



NO. S-227894  
VANCOUVER REGISTRY

**IN THE SUPREME COURT OF BRITISH COLUMBIA**

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

AND

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

AND

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

PETITIONER

**NOTICE OF APPLICATION**

**NAME OF APPLICANT:** Great Panther Mining Limited

**TO:** Service List, attached hereto as **Schedule "A"**

TAKE NOTICE that an application will be made by the Petitioner to the Honourable Mr. Justice Walker at the courthouse at 800 Smithe Street, Vancouver, British Columbia, **on November 3, 2022 at 10:00 a.m.**, for the order set out in Part 1 below.

**I. ORDER SOUGHT**

1. The Petitioner, Great Panther Mining Limited ("**GPML**"), seeks the following three orders:
  - (a) an order substantially in the form of the draft order (the "**Stay Extension Order**") attached hereto as **Schedule "B"**, granting the following relief:
    - (i) extending the Stay Period (as defined below), and all other relief granted under the ARIIO (as defined below), up to and including December 16, 2022;
    - (ii) approving GPML's proposed sales and investment process (the "**SISP**"), as described in further detail below, and authorizing and directing GPML,

the Monitor, and the Sale Advisor (as defined below) to carry out the SISP in accordance with its terms;

- (iii) approving the engagement letter dated October 5, 2022 (the “**Sale Advisor Agreement**”), between, among others, GPML, GPML’s Brazilian indirect subsidiary Mina Tucano Ltda. (“**Mine Tucano**”), and RBC Dominion Securities Inc. (“**RBC**”) as sales advisor (in such capacity, the “**Sale Advisor**”), and authorizing GPML to execute the Sale Advisor Agreement and pay the portion of the fees and expenses set out therein for which GPML is responsible (collectively, the “**Sale Advisor Compensation**”), as described in further detail below;
- (iv) declaring that the Monitor and the Sale Advisor and their respective affiliates, partners, directors, employees, advisors, agents, shareholders and controlling persons shall have no liability with respect to any losses, claims, damages or liability of any nature or kind to any person in connection with or as a result of the SISP or the conduct thereof, except to the extent of such losses, claims, damages or liabilities resulting from the gross negligence or willful misconduct or any of the foregoing in performing their obligations under the SISP;
- (v) approving GPML’s proposed key employee retention plan (the “**KERP**”) to secure the continued service of certain critical employees, as described in further detail below;
- (vi) granting the following charges in favour of the Sale Advisor:
  - A. a charge (the “**Work Fee Charge**”) against GPML’s current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (the “**Property**”), up to the maximum amount of \$75,000, to secure the payment by GPML of the portion of the Work Fees (as defined in the Sale Advisor Agreement and set out in further detail below) for which it is responsible;

- B. a charge (the “**Proceeds Charge**”, the Work Fee Charge and the Proceeds Charge are collectively referred to as, the “**Sale Advisor Charges**”) against all proceeds from a Transaction (as defined in the Sale Advisor Agreement and set out in further detail below) payable to GPML, as security for all Sale Advisor Compensation;
- (vii) granting a charge (the “**KERP Charge**”) against the Property, in favour of the beneficiaries of the KERP, up to the maximum amount of CAD\$117,500, to secure GPML’s obligations to such persons under and pursuant to the KERP; and
- (viii) declaring that the Sale Advisor Charges and the KERP Charge shall have the priority set out in the draft Stay Extension Order.
- (b) an order substantially in the form of the draft order (the “**Coricancha Sale Order**”) attached hereto as **Schedule “C”**, granting the following relief:
- (i) approving the Coricancha Sale Agreement (as defined below), authorizing and directing GPML to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Coricancha Sale Agreement, and vesting the shares acquired pursuant to the Coricancha Sale Agreement in the purchaser free and clear of all claims and encumbrances; and
- (ii) providing a direction that GPML shall forthwith cause Great Panther Coricancha S.A.C. (“**Coricancha S.A.C.**”) to advise the relevant ministry or regulatory agency of the Government of Peru: (i) regarding the existence of the Coricancha Sale Agreement and the Peruvian Transaction (as defined below) contemplated thereunder; and, (ii) that absent the closing of the Coricancha Sale Agreement on or before November 26, 2022, Coricancha S.A.C. may not have sufficient funds to continue care and maintenance at the Coricancha Mine (as defined below) after that date.

- (c) an order substantially in the form attached hereto as **Schedule “D”** (the **“Sealing Order”**), sealing the Eighth Affidavit of Sandra Daycock sworn on November 2, 2022 (the **“Confidential Affidavit”**) and all exhibits thereto on the Court file pending further order of the Court; and
- (d) such further and other relief as may be sought by GPML.

## II. FACTUAL BASIS

### A. Background

1. The facts supporting this application are more fully set out in the Seventh Affidavit of Sandra Daycock affirmed on November 2, 2022 (**“Seventh Daycock Affidavit”**). Capitalized terms used but not otherwise defined in this Notice of Application have the same meaning as ascribed to them in the Seventh Daycock Affidavit or the Affidavit of Sandra Daycock affirmed on September 28, 2022 (the **“First Daycock Affidavit”**), as context may require.
2. On October 4, 2022, the Honourable Mr. Justice Walker pronounced the Initial Order in respect of GPML pursuant to the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the **“CCAA”**). Among other things, the Initial Order established a stay of proceedings (the **“Stay”**) against GPML for an initial period of ten (10) days (the **“Stay Period”**). Alvarez & Marsal Canada Inc. (**“A&M”**) was appointed as the monitor (when referred to in such capacity, the **“Monitor”**) of GPML. On October 14, 2022, this Court pronounced the Amended and Restated Initial Order (the **“ARIO”**), which among other things, extended the Stay Period to and until October 21, 2022. The Stay Period has most recently been extended up to and including November 3, 2022, pursuant to an order pronounced by Justice Walker on October 27, 2022.
3. As described further below, GPML has continued to advance its restructuring process since the date of the initial comeback hearing on October 21, 2022, including as described in the reports issued to this Honourable Court by the Monitor. Among other things, GPML has:
  - (a) negotiated and entered into the binding, definitive purchase agreement (the **“Coricancha Sale Agreement”**) with Newrange Gold Corp. (**“Newrange”**), with respect to the sale of GPML’s Canadian and Peruvian subsidiaries which hold interests in the Coricancha Mine located in the Peruvian Andres (the **“Coricancha Mine”**) (collectively, the **“Peruvian Transaction”**);

- (b) negotiated the Sale Advisor Agreement;
- (c) developed, with the assistance of its professional advisors and the input of the Monitor, the proposed KERP;
- (d) developed, with the assistance of its professional advisors and the input of the Monitor and the Sale Advisor, the proposed SISP;
- (e) continued its Canadian operations, including its management and oversight functions with respect to the Group (as defined in the First Daycock Affidavit);
- (f) continued to engage and negotiate with its stakeholders and creditors, including Asahi Refining Canada Ltd. ("**Asahi**"), GPML's employees, and GPML's trade creditors; and
- (g) provided operational support and assistance to Mina Tucano during the course of Mina Tucano's continued operations and the Judicial Reorganization (as defined and set out in the Initial Affidavit).

4. The critical relief sought by GPML on this application is consistent with the underlying purpose of the CCAA.

5. Unless otherwise noted, all references to monetary amounts in this Notice of Application are in Canadian dollars ("**CAD**").

**B. Sale Advisor Agreement**

***i. Sale Advisor Agreement***

6. GPML's senior management believes that it is necessary to engage an external, third-party sales advisor with extensive experience in the mining industry and certain specific skills, in order to maximize value during the course of the proposed SISP. As such GPML undertook a process to identify and engage a suitable sales advisor, and decided to engage RBC as the Sale Advisor for the SISP for the reasons set out in the Second Affidavit of Sandra Daycock and the Confidential Affidavit.

Second Affidavit of Sandra Daycock, sworn October 12, 2022 at paras 7-11;

Confidential Affidavit at paras 5-7

2. GPML, Beadell (Brazil) Pty Ltd. ("**Beadell Brazil 1**"), Beadell (Brazil 2) Pty Ltd. ("**Beadell Brazil 2**"), Mina Tucano, and RBC, have since negotiated the Sale Advisor Agreement. The Sale Advisor Agreement sets out, among other things: (i) the services to be provided by RBC as Sale Advisor in connection with the SISP; (ii) the respective rights and obligations of the Sale Advisor, GPML, Beadell Brazil 1, Beadell Brazil 2, and Mina Tucano, concerning the SISP; (iii) other services which may be provided by RBC if requested by GPML and Mina Tucano; and, (iv) the fee structure and compensation payable to the Sale Advisor.

Seventh Daycock Affidavit at para 7 and Exhibit "A"

3. The Confidential Sale Advisor Agreement (as defined in the Seventh Daycock Affidavit, being the unredacted copy of the Sale Advisor Agreement) contains certain confidentiality provisions which apply to GPML. In addition, the Confidential Sale Advisor Agreement contains confidential business and competitive information with respect to the Sale Advisor's fee structures. GPML believes that the disclosure of the Confidential Sale Advisor Agreement at this time would be likely to cause significant prejudice to the Sale Advisor, including as it contains details regarding the Sale Advisor's proposed fee structure, which is commercially sensitive and not generally available to the public or RBC's competitors.

Seventh Daycock Affidavit at para 8

4. Accordingly, GPML seeks the Sealing Order with respect to the Confidential Sale Advisor Agreement.

***ii. Sale Advisor Services and Compensation***

5. The Sale Advisor Agreement contemplates that the Sale Advisor shall provide GPML and its subsidiaries with financial analysis and advice on developing and evaluating transaction alternatives available to GPML and, if specifically requested by GPML, on pursuing such transaction alternatives. At a high level, and as described in further detail in the Sale Advisor Agreement, such transaction(s) may involve: (i) raising financing through the sale of equity securities, debt securities, or credit facilities (a "**Financing**"); (ii) a royalty or metal stream sale (a "**Stream or Royalty Sale**"); (iii) a direct or indirect sale or disposition of less than fifty percent (50%) of the shares, business, or assets of either or both of Mina Tucano, GPML, or any of their affiliates by way of a joint venture of one or more assets (a "**JV**"); and, (iv) pursuing a direct or indirect sale or disposition of fifty percent (50%) or more of the shares, business, or assets of either or both of GPML, Mina Tucano, or their affiliates, including pursuant to a credit bid (a

"Sale"). The Sale Advisor Agreement defines the term "**Transaction**" as any of, or a combination of, a Financing, Stream or Royalty Sale, JV, or a Sale. For clarity, the Sale Advisor Agreement specifically excludes the sale of the Coricancha Mine pursuant to the Coricancha Sale Agreement from the definition of Transaction.

Seventh Daycock Affidavit at para 9 and Exhibit "A"

6. The specific details of the Sale Advisor Compensation are set out in the Confidential Sale Advisor Agreement, which GPML is seeking to seal on the Court file, and accordingly those details are not reiterated in this Notice of Application. At a high level, the Sale Advisor shall be entitled to: (i) a monthly work fee in a set amount (the "**Work Fee**"), due and payable monthly in advance starting on the date of the Sale Advisor Agreement and for a minimum of three (3) months; and, (ii) a specific fee based on the gross proceeds of a Transaction, with the percentage amount of the fee varying based upon whether the Transaction is a Financing, Stream or Royalty Sale, JV, or a Sale (each such fee being a "**Success Fee**").

Seventh Daycock Affidavit at para 10

7. The Sale Advisor Agreement provides that GPML shall be responsible for fifty percent (50%) of the Work Fees and Mina Tucano shall be responsible for the other fifty percent (50%) of the Work Fees. As well, fifty percent (50%) of any Work Fee shall be credited against payment of any Success Fee. The Sale Advisor Agreement further provides that any Success Fee payable in respect of a Transaction shall be satisfied by GPML, Mina Tucano, Beadell Brazil 1, and Beadell Brazil 2, or any successor, from the proceeds of the Transaction, which is to be paid directly to the Sale Advisor upon closing. GPML's senior management considers this structure to be highly beneficial as it will assist GPML in preserving its cash pending the closing of a Transaction. In practical effect, any Success Fee will be satisfied by the purchaser or other counterparty to the Transaction. As well, GPML has been advised by André Marques, of the law firm Pinheiro Neto (Mina Tucano's Brazilian counsel) that: (i) court-ordered priority charges are not available in Judicial Reorganization proceedings; and (ii) notwithstanding such unavailability, it is possible in Judicial Reorganization proceedings to utilize a structure similar to that set out in the Sale Advisor Agreement, where any Success Fee is paid first from the proceeds of a transaction.

8. Accordingly, as described in further detail below, although the Work Fee Charge is contemplated to apply to all of GPML's Property (but to secure only GPML's portion of the Work

Fees payable under the Sale Advisor Agreement, and not Mina Tucano's portion of such Work Fees), the Success Fee Charge is contemplated to apply only to GPML's interest in the proceeds of any Transaction (to secure all Sale Advisor Compensation payable by GPML, including any outstanding Work Fee amounts).

Seventh Daycock Affidavit at para 12

**C. SISP**

***i. Overview of the SISP***

9. With the assistance and input of the Sale Advisor, the Monitor, and GPML's advisors, GPML has developed the proposed SISP. The purpose of the SISP is to maximize the value of GPML's Property, including its subsidiaries and its indirect interest in the Tucano Mine (as defined in the First Daycock Affidavit), for the benefit of all of its stakeholders.

Seventh Daycock Affidavit at para 13

10. The SISP contemplates a two-phase process. Specifically, the first phase of the SISP ("**Phase 1**") will involve a broad marketing process (as described in further detail below) ending with the submission of non-binding indicative offers. The second phase of the SISP ("**Phase 2**") will involve a further opportunity for due diligence followed by the submission of binding bids.

11. The SISP will primarily be conducted over a marketing period of approximately twelve (12) weeks in the aggregate, with Phase 1 occurring over a period of five (5) weeks between SISP commencement and the delivery of LOIs (as defined below), followed by a one (1) week LOI evaluation period, with Phase 2 occurring over a period of six (6) weeks between commencement and delivery of Qualified Final Bids (as defined below). For clarity, that calculation does not include the periods with respect to the post-bid negotiation of definitive documents after the delivery of Qualified Final Bids, or the Outside Closing Date (as defined below) by which the transaction must close following the Definitive Agreement Date (as defined below), which are as set out in the table following paragraph 12, below.

Seventh Daycock Affidavit at para 15



*ii. Key Terms of the SISP*

12. The following table sets out the target dates under the SISP, as described in further detail below:

STEP	TARGET DATE
SISP to commence	November 4, 2022 (the “ <b>Commencement Date</b> ”)
LOI Deadline	December 9, 2022 (the “ <b>LOI Deadline</b> ”)
Final Bid process commences	December 16, 2022
Final Bid Deadline	January 27, 2023 (the “ <b>Final Bid Deadline</b> ”)
Definitive Agreement Deadline	February 10, 2023 (the “ <b>Definitive Agreement Deadline</b> ”)
Outside Closing Date	June 10, 2023 (the “ <b>Outside Closing Date</b> ”)

13. The target dates set out above (including but not limited to the Commencement Date and the Outside Closing Date) may be amended or extended by GPML, Mina Tucano, Beadell Brazil 1, and Beadell Brazil 2 (collectively, the “**SISP Group**”) with the consent of the Sale Advisor, Asahi, and the Monitor if such parties deem it to be necessary or advisable to do so, or by further Order of the Court.

Seventh Daycock Affidavit at para 17

14. Bids submitted within the SISP may propose a transaction involving the SISP Group, the Property (as defined in the SISP, including the majority of the present and future assets, undertakings, and properties of GPML, Mina Tucano, Beadell Brazil 1, and Beadell Brazil 2), or any part or parts thereof, whether pursuant to an asset purchase transaction or some other investment, restructuring, recapitalization or other form of reorganization of the business, property or affairs of GPML and its subsidiaries, including but not limited to the debt, share, or capital structure of GPML and its direct and indirect subsidiaries, or some combination thereof.

Seventh Daycock Affidavit at para 18

15. The SISP will commence with GPML and the Sale Advisor, in consultation with the Monitor, identifying potential bidders (the “**Known Potential Bidders**”). The Sale Advisor will distribute a teaser letter to the Known Potential Bidders along with such other marketing materials as GPML and the Sale Advisor consider appropriate, along with a draft form of confidentiality agreement (the “**Confidentiality Agreement**”), as soon as practicable after the Commencement Date. In addition, GPML will issue a corresponding press release.

Seventh Daycock Affidavit at para 19

16. To participate in Phase 1 of the SISP, potential bidders (including the Known Potential Bidders and any other person(s) who, in the opinion of the Sale Advisor in consultation with the Monitor and GPML, comply with the Phase 1 participation requirements) will be required to deliver an acknowledgement of the SISP terms and an executed Confidentiality Agreement.

Seventh Daycock Affidavit at para 20

17. Phase 1 will consist of an initial due diligence period ending with the submission of non-binding letters of intent (“**LOI**”), to be received on or before the LOI Deadline. The SISP includes various requirements for the information to be incorporated in the LOI, as set out in further detail in the SISP. GPML, the Monitor, and the Sale Advisor, shall assess the LOIs to determine if the potential bidder has a *bona fide* interest in consummating a transaction and the financial, managerial, operational, technical, and other capabilities to do so. At this stage GPML may, in its reasonable business judgment and after consultation and with the approval of the Sale Advisor and the Monitor, and provided that the Monitor in its reasonable business judgment considers it to be reasonably necessary or advisable to do so, limit the number of parties advancing to Phase 2.

Seventh Daycock Affidavit at para 21

18. Subject to Asahi providing (i) confirmation to the Monitor that Asahi and its affiliates are not participating directly or indirectly in the SISP, and (ii) such confidentiality agreements and other confirmations as the Monitor may reasonably require (the “**Asahi Confirmation**”), GPML, the Sale Advisor, and the Monitor may share the qualified LOIs and their analysis with Asahi.

Seventh Daycock Affidavit at para 22

19. As a condition to providing its consent to Phase 1 of the SISP, Asahi has required that GPML shall be permitted to proceed to Phase 2 of the SISP only (i) if Asahi has consented to

permitting GPML to proceed to Phase 2, or (ii) by further Court order. If GPML ceases to participate in the SISP, the remaining members of the SISP Group may continue within the SISP, and the provisions of the SISP Process may be amended accordingly (including the removal of all references and rights of Asahi under the SISP).

Seventh Daycock Affidavit at para 23

20. Phase 2 will consist of a further due diligence period prior to the submission of binding, executed bids. To qualify as a Phase 2 bid, certain requirements must be met, as set out in the SISP (bids meeting such requirements being, "**Qualified Final Bids**"). GPML will review all Qualified Final Bids, in consultation with the Sale Advisor and the Monitor, to determine the highest or otherwise best bid received, with reference to certain criteria as specified in the SISP.

Seventh Daycock Affidavit at para 24

21. The Monitor shall, in consultation with the Sale Advisor, GPML and Asahi (provided it has provided the Asahi Confirmation) identify the highest or otherwise best bid (a "**Successful Bid**") as well as the next highest or otherwise best bid (a "**Backup Bid**"). In the event that the Successful Bid fails to close, the applicable members of the Group and the party that submitted the Backup Bid will seek to close the Backup Bid.

Seventh Daycock Affidavit at para 25

22. Within five (5) business days of the applicable parties being notified that their bid is the Successful Bid or a Backup Bid, such parties must pay a deposit in an amount equal to a percentage of the total value of all cash and non-cash consideration to be paid or provided pursuant to the bids, as follows: (i) ten percent (10%) with respect to any such consideration up to and including fifty million dollars (\$50,000,000), *plus* (ii) five percent (5%) with respect to any such additional consideration beyond fifty million dollars (\$50,000,000), without duplication. All deposits will be held by the Monitor in a non-interest bearing trust account.

Seventh Daycock Affidavit at para 26

23. The deposits in respect of Backup Bids (other than any Backup Bid which is subsequently deemed to be the Successful Bid) will be returned on the Backup Bid Release Date (as defined in the SISP, being the earlier of closing of the Successful Bid or thirty (30) days after the Definitive Agreement Deadline) or any earlier date as may be determined by the Sale

Advisor, in consultation with GPML and the Monitor. The deposit in respect of the Successful Bid will be: (i) forfeited if the applicable bidder breaches its obligations under the terms of the SISP, or (ii) returned if any member of the Group is unable to complete the Successful Bid as a result of its own actions and not as a result of steps or conditions contained in the Successful Bid (or the actions of the applicable bidder).

Seventh Daycock Affidavit at para 27

24. All bids received under the SISP involving GPML will be subject to Court approval. Depending on the nature of the bids, further approvals may be necessary in the Judicial Reorganization.

Seventh Daycock Affidavit at para 28

**D. KERP**

***i. Overview of KERP***

25. With the assistance of its legal advisors and the Monitor, GPML has developed a proposed key employee retention program ("**KERP**") to secure the continued service of a select subset of critical employees during Phase 1 of the SISP. GPML seeks court approval of the KERP and the granting of the KERP Charge, in the maximum amount of CAD\$117,500, to secure payment and performance of the obligations under the KERP. GPML anticipates that the amounts payable pursuant to the KERP are to be paid from GPML's cash flow, as set out in further detail in the Stay Period Cash Flow Forecast (as defined in the Seventh Daycock Affidavit). If GPML advances to Phase 2 of the SISP, GPML's board and management intends to consider the necessity, advisability, and scope of a second phase of the KERP, at such time. Where GPML determines that a second phase of the KERP is necessary or advisable, it will seek Court approval of same.

Seventh Daycock Affidavit at para 29

26. The KERP has been designed to incentivize a relatively small number of specified key employees of GPML (the "**Key Employees**") of GPML to remain in their employment during the course of these CCAA Proceedings. The Key Employees are members of the executive management team, the senior management team, and certain key personnel. The Monitor provided GPML's senior management with assistance in identifying the personnel to be included as Key Employees. There are currently five (5) employees identified as part of the KERP. The KERP payment structure is intended to minimize cash expenditures until the end of Phase 1 of

the SISP, while also encouraging such Key Employees to remain employed until their services are no longer necessary. The majority of the Key Employees are anticipated to be retained for the duration of these CCAA Proceedings and accordingly, as noted above, it is anticipated that GPML may seek approval of one or more further tranches of KERP Payments in the event that it advances to Phase 2 of the SISP.

Seventh Daycock Affidavit at paras 30 and 37

27. GPML believes that the Key Employees' services are necessary to conduct key management, accounting, operational, and head office functions, and to assist in the maintenance of GPML's treasury and cash management systems, without unnecessary duplication. Without the retention of the Key Employees, GPML believes that their ability to successfully restructure its affairs would be significantly negatively impacted. Absent the KERP, the Key Employees may seek alternative employment, and certain employees have already indicated that the absence of an incentive could result in their departure. Further, two (2) important senior employees of GPML have tendered their resignations in the past seven (7) days: Mr. Andrew Shannon (formerly Vice President, Corporate Development of GPML) and Mr. Fernando Cornejo (formerly Chief Operating Officer of GPML).

Seventh Daycock Affidavit at para 33

28. As set out in more detail in the Seventh Daycock Affidavit, the Key Employees have substantial knowledge of GPML's business and operations, and have significant experience and expertise. GPML believes that any process to replace the Key Employees would likely be more costly in terms of business disruption, money, and time, than the implementation of the KERP.

Seventh Daycock Affidavit at para 34

29. The Monitor has reviewed the documentation setting out the terms of the KERP (the "**KERP Term Sheet**"), which was drafted with input from GPML's counsel and the Monitor. The KERP Term Sheet contains certain confidential and personally identifiable information concerning the Key Employees, including their names, positions, salaries, the role they are anticipated to play in Phase 1 of the SISP, and the rationale for their identification as Key Employees, and their corresponding allocation in respect of the KERP Payments (as defined below). The Confidential KERP Exhibit (as defined in the Seventh Daycock Affidavit) contains sensitive information, the disclosure of which would significantly impinge upon the privacy interests of the Key Employees. Such information is not normally publicly disclosed by GPML in

the ordinary course of operations. Accordingly, GPML seeks the Sealing Order in respect of the Confidential KERP Exhibit.

Seventh Daycock Affidavit at para 36

*ii. Key Terms of KERP*

30. A summary of the key terms of the KERP is as follows:

- (a) to remain eligible for payments under the KERP, a Key Employee must remain employed at the applicable Triggering Date (as defined below). Employees who resign or are terminated with cause prior to the applicable Triggering Date will forfeit their entitlement to all subsequent KERP Payments (as defined below). However, employees who are terminated without cause will become eligible for immediate payment of their respective KERP Payment;
- (b) the KERP contemplates payments to the Key Employees in the aggregate amount of CAD\$117,500 ("**Tranche 1**"), which is to be divided between the Key Employees on a fixed basis as set out in the KERP Term Sheet (each Key Employee's respective portion of the tranche being, a "**KERP Payment**");
- (c) Tranche 1 will become payable on the earlier of:
  - (i) the determination that one (1) or more non-binding letter(s) of intent received during Phase 1 of the SISF will be permitted to proceed to Phase 2 of the SISF in accordance with the terms thereof, regardless of whether GPML proceeds to Phase 2 of the SISF or Phase 2 is conducted solely by affiliates of subsidiaries of GPML; or,
  - (ii) the termination of the CCAA Proceedings,(such date being, the "**Triggering Date**"); and
- (d) the KERP is conditional upon the approval of this Honourable Court and the granting of the KERP Charge.

Seventh Daycock Affidavit at para 38

**E. Priority Charges**

**i. Sale Advisor Charges**

31. As described above, GPML seeks the approval of two (2) priority charges in favour of the Sale Advisor, being the Work Fee Charge (up to the maximum amount of CAD\$75,000, and applicable to all of the Property) and the Proceeds Charge (applicable only to the proceeds of a Transaction). The Sale Advisor Agreement requires that GPML must seek the Sale Advisor Charges as a condition of the Sale Advisor's engagement. The primary reason for this requirement is that, due to GPML's insolvency, in the absence of such charges, the Sale Advisor is of the view that there would be a risk of the Sale Advisor Compensation going unpaid if the SISP results in no bids or is terminated for any reason prior to the completion of a Transaction. As described above, the engagement of the Sale Advisor is considered by GPML's senior management to be a crucial component of the SISP, which in turn is a key aspect of maximizing GPML's value to the benefit of all of its stakeholders.

Seventh Daycock Affidavit at para 40

32. GPML's senior management believes that the Sale Advisor Charges will not cause significant prejudice to any of GPML's creditors, as: (i) with respect to the Work Fee Charge, the amount of CAD\$75,000 is relatively immaterial when compared with GPML's overall indebtedness and cash flow. As well, the Work Fees are payable in advance from GPML's cash flow and it is considered to be unlikely that the full amount of the charge would be drawn on; (ii) with respect to the Proceeds Charge, any such amounts payable from the proceeds of a Transaction will not impact GPML's cash flow, and the charge is limited to applying to proceeds which will largely be derived from the work and assistance of the Sale Advisor; and, (iii) with respect to both of the Sale Advisor Charges, the Sale Advisor's involvement in the SISP is likely to be a net positive to GPML's stakeholders, given the Sale Advisor's extensive experience in international mining transactions and other distressed transactions, which will assist GPML in ensuring that it obtains the highest and best possible offer under the SISP.

Seventh Daycock Affidavit at para 41

33. The Sale Advisor Charges are both intended to rank *pari passu* with the Administration Charge (as defined in the ARIIO). GPML has received the consent of its counsel, the Monitor,

and the Monitor's counsel, who are collectively the sole beneficiaries of the Administration Charge, to such proposed priority.

Seventh Daycock Affidavit at para 42

**ii. KERP Charge**

34. GPML anticipates that the KERP Payments will be funded from GPML's cash flow. However, to ensure that the Key Employees receive reasonable assurances that their entitlements under the KERP are secure despite GPML's insolvency, GPML seeks the approval of the KERP Charge. The KERP Charge is to be limited to the maximum aggregate amount of CAD\$117,500. In the event that GPML proceeds to Phase 2 of the SISP, GPML may make a further application to this Honourable Court seeking, among other things, an increase in the quantum of the KERP Charge. The KERP Charge is solely intended to provide the Key Employees with a reasonable degree of certainty and assurance that GPML will be able to make the KERP Payments.

35. The proposed KERP Charge is intended to rank after the Administration Charge, Directors' Charge (both as defined in the ARIO), and the Sale Advisor Charges.

**iii. Priority**

36. The draft Stay Extension Order contemplates that the Sale Advisor Charges and the KERP Charge shall rank in favour of all other security interests, trusts, liens, mortgages, charges, encumbrances and claims of secured creditors, statutory or otherwise, in favour of any Person (as defined in the ARIO), save and except for: (i) in the case of the KERP Charge, the Administration Charge and the Directors' Charge (each as defined in the ARIO), but provided, for greater certainty, that the Sale Advisor Charges shall rank *pari passu* with the Administration Charge; (ii) those claims contemplated by section 11.8(8) of the CCAA; and, (iii) any security interests validly registered and perfected in the Personal Property Security Registry of British Columbia as of the Order Date (as defined in the ARIO).

37. Specifically, the draft Stay Extension Order contemplates the following priority as between the Administration Charge (as defined in the ARIO), the Directors' Charge (as defined in the ARIO), the Sale Advisor Charges, and the KERP Charge:

**First** -Administration Charge (to the maximum amount of CAD\$150,000), Work Fee Charge (to the maximum amount of CAD\$75,000), and Proceeds Charge, all *pari passu*;



**Second** - Directors' Charge (to the maximum amount of CAD\$150,000);

**Third** - KERP Charge (to the maximum amount of CAD\$117,500).

38. As noted above, although the Proceeds Charge is to rank *pari passu* with the Administration Charge, it will not apply to all of the Property but rather will be limited in scope to the proceeds of a Transaction payable to GPML.

**F. Coricancha Sale Agreement**

**i. *Coricancha Sale Agreement Terms***

39. GPML and Newrange have since negotiated and entered into the Coricancha Sale Agreement. The material terms of the Coricancha Sale Agreement are set out in further detail in the Seventh Daycock Affidavit, a subset of the material terms are as follows:

- (a) the cash purchase price under the Coricancha Sale Agreement is USD\$750,000 and Coricancha S.A.C. shall remain liable for all of its existing liabilities, including reclamation liabilities, tax liabilities, and incremental closure bond requirements;
- (b) the Coricancha Sale Agreement contemplates the acquisition by Newrange, from GPML, of all of the issued and outstanding shares of Great Panther Peru Holdings Ltd. ("**Peru Holdings**") and all of the issued and outstanding shares of Great Panther Silver Peru S.A.C. ("**Silver Peru**"), except for one (1) share of Silver Peru which is held by Peru Holdings. After the completion of the Coricancha Sale Agreement, Newrange will indirectly acquire Coricancha S.A.C. and the Coricancha Mine, which is held by Coricancha S.A.C.;
- (c) there is no working capital requirement under the Coricancha Sale Agreement and no corresponding adjustments thereunder;
- (d) the material conditions precedent to the Coricancha Sale Agreement are GPML obtaining the authorization and approval of this Honourable Court, and Newrange obtaining the approval of the TSX Venture Exchange. There is an indirect condition relating to Newrange obtaining sufficient financing for the Peruvian Transaction; and

- (e) the Coricancha Sale Agreement may be terminated (i) by the mutual written consent of GPML and Newrange; (ii) by either party if the conditions in favour of such party have not been fulfilled or waived on or before the date which is one month after execution of the Coricancha Sale Agreement or such later date as the parties may agree (the “**Outside Date**”), unless such failure is due to a failure by that party to perform or comply with any of the covenants to be performed by it; or (iii) by either party if such party is not then in material breach of the Coricancha Sale Agreement and a material breach, inaccuracy in or failure to perform any representation, warranty, covenant or agreement made by the other party has occurred which would give rise to the failure of any of the conditions specified in favour of the terminating party and such breach, inaccuracy, or failure either has not been cured within ten (10) days of written notice thereof, or such failure of a condition cannot be cured by the other party by the Outside Date. The Coricancha Sale Agreement can also be terminated by either party if a law, regulation, or court or governmental order makes the consummation of the Peruvian Transaction illegal or otherwise legally prohibited.

Seventh Daycock Affidavit at para 50 and Exhibit “D”

40. While the Coricancha Sale Agreement does not require termination upon the Outside Date, GPML intends to seek the prior approval of the Monitor in the event that it wishes to extend the Coricancha Sale Agreement beyond the Outside Date, and has reached an agreement with Asahi that no further funding would be made available by GPML to fund Peru Holdings beyond what is set out in the Stay Period Cash Flow Forecast. This was a necessary condition for Asahi to consent to further funding to Peru Holdings and ultimately the Coricancha Mine.

Seventh Daycock Affidavit at para 52

*ii. Closing Risk and Timing of Court Approval*

41. As set out in the Seventh Daycock Affidavit, during discussions with Newrange on October 31, 2022, and November 1, 2022, GPML was advised that Newrange has taken steps to obtain the requisite funding, including, among others, recently engaging a broker and engaging in discussions with potential new lead investors. Further, Newrange has advised GPML that it anticipates to receive confirmation of financing, in the near term.

Seventh Daycock Affidavit at paras 53-54

42. GPML's senior management believes that there is a risk that the Coricancha Sale Agreement will not be able to close on the timeline contemplated therein and that the result is not certain, but there is a reasonable prospect of Newrange obtaining funding to close within the required timeline.

Seventh Daycock Affidavit at para 55

43. Notwithstanding the uncertainty regarding closing, GPML seeks Court approval of the Coricancha Sale Agreement given: that (i) there is no viable alternative transaction available to GPML with respect to the Coricancha Mine; (ii) holding the Coricancha Mine long-term until markets improve is similarly not viable in light of the significant ongoing cost of maintaining the mine; (iii) Newrange has advised that it is continuing to seek financing which would enable it to close the Coricancha Sale Agreement and it appears to be making progress in doing so; (iv) GPML wishes to take every possible action to ensure that the Coricancha Mine continues to receive sufficient funding to ensure that environmental issues are addressed, and the closing of the Coricancha Sale Agreement would promote that goal; and, (v) the Coricancha Sale Agreement contains certain terms requiring GPML to make reasonable efforts to obtain Court approval thereof.

Seventh Daycock Affidavit at para 56

**iii. Marketing Efforts Regarding the Coricancha Mine**

44. As set out in further detail in the Seventh Daycock Affidavit, GPML ran a robust pre-filing sales process with regards to the Coricancha Mine from October 2021 to August 2022 (the "**Pre-Filing Process**"). The Pre-Filing Process involves, among others, hiring a third-party financial advisor, Kallpa Securities ("**Kallpa**"), distributing a teaser letter, and facilitating due diligence activities for eight (8) interested parties. Following the conclusion of the Pre-Filing Process, Newrange was the only party to put forward a proposal regarding the purchase of the Coricancha Mine, which evolved into the LOI and ultimately the Coricancha Sale Agreement.

Seventh Daycock Affidavit at paras 57-59

45. In light of GPML's previous attempts to market and sell the Coricancha Mine, which resulted in only one (1) offer, as well as the ongoing expense of maintaining the care and maintenance of the Coricancha Mine while preserving its environmental condition, GPML's

senior management believes that: (i) a disposition of the Coricancha Mine is the best available option in the circumstances; (ii) a further sales and marketing process is unlikely to result in any higher or better offers for the Coricancha Mine; and, (iii) even if a further sales and marketing process were warranted (which is not believed to be the case), GPML has very limited available resources at present and it would likely not be possible or beneficial to continue supporting the Coricancha Mine during the course of the full SISF. The Coricancha Sale Agreement provides an additional benefit in that respect, as it is anticipated that GPML will no longer have to fund the mine site after November 2022.

Seventh Daycock Affidavit at para 60

**iv. Notice to Peruvian Government**

46. The Stay Period Cash Flow Forecast (as defined below) presently includes funding for the Coricancha Mine up to and including November 26, 2022, which is the anticipated closing date of the Peruvian Transaction. Accordingly, in the event that the Coricancha Sale Agreement does not close on or before November 26, 2022, there is a significant risk that Coricancha S.A.C. will no longer be able to fund the care and maintenance of the Coricancha Mine.

47. This Court has indicated in the course of these proceedings that the Government of Peru should be notified of the potential loss of funding at the Coricancha Mine. The Monitor has made its approval of the Coricancha Sale Agreement conditional upon GPML providing advance notice to the Government of Peru regarding same. Accordingly, the draft Coricancha Sale Order provides for a direction to GPML to provide such notice.

Seventh Daycock Affidavit at para 62

**G. Stay Period**

48. GPML seeks the approval of an extension of the Stay Period up to and including December 16, 2022. GPML submits that the extension of the Stay Period is critical to GPML's ability to restructure, providing breathing room while GPML implements its restructuring plan.

49. GPML has acted, and is continuing to act, in good faith and with due diligence during these CCAA Proceedings. GPML, with the assistance of the Monitor, has prepared a cash flow forecast which demonstrates that GPML will have sufficient liquidity to satisfy its obligations during the extended Stay Period.

Seventh Daycock Affidavit at paras 63-66 and Exhibit "H"

### III. LEGAL BASIS

#### A. Stay Period

##### ***This Court has the jurisdiction to grant the Stay Period***

1. GPML seeks an extension of the Stay Period up to and including December 16, 2022

2. Subsection 11.02(2) of the CCAA grants this Court the discretion to grant the Stay Period for a period that this Court considers necessary and on any terms that this Court may impose. However, subsection 11.02(3) of the CCAA further provides that this court cannot exercise its discretion to grant the Stay Period unless it is satisfied that:

(a) the Stay Period is appropriate in the circumstances; and

(b) the Petitioner has acted and continues to act in good faith and with due diligence.

CCAA, ss 11.02(2), (3)

*Worldspan Marine Inc, Re*, 2011 BCSC 1758 at para 12 [*Worldspan*]

##### ***The Stay Period is appropriate in the circumstances***

3. In assessing whether an extension of the Stay Period is appropriate in the circumstances, this Court ought to inquire whether the extension advances the remedial purpose of the CCAA

*Century Services Inc v Canada (Attorney General)*, 2010 SCC 60 at para 70  
[*Century Services*]

*Worldspan* at para 13

4. The Supreme Court of Canada has held that the purpose of the CCAA is “to facilitate the survival of going concerns” by “permit[ing] the debtor to continue to carry on business and, where possible, avoid the social and economic costs of liquidating its assets”.

*Century Services* at para 15

*Canada v Canada North Group Inc*, 2021 SCC 30 at para 21

5. A stay of proceedings helps achieve this purpose by preserving the *status quo* for the debtor company, facilitating the ongoing operations of the debtor company’s business,

preserving the value of the business, and providing the debtor company with the necessary time, flexibility, and “breathing room” to carry out a supervised restructuring or organised sale process.

*Re Lehndorff General Partners Ltd* (1993), 17 CBR (3d) 24,  
9 BLR 275 (Ont Gen Div) at paras 5 – 7

*Re North American Tungsten Corp*, 2015 BCSC 1376 at para 25

*1057863 B.C. Ltd. (Re)*, 2020 BCSC 1359 at para 118,  
citing *Timminco Limited (Re)*, 2012 ONSC 2515 at para 15 [*Timminco*]

6. The CCAA is a flexible instrument and debtor companies are entitled to seek protection in the context of a wide range of restructuring options.

*Century Services* at para 57, citing *Re Metcalfe & Mansfield  
Alternative Investments II Corp*, 2008 ONCA 587 at para 44

7. In this case, GPML requires additional time to continue the restructuring of its affairs, in the best interest of its creditors and other stakeholders, including to:

- (a) complete the Coricancha Sale Agreement;
- (b) continue to negotiate with Asahi and other stakeholders; and
- (c) commence the SISF and complete Phase 1 thereof, if approved by this Court.

8. These activities are necessary for GPML to complete its proposed restructuring and will be to the clear benefit of GPML’s stakeholders. The length of the stay extension sought is appropriately tailored to the circumstances, in order to allow GPML to (i) work towards closing of the Coricancha Sale Agreement and (ii) commence the SISF and determine whether it should advance to Phase 2 thereof. In light of the progress made to date, and the steps contemplated to be completed during the extended Stay Period, the extension of the Stay Period sought by GPML is appropriate in the circumstances.

***GPML has been acting in good faith and with due diligence***

9. GPML has been working in good faith and with due diligence to advance these CCAA proceedings.

10. As noted above, since the commencement of the Stay Period, GPML has continued to progress the formulation and implementation of its restructuring plan, including through: (i) the advancement of the Coricancha Mine sales efforts and negotiation of the Coricancha Sale Agreement; (ii) negotiations with the Sale Advisor and development of the SISP; (iii) engagement with creditors, employees, trade creditors and other stakeholders; (iv) development of the KERP; and, (v) GPML's continued operations and the continued operations of the Group.

11. GPML will only be able to continue advancing its restructuring, for the benefit of all of its stakeholders, if the Stay Period is further extended.

**B. Approval of Coricancha Sale Agreement**

12. Section 36 of the CCAA specifically establishes a process by which a debtor company may sell assets outside the ordinary course of business while in CCAA protection. Canadian courts have recognized that such transactions are consistent with the principle that the CCAA can, in appropriate circumstances, be a vehicle to downsize or wind-down all or part of a debtor company's business.

CCAA, sections 5 and 36

*Re Sanjel Corporation*, 2016 ABQB 257, at para. 63 [Sanjet],  
citing *Re Target Canada Co.*, 2015 ONSC 303, at paras. 32—33

13. Sections 36(1) and 36(3) of the CCAA set out six non-exhaustive factors that must be considered in approving a sale of assets outside of the ordinary course of business, as follows:

**Restriction on disposition of business assets**

36(1) A debtor company in respect of which an order has been made under this Act may not sell or otherwise dispose of assets outside the ordinary course of business unless authorized to do so by a court. Despite any requirement for shareholder approval, including one under federal or provincial law, the court may authorize the sale or disposition even if shareholder approval was not obtained.

[...]

(3) In deciding whether to grant the authorization, the court is to consider, among other things,

(a) whether the process leading to the proposed sale or disposition was reasonable in the circumstances;

(b) whether the monitor approved the process leading to the proposed sale or disposition;

(c) whether the monitor filed with the court a report stating that in their opinion the sale or disposition would be more beneficial to the creditors than a sale or disposition under a bankruptcy;

(d) the extent to which the creditors were consulted;

(e) the effects of the proposed sale or disposition on the creditors and other interested parties; and

(f) whether the consideration to be received for the assets is reasonable and fair, taking into account their market value.

CCAA at sections 36(1) and 36(3)

14. Courts approving the sale of assets under the CCAA also frequently make reference to the general principles governing sale approval applications by receivers, as described by the Ontario Court of Appeal in *Royal Bank v Soundair Corp.*:

- (a) whether there was sufficient effort made to get the best price and whether the debtor company acted improvidently;
- (b) the interests of all the parties;
- (c) the efficacy and integrity of the process by which offers are obtained; and
- (d) whether there has been unfairness in the working out of the process.

*Royal Bank v Soundair Corp.*, 1991 CarswellOnt 205, 4 O.R. (3d) (Ont. CA),  
at para. 16 [*Soundair*]; *Sanjel*, supra at paras. 56 and 70

15. GPML submits that the Coricancha Sale Agreement satisfies each of the criteria set out in section 36(3) of the CCAA and the *Soundair* decision, and is in the best interests of GPML, its creditors, and all other stakeholders. The Coricancha Mine was subject to the Pre-Filing Process, as described above, satisfying the first, third, and fourth *Soundair* factors. Additionally, GPML and their stakeholders will benefit from the satisfaction of the financial obligations associated with the Coricancha Mine. The transaction is supported by the Monitor and Asahi, which is GPML's most significant creditor. Accordingly, the second *Soundair* factor is satisfied.

16. GPML submits that the Coricancha Sale Agreement is reasonable and appropriate in the circumstances, and that going back to the market for a further sale process in respect of the



Coricancha Mine: (i) is unlikely to yield consideration that is superior to that set out in the Coricancha Sale Agreement; and, (ii) would result in GPML incurring unnecessary additional costs as a result of its continued possession of the Coricancha Mine.

**C. SISP**

17. The CCAA is remedial in nature and confers broad powers to facilitate restructurings, including the power to approve a sale process in relation to a CCAA debtor's business and assets, prior to or in the absence of a plan of compromise and arrangement. Although there is no requirement to have a sale process approved under the CCAA, it is customary to do so to ensure that the debtor company's intended sale process has approval before significant financial and professional resources are deployed, and to reduce the risk of process-based objections later in the CCAA proceedings, which would otherwise typically arise at the time of sale approval. The court in *Nortel Networks Corp (Re)* identified several factors to be considered in determining whether to approve a sale process:

- (a) is a sale warranted at this time?
- (b) will the sale be of benefit to the whole "economic community"?
- (c) do any of the debtors' creditors have a *bona fide* reason to object to a sale of the business?
- (d) is there a better viable alternative?

*Nortel Networks Corp (Re)*, 2009 CanLII 39492 (ON SC) at paras 47-49 [*Nortel*]  
*Companies' Creditors Arrangement Act*, RSC 1985, c. C-36, s 11 and s 36

18. While not technically applicable at the sale process stage, the factors set out in subsection 36(3) of the CCAA have also been considered when deciding whether to approve a sale process. As described above, those factors include:

- (a) whether the process leading to the proposed sale or disposition was reasonable in the circumstances;
- (b) whether the monitor approved the process leading to the proposed sale or disposition;

- (c) whether the monitor filed with the court a report stating that in its opinion the sale or disposition would be more beneficial to the creditors than a sale or disposition under a bankruptcy;
- (d) the extent to which the creditors were consulted;
- (e) the effects of the proposed sale or disposition on the creditors and other interested parties; and
- (f) whether the consideration to be received for the assets is reasonable and fair, taking into account their market value.

*U.S. Steel Canada Inc, (Re)*, 2015 ONSC 2523 at para 8

19. GPML seeks approval of the SISP, which was developed with the assistance of the Sale Advisor, in consultation with the Monitor, and with an opportunity for input from Asahi. The SISP is a fair and transparent process that will provide GPML with an opportunity to attempt to maximize value, in the interest of its stakeholders. In particular:

- (a) a sale process with respect to GPML and/or its assets at this time is necessary given GPML's ongoing financial challenges and liquidity needs;
- (b) the marketing and advertisement contemplated in the SISP will ensure GPML's assets are adequately exposed to the market;
- (c) the SISP will allow for the assessment of the legitimacy of the bidders and their ability to ultimately close on a transaction;
- (d) the timelines set out in the SISP will provide a reasonable opportunity for all interested parties to submit competing offers, and the process for determining the Successful Bid (as defined in the SISP), including consultation with the Monitor (among others), is fair and transparent; and
- (e) the consultation rights granted to GPML's key stakeholders in connection with the conduct of the SISP are reasonable and appropriate.

20. Accordingly, GPML respectfully submits that the SISP ought to be approved and that granting the Stay Extension Order is both appropriate and necessary in the circumstances.

21. Any Successful Bid arising from the SISP will be subject to further application to this Court for approval under section 36 of the CCAA.

***The engagement of the Sale Advisor and Sale Advisor Charges are appropriate***

22. CCAA courts have recognized that financial advisors can play a vital role in assisting existing management and bring experience and expertise to the restructuring, including during a sales process.

*Walter Energy Canada Holdings, Inc. (Re)*, 2016 BCSC 107,  
at paras. 25-48 [*Walter Energy*]

*Canwest Publishing Inc.*, 2010 ONSC 222 at paras. 52-55 [*Canwest*]

*Danier Leather*, 2016 ONSC 1044 34

23. As summarized above, GPML requires a sales advisor with requisite expertise and knowledge as it implements the SISP, as it would be almost impossible for a company of GPML's size operating complex and unique assets located in multiple jurisdictions to implement a successful sales process without retaining a sales advisor. The Sale Advisor has significant experience running similar sale and investment solicitation processes in restructuring scenarios. The Sale Advisor is also well regarded and has considerable experience in similar roles. Absent the appointment of the Sale Advisor, and given how far management is currently stretched, there is a legitimate risk that GPML's management would be distracted by any attempt to administer the SISP without outside assistance, to the detriment of the company's creditors and stakeholders. In the circumstances, the appointment of the Sale Advisor is desirable and necessary in order to promote a successful SISP outcome, and RBC's involvement will enhance the likelihood that the SISP generates maximum value for GPML's creditors and other stakeholders.

24. Pursuant to section 11.52(1) of the CCAA, on notice to those secured creditors likely to be affected by the charge, the court may order that all or part of the property of the Petitioner be subject to a charge, in an amount the court considers appropriate, in favour of any financial, legal or other experts engaged by the company for the purposes of proceedings under the CCAA.

25. Justice Wilton-Siegel has commented on the necessity of charges similar to the Sale Advisor Charges in a restructuring, as they are usually required to ensure the involvement and

alignment of the professionals involved to achieve the best outcome for stakeholders through value maximizing transactions.

*US Steel Canada Inc. (Re)*, 2014 ONSC 6145 at para 22

26. The factors to consider in determining whether to approve a charge securing compensation are as follows:

- (a) the size and complexity of the businesses being restructured;
- (b) the proposed role of the beneficiaries of the charge;
- (c) whether there is an unwarranted duplication of roles;
- (d) whether the quantum of the proposed charge appears to be fair and reasonable;
- (e) the position of the secured creditors likely to be affected by the charge; and
- (f) the position of the monitor.

*Canwest* at para 54

27. GPML submits that the Sale Advisor Charges are necessary and appropriate having regard to, among other things, the size and complexity of GPML's business and the proposed role of the Sale Advisor in the SISP. There would not be any unwarranted duplication of roles arising from the appointment of the Sale Advisor.

**D. The KERP and KERP Charge are Appropriate**

28. GPML seeks approval of the KERP to secure the continued services of the Key Employees through the CCAA proceedings, and the granting of the related KERP Charge, in the maximum amount of CAD\$117,500. The KERP Charge with rank after the Administrative Charge and the D&O Charge (both as defined in the ARIO).

29. The approval of a KERP and associated charge is within the jurisdiction of the Court. In *Walter Energy*, the Honourable Madam Justice Fitzpatrick identified several important factors for the Court to consider when approving a KERP:

- (a) whether the beneficiaries of the KERP are important in the restructuring process;

- (b) whether the beneficiaries of the KERP have specialized knowledge that cannot be replaced;
- (c) whether the KERP is developed through a consultative process involving the Monitor and other professionals;
- (d) whether the Monitor supports the KERP and associated priority charge; and
- (e) whether the employee will consider other employment options if the KERP is not approved.

*Walter Energy* at paras 57-59

30. The Court in *Walter Energy* held that the “KERP is more a prophylactic measure, rather than a reactionary one”. With regards to the last factor set out in paragraph 48(e) above, the mere “potential” loss of a key employee is a factor that supports the granting of a KERP.

*Walter Energy* at para 59

*Grant Forest Products Inc. (Re)* (2009), 2009 CanLII 42046 (ON SC), at para 14

31. The KERP was developed by GPML, in consultation with its legal counsel, the Monitor, and senior management, and was approved by GPML’s board of directors, in order to incentivize the Key Employees (who are considered to be critical to Phase 1 of the SISP) to remain in their positions throughout Phase 1 of the SISP.

32. The Key Employees are members of the executive management team, the senior management team, and certain key personnel. The retention of the Key Employees and their ongoing commitment to GPML is essential to current and future operations, as well as the SISP. The Key Employees will play a significant role in permitting GPML to maximize value for its stakeholders, as described in further detail in the Seventh Daycock Affidavit and the Confidential KERP Exhibit. In the circumstances GPML submits that the KERP meets all five factors set out in *Walter Energy*.

#### **E. Sealing Order**

33. GPML seeks the Sealing Order directing that the current, unredacted copy of the Confidential Affidavit be placed under seal, with such affidavit to remain under seal pending

further Order of the Court. The Sealing Order is necessary to preserve the important privacy interests of the Key Employees and to prevent prejudice to RBC.

34. This Court has jurisdiction to order that certain materials be file under seal when:

- (a) court openness poses a serious risk to a “public interest”, which is not restricted solely to the interests of the parties, but applies at the level of a general principle;
- (b) such an order is necessary in order to prevent serious risk to the identified interest, including a commercial interest, in the context of litigation because reasonable alternative measures will not prevent the risk; and
- (c) as a matter of proportionality, the salutary effects of the confidentiality order, including the effects on the right of civil litigants to a fair trial, outweigh the deleterious effects, including the effects on the right to free expression, which in this context includes the public interest in open and accessible Court proceedings.

*Sierra Club of Canada v Canada (Minister of Finance)*, 2002 SCC 41, at para 53  
*Sherman Estate v Donovan*, 2021 SCC 25, at paras 38, 41 - 43

35. The Confidential Sale Advisor Agreement contains confidential business and competitive information with respect to the Sale Advisor’s fee structures. GPML submits that the public disclosure of the Confidential Sale Advisor Agreement is likely to cause significant prejudice to the Sale Advisor, including as it contains details regarding the Sale Advisor’s proposed fee structure, which is commercially sensitive and not generally available to the public or RBC’s competitors. Further, pursuant to the provisions of the Sale Advisor Agreement, GPML agreed to keep the terms of the Sale Advisor Agreement confidential.

36. With regards to the KERP, the Confidential KERP Exhibit contains certain confidential and personally identifiable information concerning the Key Employees, including their names, positions, salaries, the rationale for their identification as Key Employees, and their corresponding allocation in respect of the KERP Payments. GPML submits that the Confidential KERP Exhibit contains sensitive information, the disclosure of which would significantly impinge upon the privacy interests of the Key Employees.

37. The sealing of the Confidential Affidavit is necessary to preserve the privacy of the Key Employees and to prevent prejudice to RBC. No other person (other than Asahi, which has already received all of the confidential information) has a reasonable expectation of accessing the confidential information.

38. The request to seal the Confidential Affidavit until further Order of the Court is necessary as it is not currently possible to identify the period of time during which such information must be sealed, as such period will depend upon the results of the SISP (including whether GPML advances to Phase 2 of the SISP).

39. As a matter of proportionality, in light of the period of time during which the Confidentiality Affidavit will be under seal, and particularly given that GPML does not oppose the public filing of a redacted copy of the documents to be sealed (as noted above), the salutary effects of the Confidential Affidavit Sealing Order outweigh its deleterious effects. Accordingly, GPML submits that the Sealing Order is necessary and appropriate in the circumstances.

**F. Release of Sale Advisor and Monitor**

40. GPML submits that the release of the Sale Advisor and the Monitor (and their respective affiliates, partners, directors, employees, advisors, agents, shareholders and controlling persons) from liabilities incurred in performing their obligations under the SISP, other than liabilities resulting from gross negligence or willful misconduct by such parties, as contemplated in the draft Stay Extension Order (the “**Releases**”), is appropriate in the circumstances given the necessary and integral roles of the beneficiaries of the Releases (when referred to in such capacity, the “**Release Beneficiaries**”) in administering the SISP and identifying and facilitating any potential transactions as a result of the SISP.

41. The CCAA does not contain any restrictions on granting releases to any party on an application made within the CCAA proceedings. CCAA courts have frequently released third parties from liability in CCAA proceedings, including in circumstances where no plan of arrangement will be put forward by the debtor company.

42. In *Metcalf & Mansfield Alternative Investments II Corp., (Re)*, the Ontario Court of Appeal confirmed that a CCAA court may approve a release as part of a plan of compromise or arrangement, stating that “[t]he release of the claim in question must be justified as part of the compromise or arrangement between the debtor and its creditors. In short, there must be a

reasonable connection between the third-party claim being compromised in the plan and the restructuring achieved by the plan to warrant inclusion of the third-party release in the plan.”

*Metcalf & Mansfield Alternative Investments II Corp., (Re)*, 2008 ONCA 587  
at para. 70 [*Metcalf*]

43. Since *Metcalf* was decided, CCAA courts have affirmed that the court may also grant releases in the absence of a plan of compromise or arrangement, if circumstances exist which make the release appropriate.

44. For instance, in *Nelson Education Limited (Re)*, the Ontario Superior Court of Justice considered an application seeking a release as part of a sale approval and vesting order. Although the Court determined that a release would be inappropriate on the facts of that case, given that the proposed beneficiaries did not contribute anything in exchange for the release, it also affirmed that a plan of arrangement is not a necessary prerequisite to a release:

While there is no CCAA plan in this case, I see no reason not to consider the principles established in *Metcalf* when considering a sale such as this under the CCAA, with any necessary modifications due to the fact that it is not a sale pursuant to a plan. The application of those principles dictates in my view that the requested release by the first lien lenders should not be ordered.

*Nelson Education Limited (Re)*, 2015 ONSC 5557 at para. 49

45. In *Lydian International Limited*, a 2020 decision of the Ontario Superior Court of Justice, Justice Morawetz summarized the following non-exhaustive list of factors to be considered in determining whether a release is appropriate, in the context of a plan of arrangement:

- (a) whether the parties to be released are necessary and essential to the restructuring;
- (b) whether the claims to be released are rationally connected to the purpose of the plan;
- (c) whether the plan can succeed without the releases;
- (d) whether the parties being released were contributing to the plan;
- (e) whether the releases benefit the debtors as well as the creditors generally;



- (f) whether the creditors voting on the plan have knowledge of the nature and effect of the releases; and
- (g) whether the releases are fair, reasonable and not overly-broad.

*Lydian International Limited (Re)*, 2020 ONSC 4006 at paras. 53, 54, 60, and 64  
[*Lydian International Limited*]

46. The Ontario Superior Court in *Re Green Relief Inc.*, adopted and applied the test set out in *Lydian International Limited* to the approval of a release in connection with a sale approval and vesting order outside any plan of arrangement.

*Re Green Relief Inc.*, 2020 ONSC 6837 at para. 27 [*Green Relief*]

47. GPML submits that the following applicable factors support the granting of the Releases, which is reasonable and appropriate in the circumstances:

- (a) the Release Beneficiaries will be instrumental in administering the SISP to the benefit of all GPML's stakeholders;
- (b) the Release Beneficiaries will play an integral role in identifying and facilitating potential transactions during the SISP;
- (c) the SISP is a complex sales process which involves assets and companies located in multiple jurisdictions, and completing the SISP will involve significant effort by the Release Beneficiaries, whose efforts will make a direct contribution to GPML's restructuring;
- (d) the Releases contemplated by the Stay Extension Order are rationally connected to the SISP and the claims to be released, as such Releases are: (i) limited to the conduct of the Sale Advisor and Monitor in performing their obligations under the SISP; and (ii) not overly broad, in light of the carve-out with respect to gross negligence or willful misconduct; and
- (e) it is commonplace to grant a release of advisors in connection with sale processes under the CCAA, most commonly in connection with the approval of a sale and vesting order or CCAA termination order. Granting the Releases now, rather than delaying such approval until a subsequent application in connection

with the approval of a transaction pursuant to the SISP, is reasonable and appropriate in the circumstances given that: (i) Phase 1 of the SISP is supported by GPML's largest creditor, Asahi; and, (ii) in the event that GPML does not advance to Phase 2 of the SISP, it will likely not have an opportunity to seek approval of the Releases in connection with any transaction which may ultimately result therefrom. The Release Beneficiaries should be provided with certainty regarding the scope of any potential liabilities at this time.

48. In light of the above, GPML submits that the Releases should be approved.

#### **IV. MATERIAL TO BE RELIED ON**

1. Affidavit #1 of Sandra Daycock, made September 28, 2022;
2. Affidavit #2 of Sandra Daycock, made October 12, 2022;
3. Confidential Affidavit #3 of Sandra Daycock, made October 12, 2022;
4. Affidavit #4 Sandra Daycock, made October 19, 2022;
5. Confidential Affidavit #5 of Sandra Daycock, made October 19, 2022;
6. Affidavit #6 of Sandra Daycock, made October 21, 2022;
7. Affidavit #7 of Sandra Daycock, made November 2, 2022;
8. Confidential Affidavit #8 of Sandra Daycock, made November 2, 2022;
9. Affidavit #1 of Peter Jennings, made October 19, 2022;
10. Affidavit #1 of Joseph Galluci, sworn October 19, 2022;
11. Affidavit #1 of Alan Hair, made October 19, 2022;
12. Affidavit #1 of Trudy Curran, made October 19, 2022;
13. First Report of the Proposal Trustee, dated October 3, 2022;
14. First Report of the Monitor, dated October 13, 2022;
15. Second Report of the Monitor, dated October 20, 2022;
16. First Supplemental Report to the Second Monitor's Report, dated October 25, 2022;
17. Second Supplement Report to the Second Monitor's Report, dated October 27, 2022;

18. Third Report of the Monitor, to be filed; and
19. such further and other materials as counsel may advise and this Honourable Court may permit.

The applicant estimates that the application will take 1 day.

- ☐ This matter is within the jurisdiction of a Master.
- ☒ This matter is not within the jurisdiction of a Master. This matter is scheduled to be heard by the Honourable Mr. Justice Walker

**TO THE PERSONS RECEIVING THIS NOTICE OF APPLICATION:** If you wish to respond to this Notice of Application, you must, within 5 business days after service of this Notice of Application or, if this Application is brought under Rule 9-7, within 8 business days after service of this Notice of Application,

- (a) file an Application Response in Form 33,
- (b) file the original of every Affidavit, and of every other document, that
  - (i) you intend to refer to at the hearing of this Application, and
  - (ii) has not already been filed in the proceeding, and
- (c) serve on the applicant 2 copies of the following, and on every other party of record one copy of the following:
  - (i) a copy of the filed Application Response;
  - (ii) a copy of each of the filed Affidavits and other documents that you intend to refer to at the hearing of this application and that has not already been served on that person;
  - (iii) if this application is brought under Rule 9-7, any notice that you are required to give under Rule 9-7(9).

Date: November 2, 2022



Signature of Lawyer for the Petitioner  
McCarthy Tétrault LLP  
(H. Lance Williams)

To be completed by the Court only:

Order made

☐ in the terms requested in paragraphs \_\_\_\_\_ of Part 1 of this Notice of Application

☐ with the following variations and additional terms:

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Dated: \_\_\_\_\_

Signature of ☐ Judge ☐ Master

## APPENDIX

### THIS APPLICATION INVOLVES THE FOLLOWING:

- ☐ discovery: comply with demand for documents
- ☐ discovery: production of additional documents
- ☐ other matters concerning document discovery
- ☐ extend oral discovery
- ☐ other matter concerning oral discovery
- ☐ amend pleadings
- ☐ add/change parties
- ☐ summary judgment
- ☐ summary trial
- ☐ service
- ☐ mediation
- ☐ adjournments
- ☐ proceedings at trial
- ☐ case plan orders: amend
- ☐ case plan orders: other
- ☐ experts
- ☒ other

## SCHEDULE "A"

### SERVICE LIST

NO. S227894  
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

**SERVICE LIST**

As at October 25, 2022

Party	Counsel
<b>Great Panther Mining Limited</b> 1330 - 200 Granville Street Vancouver, BC V6C 1S4	<b>McCarthy Tétrault LLP</b> Barristers & Solicitors Suite 2400, 745 Thurlow Street Vancouver, BC V6E 0C5  <b>Lance Williams</b> <a href="mailto:lwilliams@mccarthy.ca">lwilliams@mccarthy.ca</a>  <b>Nathan Stewart</b> <a href="mailto:nstewart@mccarthy.ca">nstewart@mccarthy.ca</a>  <b>Forrest Finn</b> <a href="mailto:ffinn@mccarthy.ca">ffinn@mccarthy.ca</a>  <b>Sue Danielisz</b> <a href="mailto:sdanielisz@mccarthy.ca">sdanielisz@mccarthy.ca</a>

Party	Counsel
<p><b>Alvarez &amp; Marsal Canada Inc.</b> Suite 902, 925 West Georgia Street Vancouver, BC V6C 3L2</p> <p><b>Anthony Tillman</b> <a href="mailto:atillman@alvarezandmarsal.com">atillman@alvarezandmarsal.com</a></p> <p><b>Pinky Law</b> <a href="mailto:pinky.law@alvarezandmarsal.com">pinky.law@alvarezandmarsal.com</a></p> <p><b>Taylor Poirier</b> <a href="mailto:tpoirier@alvarezandmarsal.com">tpoirier@alvarezandmarsal.com</a></p>	<p><b>Fasken Martineau DuMoulin LLP</b> 550 Burrard St #2900, Vancouver, BC V6C 0A3</p> <p><b>Kibben Jackson</b> <a href="mailto:kjackson@fasken.com">kjackson@fasken.com</a></p> <p><b>Rebecca Nguinambaye</b> <a href="mailto:rnguinambaye@fasken.com">rnguinambaye@fasken.com</a></p> <p><b>Suzanne Volkow</b> <a href="mailto:svolkow@fasken.com">svolkow@fasken.com</a></p> <p><b>Glen Nesbitt</b> <a href="mailto:gneskitt@fasken.com">gneskitt@fasken.com</a></p>
<p><b>Directors of Great Panther Mining Limited</b></p>	<p><b>Torys LLP</b> 79 Wellington Street West 30<sup>th</sup> Floor (deliveries)/ 33<sup>rd</sup> Floor (reception) Box 270, TD South Tower Toronto, ON M5K 1N2</p> <p><b>David Bish</b> <a href="mailto:dbish@torys.com">dbish@torys.com</a></p>
<p><b>Asahi Refining Canada Ltd.</b> 130 Glidden Road Brampton, ON L6W 3M8</p>	<p><b>Aird &amp; Berlis LLP</b> Suite 1800 – 181 Bay Street Toronto, ON M5J 2T9</p> <p><b>Kyle Plunkett</b> <a href="mailto:kplunkett@airdberlis.com">kplunkett@airdberlis.com</a></p> <p><b>MLT Aikins LLP</b> Suite 2600 – 1066 West Hastings Street Vancouver, BC V6E 3X1</p> <p><b>William E. J. Skelly</b> <a href="mailto:wskelly@mltaikins.com">wskelly@mltaikins.com</a></p>



**SCHEDULE "B"**  
**DRAFT STAY EXTENSION ORDER**

NO. S-227894  
VANCOUVER REGISTRY

**IN THE SUPREME COURT OF BRITISH COLUMBIA**

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

AND

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

AND

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

PETITIONER

**ORDER MADE AFTER APPLICATION**

**(STAY EXTENSION, APPROVAL OF SALES AND INVESTMENT SOLICITATION  
PROCESS, KEY EMPLOYEE RETENTION PLAN, AND PRIORITY CHARGES)**

BEFORE THE HONOURABLE

MR. JUSTICE WALKER

)  
)  
)  
)

THURSDAY, THE 3<sup>RD</sup> DAY OF

NOVEMBER, 2022

ON THE APPLICATION of the Petitioner coming on for hearing at Vancouver, British Columbia, on the 3rd day of November, 2022 (the "**Order Date**"); AND ON HEARING H. Lance Williams and Forrest Finn, counsel for the Petitioner and those other counsel listed on **Schedule "A"** hereto; AND UPON READING the material filed, including the First Affidavit of Sandra Daycock affirmed September 28, 2022, the Second Affidavit of Sandra Daycock affirmed October 12, 2022, the Third Affidavit of Sandra Daycock affirmed October 12, 2022, the Fourth Affidavit of Sandra Daycock affirmed October 19, 2022, the Fifth Affidavit of Sandra Daycock affirmed October 19, 2022, the Sixth Affidavit of Sandra Daycock affirmed October 21, 2022, the Seventh Affidavit of Sandra Daycock affirmed November 2, 2022, the "**Seventh Daycock Affidavit**", the Eighth Affidavit of Sandra Daycock affirmed November 2, 2022 (the "**Third Confidential Affidavit**"), the Affidavit of Peter Jennings sworn October 19, 2022, the Affidavit of Joseph Galluci sworn October 19, 2022, the Affidavit of Alan Hair sworn October 19, 2022, the Affidavit of Trudy Curran sworn October 19, 2022, the First Report of Alvarez & Marsal Canada Inc. in its capacity as monitor of the Petitioner (in such capacity, the "**Monitor**"), dated October

13, 2022, the Second Report of the Monitor, dated October 20, 2022, the Supplemental Report to the Second Report of the Monitor dated October 25, 2022, the Second Supplemental Report to the Second Report of the Monitor, dated October 27, 2022, and the Third Report of the Monitor, to be filed; AND pursuant to the *Companies' Creditors Arrangement Act*, RSC 1985 c C-36, as amended (the "**CCAA**"), the British Columbia Supreme Court Civil Rules and the inherent jurisdiction of this Honourable Court;

THIS COURT ORDERS AND DECLARES THAT:

#### **DEFINED TERMS**

1. Capitalized terms used in this order (the "**Order**") and not otherwise defined herein shall have the meanings given to them in the Amended and Restated Initial Order pronounced by the Honourable Mr. Justice Walker in the within proceedings on October 14, 2022 (as may be further amended and extended, the "**ARIO**") provided that, in the event of any conflict between the terms of the ARIO and this Order, the terms of this Order shall govern to the extent of such conflict.

#### **SERVICE**

2. The time for service of the notice of application for this Order is hereby abridged and deemed good and sufficient and this application is properly returnable today.

#### **STAY EXTENSION**

3. The Stay Period provided for in paragraph 16 of the ARIO, and all other relief granted under the ARIO, be and is hereby extended from November 3, 2022 up to and including December 16, 2022.

#### **APPROVAL OF SISP**

4. The Sales and Investment Solicitation Process attached as **Schedule "B"** to this Order (the "**SISP**") is hereby approved and the Petitioner, the Monitor, RBC Dominion Securities Inc. (the "**Sales Advisor**"), and their respective advisors are hereby authorized and directed to carry out the SISP in accordance with its terms and this order and to take such steps and execute such documentation as they consider to be necessary or desirable in carrying out each of their obligations thereunder.

5. The Petitioner, the Sales Advisor, and the Monitor may, from time to time, apply to this Court for advice and directions regarding the SISP, the discharge of their respective powers and duties under the SISP, or any matter in connection therewith.
6. The engagement letter dated as of October 5, 2022 (the "**Sales Advisor Agreement**") between, among others, the Sales Advisor and the Petitioner, attached as Exhibit "**B**" to the Third Confidential Affidavit is hereby approved, including, without limitation, the payment by the Petitioner of the portion of the fees and expenses set out therein for which the Petitioner is responsible (collectively, the "**Sales Advisor Compensation**"), and the Petitioner is authorized to enter into, execute, and perform its obligations under the Sales Advisor Agreement.
7. Each of the Monitor and the Sales Advisor and their respective affiliates, partners, directors, employees, advisors, agents, shareholders and controlling persons shall have no liability with respect to any losses, claims, damages or liability of any nature or kind to any person in connection with or as a result of the SISP or the conduct thereof, except to the extent of such losses, claims, damages or liabilities resulting from the gross negligence or willful misconduct of any of the foregoing in performing their obligations under the SISP.
8. Pursuant to Section 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5 and Section 18(1)(o) of the *Personal Information Protection Act*, S.B.C. 2003, c. 63, and any regulations promulgated under the authority of either Act, the Petitioner, the Sales Advisor and the Monitor may disclose personal information of identifiable individuals to Potential Bidders (as defined in the SISP) and their advisors in connection with the SISP, but only to the extent desirable or required to carry out the SISP. Each Potential Bidder and their respective advisors to whom any such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information solely to its evaluation of a transaction in respect of the Petitioner and the Property (as defined in the ARIO), and if it does not complete such a transaction, shall return all such information to the Petitioner, or in the alternative destroy all such information. The Successful Bidder (as defined in the SISP) shall be entitled to continue to use the personal information provided to it in a manner that is in all material respects identical to the prior use of such information by the

Petitioner, and shall return all other personal information to the Petitioner, or ensure that all other personal information is destroyed.

#### **APPROVAL OF KERP**

9. The key employee retention plan of the Petitioner described in the Seventh Daycock Affidavit and attached as Exhibit "A" to the Third Confidential Affidavit is hereby approved and the Petitioner is authorized and directed to make payments to the Key Employees (as defined in the Seventh Daycock Affidavit) in accordance with the terms thereof.

#### **PRIORITY CHARGES**

10. The Sales Advisor shall be entitled to the benefit of and is hereby granted:
  - (a) a charge (the "**Work Fee Charge**") on the Property (as defined in the ARIO), up to the maximum amount of \$75,000, as security for the payment by the Petitioner of the Petitioner's portion of the Work Fees (as defined in the Sales Advisor Agreement); and,
  - (b) a charge (the "**Proceeds Charge**", the Work Fee Charge and the Proceeds Charge are collectively referred to as, the "**Sales Advisor Charges**") on all proceeds from a Transaction (as defined in the Sales Advisor Agreement) payable to the Petitioner, including, for certainty and without limiting the generality of the foregoing, in respect of any intercompany indebtedness owing to the Petitioner which is repaid in connection with such Transaction, as security for the payment and performance by the Petitioner of all Sales Advisor Compensation,

which shall have the priority set out in paragraphs 12 and 14 of this Order.

11. The Key Employees shall be entitled to the benefit of and are hereby granted a charge (the "**KERP Charge**") on the Property, which charge shall not exceed an aggregate amount of \$117,500 to secure the amounts payable to the Key Employees pursuant to the KERP, and which shall have the priority set out in paragraphs 12 and 14 of this Order.

12. The Sales Advisor Charges and the KERP Charge shall each constitute a mortgage, security interest, assignment by way of security and charge on the Property and such Sales Advisor Charges and KERP Charge shall rank in priority to all other security interests, trusts, liens, mortgages, charges, encumbrances and claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**"), in favour of any Person (as defined in the ARIO), save and except for: (i) in the case of the KERP Charge, the Administration Charge and the Directors' Charge (each as defined in the ARIO), but provided, for greater certainty, that the Sales Advisor Charges shall rank *pari passu* with the Administration Charge; (ii) those claims contemplated by section 11.8(8) of the CCAA; and, (iii) any security interests validly registered and perfected in the Personal Property Security Registry of British Columbia as of the Order Date (as defined in the ARIO).
13. The Sales Advisor Charges and the KERP Charge shall have, *mutatis mutandis*, the same protections and restrictions under the ARIO as the Administration Charge and the Directors' Charge, including, without limitation, those set out in paragraphs 36, 37, 38, 39, and 40 of the ARIO.
14. The priorities of the Administration Charge, the Directors' Charge, the Sales Advisors Charges and the KERP Charge, as among them, shall be as follows:  
  
**First** -Administration Charge (to the maximum amount of \$150,000), Work Fee Charge (to the maximum amount of \$75,000), and Proceeds Charge, all *pari passu*;  
  
**Second** - Directors' Charge (to the maximum amount of \$150,000);  
  
**Third** - KERP Charge (to the maximum amount of \$117,500).

#### **GENERAL**

15. The Petitioner, the Monitor, the Purchaser, or any other party have liberty to apply for such further or other directions as may be necessary or desirable to give effect to this Order.
16. Endorsement of this Order by counsel appearing on this application other than the counsel for the Petitioners is hereby dispensed with.

THIS COURT REQUESTS the aid and recognition of other Canadian and foreign Courts, tribunal, regulatory or administrative bodies, including any Court or administrative tribunal of any federal or State Court or administrative body in the United States of America, Brazil, Peru or Mexico to act in aid of and to be complementary to this Court in carrying out the terms of this Order where required. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Petitioner and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Petitioner and the Monitor and their respective agents in carrying out the terms of this Order.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:

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Signature of Lawyer for the Petitioner  
McCarthy Tétrault LLP  
(H. Lance Williams and Forrest Finn)

BY THE COURT

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REGISTRAR

**SCHEDULE "A"**  
**LIST OF COUNSEL**

<b>Name of Counsel</b>	<b>Party Represented</b>



**SCHEDULE "B"**

**GREAT PANTHER MINING LIMITED  
CCAA SALES AND INVESTMENT SOLICITATION PROCEDURES**

**GREAT PANTHER MINING LIMITED**  
**CCAA SALES AND INVESTMENT SOLICITATION PROCEDURES**

**Preamble**

1. Great Panther Mining Limited ("**GPML**") obtained protection under the *Companies' Creditors Arrangement Act*, RSC 1985, c C-36 (the "**CCAA**") pursuant to an Order issued by the Supreme Court of British Columbia (the "**Court**") on October 4, 2022, as amended and extended by an Amended and Restated Initial Order dated October 14, 2022 (and as may be further amended and extended, the "**ARIO**"). Alvarez & Marsal Canada Inc. was appointed as the monitor (the "**Monitor**") in respect of GPML. All capitalized terms used herein and not otherwise defined shall have the meaning ascribed to them in the ARIO.
2. On November 3, 2022, the Court issued an Order (the "**SISP Approval Order**") which, among other things: (i) approved this Sales and Investment Solicitation Process (the "**SISP**") with respect to GPML and all of its present and after-acquired assets, undertakings, and properties of every nature and kind whatsoever, and wherever situate (collectively, the "**GPML Property**") but excluding the 25,787,200 common shares of, Guanajuato Silver Company Ltd. held by GPML; and (ii) approved the appointment of RBC Dominion Securities Inc. as the Sale Advisor (the "**Sale Advisor**") under the SISP. The SISP also includes the present and after-acquired assets, undertakings, and properties of Mina Tucano Ltda, Beadell (Brazil) Pty Ltd., and Beadell (Brazil 2) Pty Ltd. (collectively, the "**Tucano Parties**", and collectively with GPML, the "**Group**") (the "**Brazilian Property**" and collectively with the GPML Property, the "**Property**"). The Tucano Parties are subject to a judicial reorganization in Brazil (the "**Brazilian Proceeding**"), and separate approvals of any proposed transaction are required in that proceeding. GPML and the Tucano Parties have jointly retained the Sale Advisor.
3. This SISP describes the way the Group, on the terms set out herein, will advance this process and how interested parties may gain access to due diligence materials concerning the Group and the Property, how bids involving the Group, the Property, or any part or parts thereof ("**Bids**"), will be submitted and dealt with, and how the required court approvals will be dealt with in the CCAA Proceeding and the Brazilian Proceeding in respect of any transaction or transactions involving GPML or the GPML Property.
4. The procedures in respect of the SISP as contained herein (the "**SISP Procedures**") shall exclusively govern the process for soliciting and selecting Bids for the sale of or investment in the Group or of the Property, a financing, joint-venture, merger or other business transaction involving the Group, or some combination thereof.
5. The terms of the SISP, including these SISP Procedures and all requirements, criteria and timelines set out herein, may be amended, extended, or waived by GPML with the consent of the Monitor, Asahi Refining Canada Ltd. ("**Asahi**") or by further order of this Court.
6. All dollar amounts expressed herein, unless otherwise noted, are in United States currency. Unless otherwise indicated herein any event that occurs on a day that is not a Business Day shall be deemed to occur on the next Business Day.

### **Defined Terms**

7. All capitalized terms used herein and not otherwise defined shall have the meanings given to them in **Schedule "A"** hereto.

### **Sales and Investment Solicitation Process**

8. These SISP Procedures describe, among other things:
- (a) the manner in which prospective bidders may gain access to due diligence materials concerning the Group and its business and the Group's equity, assets, rights, undertakings and properties;
  - (b) the manner and timelines by which prospective bidders and Bids become Qualified Bidders and Qualified Bids;
  - (c) the evaluation of Bids received;
  - (d) the guidelines for the ultimate selection of the Successful Bid; and,
  - (e) the process for obtaining such approvals (including the approval of the Court and in the Brazilian Proceeding) as may be necessary or appropriate in respect of a Successful Bid.
9. Bids may involve a Person making an investment in any member of the Group, including through the purchase or acquisition of the shares of any member of the Group, through the provision of additional financing to the Group, an option to purchase some or all of the Property, or some combination thereof.

### **"As Is, Where Is"**

10. Any transaction involving the Property or the Group will be subject only to such representations, warranties, covenants, or indemnities as are expressly included in a Definitive Agreement, but will otherwise be on an **"as is, where is"** basis and without surviving representations, warranties, covenants or indemnities of any kind, nature, or description by GPML, the Monitor, the Sale Advisor, or any of their respective agents, estates, advisors, professionals or otherwise. In the event of a sale of all or some of the Property, all of the right, title and interest of the Group in and to the Property to be acquired will be, subject to the applicable court granting approval and any other required orders in the form contemplated by the relevant transaction, sold free and clear of all pledges, liens, security interests, encumbrances, claims, charges, options and interests therein and thereon, except those assumed pursuant to a Definitive Agreement.

### Timeline

11. The following table sets out the target dates under the SISP, as described in further detail below:

STEP	TARGET DATE
SISP to commence	November 4, 2022 (the " <b>Commencement Date</b> ")
LOI Deadline	December 9, 2022 (the " <b>LOI Deadline</b> ")
Final Bid process commences	December 16, 2022
Final Bid Deadline	January 27, 2023 (the " <b>Final Bid Deadline</b> ")
Definitive Agreement Deadline	February 10, 2023 (the " <b>Definitive Agreement Deadline</b> ")
Outside Closing Date	June 10, 2023 (the " <b>Outside Closing Date</b> ")

12. For greater certainty, the target dates set out in paragraph 11, above (including but not limited to the Commencement Date and the Outside Closing Date), may be amended or extended by the Group with the consent of the Sale Advisor, Asahi and the Monitor if such parties deem it to be necessary or advisable to do so, or by further order of the Court.

### PHASE 1 OF THE SISP PROCEDURES

#### **A. Initial Solicitation of Interest**

13. GPML and the Sale Advisor, in consultation with the Monitor, will prepare a list of potential bidders (the "**Known Potential Bidders**") who, in the reasonable business judgment of GPML and the Sale Advisor, may have interest in a transaction involving the Group, the Property, or any part or parts thereof, whether pursuant to an asset purchase transaction (an "**Asset Bid**") or some other investment, including but not limited to a transaction with respect to the debt, share, or capital structure of GPML and its direct and indirect subsidiaries (a "**Restructuring Bid**"), or some combination thereof (a "**Hybrid Bid**").
14. GPML and the Sale Advisor will prepare an initial marketing or offering summary (a "**Teaser Letter**") and distribute it to the Known Potential Bidders together with any additional marketing materials GPML and the Sale Advisor consider appropriate, as well as a draft form of confidentiality agreement (the "**Confidentiality Agreement**").
15. For the purposes of this SISP, the following Persons shall be considered as potential bidders (each, a "**Potential Bidder**"): (i) the Known Potential Bidders; and (ii) any other

Person that executes the documents listed in paragraph 17 and is permitted by the Sale Advisor to participate in the SISP.

16. The Sale Advisor shall provide notice of these SISP Procedures (including the Participation Requirements as specified below), and a copy of the Teaser Letter along with a draft Confidentiality Agreement, to the Potential Bidders as soon as practicable after the Commencement Date. At the same time, GPML shall issue a press release regarding the SISP providing the above notice and such other relevant information as GPML, the Monitor and the Sale Advisor may deem advisable, with Canada Newswire for dissemination within Canada. GPML and the Sale Advisor may, but shall not be required to, also publish similar notices in such other paper or electronic publications, distribution lists, circulars, or other media, as GPML, the Monitor and the Sale Advisor may deem to be advisable. GPML, the Monitor and the Sale Advisor may prepare such marketing or other materials in addition to the Teaser Letter as they deem appropriate describing the opportunity to make an Asset Bid, Restructuring Bid or a Hybrid Bid for distribution to Known Potential Bidders and/or Potential Bidders.

**B. Initial Due Diligence**

17. Any Person who wishes to participate in this SISP must deliver the following to the Sale Advisor, with a copy to GPML and the Monitor, at the addresses specified in **Schedule "B"** hereto:
  - (a) an executed Confidentiality Agreement; and,
  - (b) written communication acknowledging receipt of a copy of these SISP Procedures and agreeing to accept and be bound by the provisions contained herein.
18. If, in the opinion of the Sale Advisor, in consultation with GPML and the Monitor, a Person has complied with each of the requirements described in section 17 of these SISP Procedures (collectively, the **"Participation Requirements"**), such Person shall be deemed to be a **"Qualified Bidder"** hereunder.
19. GPML and the Sale Advisor shall provide each Qualified Bidder with access to an electronic data room containing due diligence materials and financial, tax and other information relating to the shares, the Property and the business of GPML as soon as practicable after the determination that such Person is a Qualified Bidder (the **"Data Room"**). Each Qualified Bidder shall have such access in the Data Room to materials and financial, tax and other information relating to the shares, the Property and the business of the Group as the Sale Advisor, in its reasonable business judgment and in consultation with GPML and the Monitor, deems appropriate for Qualified Bidders to conduct their due diligence.
20. The Sale Advisor and the Monitor are not responsible for, and will have no liability with respect to, any information obtained by any Potential Bidder or Qualified Bidder. The Sale Advisor and the Monitor and their respective advisors do not make any representations or warranties whatsoever as to the information or the materials provided to or obtained by any Potential Bidder or Qualified Bidder, and/or any of its agents, consultants, advisors or other third-parties that may be in receipt of this information and are relying upon it for their purposes.

**C. Qualified LOI Process**

21. Any Qualified Bidder who wishes to submit an Asset Bid, a Restructuring Bid or a Hybrid Bid must deliver a written, non-binding letter of intent (each, an “LOI”) to the Sale Advisor, GPML, and the Monitor, in the manner and at the addresses specified in **Schedule “B”** so as to be received by those parties not later than the LOI Deadline. In order to be considered as a qualified LOI (each, a “**Qualified LOI**”), an LOI must comply with all of the following requirements:

- (a) an agreement to accept and be bound by the provisions contained in these SISP Procedures and the SISP Approval Order;
- (b) a letter setting forth (i) the identity of the Qualified Bidder, (ii) the contact information for such Qualified Bidder, (iii) the type and jurisdiction of organization of the Qualified Bidder, (iv) full disclosure of the direct and indirect owners of the Qualified Bidder and their principals (without needing to disclose non-controlling interests, in the case of public companies and private equity groups only), and (v) such financial disclosure and credit quality support or enhancement that allows the Sale Advisor, in consultation with GPML and the Monitor, to make a reasonable determination as to the Qualified Bidder’s financial and other capabilities to consummate a transaction pursuant to a Qualified Asset Bid, Qualified Restructuring Bid, or Qualified Hybrid Bid, as applicable;
- (c) an indication of whether the Qualified Bidder wishes to tender (i) an Asset Bid; (ii) a Restructuring Bid; or (iii) a Hybrid Bid;
- (d) a specific indication of the anticipated sources of capital for such Qualified Bidder and information regarding the Qualified Bidder’s financial, managerial, operational, technical, and other capabilities to consummate an Asset Bid, a Restructuring Bid, or a Hybrid Bid as applicable, and such additional information as may be requested by GPML, the Sale Advisor, or the Monitor;
- (e) in the case of an Asset Bid, it identifies:
  - i) the form of consideration for the proposed sale including the purchase price or price range in United States dollars and details of any liabilities to be assumed;
  - ii) the Property included as part of the Asset Bid, any of the Property expected to be excluded, and/or any additional assets desired to be included in the transaction;
  - iii) the structure and financing of the transaction including, but not limited to, the sources of financing to fund the acquisition, preliminary evidence of the availability of such financing or such other form of financial disclosure and credit-quality support or enhancement that will allow GPML, the Sale Advisor, and the Monitor to make a reasonable business or professional judgment as to the Qualified Bidder’s financial or other capabilities to consummate the transaction and to perform all obligations to be assumed in such transaction and the steps necessary and associated timing to obtain financing and any related contingencies, as applicable;

- iv) any anticipated corporate, shareholder, internal or regulatory approvals required to close the transaction and the anticipated time frame and any anticipated impediments for obtaining such approvals;
  - v) additional due diligence required or desired to be conducted by the Qualified Bidder, if any;
  - vi) any conditions to Closing that the Qualified Bidder may wish to impose; and
  - vii) any other terms or conditions of the Asset Bid which the Qualified Bidder believes are material to the transaction;
- (f) in the case of a Restructuring Bid, it identifies:
- i) an outline of the type of transaction or structure of the Bid including with respect to any proposed restructuring, recapitalization, or other form of reorganization of the business, Property, or the affairs of the Group, including but not limited to the debt, share, or capital structure of the Group members, as applicable;
  - ii) the aggregate amount of the equity and debt investment, including liabilities to be assumed by the Qualified Bidder, if applicable;
  - iii) the underlying assumptions regarding the *pro forma* capital structure (including the form and amount of anticipated equity and/or debt levels, debt service fees, interest or dividend rates, amortization, voting rights, or other protective provisions (as applicable), redemption, prepayment or repayment attributes and any other material attributes of the investment);
  - iv) an allocation of the consideration as between different assets or members of the Group, if applicable;
  - v) the financing of the transaction including, but not limited to, the sources of financing to fund the restructuring, preliminary evidence of the availability of such financing or such other form of financial disclosure and credit-quality support or enhancement that will allow GPML, the Sale Advisor, and the Monitor to make a reasonable business or professional judgment as to the Qualified Bidder's financial or other capabilities to consummate the transaction and to perform all obligations to be assumed in such transaction and the steps necessary and associated timing to obtain financing and any related contingencies, as applicable;
  - vi) any anticipated corporate, shareholder, internal or regulatory approvals required to close the transaction, the anticipated time frame and any anticipated impediments for obtaining such approvals;
  - vii) anticipated tax planning, if any;
  - viii) additional due diligence required or desired to be conducted by the Qualified Bidder, if any;

- ix) any conditions to Closing that the Qualified Bidder may wish to impose; and
  - x) any other terms or conditions of the Restructuring Bid which the Qualified Bidder believes are material to the transaction; and
- (g) in the case of a Hybrid Bid, it identifies:
- i) an outline of the type of transaction or structure of the Bid;
  - ii) the information contained in paragraphs 21(e) and 21(f) above, as applicable;
  - iii) additional due diligence required or desired to be conducted by the Qualified Bidder, if any;
  - iv) any conditions to Closing that the Qualified Bidder may wish to impose; and
  - v) any other terms or conditions of the Hybrid Bid which the Qualified Bidder believes are material to the transaction; and,
- (h) such other or further information as may be requested by the GPML, the Sale Advisor, or the Monitor, in each case acting reasonably.
22. GPML, the Sale Advisor and the Monitor shall retain full discretion and authority to discuss any LOIs or Qualified LOIs received, and their terms, with the applicable Qualified Bidder.
23. Following the LOI Deadline, GPML, the Monitor and the Sale Advisor will assess the Qualified LOIs. If it is determined by GPML, the Monitor and the Sale Advisor that a Qualified Bidder that has submitted a Qualified LOI: (a) has a *bona fide* interest in consummating an Asset Bid, a Restructuring Bid, or a Hybrid Bid, as applicable; and (b) has the financial, managerial, operational, technical, and other capabilities to consummate an Asset Bid, a Restructuring Bid or a Hybrid Bid, as applicable, then such Qualified Bidder shall be permitted to participate in Phase 2 of the SISP (each such Qualified Bidder, a **"Phase 2 Qualified Bidder"**) provided that GPML may, in its reasonable business judgment and after consultation and with the approval of the Sale Advisor and the Monitor, and provided that the Monitor in its reasonable business judgment considers it to be reasonably necessary or advisable to do so, limit the number of Qualified Bidders permitted to enter Phase 2 (and thereby eliminate some Qualified Bidders who have submitted Qualified LOIs from the SISP), taking into account the factors identified in paragraph 34 of this SISP. For greater certainty, no Qualified Bidder who has submitted a Qualified LOI by the LOI Deadline will be eliminated from the SISP without the prior written approval of the Monitor.
24. GPML, in consultation with the Sale Advisor and the Monitor and subject to obtaining the prior written consent of the Monitor, may waive compliance with any one or more of the requirements specified above and deem non-compliant LOIs to be Qualified LOIs, including by permitting the applicable Qualified Bidder to advance to Phase 2 of the SISP as a Phase 2 Qualified Bidder.
25. Provided that Asahi has provided confirmation acceptable to the Monitor that Asahi and its affiliates are not participating directly or indirectly in the SISP, and has provided such



confidentiality agreements and confirmations as the Monitor may reasonably require (the "**Asahi Confirmation**"), GPML, the Sales Agent and the Monitor may share the Qualified LOIs and their analysis with Asahi. GPML shall be permitted to proceed to Phase 2 of this SISP only if a) Asahi has consented to permit GPML to continue to Phase 2, or b) authorized by further Court order. For greater certainty, should GPML cease to participate in the SISP, the remaining members of the Group may continue with the SISP, and the provisions of this SISP Process may be amended accordingly, including the removal of all references and rights of Asahi.

## **PHASE 2 OF THE SISP PROCEDURES**

### **A. Phase 2 Due Diligence**

26. GPML and the Sale Advisor, in consultation with the Monitor, will in their reasonable business judgment and subject to competitive and other business considerations, afford each Phase 2 Qualified Bidder such access to additional due diligence materials and information relating to the Property and the Group as they may deem appropriate. Due diligence access may include management presentations, on-site inspections, and other matters which a Phase 2 Qualified Bidder may reasonably request and as to which GPML and the Sale Advisor, in their reasonable business judgment and after consulting with the Monitor, may agree. For the avoidance of doubt, and without limiting the terms of applicable Confidentiality Agreements, selected due diligence materials may be withheld from certain Phase 2 Qualified Bidders if GPML and the Sale Advisor, in consultation and with the approval of the Monitor, determine such information to represent proprietary or sensitive competitive information.

### **B. Final Bid Process**

27. Any Phase 2 Qualified Bidder may submit a binding, executable Asset Bid, Restructuring Bid or Hybrid Bid (each, a "**Final Bid**") to GPML, the Sale Advisor, and to the Monitor at the addresses specified in **Schedule "B"** hereto, provided that in order to be considered as a qualified Final Bid hereunder, such Final Bid must be received on or before the Final Bid Deadline.
28. A Final Bid submitted as an Asset Bid shall be a "**Qualified Asset Bid**" if:
- (a) it includes duly authorized definitive transaction documentation in a form that the Phase 2 Qualified Bidder is prepared to execute, specifying all consideration payable, together with all exhibits and schedules thereto, and such ancillary agreements as may be required by the Phase 2 Qualified Bidder with all exhibits and schedules thereto;
  - (b) it includes a term stating that the Asset Bid is irrevocable until thirty (30) days following the Final Bid Deadline; provided, however, that if such Asset Bid is selected as a Successful Bid (as defined below) or a Backup Bid (as defined below), it shall remain irrevocable until the Closing of the Successful Bid or the Backup Bid, as the case may be;
  - (c) it includes written evidence of a firm, irrevocable commitment for all required funding and/or financing from a creditworthy bank or financial institution to consummate the proposed transaction, or other evidence of ability to consummate the proposed

transaction that will allow GPML, the Monitor and the Sale Advisor to make a determination as to the Phase 2 Qualified Bidder's (and its direct and indirect owners and their principals) financial and other capabilities to consummate the transaction contemplated by the Qualified Asset Bid;

- (d) it includes an acknowledgement and representation that the Phase 2 Qualified Bidder: (i) has had an opportunity to conduct any and all required due diligence prior to making its Asset Bid; (ii) has relied solely on its own independent review, investigation and inspection of any documents, the assets to be acquired and the liabilities to be assumed; (iii) did not rely upon any written or oral statements, representations, promises, warranties or guarantees whatsoever, whether express or implied, except as expressly stated in the purchase and sale agreement; and (iv) unless the prior written consent of the Monitor has been obtained, has not coordinated its Final Bid or any aspect of its participation in this SISF with any other Potential Bidder, Qualified Bidder, Phase 2 Qualified Bidder, or any Person with an existing contractual relationship with GPML or any of its Affiliates, has kept and will continue to keep its Final Bid confidential, and has not entered into any agreement or arrangement with any Potential Bidder, Qualified Bidder, Phase 2 Qualified Bidder, or any Person with an existing contractual relationship with GPML or its Affiliates which has affected or may, directly or indirectly, affect the applicable Phase 2 Qualified Bidder's Final Bid or the Final Bid of any other Bidder and/or the SISF Procedures generally;
- (e) it includes an acknowledgement and representation that the Phase 2 Qualified Bidder will be responsible for the payment of a success fee, to be paid to the Sale Advisor, if such Asset Bid is selected as a Successful Bid;
- (f) it fully discloses the identity of each Person that is bidding or otherwise that will be sponsoring or participating in the Asset Bid, including the identification of the Bidder's direct and indirect owners and their principals (without needing to disclose non-controlling interests, in the case of public companies only), and the complete terms of any such participation;
- (g) it provides for Closing of the proposed transaction by no later than the Outside Closing Date;
- (h) it contains such other or further information as may be reasonably requested by GPML, the Sale Advisor or the Monitor prior to the Final Bid Deadline; and
- (i) it is received by no later than the applicable Final Bid Deadline.

29. A Final Bid submitted as a Restructuring Bid shall be a **"Qualified Restructuring Bid"** if:

- (a) it includes duly authorized definitive transaction documentation in a form that the Phase 2 Qualified Bidder is prepared to execute, setting out the terms and conditions of the proposed transaction, including the aggregate amount of the proposed equity and debt investment, assumption of debt, if any, and details regarding the proposed equity and debt structure of the Group following completion of the proposed transaction;

- (b) it includes a term stating that the Restructuring Bid is irrevocable until thirty (30) days following the Final Bid Deadline; provided, however, that if such Restructuring Bid is selected as a Successful Bid or a Backup Bid, it shall remain irrevocable until the Closing of the Successful Bid or the Backup Bid, as the case may be;
- (c) it includes written evidence of a firm, irrevocable commitment for all required funding and/or financing from a creditworthy bank or financial institution to consummate the proposed transaction, or other evidence of ability to consummate the proposed transaction that will allow GPML, the Monitor, and the Sale Advisor to make a determination as to the Phase 2 Qualified Bidder's (and its direct and indirect owners and their principals) financial and other capabilities to consummate the transaction contemplated by the Restructuring Bid;
- (d) it includes an acknowledgement and representation that the Phase 2 Qualified Bidder: (i) has had an opportunity to conduct any and all required due diligence prior to making its Restructuring Bid; (ii) has relied solely on its own independent review, investigation and inspection of any documents, the assets to be acquired and the liabilities to be assumed; (iii) did not rely upon any written or oral statements, representations, promises, warranties or guarantees whatsoever, whether express or implied, except as expressly stated in the purchase and sale agreement; and (iv) unless the prior written consent of the Monitor has been obtained, has not coordinated its Final Bid or any aspect of its participation in this SISF with any other Potential Bidder, Qualified Bidder, Phase 2 Qualified Bidder, or any Person with an existing contractual relationship with GPML or any of its Affiliates, has kept and will continue to keep its Final Bid confidential, and has not entered into any agreement or arrangement with any Potential Bidder, Qualified Bidder, Phase 2 Qualified Bidder, or any Person with an existing contractual relationship with GPML or its Affiliates which has affected or may, directly or indirectly, affect the applicable Phase 2 Qualified Bidder's Final Bid or the Final Bid of any other Bidder and/or the SISF Procedures generally;
- (e) it includes an acknowledgement and representation that the Phase 2 Qualified Bidder will be responsible for the payment of a success fee, to be paid to the Sale Advisor, if such Restructuring Bid is selected as a Successful Bid;
- (f) it fully discloses the identity of each entity that is bidding or otherwise that will be sponsoring or participating in the Restructuring Bid, including the identification of the Phase 2 Qualified Bidder's direct and indirect owners and their principals (without needing to disclose non-controlling interests, in the case of public companies only), and the complete terms of any such participation;
- (g) it provides for Closing of the proposed transaction by no later than the Outside Closing Date;
- (h) it contains such other or further information as may be reasonably requested by GPML, the Sale Advisor or the Monitor prior to the Final Bid Deadline; and
- (i) it is received by no later than the Final Bid Deadline.

30. A Final Bid submitted as a Hybrid Bid shall be a **"Qualified Hybrid Bid"** if:

- (a) it includes duly authorized definitive transaction documentation in a form that the Phase 2 Qualified Bidder is prepared to execute, setting out the terms and conditions of the proposed transaction, including the aggregate amount of the proposed equity and debt investment, assumption of debt, if any, and details regarding the proposed equity and debt structure of the Group following completion of the proposed transaction, as well as specifying all consideration payable, together with all exhibits and schedules thereto, and such ancillary agreements as may be required by the Phase 2 Qualified Bidder with all exhibits and schedules thereto;
- (b) it includes a term stating that the Hybrid Bid is irrevocable until the earlier of (i) the approval by the Court, and (ii) thirty (30) days following the Final Bid Deadline; provided, however, that if such Hybrid Bid is selected as a Successful Bid or a Backup Bid, it shall remain irrevocable until the Closing of the Successful Bid or the Backup Bid, as the case may be;
- (c) it includes written evidence of a firm, irrevocable commitment for all required funding and/or financing from a creditworthy bank or financial institution to consummate the proposed transaction, or other evidence of ability to consummate the proposed transaction that will allow GPML, the Monitor, and the Sale Advisor to make a determination as to the Phase 2 Qualified Bidder's (and its direct and indirect owners and their principals) financial and other capabilities to consummate the transaction contemplated by the Hybrid Bid;
- (d) it includes an acknowledgement and representation that the Phase 2 Qualified Bidder: (i) has had an opportunity to conduct any and all required due diligence prior to making its Hybrid Bid; (ii) has relied solely on its own independent review, investigation and inspection of any documents, the assets to be acquired and the liabilities to be assumed; (iii) did not rely upon any written or oral statements, representations, promises, warranties or guarantees whatsoever, whether express or implied, except as expressly stated in the purchase and sale agreement; and (iv) unless the prior written consent of the Monitor has been obtained, has not coordinated its Final Bid or any aspect of its participation in this SISF with any other Potential Bidder, Qualified Bidder, Phase 2 Qualified Bidder, or any Person with an existing contractual relationship with GPML or any of its Affiliates, has kept and will continue to keep its Final Bid confidential, and has not entered into any agreement or arrangement with any Potential Bidder, Qualified Bidder, Phase 2 Qualified Bidder, or any Person with an existing contractual relationship with GPML or its Affiliates which has affected or may, directly or indirectly, affect the applicable Phase 2 Qualified Bidder's Final Bid or the Final Bid of any other Bidder and/or the SISF Procedures generally;
- (e) it includes an acknowledgement and representation that the Phase 2 Qualified Bidder will be responsible for the payment of a success fee, to be paid to the Sale Advisor, if such Hybrid Bid is selected as a Successful Bid;
- (f) it fully discloses the identity of each entity that is bidding or otherwise that will be sponsoring or participating in the Hybrid Bid, including the identification of the Phase 2 Qualified Bidder's direct and indirect owners and their principals (without needing to disclose non-controlling interests, in the case of public companies only), and the complete terms of any such participation;

- (g) it provides for Closing of the proposed transaction by no later than the Outside Closing Date;
  - (h) it contains such other or further information as may be reasonably requested by GPML, the Sale Advisor or the Monitor prior to the Final Bid Deadline; and
  - (i) it is received by no later than the applicable Final Bid Deadline.
31. All Qualified Asset Bids, Qualified Restructuring Bids and Qualified Hybrid Bids shall constitute **"Qualified Final Bids"**.
32. GPML and the Sale Advisor may waive compliance with any one or more of the requirements specified above and deem non-compliant Final Bids to be Qualified Final Bids, provided that the Monitor in its reasonable business judgment considers it to be reasonably necessary or advisable to do so.

**D. Selection of Successful Bid and Backup Bid**

33. In reviewing the Qualified Final Bids and before determining a Successful Bid or Backup Bid (both as defined below), GPML, the Sale Advisor and the Monitor shall retain full discretion and authority to discuss the Bids received, and their terms, with the applicable Phase 2 Qualified Bidders.
34. GPML shall review all Qualified Final Bids, in consultation with the Sale Advisor and the Monitor, to determine the highest or otherwise best Asset Bid, Restructuring Bid or Hybrid Bid. Evaluation criteria will include, but are not limited to, matters such as: (a) the purchase price or net value being provided by such Bid; (b) the conditionality of any Bid; (c) the firm, irrevocable commitment for any required financing; (d) the timeline to closing of any Bid; (e) the identity, circumstances and ability of the proponents of the Qualified Final Bids to successfully complete the transaction(s); (f) the costs associated with the Bid and its consummation; and (g) the terms of the proposed transaction documents.
35. The Monitor shall, in consultation with GPML, Asahi (provided it has provided the Asahi Confirmation) and the Sale Advisor, identify the highest or otherwise best Qualified Final Bid received for the Group, the Property, or part or parts thereof, as applicable (each, a **"Successful Bid"**) and the next highest or otherwise best Qualified Final Bid received for received for GPML, the Property, or part or parts thereof, as applicable (each, a **"Backup Bid"**). Any Phase 2 Qualified Bidder whose Bid is identified as a Successful Bid shall be a **"Successful Bidder"** and any Phase 2 Qualified Bidder whose Bid is identified as a Backup Bid shall be a **"Backup Bidder"**. The Sale Advisor, after consulting with GPML and the Monitor, shall notify a Successful Bidder, a Backup Bidder, if any, and any other Bidders of their respective status as soon as a reasonably practicable in the circumstances.
36. The Sale Advisor will notify a Backup Bidder, if any, that their Bid is a successful Backup Bid and the Backup Bid shall remain open and capable of acceptance by GPML until the earlier of: (i) the consummation and Closing of the transaction contemplated by a Successful Bid; and (ii) the date that is 30 days after the applicable Definitive Agreement Deadline (the **"Backup Bid Release Date"**).

**E. Deposit**

37. Within five (5) Business Days after being notified that it has been selected as a Successful Bidder or Backup Bidder, the Successful Bidder and each Backup Bidder shall pay a deposit (the "**Deposit**") in the form of a wire transfer payable to a non-interest bearing trust account to be specified by the Monitor, in an amount equal to a percentage of the total value of all cash and non-cash consideration to be paid or provided pursuant to its Final Bid or as may otherwise be contemplated in any fully executed transaction document, as follows: (i) ten percent (10%) with respect to any such consideration up to and including fifty million dollars (\$50,000,000), *plus* (ii) five percent (5%) with respect to any such additional consideration beyond fifty million dollars (\$50,000,000), without duplication, to be held and dealt with in accordance with this SISP.
38. All Deposits shall be retained by the Monitor in a trust account with a chartered bank in Canada. The Deposit (without interest thereon) paid by the Successful Bidder (or any Backup Bidder that is subsequently deemed to be the Successful Bidder) will be applied to the purchase price to be paid or investment amount to be made by the Successful Bidder, as applicable, upon Closing of the approved transaction and will be non-refundable, other than in the circumstances set out in the Successful Bid, as applicable.
39. The Deposit (without interest) of any Backup Bidders (excluding any Backup Bidder that is subsequently deemed to be the Successful Bidder) will be returned to such Backup Bidder on the Backup Bid Release Date or any earlier date as may be determined by the Sale Advisor, in consultation with GPML and the Monitor.
40. If a Successful Bidder breaches its obligations under the terms of the SISP, its Deposit shall be forfeited as liquidated damages and not as a penalty.
41. If any applicable member of the Group is unable to complete the Successful Bid as a result of its own actions and not as a result of steps or conditions contained in the Successful Bid (or the actions of the Successful Bidder) then the Deposit shall be returned to the Successful Bidder.

**Closing the Successful Bid or Backup Bid**

42. The applicable members of the Group may, but shall have no obligation to, enter into an agreement or agreements with a Successful Bidder (a "**Definitive Agreement**"). Any Definitive Agreement entered into with a Successful Bidder shall be executed on or before the Definitive Agreement Deadline.
43. The applicable members of the Group and the Successful Bidder (or Backup Bidder, if applicable) shall take all reasonable steps to complete the transaction contemplated by the Successful Bid (or Backup Bid, if applicable) as soon as possible.
44. If the transaction contemplated by the Successful Bid has not closed by the Outside Closing Date provided for in the Successful Bid or if for any reason the Successful Bid is terminated prior to its Closing, GPML may elect, in consultation with the Sale Advisor and with the consent of the Monitor, to seek to complete the transaction contemplated by the Backup Bid, and in such case: (i) the Sale Advisor shall provide written notice to the applicable Backup Bidder that they have been selected as the Successful Bidder; (ii) the Backup Bidder shall, upon the Sale Advisor providing such notice, be immediately deemed

to be the Successful Bid; and, (iii) the terms of these SISP Procedures applicable to a Successful Bid shall apply *mutatis mutandis* to such Backup Bid.

#### **Court Approval**

45. If a member of the Group enters into a Definitive Agreement in respect of a Successful Bid, a Backup Bid, or any other Bid, such Group member shall apply for an order from the Court and the supervising court in the Brazilian Proceeding (as may be necessary and applicable) approving the transaction contemplated by that Bid and any necessary or appropriately related competitive process, creditor approval and/or relief required to consummate the transaction contemplated by that Bid, including, but not limited to a competitive process in the Brazilian Proceeding (as applicable), a general meeting of creditors in the Brazilian Proceeding and/or any specific regulatory approvals that may be deemed necessary under Brazilian Law. Applicable court approval shall be a condition precedent to the consummation of any transaction or transactions contemplated by a Definitive Agreement. The Group may also: (i) concurrently obtain relief approving the transaction contemplated by a Backup Bid and any necessary related relief required to consummate the transaction contemplated by a Backup Bid; and (ii) if deemed necessary or advisable, seek approval of or other relief in respect of the Successful Bid and/or Backup Bid from the courts or governmental bodies in other relevant jurisdictions.

#### **Supervision and Conduct of the SISP**

46. The Monitor will oversee, in all respects, the conduct of the SISP. GPML, in consultation with the Monitor and the Sale Advisor, may engage such other consultants, agents or experts and such other persons from time to time as may be reasonably necessary to assist the Group in carrying out this SISP.
47. To the extent that any Bidders wish to engage, discuss or communicate with any Person with an existing contractual relationship with GPML or its Affiliates in relation to this SISP or the business or assets of GPML and its Affiliates, such Bidder may only do so after advising the Monitor and the Sale Advisor and obtaining the Monitor's and Sale Advisor's written consent. In considering any specific request, the Monitor and the Sale Advisor shall impose such restrictions, if any, or participation by the Monitor and/or Sale Advisor in such discussion, as the Monitor and Sale Advisor may deem to be necessary or appropriate.
48. GPML and the Sale Advisor shall co-operate fully with the Monitor in the exercise of their respective powers and discharge of their respective obligations under this SISP and shall provide the Monitor with the assistance, information and documentation that is reasonably necessary to enable the Monitor to adequately carry out the Monitor's functions herein.
49. Except with respect to such disclosure as is contemplated by these SISP Procedures, the Group, the Sale Advisor and the Monitor shall keep confidential the names, details, and all other non-public information related to Potential Bidders, LOIs, Qualified Bidders, Qualified LOIs, Phase 2 Qualified Bidders, Final Bids, Qualified Final Bids, the Successful Bidder, the Successful Bid, the Backup Bidder, the Backup Bid, and the Definitive Agreement, and any other information provided to them and marked as confidential, and shall only use such information to conduct the SISP, or as is reasonably necessary to seek directions from or make submissions to the Court, or to obtain, oppose, or otherwise make submissions regarding the approval of any Successful Bid or Back Up Bid, all while taking

such steps as may be reasonably necessary so as to preserve the confidentiality of such information and protect the integrity of the SISP.

### **SISP Termination**

50. If:

- (a) there are no Qualified LOI(s) by the applicable LOI Deadline, or no LOIs are deemed commercially reasonable by the Monitor (after consulting the Sale Advisor and GPML); or,
- (b) there are no Final Bid(s) by the applicable Final Bid Deadline; or
- (c) there is no Qualified Asset Bid, Qualified Restructuring Bid or Qualified Hybrid Bid by the applicable Final Bid Deadline, or the Monitor (after consulting the Sale Advisor and GPML) determines that no Qualified Final Bids should be accepted; or
- (d) there is no Successful Bid; or
- (e) a Definitive Agreement is not executed by the Definitive Agreement Deadline; or
- (f) a transaction contemplated by the Definitive Agreement does not close by the applicable Outside Closing Date; or
- (g) GPML, in consultation with the Sale Advisor, and with the approval of the Monitor, decides to terminate this SISP,

then this SISP shall, subject to any amendments, extensions or waivers granted in accordance with these SISP Procedures, immediately terminate, and in such case, the Sale Advisor shall as soon as practicable thereafter notify any applicable Qualified Bidders, Phase 2 Qualified Bidders, Successful Bidder(s), and Backup Bidder(s) of the termination thereof.

### **Notice**

51. The addresses used for delivering documents as prescribed by the terms and conditions of these SISP Procedures are set out in **Schedule "B"** hereto. Any Bid and all associated documentation shall be delivered to the Sale Advisor (copying GPML and the Monitor) by electronic mail, personal delivery and/or courier. Persons requesting information about these SISP Procedures should contact the Sale Advisor at the contact information contained in **Schedule "B"**.

### **Reservation of Rights**

52. GPML, in consultation with the Sale Advisor and with the approval of the Monitor, may, at any time, reject or choose not to accept any Bid or Successful Bid and shall have no obligation to complete a transaction or transactions pursuant to this SISP. Furthermore, provided that the Monitor provides its prior written consent, GPML shall have the rights:
- (i) to deal with one or more Phase 2 Qualified Bidders to the exclusion of other Persons;
  - (ii) to accept a Qualified Final Bid or Qualified Final Bids for some or all of the Property or



in relation to some or all of GPML; or (iii) to accept multiple Qualified Final Bids and enter into multiple Definitive Agreements.

## SCHEDULE "A"

### Defined Terms

**"Affiliates"** means, with respect to any Person, (i) any Person who is a "related person" (as defined in the *Bankruptcy and Insolvency Act* (Canada)) with respect to such Person; and, (ii) any direct or indirect subsidiary of such Person, regardless of whether such subsidiary is a "related person" (as defined in the *Bankruptcy and Insolvency Act* (Canada)).

**"ARIO"** is defined in the Preamble to these SISP Procedures.

**"Asahi"** is defined in paragraph 5.

**"Asahi Confirmation"** is defined in paragraph 25.

**"Asset Bid"** is defined in paragraph 13.

**"Backup Bid"** is defined in paragraph 35.

**"Backup Bid Release Date"** is defined in paragraph 36.

**"Backup Bidder"** is defined in paragraph 35.

**"Bids"** is defined in the Preamble to these SISP Procedures.

**"Bidders"** includes any or all Backup Bidders, Known Potential Bidders, Phase 2 Qualified Bidders, Potential Bidders, Qualified Bidders, and Successful Bidders, as context may require.

**"Brazilian Proceeding"** is defined in the Preamble to these SISP Procedures.

**"Brazilian Property"** is defined in the Preamble to these SISP Procedures.

**"Business Day"** means a day (other than Saturday or Sunday) on which banks are generally open for business in Vancouver, British Columbia, Canada and Rio de Janeiro, Brazil.

**"CCAA"** is defined in the Preamble to these SISP Procedures.

**"Closing"** means the completion of the transaction contemplated by the Successful Bid, including the satisfaction or waiver of all conditions precedent thereto.

**"Commencement Date"** is defined in paragraph 11.

**"Confidentiality Agreement"** is defined in paragraph 14.

**"Court"** is defined in the Preamble to these SISP Procedures.

**"Data Room"** is defined in paragraph 19.

**"Definitive Agreement"** is defined in paragraph 42.

**"Definitive Agreement Deadline"** is defined in paragraph 11.

**"Deposit"** is defined in paragraph 37.

**"Final Bid"** is defined in paragraph 27.

**"Final Bid Deadline"** is defined in paragraph 11.

**"GPML"** is defined in the Preamble to these SISP Procedures.

**"GPML Property"** is defined in the Preamble to these SISP Procedures.

**"Group"** is defined in the Preamble to these SISP Procedures.

**"Hybrid Bid"** is defined in paragraph 13.

**"Known Potential Bidders"** is defined in paragraph 13.

**"LOI"** is defined in paragraph 19.

**"LOI Deadline"** is defined in paragraph 11.

**"Monitor"** is defined in the Preamble to these SISP Procedures.

**"Outside Closing Date"** is defined in paragraph 11.

**"Participation Requirements"** is defined in paragraph 18.

**"Person"** shall be broadly interpreted and includes, without limitation: (i) a natural person, whether acting in his or her own capacity, or in his or her capacity as executor, administrator, estate trustee, trustee or personal or legal representative, and the heirs, executors, administrators, estate trustees, trustees or other personal or legal representatives of a natural person; and, (ii) a corporation or a company of any kind, a partnership of any kind, a sole proprietorship, a trust, a joint venture, an association, an unincorporated association, an unincorporated syndicate, an unincorporated organization or any other association, organization or entity of any kind.

**"Phase 2"** means the second phase of this SISP to be conducted pursuant to and in accordance with paragraphs 26 to 32 hereof

**"Phase 2 Qualified Bidder"** is defined in paragraph 23.

**"Potential Bidder"** is defined in paragraph 15.

**"Property"** is defined in the Preamble to these SISP Procedures.

**"Qualified Asset Bid"** is defined in paragraph 28.

**"Qualified Bid"** means a Qualified Asset Bid, Qualified Restructuring Bid, or Qualified Hybrid Bid.

**"Qualified Bidders"** is defined in paragraph 18.

**"Qualified Final Bids"** is defined in paragraph 31.

**"Qualified Hybrid Bid"** is defined in paragraph 30.

**"Qualified LOI"** is defined in paragraph 21.

**"Qualified Restructuring Bid"** is defined in paragraph 29.

**"Restructuring Bid"** is defined in paragraph 13.

**"Sale Advisor"** is defined in the Preamble to these SISP Procedures.

**"SISP"** is defined in the Preamble to these SISP Procedures.

**"SISP Approval Order"** is defined in the Preamble to these SISP Procedures.

**"SISP Procedures"** is defined in the Preamble to these SISP Procedures.

**"Successful Bid"** is defined in paragraph 35.

**"Successful Bidder"** is defined in paragraph 35.

**"Teaser Letter"** is defined in paragraph 14.

**"Tucano Parties"** is defined in the Preamble to these SISP Procedures.

## **SCHEDULE "B"**

### **Address for Notices and Deliveries**

#### **To GPML:**

Great Panther Mining  
1330 - 200 Granville St  
Vancouver, BC V6C 1S4

Attention: Sandra Daycock / Shawn Turkington  
Email: sdaycock@greatpanther.com / sturkington@greatpanther.com

#### **With a copy to:**

McCarthy Tétrault LLP  
Suite 2400, 745 Thurlow St  
Vancouver, BC V6E 0C5

Attention: Lance Williams / Robin Mahood / Nathan Stewart / Forrest Finn  
Email: lwilliams@mccarthy.ca / rmahood@mccarthy.ca / nstewart@mccarthy.ca /  
ffinn@mccarthy.ca

#### **To the Monitor:**

Alvarez & Marsal Canada, Inc.  
Unit 902, 925 W. Georgia Street  
Vancouver BC V6C 3L2  
Canada

Attention: Anthony Tillman CPA, CA / Pinky Law CPA, CA, CIRP, LIT  
Email: atillman@alvarezandmarsal.com / pinky.law@alvarezandmarsal.com

#### **With a copy to:**

Fasken Martineau DuMoulin LLP  
Suite 2900 550 Burrard St  
Vancouver, BC V6C 0A3

Attention: Kibben Jackson / Rebecca Barclay Nguinambaye  
Email: kjackson@fasken.com / rnguinambaye@fasken.com

#### **To the Sale Advisor:**

RBC Dominion Securities Inc.  
Suite 2100, 666 Burrard Street  
Vancouver BC V6C 3B1

Attention: Michael D. Scott / Scott Redwood  
Email: Michael.D.Scott@rbccm.com / scott.redwood@rbccm.com

**To Asahi:**

Asahi Refining Canada Limited  
130 Glidden Rd.  
Brampton, ON L6W 3M8

Attention: Ikuya Hirabayashi  
Email: Ikuya.Hirabayashi@asahirefining.com

With a copy to:

MLT Aikins LLP  
2600 – 1066 West Hastings Street  
Vancouver, B.C. V6E 3X1

Attention: William Skelly  
Email: WSkelly@mltaikins.com

Aird & Berlis LLP  
Brookfield Place, 181 Bay Street, Suite 1800  
Toronto, ON M5J 2T9

Attention: Kyle Plunkett  
Email: kplunkett@airdberlis.com

Deliveries pursuant to this SISP by email shall be deemed to be received when sent. In all other instances, deliveries made pursuant to this SISP shall be deemed to be received when delivered to the address as identified above.

**SCHEDULE "C"**  
**DRAFT CORICANCHA SALE ORDER**

NO. S-227894  
VANCOUVER REGISTRY

**IN THE SUPREME COURT OF BRITISH COLUMBIA**

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

AND

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

AND

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

PETITIONER

**ORDER MADE AFTER APPLICATION  
(APPROVAL AND VESTING ORDER)**

BEFORE THE HONOURABLE  
MR. JUSTICE WALKER

)  
)  
)  
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THURSDAY, THE 3<sup>RD</sup> DAY OF  
NOVEMBER, 2022

ON THE APPLICATION of the Petitioner coming on for hearing at Vancouver, British Columbia, on the 3rd day of November, 2022 (the "**Order Date**"); AND ON HEARING H. Lance Williams and Forrest Finn, counsel for the Petitioner and those other counsel listed on **Schedule "A"** hereto; AND UPON READING the material filed, including the First Affidavit of Sandra Daycock affirmed September 28, 2022, the Second Affidavit of Sandra Daycock affirmed October 12, 2022, the Third Affidavit of Sandra Daycock affirmed October 12, 2022, the Fourth Affidavit of Sandra Daycock affirmed October 19, 2022, the Fifth Affidavit of Sandra Daycock affirmed October 19, 2022, the Sixth Affidavit of Sandra Daycock affirmed October 21, 2022, the Seventh Affidavit of Sandra Daycock affirmed November 2, 2022 (the "**Seventh Daycock Affidavit**"), the Eighth Affidavit of Sandra Daycock affirmed November 2, 2022 (the "**Third Confidential Affidavit**"), the Affidavit of Peter Jennings sworn October 19, 2022, the Affidavit of Joseph Galluci sworn October 19, 2022, the Affidavit of Alan Hair sworn October 19, 2022, the Affidavit of Trudy Curran sworn October 19, 2022, the First Report of Alvarez & Marsal Canada Inc. in its capacity as monitor of the Petitioner (in such capacity, the "**Monitor**"), dated October 13, 2022, the Second Report of the Monitor, dated October 20, 2022, the Supplemental Report



to the Second Report of the Monitor dated October 25, 2022, the Second Supplemental Report to the Second Report of the Monitor, dated October 27, 2022, and the Third Report of the Monitor, to be filed; AND pursuant to the *Companies' Creditors Arrangement Act*, RSC 1985 c C-36, as amended (the "**CCAA**"), the British Columbia Supreme Court Civil Rules and the inherent jurisdiction of this Honourable Court;

THIS COURT ORDERS AND DECLARES THAT:

#### **DEFINED TERMS**

1. Capitalized terms used in this order (the "**Order**") and not otherwise defined herein shall have the meanings given to them in the Amended and Restated Initial Order pronounced by the Honourable Mr. Justice Walker in the within proceedings on October 14, 2022 (as may be further amended and extended, the "**ARIO**") provided that, in the event of any conflict between the terms of the ARIO and this Order, the terms of this Order shall govern to the extent of such conflict.

#### **SERVICE**

2. The time for service of the notice of application for this Order is hereby abridged and deemed good and sufficient and this application is properly returnable today.

#### **APPROVAL OF CORICANCHA MINE SHARE PURCHASE AGREEMENT**

3. The sale transaction (the "**Transaction**") contemplated by the Share Purchase Agreement dated as of October 25, 2022 (the "**Sale Agreement**") between the Petitioner and Newrange Gold Corp. (the "**Purchaser**"), a copy of which is attached as Exhibit "**D**" to the Seventh Daycock Affidavit, is hereby approved, and the Sale Agreement is commercially reasonable. The execution of the Sale Agreement by the Petitioner is hereby authorized and approved, *nunc pro tunc*, and the Petitioner is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance to the Purchaser of the assets described in the Sale Agreement (the "**Purchased Shares**").
4. Upon delivery by the Monitor to the Purchaser of a certificate substantially in the form attached as **Schedule "B"** hereto (the "**Monitor's Certificate**") confirming that the

Monitor has been advised by the Petitioner that Closing (as defined in the Sale Agreement) has occurred, all of the Petitioner's right, title and interest in and to the Purchased Shares described in the Sale Agreement shall vest absolutely in the Purchaser in fee simple, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by ARIO and the Order Made After Application (Stay Extension, Approval of Sales and Investment Solicitation Process, Key Employee Retention Plan, and Priority Charges) pronounced by the Honourable Mr. Justice Walker in the within proceedings on November 3, 2022; and, (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* of British Columbia or any other personal property registry system (all of which are collectively referred to as the "**Encumbrances**"), and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Shares are hereby expunged and discharged as against the Purchased Shares.

5. For the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Shares shall stand in the place and stead of the Purchased Shares, and from and after the delivery of the Monitor's Certificate all Claims shall attach to the net proceeds from the sale of the Purchased Shares with the same priority as they had with respect to the Purchased Shares immediately prior to the sale, as if the Purchased Shares had not been sold and remained in the possession or control of the person having had possession or control immediately prior to the sale.
6. The Monitor is to file with the Court a copy of the Monitor's Certificate forthwith after delivery thereof.
7. Subject to the terms of the Sale Agreement, possession of the Purchased Shares, including any share certificates representing the Purchased Shares, shall be delivered by the Petitioner to the Purchaser at 12:00 noon on the Closing Date (as defined in the Sale Agreement).

8. The Petitioner, with the consent of the Purchaser, shall be at liberty to extend the Closing Date to such later date as those parties may agree without the necessity of a further Order of this Court, provided that the Monitor provides its prior written consent in the event that the Closing Date occurs after November 26, 2022.

9. Notwithstanding:

(a) these proceedings;

(b) any applications for a bankruptcy order in respect of the Petitioner now or hereafter made pursuant to the *Bankruptcy and Insolvency Act* and any bankruptcy order issued pursuant to any such applications; and

(c) any assignment in bankruptcy made by or in respect of the Petitioner,

the vesting of the Purchased Shares in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Petitioner and shall not be void or voidable by creditors of the Petitioner, nor shall it constitute or be deemed to be a transfer at undervalue, fraudulent preference, assignment, fraudulent conveyance or other reviewable transaction under the *Bankruptcy and Insolvency Act* or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

## GENERAL

10. The Petitioner shall forthwith cause Great Panther Coricancha S.A.C. to advise the relevant ministry or regulatory agency of the Government of Peru: (i) regarding the existence of the Sale Agreement and the Transaction; and, (ii) that absent the closing of the Sale Agreement and the Transaction on or before November 26, 2022, Great Panther Coricancha S.A.C. may not have sufficient funds to continue care and maintenance at the Coricancha Mine (as defined in the Seventh Daycock Affidavit) after that date.

11. The Petitioner, the Monitor, the Purchaser, or any other party have liberty to apply for such further or other directions as may be necessary or desirable to give effect to this Order.

12. Endorsement of this Order by counsel appearing on this application other than the counsel for the Petitioners is hereby dispensed with.

THIS COURT REQUESTS the aid and recognition of other Canadian and foreign Courts, tribunal, regulatory or administrative bodies, including any Court or administrative tribunal of any federal or State Court or administrative body in the United States of America, Brazil, Peru or Mexico to act in aid of and to be complementary to this Court in carrying out the terms of this Order where required. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Petitioner and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Petitioner and the Monitor and their respective agents in carrying out the terms of this Order.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:

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Signature of Lawyer for the Petitioner  
McCarthy Tétrault LLP  
(H. Lance Williams and Forrest Finn)

BY THE COURT

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REGISTRAR

**SCHEDULE "A"**  
**LIST OF COUNSEL**

<b>Name of Counsel</b>	<b>Party Represented</b>

**SCHEDULE "B"**

**FORM OF MONITOR'S CERTIFICATE**

NO. S-227894  
VANCOUVER REGISTRY

**IN THE SUPREME COURT OF BRITISH COLUMBIA**

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

AND

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

AND

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

PETITIONER

**MONITOR'S CERTIFICATE**

**RECITALS:**

1. Pursuant to an Order of the Honourable Justice Walker of the Supreme Court of British Columbia (the "**Court**") dated October 4, 2022, as subsequently amended and restated on October 14, 2022, Alvarez & Marsal Canada Inc. was appointed as the monitor (the "**Monitor**") of Great Panther Mining Limited (the "**Petitioner**").
2. Pursuant to an Order of the Court, dated November 3, 2022 (the "**Coricancha Sale Order**"), among other things, the Court approved the Share Purchase Agreement dated as of October 25, 2022 (the "**Sale Agreement**") between the Petitioner as vendor and Newrange Gold Corp. (the "**Purchaser**") as purchaser, and provided for the vesting in the Purchaser of the Petitioner's right, title, and interest in and to the Purchased Shares (as defined in the Coricancha Sale Order), which vesting is to be effective with respect to the Purchased Shares upon the delivery by the Monitor to the Purchaser of a certificate confirming that the Monitor has been advised by the Petitioner that Closing (as defined in the Sale Agreement) has occurred.

3. Unless otherwise indicated herein, all capitalized terms have the meanings set out in the Coricancha Sale Order.

**THE MONITOR CERTIFIES** the following:

1. The Monitor has been advised by the Petitioner that Closing (as defined in the Sale Agreement) has occurred.

This Certificate was executed by the Monitor at **[Time]** on **[Date]**.

**ALVAREZ & MARSAL CANADA INC., in its capacity as the monitor of GREAT PANTHER MINING LIMITED, and not in its personal or corporate capacity.**

Per: \_\_\_\_\_  
Name:  
Title:

**SCHEDULE "D"**  
**DRAFT SEALING ORDER**



NO. S-227894  
VANCOUVER REGISTRY

**IN THE SUPREME COURT OF BRITISH COLUMBIA**

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

AND

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

AND

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

PETITIONER

**SEALING ORDER**

BEFORE THE HONOURABLE  
MR. JUSTICE WALKER

)  
)  
)

THURSDAY, THE 3<sup>RD</sup> DAY  
OF NOVEMBER, 2022

ON THE APPLICATION of the Petitioner, Great Panther Mining Limited, coming on for hearing at Vancouver, British Columbia, on the 3rd day of November, 2022; AND ON HEARING H. Lance Williams and Forrest Finn, counsel for the Petitioner, and those other counsel listed on **Schedule "A"** hereto; AND UPON READING the material filed herein, including the Seventh Affidavit of Sandra Daycock made November 2, 2022 and the Eighth Affidavit of Sandra Daycock made November 2, 2022;

THIS COURT ORDERS AND DECLARES THAT

1. Access to sealed items permitted by:

☐ Counsel of Record

☐ Parties on Record

☒ Further Court Order

☐ Others

**Items to be Sealed**

Document Name	Date Filed (Date on Court Stamp)	Number of copies filed, including any extra copies for the judge	Duration of sealing order	Sought	Granted	
					Yes	No
<b>Entire File</b>				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Specific Documents</b>  Eighth Affidavit of Sandra Daycock made on November 2, 2022	To be filed	1	Until further Court Order	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>Clerk's Notes</b>				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Order</b>				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

2. Endorsement of this Order by counsel appearing, other than counsel for the Petitioner, is hereby dispensed with.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:

\_\_\_\_\_  
Signature of Lawyer for the Petitioner  
McCarthy Tétrault LLP  
(H. Lance Williams and Forrest Finn)

BY THE COURT

\_\_\_\_\_  
REGISTRAR

## Schedule "A"

### List of Counsel

Name of Counsel	Party Represented