

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**

THE HONOURABLE	)	FRIDAY, THE 30 <sup>th</sup>
	)	
JUSTICE CAVANAGH	)	DAY OF AUGUST, 2024

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

AND IN THE MATTER OF NEVADA COPPER, INC.,  
NEVADA COPPER CORP., 0607792 B.C. LTD., LION IRON CORP.,  
NC FARMS LLC AND NC DITCH COMPANY LLC

APPLICATION OF NEVADA COPPER, INC.  
UNDER SECTION 46 OF THE  
*COMPANIES' CREDITORS ARRANGEMENT ACT*

**RECOGNITION ORDER  
(RECOGNITION OF STALKING HORSE ORDER,  
KEIP ORDER AND KERP ORDER)**

THIS MOTION, made by Nevada Copper, Inc., in its capacity as the foreign representative (the “**Foreign Representative**”) of itself and Nevada Copper Corp., 0607792 B.C. Ltd., Lion Iron Corp., NC Farms LLC and NC Ditch Company LLC (collectively, the “**Debtors**”), pursuant to the *Companies' Creditors Arrangement Act*, R.S.C., 1985, c. C-36, as amended (the “**CCAA**”) for an Order substantially in the form set out in the Foreign Representative’s Motion Record, was heard by judicial videoconference via Zoom at Toronto, Ontario.

ON READING the Notice of Motion, the affidavit of Melissa Losco sworn August 23, 2024 (the “**Losco Affidavit**”), the factum of the Foreign Representative and the Second Report of the Information Officer, and upon hearing submissions of counsel for the Foreign Representative, the Information Officer, and those other parties present, no one appearing for any other person on the service list, although properly served as appears from the Affidavit of

Service of Melissa Losco sworn August 23, 2024, and the Certificate of Service of Mike Noel dated August 28, 2024, both filed, and upon being advised that no other persons were served with the aforementioned materials.

## **SERVICE AND DEFINITIONS**

1. THIS COURT ORDERS that the time for service of the Notice of Motion and the Motion Record is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.

2. THIS COURT ORDERS that any capitalized terms not otherwise defined herein shall have the meanings given to such terms in the Losco Affidavit.

## **RECOGNITION OF STALKING HORSE ORDER, KEIP ORDER AND KERP ORDER**

3. THIS COURT ORDERS that the following orders of the United States Bankruptcy Court for the District of Nevada made in the Chapter 11 Cases are hereby recognized and given full force and effect in all provinces and territories of Canada pursuant to Section 49 of the CCAA:

- (a) *Order Approving (I) the Designation of the Stalking Horse Bidder and (II) the Proposed Bid Protections*, attached as **Schedule “A”** to this Order (the “**Stalking Horse Order**”);
- (b) *Order Authorizing Key Employee Incentive Program and Granting Related Relief*, attached as **Schedule “B”** to this Order (the “**KEIP Order**”); and
- (c) *Order Authorizing Key Employee Retention Program and Granting Related Relief*, attached as **Schedule “C”** to this Order (the “**KERP Order**”),

provided, however, that in the event of any conflict between the terms of the Stalking Horse Order, the KEIP Order or the KERP Order, on the one hand, and the Orders of this Court made in the within proceedings, on the other hand, the Orders of this Court shall govern with respect to the Property (as defined in this Court’s Supplemental Order (Foreign Main Proceedings) dated June 21, 2024 (the “**Supplemental Order**”)) in Canada.

## **GENERAL**

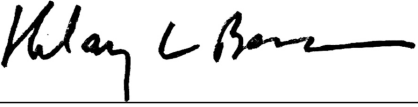
4. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States of America to give effect to this Order and to assist the Debtors, the Stalking Horse Bidder, the Foreign Representative, the Information Officer, and their respective counsel and agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Debtors, the Stalking Horse Bidder, the Foreign Representative, and the Information Officer, the latter as an officer of this Court, as may be necessary or desirable to give effect to this Order, or to assist the Debtors, the Stalking Horse Bidder, the Foreign Representative, and the Information Officer, and their respective counsel and agents in carrying out the terms of this Order.

5. THIS COURT ORDERS that each of the Debtors, the Stalking Horse Bidder, the Foreign Representative, and the Information Officer be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order.

6. THIS COURT ORDERS that this Order and all of its provisions shall be effective as of 12:01 a.m. (EST) on the date of this Order without any need for entry and filing.

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**SCHEDULE “A”  
STALKING HORSE ORDER**

  
 Honorable Hilary L. Barnes  
 United States Bankruptcy Judge



Entered on Docket  
 August 21, 2024

**UNITED STATES BANKRUPTCY COURT  
 DISTRICT OF NEVADA**

In re:

☒ NEVADA COPPER, INC.  
☒ NEVADA COPPER CORP.  
☒ NC DITCH COMPANY LLC  
☒ NC FARMS LLC  
☒ LION IRON CORP.  
☒ 0607792 B.C. LTD.

Debtors.<sup>1</sup>

Lead Case No.: 24-50566-hlb  
 Chapter 11

Jointly Administered with:  
 Case No. 24-50567-hlb  
 Case No. 24-50568-hlb  
 Case No. 24-50569-hlb  
 Case No. 24-50570-hlb  
 Case No. 24-50571-hlb

**ORDER APPROVING (I) THE DESIGNATION OF THE  
 STALKING HORSE BIDDER AND (II) THE PROPOSED BID PROTECTIONS**

Upon the *Notice of Designation of Stalking Horse Bidder* [ECF No. 510] (the “*Stalking Horse Notice*”) filed by the above-captioned debtors and debtors in possession (collectively, the “*Debtors*”) in the above-captioned chapter 11 cases (these “*Chapter 11 Cases*”) pursuant to this Court’s *Order (I) Approving Auction and Bidding, Noticing, and Assumption and Assignment Procedures; (II) Scheduling Certain Dates and Deadlines With Respect Thereto; (III) Approving Form Notice to be Provided to Interested Parties; and (IV) Granting Related Relief* [ECF No. 434] (the “*Bidding Procedures Order*”),<sup>2</sup> which approved the proposed marketing, auction, and bidding procedures annexed as Exhibit A to the Bidding Procedures Order (the “*Bidding Procedures*”), pursuant to which the Debtors will solicit and select the highest and otherwise best offer(s) for a sale or disposition of all or substantially all of the Debtors’ assets (the “*Assets*”) or any portion

<sup>1</sup> The Debtors in these chapter 11 cases and the last four digits of their registration numbers in the jurisdiction in which they are organized are: Nevada Copper, Inc. (1157) (Nevada); Nevada Copper Corp. (5323) (British Columbia); 0607792 B.C. Ltd. (2524) (British Columbia); Lion Iron Corp. (2904) (Nevada); NC Farms LLC (0264) (Nevada); and NC Ditch Company LLC (4396) (Nevada).

<sup>2</sup> Capitalized terms used but not otherwise defined herein shall have the meaning ascribed to them in the Bidding Procedures Order.

thereof (collectively, the “**Sale**”); and upon the *Declaration of Zul Jamal in Support of Debtors’ Notice of Designation of Stalking Bidder* [ECF No. 512] (the “**Stalking Horse Declaration**”); and upon the record of the hearing held on July 19, 2024, on the Debtors’ motion seeking approval of the Bidding Procedures Order, dated June 20, 2024 [ECF No. 145] (the “**Bidding Procedures Motion**”), and all proceedings before the Court; and the Court having reviewed and considered the request set forth in in the Stalking Horse Notice; and after due deliberation and sufficient cause appearing therefor,

**IT IS HEREBY FOUND, CONCLUDED, AND DETERMINED THAT:**

A. The findings and conclusion set forth herein constitute the Court’s findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052, made applicable to this proceeding pursuant to Bankruptcy Rule 9014. To the extent that any of the following findings of fact constitute conclusions of law, and to the extent that any of the following conclusions of law constitute findings of fact, they are adopted as such.

B. This Court has jurisdiction to consider and approve the designation of the Stalking Horse Agreement (as defined herein) as the Stalking Horse Bid and provision of the Stalking Horse Bid Protections (as defined herein) in accordance with 28 U.S.C. §§ 157 and 1334.

C. Venue of this case is proper pursuant to 28 U.S.C. §§ 1408 and 1409. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2).

D. As set forth in the Stalking Horse Notice, in accordance with the Bidding Procedures, with the consent of the DIP Lenders, the Debtors have (i) designated Southwest Critical Materials LLC as the Stalking Horse Bidder (as such term is defined in the Bidding Procedures) (the “**Stalking Horse Bidder**”), (ii) entered into the Asset Purchase Agreement, by and among Nevada Copper Corp. and Nevada Copper, Inc., as sellers, and the Stalking Horse Bidder, as buyer, substantially in the form attached to the Stalking Horse Notice as Exhibit 1, for the purchase of the Purchased Assets (as defined in the Stalking Horse Agreement) (the “**Stalking Horse Agreement**”) and designated the Stalking Horse Agreement as the Stalking Horse Bid (as

1 such term is defined in the Bidding Procedures) (the “*Stalking Horse Bid*”), and (iii) agreed to  
2 provide the Stalking Horse Bidder with certain bid protections as set forth in the Stalking Horse  
3 Agreement consisting of (i) an expense reimbursement by the Debtors for reasonable and  
4 documented out-of-pocket expenses incurred by the Stalking Horse Bidder in an amount not to  
5 exceed \$1,250,000 in the aggregate or (ii) a Break-Up Fee equal to three percent (3%) of the  
6 Purchase Price, or \$3,840,000, which is inclusive of any reimbursement of expenses incurred in  
7 connection with the sale transaction (the “*Stalking Horse Bid Protections*”). The Stalking Horse  
8 Bid Protections will be payable to the Stalking Horse Bidder in accordance with the terms of and  
9 subject to the conditions set forth in the Stalking Horse Agreement.

10 E. The Stalking Horse Notice satisfies the requirements set forth in the Bidding  
11 Procedures Order for designation of the Stalking Horse Bid and provision the Stalking Horse Bid  
12 Protections.

13 F. The notice of the designation of the Stalking Horse Bid and provision of the  
14 Stalking Horse Bid Protections provided by the Stalking Horse Notice are (i) appropriate and  
15 reasonably calculated to provide all interested parties with timely and proper notice, (ii) in  
16 accordance with all applicable requirements of the Bankruptcy Code, the Bankruptcy Rules, the  
17 Local Rules, and the Bidding Procedures Order, and (iii) adequate and sufficient under the  
18 circumstances of these Chapter 11 Cases, such that no other or further notice is required. A  
19 reasonable opportunity to be heard regarding the relief provided herein has been afforded to all  
20 interested persons and entities.

21 G. The Stalking Horse Bid represents the highest and otherwise best binding offer the  
22 Debtors have received to date to purchase the Purchased Assets. The Stalking Horse Agreement  
23 provides the Debtors with the opportunity to sell the Purchased Assets in a manner designed to  
24 preserve and maximize their value and provide a floor for a further marketing and auction process.

25 H. Without the Stalking Horse Bid, the Debtors are at a significant risk of realizing a  
26 lower price for the Purchased Assets. As such, the contributions of the Stalking Horse Bidder to  
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1 the Sale process indisputably has provided a substantial benefit to the Debtors, their estates, and  
2 the creditors in these Chapter 11 Cases. The Stalking Horse Bid will enable the Debtors to secure  
3 a fair and adequate Starting Bid (as defined in the Bidding Procedures) for the Purchased Assets  
4 at the Auction(s) (if any); and, accordingly, will provide a clear benefit to the Debtors' estates,  
5 their creditors, and all other parties in interest.

6 I. The Debtors have demonstrated a compelling and sound business justification for  
7 the Court to authorize the Stalking Horse Bid Protections. Entry of this Order is in the best interests  
8 of the Debtors and their estates, creditors, interest holders, and all parties in interest.

9 J. The Stalking Horse Bid Protections, as approved by this Order (i) are fair,  
10 reasonable and appropriate; (ii) have been negotiated with the Stalking Horse Bidder (which is not  
11 an "insider" or "affiliate" of the Debtors, as those terms are defined in section 101 of the  
12 Bankruptcy Code, and no common identity of incorporators, directors, or controlling stockholders  
13 exists between the Stalking Horse Bidder and the Debtors) and the Debtors at arms' length and in  
14 good faith within the meaning of section 363(m) of the Bankruptcy Code, and the designation of  
15 the Stalking Horse Bidder has been made with the consent of the DIP Lenders; (iii) provide a  
16 benefit to the Debtors' estates and stakeholders; (iv) are necessary to ensure that the Stalking Horse  
17 Bidder will continue to pursue the transaction contemplated by and agree to be bound by the  
18 Stalking Horse Agreement; (v) are consistent with applicable Ninth Circuit law; and (vi) are  
19 reasonable, necessary, and consistent with market terms for these types of transactions and bid  
20 protections approved by courts in other chapter 11 cases.

21 K. To the extent payable under this Order and in accordance with the Stalking Horse  
22 Agreement, the Stalking Horse Bid Protections: (i)(a) are actual and necessary costs of preserving  
23 the Debtors' estates within the meaning of section 503(b) of the Bankruptcy Code and (b) shall be  
24 treated as an allowed administrative expense claim against the Debtors' estates pursuant to sections  
25 105(a), 503(b), and 507(a)(2) of the Bankruptcy Code; (ii) are commensurate to the real and  
26 material benefits conferred upon the Debtors' estates by the Stalking Horse Bidder; (iii) are  
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1 reasonably tailored to encourage, rather than hamper, bidding for the Assets, by providing a  
2 baseline of value, increasing the likelihood of competitive bidding at the Auction, and facilitating  
3 participation of other bidders in the sale process, thereby increasing the likelihood that the Debtors  
4 will receive the best possible price and terms for the Assets; (iv) are a material inducement for,  
5 and condition necessary to, ensure that the Stalking Horse Bidder will continue to pursue the  
6 transaction contemplated by the Stalking Horse Agreement; and (v) are reasonable in relation to  
7 the Stalking Horse Bidder's efforts and to the magnitude of the proposed transaction and the  
8 Stalking Horse Bidder's lost opportunities resulting from the time spent pursuing such transaction.  
9 Unless it is assured that the Stalking Horse Bid Protections are available, the Stalking Horse Bidder  
10 is unwilling to remain obligated to consummate the transaction or otherwise be bound by the  
11 Stalking Horse Agreement.

12 **NOW, THEREFORE, IT IS HEREBY ORDERED THAT:**

13 1. The Debtors' designation of the Stalking Horse Bidder as the Stalking Horse Bidder  
14 (as such term is defined in the Bidding Procedures Order) and the Stalking Horse Agreement,  
15 substantially in the form attached to the Stalking Horse Notice as Exhibit 1, as the Stalking Horse  
16 Bid (as such term is defined in the Bidding Procedures Order) for the Assets, is hereby approved.  
17 The Stalking Horse Bidder shall be deemed a Qualified Bidder, and the Stalking Horse Bid shall  
18 be deemed a Qualified Bid, for all purposes under the Bidding Procedures Order.

19 2. The Debtors are authorized, pursuant to sections 105(a) and 363(b) of the  
20 Bankruptcy Code, to enter into and perform under the Stalking Horse Agreement with respect to  
21 the Stalking Horse Bid Protections and related termination provisions. The Stalking Horse  
22 Agreement shall be binding and enforceable on the Debtors' estates and the parties thereto in  
23 accordance with and subject to its terms, including as they relate to the Stalking Horse Bidding  
24 Procedures and related termination provisions, and subject to entry of the Sale Order. For the  
25 avoidance of doubt, the form of the Sale Order and Canadian Recognition Sale Order (each as  
26 defined in the Stalking Horse Agreement) are not being approved under this Order; such orders  
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1 shall be subject to the applicable objection deadlines in their respective proceedings, including,  
2 particularly with respect to the Sale Order, the Sale Objection Deadline.

3 3. Pursuant to sections 105(a), 363, 503, and 507 of the Bankruptcy Code, the Stalking  
4 Horse Bid Protections are hereby approved in their entirety. The Stalking Horse Bid Protections  
5 shall be earned and payable to the Stalking Horse Bidder in accordance with the terms of and  
6 subject to the conditions set forth in the Stalking Horse Agreement. The Debtors are authorized  
7 to pay the Stalking Horse Bid Protections to the Stalking Horse Bidder in accordance with the  
8 terms of, and subject to the conditions set forth in, the Stalking Horse Agreement, without the need  
9 for further order of this Court.

10 4. The Stalking Horse Bid Protections (i) shall, to the extent payable under the terms  
11 of the Stalking Horse Agreement, be treated as allowed administrative expense claims against the  
12 Debtors' estates pursuant to sections 105(a), 503(b), and 507(a)(2) of the Bankruptcy Code;  
13 (ii) shall not be subordinate to any other administrative expense claim against the Debtors' estates  
14 other than any claims granted superpriority administrative status by order of the Court pursuant to  
15 sections 364(c)(1), 364(d)(1), 503(b), and 507(b) of the Bankruptcy Code; (iii) shall not be subject  
16 to any bar date in these Chapter 11 Cases or any requirement to file any request for allowance of  
17 an administrative expense claim or proof of claim; (iv) shall be payable in accordance with the  
18 terms of and subject to the conditions set forth in the Stalking Horse Agreement; and (v) shall  
19 survive the termination of the Stalking Horse Agreement and dismissal or conversion of these  
20 Chapter 11 Cases to the extent so provided in the Stalking Horse Agreement.

21 5. Notwithstanding anything to the contrary in the Stalking Horse Agreement, this  
22 Order, or any other order or document in connection with these Chapter 11 Cases, the Excluded  
23 Assets (as defined in the Stalking Horse Agreement) include – and the Purchased Assets (as  
24 defined in the Stalking Horse Agreement) exclude – any and all potential claims and causes of  
25 action against current and former insiders, equityholders, directors and officers.  
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1           6.       The Stalking Horse Agreement and any related agreements, documents, or other  
2 instruments may be modified, amended, or supplemented by the parties thereto solely in  
3 accordance with the terms thereof, after consultation with the Consultation Parties, without further  
4 order of the Court; provided, however, the parties may not amend the Purchase Price, Stalking  
5 Horse Bid Protections, or make any other changes to the Stalking Horse Agreement that are  
6 materially adverse to the Debtors absent further order of this Court.

7           7.       This Order, and the claims granted hereunder in favor of the Stalking Horse Bidder  
8 on account of the Stalking Horse Bid Protections, shall be binding upon the Debtors' estates,  
9 including any chapter 7 or chapter 11 trustee or other fiduciary appointed for the Debtors' estates.

10          8.       The automatic stay pursuant to section 362 of the Bankruptcy Code is hereby  
11 modified with respect to the Debtors to the extent necessary, without further order of the Court, to  
12 allow the Stalking Horse Bidder to (i) deliver any notice provided for in the Stalking Horse  
13 Agreement, including, without limitation, a notice terminating the Stalking Horse Agreement in  
14 accordance with the terms thereof and (ii) take any actions permitted under the Stalking Horse  
15 Agreement to terminate the Stalking Horse Agreement, solely to the extent permitted by the  
16 Stalking Horse Agreement, and assert any claims with respect to the Break-Up Fee and the Seller  
17 Reimbursement (each as defined in the Stalking Horse Agreement).

18          9.       The Minimum Bid Requirements as set forth in paragraph xxv of the Qualified Bid  
19 Requirements shall apply to the determination of Qualified Bids, and for those purposes: (a) the  
20 Purchase Price of the Stalking Horse Bid is \$128,000,000 and (b) the amount of the Stalking Horse  
21 Bid Protections is \$3,840,000.

22          10.      The failure to describe specifically or include any provision of the Stalking Horse  
23 Agreement or related documents in the Stalking Horse Notice or herein shall not diminish or impair  
24 the effectiveness of any such provision as to such parties.

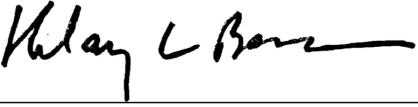
25          11.      Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Order  
26 are immediately effective and enforceable upon its entry.  
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1           12.     The Debtors are authorized to take all reasonable actions necessary to effectuate  
2 the relief granted in this Order.

3           13.     This Court shall retain exclusive jurisdiction with respect to all matters arising from  
4 or related to the implementation or interpretation of this Order.  
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6 **IT IS SO ORDERED**  
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**SCHEDULE “B”**  
**KEIP ORDER**

  
Honorably Hilary L. Barnes  
United States Bankruptcy Judge



Entered on Docket  
July 31, 2024

**UNITED STATES BANKRUPTCY COURT**  
**DISTRICT OF NEVADA**

In re:

☒ NEVADA COPPER, INC.  
☒ NEVADA COPPER CORP.  
☒ NC DITCH COMPANY LLC  
☒ NC FARMS LLC  
☒ LION IRON CORP.  
☒ 0607792 B.C. LTD.

Debtors.<sup>1</sup>

Lead Case No.: 24-50566-hlb  
Chapter 11

Jointly Administered with:  
Case No.: 24-50567-hlb  
Case No.: 24-50568-hlb  
Case No.: 24-50569-hlb  
Case No.: 24-50570-hlb  
Case No.: 24-50571-hlb

Hearing Date: July 29, 2024  
Hearing Time: 1:30 p.m.

**ORDER AUTHORIZING KEY EMPLOYEE INCENTIVE PROGRAM  
AND GRANTING RELATED RELIEF**

Upon the motion [ECF No. 253] (the “*Initial Motion*”)<sup>2</sup> of the Debtors for entry of an order (this “*Order*”), pursuant to sections 105(a), 363(b), and 503(c) of the Bankruptcy Code authorizing the Debtors’ proposed key employee incentive program (the “*KEIP*”) for the KEIP Participants<sup>3</sup> and granting related relief, as supplemented by the *Supplement to Debtors’ Motion for Entry of an Order Authorizing Key Employee Incentive Program and Granting Related Relief* [ECF No. 457] (the “*Motion Supplement*” and, together with the Initial Motion, the “*Motion*”) and upon the First Day Declaration [ECF No. 4]; and upon the declaration of Gregory J. Martin in support of the

<sup>1</sup> The Debtors in these chapter 11 cases and the last four digits of their registration numbers in the jurisdiction in which they are organized are: Nevada Copper, Inc. (1157) (Nevada); Nevada Copper Corp. (5323) (British Columbia); 0607792 B.C. Ltd. (2524) (British Columbia); Lion Iron Corp. (2904) (Nevada); NC Farms LLC (0264) (Nevada); and NC Ditch Company LLC (4396) (Nevada).

<sup>2</sup> Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Motion.

<sup>3</sup> The title and roles of the KEIP Participants are set forth in Exhibit 2 of this Order.

1 Initial Motion [ECF No. 254]; and upon the declaration of John Dempsey in support of the Initial  
2 Motion [ECF No. 255]; and it appearing that this Court has jurisdiction over this matter pursuant  
3 to 28 U.S.C. §§ 157 and 1334; and it appearing that this is a core proceeding pursuant to 28 U.S.C.  
4 § 157(b)(2)(A) and that this Court may enter a final order consistent with Article III of the United  
5 States Constitution; and proper and adequate notice of the Motion and the hearing thereon having  
6 been given; and it appearing that no other or further notice is necessary; and this Court having  
7 reviewed the Motion and having heard the statements in support of the relief requested therein at  
8 a hearing before this Court; and it appearing that the legal and factual bases set forth in the Motion  
9 establish just cause for the relief granted herein; and this Court having determined that the relief  
10 sought in the Motion is in the best interests of the Debtors, their estates, their creditors and other  
11 parties in interest; and after due deliberation and sufficient cause appearing therefor;

12 IT IS HEREBY ORDERED THAT:

- 13 1. The Motion is GRANTED, as set forth herein.
- 14 2. Pursuant to section 363(b) and 503(c) of the Bankruptcy Code, the KEIP is hereby  
15 approved in its entirety, and the Debtors are hereby authorized to implement the KEIP.
- 16 3. The Debtors are authorized to take all actions necessary to implement the KEIP on  
17 the terms set forth in **Exhibit 1** of this Order, including making any payments that become due in  
18 connection therewith.
- 19 4. The authorization hereunder to make payments pursuant to the KEIP shall not  
20 create any obligation on the part of the Debtors to make payments under the KEIP, unless the KEIP  
21 Participants meet the necessary conditions under the KEIP.
- 22 5. The Debtors' obligations to pay amounts that become due and owing under the  
23 KEIP shall constitute administrative expenses pursuant to section 503(b) of the Bankruptcy Code,  
24 thereby entitled to priority payment pursuant to section 507(a)(2) of the Bankruptcy Code.
- 25 6. Nothing in this Order or any action taken by the Debtors in furtherance of the  
26 implementation hereof shall be deemed to constitute an assumption or rejection of any executory  
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1 contracts or unexpired lease pursuant to section 365 of the Bankruptcy Code, and all of the  
2 Debtors' rights with respect to such matters are expressly reserved.

3 7. Nothing in this Order nor the Debtors' payment of claims pursuant to this Order  
4 shall be construed as or deemed to constitute (i) an agreement or admission by the Debtors as to  
5 the validity of any claim against the Debtors on any grounds, (ii) a waiver or impairment of the  
6 Debtors' rights to dispute any claim on any grounds, (iii) a promise by the Debtors to pay any  
7 claim, or (iv) an implication or admission by the Debtors that such claim is payable pursuant to  
8 this Order.

9 8. Notwithstanding Bankruptcy Rule 6004(h), the terms and provisions of this Order  
10 shall be immediately effective and enforceable upon its entry.

11 9. Notwithstanding any provision in the Federal Rules of Bankruptcy Procedure to the  
12 contrary, the Debtors are not subject to any stay in the implementation, enforcement, or realization  
13 of the relief granted in this Order, and the Debtors may, in their discretion and without further  
14 delay, take any action and perform any act necessary to implement the relief granted in this Order.

15 10. This Court shall retain jurisdiction over any and all matters arising from or related  
16 to the interpretation or implementation of this Order.

17 **IT IS SO ORDERED.**

In accordance with LR 9021, counsel submitting this **ORDER AUTHORIZING KEY EMPLOYEE INCENTIVE PROGRAM AND GRANTING RELATED RELIEF** certifies that the order accurately reflects the court's ruling and that (check one):

☐ The Court has waived the requirement set forth in LR 9021(b)(1).

☐ No party appeared at the hearing or filed an objection to the motion.

☒ I have delivered a copy of this proposed order to all counsel who appeared at the hearing, and any unrepresented parties who appeared at the hearing, and each has approved or disapproved the order, or failed to respond, as indicated below [list each party and whether the party has approved, disapproved, or failed to respond to the document].

JARED A. DAY  
*United States Trustee*

**APPROVED** / ~~DISAPPROVED~~

☐ I certify that this is a case under Chapter 7 or 13, that I have served a copy of this order with the motion pursuant to LR 9014(g), and that no party has objected to the form or content of the order.

Prepared and submitted by:

McDONALD CARANO LLP

/s/ Ryan J. Works  
Ryan J. Works (NSBN 9224)  
Amanda M. Perach (NSBN 12399)  
2300 West Sahara Avenue, Suite 1200  
Las Vegas, Nevada 89102

ALLEN OVERY SHEARMAN STERLING US LLP  
Fredric Sosnick (New York Bar No. 2472488) (*pro hac* pending)  
Sara Coelho (New York Bar No. 4530267) (*pro hac* pending)  
599 Lexington Avenue  
New York, New York 10022

*Proposed Counsel to the Debtors and Debtors in Possession*

**EXHIBIT 1**

**KEIP Summary**

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## KEY EMPLOYEE INCENTIVE PROGRAM (“KEIP”) SUMMARY

The Debtors are seeking authority to pay nine KEIP Participants<sup>1</sup> their respective allocated amounts (as specified below) of \$546,000 (the “**Threshold Amount**”) upon the closing of one or more sale transactions (collectively, a “**Sale Transaction**”) with a Transaction Value of \$60 million (the “**Minimum Transaction Threshold**”). Each KEIP Participant’s respective allocation of the Threshold Amount shall be as follows:

Title	Threshold Amount
Interim President and Chief Executive Officer	\$132,000
Vice President – General Manager, Operations	\$75,000
General Counsel	\$51,000
Interim Chief Financial Officer	\$51,000
Vice President, Projects	\$51,000
Vice President Exploration	\$51,000
Vice President – Environmental & Corporate Affairs	\$51,000
Vice President – Human Resources	\$51,000
Corporate Secretary	\$33,000
<b>TOTAL</b>	<b>\$546,000</b>

For a completed Sale Transaction with a Transaction Value in excess of the Minimum Transaction Threshold, but less than \$100 million (the “**Base Transaction Level**”): (i) the KEIP Participants other than the Corporate Secretary would receive a cash amount equal to 0.855% of the Transaction Value (the “**Base Transaction Amount**”) and (ii) the Corporate Secretary would receive a cash amount equal to 0.055% of the Transaction Value up to a maximum payment of \$55,000.

For a Sale Transaction with a Transaction Value in excess of the Base Transaction Level, for KEIP Participants other than the Corporate Secretary, in addition to the Base Transaction Amount,<sup>2</sup> such KEIP Participants would receive an amount equal to 1.026% of the appreciation in Transaction Value above the Base Transaction Level, up to a Transaction Value of \$350 million, for a maximum aggregate KEIP payout (after taking into account the Base Transaction Amount) of \$3.475 million. Any amounts payable with respect to the KEIP will be paid in cash and funded with proceeds from the Sale Transaction.

For example, the aggregate cash pool payable to KEIP Participants if the Transaction Value in connection with a Sale Transaction equals \$183.333 million, will be \$1.765 million (the “**\$183M Amount**”). The total cash payments in respect of KEIP Awards that can be paid to the KEIP Participants, in the aggregate, will not exceed \$3.475 million (the “**Maximum Amount**”). The

<sup>1</sup> Capitalized terms used but not defined herein shall have the meanings given to them in the *Debtors’ Motion for Entry of an Order Authorizing Key Employee Incentive Program and Granting Related Relief* [ECF No. 253].

<sup>2</sup> The Corporate Secretary shall not receive any additional amounts for a sale with a Transaction Value above the Base Transaction Level.

allocation of each KEIP Participant's total KEIP payment in the event of a Sale Transaction with a Transaction Value equal to \$183.333 million and the Maximum Amount, are as follows:

Title	\$183M Amount	Maximum Amount
Interim President and Chief Executive Officer	\$440,000	\$880,000
Vice President – General Manager, Operations	\$250,000	\$500,000
General Counsel	\$170,000	\$340,000
Interim Chief Financial Officer	\$170,000	\$340,000
Vice President, Projects	\$170,000	\$340,000
Vice President Exploration	\$170,000	\$340,000
Vice President – Environmental & Corporate Affairs	\$170,000	\$340,000
Vice President – Human Resources	\$170,000	\$340,000
Corporate Secretary	\$55,000	\$55,000
<b>TOTAL</b>	<b>\$1,765,000</b>	<b>\$3,475,000</b>

KEIP Participants must be employed by the Debtors on the date the definitive Sale Transaction agreement is signed in order to be eligible under the KEIP. If following the date the definitive Sale Transaction agreement is signed (i) the Debtors terminate a KEIP Participant's employment without "cause" or due to disability, (ii) a KEIP Participant's employment terminates due to their death, or (iii) the KEIP Participant's employment terminates due to the transfer of employment to a buyer of assets, the KEIP Participant will remain eligible for their applicable KEIP award. If a KEIP Participant's employment is terminated for any other reason (including voluntary resignation and termination for "cause") prior to payment of the KEIP Award, if any, such KEIP Award will automatically be forfeited and shall not be reallocated to any other KEIP Participant or otherwise. The Debtors will consult the Committee before terminating any KEIP Participant following a Sale Transaction.

Participation in the KEIP will be in lieu of severance obligations of the Debtors, if any, for the KEIP Participants, KEIP Participants will be required to release claims against the Debtors and related parties to be eligible to participate in the KEIP, and each KEIP Participant will be required to sign an additional release of claims against the Debtors in connection with receipt of their KEIP payment.

If any portion of the Transaction Value is based upon the receipt of future or contingent amounts (the "**Contingent Amounts**"), not less than five business days (or such shorter time as may be agreed by the Committee) prior to the closing of the Sale Transaction, the Debtors shall identify to the Committee, in writing (which may be by email to Committee's counsel), the Debtors' calculation of the value of the Contingent Amounts (the "**Contingent Value**"). If the Committee disputes the Debtors' calculation of the Contingent Value, then, prior to the closing of the Sale Transaction, the Committee shall indicate, in writing (which may be by email to Debtors' counsel), that such a dispute exists, together with the Committee's calculation of Contingent

1 Value. If, prior to the closing, the Debtors and the Committee are not able to resolve a dispute  
2 over the Contingent Value, the portion of the KEIP payments attributable to the disputed amount  
3 shall be held by the Debtors pending resolution of the dispute. To resolve any continuing dispute  
4 that continues following the closing of the Sale Transaction, the Debtors, with the consent of the  
5 Committee, and approval of the Court, shall select and appoint a nationally recognized accounting  
6 firm to establish the value of those portions of the Contingent Amounts for which a Committee  
7 objection remains. Any determination made by such accounting firm shall be final and binding.

8 Any and all payment obligations of the Debtors under the KEIP will constitute  
9 administrative expenses of the Debtors' estates and may be paid pursuant to section 503(b) of the  
10 Bankruptcy Code and pursuant to the terms of any orders authorizing use of cash collateral and  
11 debtor-in-possession financing entered into in these Chapter 11 Cases.  
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**EXHIBIT 2**  
**KEIP Participants**

### **KEIP Participants**

The KEIP Participants are listed below with a description of the KEIP Participants responsibilities and obligations.

- a. **Interim President and CEO (the “CEO”)**. The CEO is responsible for determining and executing the Debtors’ strategic goals under the direction and oversight of the Debtors’ boards of directors. The CEO also oversees all strategic partner, all functional areas of development, and all regulatory, finance, legal, commercial, and human resources segments. The CEO has played, and will continue to play, a crucial role in the sale process. Specifically, the CEO is responsible for liaising with all potential purchasers of the Debtors’ assets and marketing the existing and future commercial opportunities for the Debtors. Moreover, aside from the sale process, the CEO is responsible for overseeing all other aspects of the Debtors’ bankruptcy process. Importantly, the CEO stepped into the role and accepted a material change in responsibilities just before the Petition Date, when his predecessor decided not to continue with the company during the Chapter 11 Cases and noticed his upcoming resignation. This extraordinary flexibility has enabled the Debtors to continue as debtors in possession and their section 363 sale path without disruption.
- b. **Vice President – General Manager Operations (the “Operations VP”)**. The Operations VP is the key lead onsite person responsible for planning and directing the Debtors’ operational policies, objectives, and initiatives and safely executing care and maintenance of the assets. The Operations VP develops strategies and deploys tactics to attain short- and long-term financial and mission-critical operational goals. Additionally, the Operations VP is responsible for assisting with satisfying due diligence requests from potential purchasers and ensuring that the potential purchasers have access to important data related to the Debtors’ business. The Operations VP is essential to ensuring bidders understand the value of the Debtors’ estates and have the information they need to develop business plans supporting bids that fully value the potential in the Debtors’ assets.
- c. **General Counsel (the “GC”)**. The GC is responsible for planning and directing all aspects of the Debtors’ legal affairs. The GC ensures all business policies and activities are managed in compliance with current laws, reviews contracts, and handles other legal duties to protect the Debtors from liability. The GC provides strategic guidance on legal issues, manages compliance and mitigates risk. The GC is also responsible for assisting with the sale process and the bankruptcy proceedings. Among other things, the GC participated in court hearings, was involved in negotiating the Debtors’ debtor-in-possession credit facility with their DIP lenders and provided

significant input and review with respect to the Debtors' preparation of their first day motions and bidding procedures motion. The GC will be intimately involved in the sale process and the negotiation of purchase agreements.

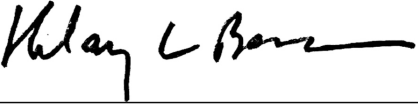
- d. **Interim Chief Financial Officer (the "CFO")**. The CFO is the senior officer responsible for all key areas of the Debtors' finance and accounting functions, including financial planning and analysis, insurance, tax, treasury, and financial reporting. The CFO also oversees the Debtors' business operating plan, financial forecasts, and compliance with the weekly DIP budget reporting and preparation of the Bi-Weekly DIP budget update, both required under the DIP Financing Agreement. The CFO is responsible for all concentrate sales and logistics and is engaged in related final billing and operational winddown activities as part of entering into care and maintenance. The CFO's efforts are critical during this cash constrained time and for a successful and efficient execution of a Sale Transaction, as the CFO must effectively address finance-related diligence requests from prospective buyers and negotiate a value maximizing Sale Transaction.
- e. **Vice President – Projects (the "Projects VP")**. The Projects VP is responsible for the technical studies completed on the open pit project. The Projects VP's understanding and expertise on the open pit project is of significant value through the sale process as the open pit is a highly valuable component of the estate. This involves accommodating and responding to all open pit-related due diligence requests from potential purchases of the Debtors' assets.
- f. **Vice President – Exploration (the "Exploration VP")**. The Exploration VP is responsible for planning and directing all aspects of the Debtors' exploration activities and maintaining all land claims in good standing. The Exploration VP is critical to assist with a timely and efficient sale process through extensive knowledge of the assets, their history and development. The Exploration VP is the longest tenured employee and has direct knowledge of several aspects of the property and its operational development, including the various stages of the underground construction and operations, exploration targets and the open pit project. The Exploration VP is also responsible for, and is integral to, satisfying due diligence requests from potential purchasers regarding historical information, land status, development opportunities and potential expansions.
- g. **Vice President – Environmental & Corporate Affairs (the "Environmental & Corporate Affairs VP")**. The Environmental & Corporate Affairs VP plans and directs all aspects of NCI's environmental management and activities and develops strategies for complying with environmental regulations and minimizing NCI's impact on air, land and water quality. The Environmental & Corporate Affairs VP also identifies

1 environmental issues that may affect NCI or its employees and develops  
2 and implements plans for mitigating those issues, as well as maintaining  
3 NCI's compliance with applicable laws. The incumbent assumed the  
4 interim environmental role in addition to their regular duties for the past  
5 year. Additionally, the Environmental & Corporate Affairs VP is  
6 responsible for assisting with coordinating responses to due diligence  
7 requests and site visits from potential purchasers. The Environmental &  
8 Corporate Affairs VP also manages overall corporate communications  
9 including investor relations, community relations and government  
10 relations. The Environmental & Corporate Affairs VP is integral to the sale  
11 process due to their leadership on site, knowledge of past and current  
12 operations, environmental and permitting matters, regulatory interactions  
13 and coordination of previous financing and due diligence efforts.

14 h. **Vice President – Human Resources (the “HR VP”)**. The HR VP is  
15 responsible for overseeing NCI's human resources activities and is one of  
16 the key leadership positions on site. Importantly, this includes ensuring that  
17 NCI is able to adapt its workforce to its current care and maintenance  
18 business plan and retain employees to maintain safety of the Underground  
19 Mine. The HR VP is also responsible for facilitating human resources-  
20 related diligence requests from potential purchasers. The HR VP is also  
21 responsible for leading the onsite team in the organization and preparation  
22 of all site facilities during the care and maintenance period. Further, the HR  
23 VP builds and develops the teams and technology resources to facilitate  
24 regulatory compliance, recordkeeping, transaction processing, and analysis  
25 of workforce metrics. Additionally, the HR VP recently assumed  
26 management of the safety and health department reflecting new  
27 responsibilities to protect the Debtors' employees and assets as the Debtors  
28 prepare for the sale.

i. **Corporate Secretary**. The Corporate Secretary is responsible for keeping  
and maintaining the Debtors' records, including their organizational  
documents, records of meetings, permits, compliance records, and other  
critical records. In addition, the Corporate Secretary is responsible for  
coordinating and organizing all meetings of the Debtors' boards of  
directors. In the context of the sale process, the Corporate Secretary will be  
heavily involved in facilitating the Debtors' response to diligence requests  
from potential bidders and in facilitating the governance processes  
necessary to carry out a successful sale process.

**SCHEDULE “C”  
KERP ORDER**

  
Honorable Hilary L. Barnes  
United States Bankruptcy Judge



Entered on Docket  
July 31, 2024

**UNITED STATES BANKRUPTCY COURT**  
**DISTRICT OF NEVADA**

In re:

☒ NEVADA COPPER, INC.  
☒ NEVADA COPPER CORP.  
☒ NC DITCH COMPANY LLC  
☒ NC FARMS LLC  
☒ LION IRON CORP.  
☒ 0607792 B.C. LTD.

Debtors.<sup>1</sup>

Lead Case No.: 24-50566-hlb  
Chapter 11

Jointly Administered with:  
Case No.: 24-50567-hlb  
Case No.: 24-50568-hlb  
Case No.: 24-50569-hlb  
Case No.: 24-50570-hlb  
Case No.: 24-50571-hlb

Hearing Date: July 29, 2024  
Hearing Time: 1:30 p.m.

**ORDER AUTHORIZING KEY EMPLOYEE  
RETENTION PROGRAM AND GRANTING RELATED RELIEF**

Upon the motion [ECF No. 250] (the “*Initial Motion*”)<sup>2</sup> of the Debtors for entry of an order (this “*Order*”), pursuant to sections 105(a), 363(b), and 503(c) of the Bankruptcy Code authorizing the Debtors’ proposed key employee retention program (the “*KERP*”) for the participants in the KERP (the “*KERP Participants*”) and granting related relief, as supplemented by the *Supplement to Debtors’ Motion for Entry of an Order Authorizing Key Employee Retention Program and Granting Related Relief* [ECF No. 455] (the “*Motion Supplement*” and, together with the Initial Motion, the “*Motion*”); and upon the First Day Declaration [ECF No. 4]; and upon the declaration of Gregory J. Martin in support of the Initial Motion [ECF No. 251]; and upon the declaration of

<sup>1</sup> The Debtors in these chapter 11 cases and the last four digits of their registration numbers in the jurisdiction in which they are organized are: Nevada Copper, Inc. (1157) (Nevada); Nevada Copper Corp. (5323) (British Columbia); 0607792 B.C. Ltd. (2524) (British Columbia); Lion Iron Corp. (2904) (Nevada); NC Farms LLC (0264) (Nevada); and NC Ditch Company LLC (4396) (Nevada).

<sup>2</sup> Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Motion.

John Dempsey in support of the Initial Motion [ECF No. 252]; and upon the *Supplement to the Declaration of Gregory J. Martin in Support of the Debtors' Motion for Entry of an Order Authorizing Key Employee Retention Program and Granting Related Relief* [ECF No. 456]; and it appearing that this Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334; and it appearing that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(A) and that this Court may enter a final order consistent with Article III of the United States Constitution; and proper and adequate notice of the Motion and the hearing thereon having been given; and it appearing that no other or further notice is necessary; and this Court having reviewed the Motion and having heard the statements in support of the relief requested therein at a hearing before this Court; and it appearing that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and this Court having determined that the relief sought in the Motion is in the best interests of the Debtors, their estates, their creditors, and other parties in interest; and after due deliberation and sufficient cause appearing therefor;

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED on a final basis as set forth herein.
2. The KERP is authorized and approved on the terms described in **Exhibit 1** attached hereto.
3. The Debtors are authorized and empowered to take all actions necessary to implement the KERP, to make all KERP Payments pursuant thereto, and to implement any relief granted in this Order; *provided that*, without further approval from the Court: (i) KERP Payments for Hourly KERP Participants are limited, in the aggregate, to the Hourly Payment Cap of \$593,411 and (ii) KERP Payments for Salaried KERP Participants are limited, in the aggregate, to the Salaried Payment Cap of \$1,250,689.
4. All amounts earned and payable under the KERP shall have administrative expense priority under sections 503(b) and 507(a)(2) of the Bankruptcy Code for all purposes in the Chapter 11 Cases and in any other case under the Bankruptcy Code to which such case may be converted.

1           5.       If a KERP Participant were to resign or be terminated for cause and the Debtors  
2 determine that it is necessary to rescind the Advance Notice of an Affected Employee in order to  
3 enable that Affected Employee to take the place of the departing KERP Participant, the Debtors  
4 may, but are not required, to add such Replacement KERP Participant in place of the departing  
5 KERP Participant; *provided* that, the Debtors shall notify the official committee of unsecured  
6 creditors in these Chapter 11 Cases (the “*Committee*”) five business days prior (or such shorter  
7 time period to which the Committee may agree) to the replacement of the KERP Participant with  
8 such Replacement KERP Participant, and, *provided further*, that, if such a replacement were to  
9 occur with respect to a Salaried KERP Participant, the Replacement KERP Participant would be  
10 limited to receive KERP Payments in the amount allocated for the Salaried KERP Participant that  
11 had been replaced.

12           6.       Nothing in the Motion or this Order, nor the Debtors’ payment of amounts under  
13 the KERP shall be deemed or construed as: (i) an admission as to the validity of any claim against  
14 the Debtors; (ii) a waiver of the Debtors’ rights to dispute any claim on any grounds; or (iii) a  
15 promise to pay any claim.

16           7.       Notwithstanding Bankruptcy Rule 6004(h), the terms and provisions of this Order  
17 shall be immediately effective and enforceable upon its entry.

18           8.       Notwithstanding any provision in the Federal Rules of Bankruptcy Procedure to the  
19 contrary, the Debtors are not subject to any stay in the implementation, enforcement, or realization  
20 of the relief granted in this Final Order, and the Debtors may, in their discretion and without further  
21 delay, take any action and perform any act necessary to implement the relief granted in this Order.

22           9.       This Court shall retain jurisdiction over any and all matters arising from or related  
23 to the interpretation or implementation of this Order.

24           **IT IS SO ORDERED.**

In accordance with LR 9021, counsel submitting this **ORDER AUTHORIZING KEY EMPLOYEE RETENTION PROGRAM AND GRANTING RELATED RELIEF** certifies that the order accurately reflects the court's ruling and that (check one):

☐ The Court has waived the requirement set forth in LR 9021(b)(1).

☐ No party appeared at the hearing or filed an objection to the motion.

☒ I have delivered a copy of this proposed order to all counsel who appeared at the hearing, and any unrepresented parties who appeared at the hearing, and each has approved or disapproved the order, or failed to respond, as indicated below [list each party and whether the party has approved, disapproved, or failed to respond to the document].

JARED A. DAY  
*United States Trustee*

**APPROVED** / ~~DISAPPROVED~~

☐ I certify that this is a case under Chapter 7 or 13, that I have served a copy of this order with the motion pursuant to LR 9014(g), and that no party has objected to the form or content of the order.

Prepared and submitted by:

McDONALD CARANO LLP

/s/ Ryan J. Works

Ryan J. Works (NSBN 9224)  
Amanda M. Perach (NSBN 12399)  
2300 West Sahara Avenue, Suite 1200  
Las Vegas, Nevada 89102

ALLEN OVERY SHEARMAN STERLING US LLP  
Fredric Sosnick (New York Bar No. 2472488) (*pro hac* pending)  
Sara Coelho (New York Bar No. 4530267) (*pro hac* pending)  
599 Lexington Avenue  
New York, New York 10022

*Proposed Counsel to the Debtors and Debtors in Possession*

**EXHIBIT 1**

**KERP Terms**

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## KEY EMPLOYEE RETENTION PROGRAM (“KERP”)

Below are the key terms of the Key Employee Retention Program as approved by the Court, and as further described in the *Debtors’ Motion for Entry of an Order Authorizing Key Employee Retention Program and Granting Related Relief* [ECF No. 250] filed on July 2, 2024 (the “**Initial Motion**”), and as supplemented by the *Supplement to Debtors’ Motion for Entry of an Order Authorizing Key Employee Retention Program and Granting Related Relief* [ECF No. 455] filed on July 26, 2024 (the “**Motion Supplement**” and, together with the Initial Motion, the “**Motion**”). Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Motion.

### Terms

The Debtors would be authorized to pay 70 critical non-insider employees (the “**KERP Participants**”) up to an aggregate amount of \$1,844,100 (the “**KERP Payments**”), excluding employer-paid taxes, and in each case paid upon achievement of certain “KERP Milestones” as set out below, to maximize the likelihood that such employees remain with the Debtors and focus their efforts on maximizing the value of the Debtors’ estates throughout the sale process and for the reasons stated in the Motion.

### KERP Participants

None of the KERP Participants are or will be insiders, as that term is defined in the Bankruptcy Code. The KERP Participants are the Debtors’ current full-time employees who are not eligible for the Debtors’ proposed Key Employee Incentive Program, are not subject at the time of participation to an Advance Notice, and have agreed to release claims against the Debtors. The Debtors may, but are not required to, add non-insider replacement KERP Participants (“**Replacement KERP Participants**”) who have received an Advance Notice to the KERP to replace KERP Participants whose employment with the Debtors has terminated, if such Advance Notices are rescinded and those Replacement KERP Participants are working full-time for the Debtors. If such a replacement were to occur with respect to a Salaried KERP Participant (as defined below), the Replacement KERP Participant would be limited to receive KERP Payments in the amount allocated for the Salaried KERP Participant that had been replaced.

### Payments and Awards

For KERP Participants who are Hourly KERP Participants (as defined in the Motion), the KERP Payments will include: (i) a \$25.00 per hour incentive payment for all hours worked since the Petition Date (and not previously compensated in an equivalent amount through the Debtors’ Hourly Bonus Program), provided the KERP Participant releases claims against the Debtors; and (ii) upon the first occurrence of any KERP Milestone (as defined below) and the KERP Participant releasing claims against the Debtors, an additional \$10.00 per hour retention payment for each hour worked since the Petition Date. For Hourly KERP Participants, this portion of the KERP will take the place of the Debtors’ existing Hourly Bonus Program.

For KERP Participants who are Salaried KERP Participants (as defined in the Motion), the KERP Payments will include an amount between 25–35% of such KERP Participant’s annual salary (as determined in the Debtors’ reasonable discretion), paid in two intervals: (i) 20% of the total KERP Payment to be paid upon approval of the KERP and the KERP Participant releasing claims against the Debtors; and (ii) the remaining 80% of the total KERP Payment to be paid upon the first occurrence of any KERP Milestone (as defined below) and the KERP Participant releasing claims against the Debtors.

1 Payments to KERP Participants are capped at (i) \$593,411 for KERP Payments to Hourly  
2 KERP Participants (the “*Hourly Payment Cap*”) and (ii) \$1,250,689 for KERP Payments to  
3 Salaried KERP Participants. In the event that the Hourly Payment Cap is hit and not increased by  
4 order of the Court, the Debtors will resume making payments under the Hourly Bonus Program.  
5 The Debtors will give the Committee (i) notice that the cap has been hit and (ii) notice and an  
6 opportunity to respond to any request for an increase of the cap.

7 Payments to Hourly KERP Participants would be made on or about the last regularly  
8 scheduled payroll of each month, to the extent reasonably practicable. Payments to Salaried KERP  
9 Participants may be made at the times specified herein or upon the next regular payroll for Salaried  
10 KERP Participants.

11 KERP Payments will be made in accordance with the terms herein, but will not be paid  
12 unless a KERP Participant remains employed on the applicable payment date, or if earlier, the  
13 occurrence of a KERP Milestone, and in each case, the KERP Participant releases claims against  
14 the Debtors. For the avoidance of doubt, if a KERP Participant remains employed upon the  
15 occurrence of a KERP Milestone, any KERP Payments that remain outstanding will be paid upon  
16 such KERP Milestone and the KERP Participant’s signing of the required release.

#### 17 KERP Milestones

18 KERP Milestones include: (i) consummation of a plan of reorganization or liquidation for  
19 the Debtors; (ii) the consummation of a Sale Transaction; (iii) involuntary termination without  
20 cause; (iv) death or permanent and total disability; or (v) December 31, 2024.

#### 21 Ineligibility

22 As a precondition to participation in the KERP, the Debtors require KERP Participants to  
23 release claims against the Debtors prior to the first KERP payment and to further sign a final  
24 release prior to receipt of the final payment due under the KERP. KERP Participants would  
25 become ineligible for KERP Payments, and for any additional severance (including severance that  
26 they otherwise would have been entitled to, if any, under the Debtors’ existing programs), in the  
27 event that they were to resign or their employment were to be terminated for cause prior to  
28 achievement of the applicable KERP Milestone.

#### Priority of Payments

Any and all payment obligations of the Debtors under the KERP shall constitute  
administrative expenses of the Debtors’ estates and may be paid pursuant to section 503(b) of the  
Bankruptcy Code and pursuant to the terms of any orders authorizing use of cash collateral and  
debtor-in-possession financing entered in these Chapter 11 Cases.

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

Court File No.: CV-24-00722252-00CL

AND IN THE MATTER OF NEVADA COPPER, INC., NEVADA COPPER CORP., 0607792 B.C. LTD.,  
LION IRON CORP., NC FARMS LLC AND NC DITCH COMPANY LLC

APPLICATION OF NEVADA COPPER, INC. UNDER SECTION 46 OF THE COMPANIES' CREDITORS  
ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

Proceeding commenced at TORONTO

**RECOGNITION ORDER  
(RECOGNITION OF  
STALKING HORSE ORDER,  
KEIP ORDER AND KERP ORDER)**

**Torys LLP**

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