columbia, this 20th day of September, 2022.

**ALVAREZ & MARSAL CANADA INC.**

Per: \_\_\_\_\_

  
Name: Anthony J. Tillman  
Title: Senior Vice President

## **Appendix E – CCAA Cash Flow Forecast**

**Great Panther Mining Limited**  
**Cash Flow Statement**  
**For the period ending October 21, 2022<sup>1</sup>**  
**US\$'000**

Week Week Ending	Notes	Week 1 30-Sep	Week 2 7-Oct	Week 3 14-Oct	Week 4 21-Oct	Total
Gold Sales	3	\$ 2,993	\$ 2,533	\$ 2,009	\$ 158	\$ 7,692
<b>Total Receipts</b>		<b>2,993</b>	<b>2,533</b>	<b>2,009</b>	<b>158</b>	<b>7,692</b>
<b>Disbursements</b>						
Gold purchase	3	2,612	2,068	-	-	4,681
Advances to the Coricancha Mine	4	62	100	100	100	362
Payroll, benefits and payroll taxes	5	212	21	78	21	331
Payments to corporate suppliers	6	6	33	35	55	130
Professional fees - restructuring	7	109	38	38	38	222
Vancouver corporate office rent	8	23	-	-	-	23
Contingency		25	25	25	25	100
<b>Total Disbursements</b>		<b>3,049</b>	<b>2,285</b>	<b>276</b>	<b>239</b>	<b>5,849</b>
<b>Net Cash Flow</b>		<b>(56)</b>	<b>247</b>	<b>1,733</b>	<b>(81)</b>	<b>1,844</b>
<b>Cash Position</b>						
Opening Cash Position	2	2,234	2,178	2,425	4,158	2,234
<b>Closing Cash Position</b>		<b>\$ 2,178</b>	<b>\$ 2,425</b>	<b>\$ 4,158</b>	<b>\$ 4,077</b>	<b>\$ 4,077</b>
<b>GIC</b>	2	151	151	151	151	151
<b>Total Cash and Cash Equivalents</b>		<b>\$ 2,329</b>	<b>\$ 2,576</b>	<b>\$ 4,309</b>	<b>\$ 4,228</b>	<b>\$ 4,228</b>

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

**CCAA Cash Flow Forecast**

**Notes and Assumptions**

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

The CCAA Cash Flow Forecast is presented on a weekly basis from September 24 to October 21, 2022 (the "Period") and represents Management's best estimate of the expected results of operations during the Period. Readers are cautioned that since the estimates are based on future events and conditions that are not ascertainable, the actual results achieved will vary, even if the assumptions materialize, and such variations may be material. There are no representations, warranties or other assurances that any of the estimates, forecasts, or projections will be realized. The projections are based upon certain estimates and assumptions discussed below and may be amended from time to time during the CCAA proceedings. Upon such amendments, Management will update its cash flow forecast accordingly as included herein.

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

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

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

3. GPR purchased \$3.3 million of gold (totaling 1,943 oz) from its Brazilian subsidiary, Mina Tucano Ltda. in August 2022, and is forecast to sell the gold on hand to Asahi Refining Canada Ltd. (“Asahi”) during the week ending September 30, 2022. GPR is expected to receive

95% of total gold sale proceeds upfront, and the remaining 5% approximately 30 business days after the shipment date and upon finalizing the assaying results (estimated receipt during week ending October 21, 2022).

Asahi is entitled to apply 1.5% of the total gold produced to its outstanding pre-filing indebtedness (subject to Court approval). This amount would be deducted pro rata from the gold sale proceeds described above.

GPR is also expected to make two additional gold purchases (for a total of 2,960 oz or approximately \$4.7 million) from its Brazilian subsidiary and immediately sell the gold to Asahi during the Period (forecast receipt of \$4.5 million, representing the first tranche of the proceeds).

4. Advances to the Coricancha Mine represents critical payments to be made at the Coricancha project in Peru to maintain its care and maintenance status and bridge to the anticipated sale of the asset to Newrange Gold Corp for a purchase price of \$750,000 plus assumption of all liabilities.
5. Payroll, benefits and payroll taxes includes bi-monthly Vancouver corporate office executive and staff payroll, director fees, Canada Life group benefits and Employee Health Tax (EHT) costs.
6. Payments to corporate suppliers for post-filing services, including utilities, IT services and expenses in relation to the gold sales, and office rent for the head office in Vancouver, BC are forecast to be paid in the ordinary course of business.
7. Restructuring professional fees have been forecast based on projected costs of professional services firms relating to the proposal proceedings and the CCAA proceedings and include the Company's legal counsel as well as the Proposal Trustee/Monitor and its legal counsel.



September 29, 2022

Alvarez & Marsal Canada Inc.  
Cathedral Place Building  
925 West Georgia Street, Suite 902  
Vancouver, BC V6C 3L2

Attention: Anthony Tillman  
Senior Vice President

Dear Sirs,

**Re: Proceedings under the *Company*' *Creditors Arrangement Act* ("CCAA") for  
Great Panther Mining Limited ("Great Panther" or the "*Company*")  
Responsibilities/Obligations and Disclosure with Respect to Cash-flow Projections**

In connection with the application by Great Panther for the commencement of proceedings under the CCAA in respect of the Company, the management of the Company ("*Management*") has prepared the attached cash-flow statement and the assumptions on which the cash-flow statement is based.


Great Panther confirms that:

1. the cash-flow statement and the underlying assumptions are the responsibility of Great Panther;
2. all material information relevant to the cash-flow statement and to the underlying assumptions has been made available to Alvarez & Marsal Canada Inc. in its capacity as Monitor; and
3. Management has taken all actions that it considers necessary to ensure:
  - a) That the individual assumptions underlying the cash-flow statement are appropriate in the circumstances;
  - b) That the assumptions underlying the cash-flow statement, taken as a whole, are appropriate in the circumstances; and
  - c) That all relevant assumptions have been properly presented in the cash-flow statement or in the notes accompanying the cash-flow statement.
4. Management understands and agrees that the determination of what constitutes a material adverse change in the projected cash flow or financial circumstances, for the purposes of our monitoring the on-going activities of the Company, is ultimately at your sole discretion, notwithstanding that Management may disagree with such determination.



5. Management understands its duties and obligations under the CCAA and that a breach of these duties and obligations could make Great Panther's Management liable to fines and imprisonment in certain circumstances.
6. The cash-flow statement and assumptions have been reviewed and approved by the Great Panther's board of directors or Management has been duly authorized by Great Panther's board of directors to prepare and approve the cash-flow assumptions.

Yours truly,

DocuSigned by:  
  
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Sandra Daycock

Chief Financial Officer