

1.0 INTRODUCTION

- 1.1 On December 23, 2019, Lydian International Limited, Lydian Canada Ventures Corporation and Lydian U.K. Corporation Limited (collectively, the “**Applicants**”) applied for and were granted protection by the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”). Pursuant to an order of the Court dated December 23, 2019 (as amended and restated, the “**Initial Order**”), Alvarez & Marsal Canada Inc. was appointed Monitor (in such capacity, the “**Monitor**”) of the Applicants in the CCAA proceedings.
- 1.2 As described in the Monitor’s Fifth Report to the Court dated June 16, 2020 (the “**Fifth Report**”), the Applicants have filed a plan of compromise and arrangement of the Applicants (the “**Plan**”) under the CCAA and the *Business Corporations Act* (British Columbia) dated June 15, 2020. Any capitalized terms not otherwise defined herein have the meanings attributed to them in the Plan or the Meeting Order (as defined below), as applicable.
- 1.3 On June 18, 2020, the Court granted an order (the “**Meeting Order**”) which, among other things, authorized the Applicants to call and conduct a meeting on June 19, 2020 (the “**Meeting**”) of the Affected Creditors holding Affected Claims to vote on the Plan.
- 1.4 Pursuant to paragraph 20 of the Meeting Order, the Monitor is required to file a report with the Court by no later than June 22, 2020 with respect to the results of the vote, including (i) whether the Plan was approved by the Required Majority and (ii) the separate tabulation for Disputed Claims required by paragraph 18 of the Meeting Order.

2.0 RESULTS OF THE MEETING

2.1 The Meeting took place by way of Zoom videoconference on June 19, 2020 at 10:00 a.m. EST and each of the Affected Creditors, being Resource Capital Fund VI L.P. (“**RCF**”), Orion Co IV (ED) Limited, a division of Orion Capital Management (“**Orion**”), and Osisko Bermuda Limited (“**Osisko**”), along with their respective counsel, were present in person via video conference at the Meeting. Accordingly, the required quorum to hold the meeting was satisfied. The Monitor acted as Chair of the Meeting.

2.2 None of the Affected Creditors disputed the quantum of their respective Affected Claims for voting purposes as set out in the Meeting Order, which are as follows:

Affected Creditor	Affected Claim
Orion	\$165.73 million
Osisko	\$70.91 million
RCF	\$67.70 million
Total	\$304.34 million

2.3 The Plan that was put to a vote of Affected Creditors was in the form annexed as Schedule “A” to the Meeting Order, which contained some placeholders in respect of certain information. The Applicants have advised the Monitor that they will file a revised version of the Plan with the Court, along with a blackline to the version annexed to the Meeting Order, once the remaining terms of the Plan have been finalized.

2.4 Each of Orion and Osisko voted in the affirmative in respect of the Plan, while RCF voted against the Plan.


2.5 Accordingly, the Plan has been approved by the Required Majority of the Affected Creditors, as it received an affirmative vote from a majority in number of Affected

Creditors (two of the three Affected Creditors voted in favour of the Plan, being Orion and Osisko) representing at least two-thirds in value of the Affected Creditors present and voting (the value of the claims of Orion and Osisko comprise 77.8% of the total value of the Affected Creditors present and voting).

- 2.6 An executed copy of the Plan Resolution (the form of which was attached as Schedule “B” to the Meeting Order) is attached hereto as Appendix “A”.
- 2.7 Since the Plan has been approved by the Required Majority, the Applicants have advised the Monitor that they will proceed with a motion to seek the Sanction and Implementation Order on June 29, 2020, or such later date as the Applicants may advise the service list in these proceedings.

All of which is respectfully submitted to this Court this 22nd day of June 2020.

**Alvarez & Marsal Canada Inc., in its capacity
as Monitor of Lydian International Limited,
Lydian Canada Ventures Corporation and
Lydian U.K. Corporation Limited
and in no other capacity**


Per: Alan J. Hutchens
Senior Vice President

**IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF LYDIAN
INTERNATIONAL LIMITED, LYDIAN CANADA VENTURES CORPORATION, AND LYDIAN U.K.
CORPORATION LIMITED**

Court File No.:
CV-19-00633392-00CL

ONTARIO

**SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

MONITOR'S SIXTH REPORT

THORNTON GROUT FINNIGAN LLP

Barristers & Solicitors

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Lawyers for the Monitor

Appendix B

Monitor's letter to certain shareholders dated June 23, 2020 and
Chart listing each shareholder of Lydian International Limited that the
Court and Monitor received direct communication from

June 23, 2020

VIA EMAIL

Dear Sir/Madam:

**Re: In the Matter of Lydian International Limited et. al. (“Lydian”)
Court File No.: CV-19-00633392-00CL**

We act as counsel to Alvarez & Marsal Canada Inc. in its capacity as court-appointed Monitor (the “**Monitor**”) of Lydian International Limited and certain of its subsidiaries pursuant to the *Companies’ Creditors Arrangement Act* (Canada) (the “**CCAA Proceedings**”) pending before the Ontario Superior Court of Justice (the “**Court**”).

The Court has provided us with your email correspondence to the Court. Parties are not permitted to communicate directly with the Court. If you wish to raise any issues, make submissions or take any position in respect of Lydian’s actions, on behalf of yourself and/or other stakeholders of Lydian, including with respect to whether Lydian has been acting in good faith during the CCAA Proceedings, you must prepare, serve and file a Notice of Appearance with the Court. In order to do that, you may want to retain counsel in Canada to assist you.

Here is a link to the form of Notice of Appearance that is to be prepared, pursuant to the *Rules of Civil Procedure*: <http://ontariocourtforms.on.ca/static/media/uploads/courtforms/civil/38a/rcp-38a-e.pdf>.

Any future correspondence that you wish to send to the Court and any Notice of Appearance you prepare must be sent to the entire Service List of interested parties in the CCAA Proceedings and filed with the Court. That is the hallmark of the open and transparent forum adopted by the Court in CCAA proceedings. The Service List of parties that you will need to serve with any materials, including your Notice of Appearance, can be found on the Monitor’s website, which is accessible here: <https://www.alvarezandmarsal.com/content/lydian-service-list>.

Further, Lydian’s motion materials in respect of the upcoming motion on June 29, 2020 to sanction and implement the Plan of Arrangement, along with the Monitor’s report to the Court in respect of same, will be posted on the Monitor’s website at the above mentioned link.

Yours truly,

Thornton Grout Finnigan LLP

"D. J. Miller"
[electronic signature]

D.J. Miller

**SHAREHOLDERS INTERESTED IN PARTICIPATING
IN LYDIAN INTERNATIONAL**

<p>Muzaffer Begen +90 0530 2903607</p> <p>Document Provided – Shareholder for Jersey Court</p> <p><i>Please take attached application into your consideration so that share holders protection can be in force fort hat specific Lydian case.</i></p> <p><i>Please note that ı like to join the court proceeding accoddingly.</i></p> <p>Served Notice of Appearance - June 24, 2020</p>	<p>Muzaffer.begen@alacergold.com</p>
<p>Mehmet ELÇİ Genel Müdür (General Manager) Anagold Madencilik Sahası Çöpler Köyü Mevkii İliç/ERZİNCAN Fabrika Tel: 0 446 711 40 09 Fax: 0 850 209 04 26 Gsm No: 0 530 567 49 88</p> <p>Document Provided - LYD Small & Minority Shareholders Group</p> <p><i>No comment</i></p> <p>Served Notice of Appearance – June 25, 2020</p>	<p>mehmet.elci@elciler.com mehmet@elcilercatering.com</p>
<p>Mehmet Esin +90 530 108 67 51</p> <p>Document Provided - LYD Small & Minority Shareholders Group</p> <p>Served Notice of Appearance – June 24, 2020</p> <p>Provided a second document with publications re: Lydian</p>	<p>Mehmet.Esin@alacergold.com</p>

<p>Mehmet Semih Aydın Address : Küçükbakkalköy Mah. Merdivenköy Yolu Cad. No:3/1 34750 Ataşehir/İSTANBUL Tel : +90 546 931 53 12 Saygılarımla Tel : +90 216 458 55 55 Direkt : +90 216 458 54 46 Faks : +90 216 399 51 68</p> <p>Document Provided – Shareholder for Jersey Court</p> <p><i>I would like to join in all cases court in the attached text.</i></p>	<p>Mehmet.aydin@omsan.com</p>
<p>Berivan Bilginer +90 0539 798 21 81</p> <p>Document Provided – Shareholder for Jersey Court</p> <p><i>Please take attached application into your consideration so that share holders protection can be in force for that specific Lydian case.</i></p> <p><i>Please note that I like to join the court proceeding accordingly.</i></p>	<p>Berivan.Bilginer@alacergold.com</p>
<p>Firuz Alizade +9 0533 630 5567 Turan Güneş Bulvaer, No 180 Parkoran Konutları, A1 Blok, No.90 Oran /Ankara/ TURKEY</p> <p>Document Provided - - Shareholder for Jersey Court</p> <p><i>I would like to join in all court cases in the attached text.</i></p>	<p>firuz.alizade@polimetalmadencilik.com</p>

<p>Mehmet Ali Ekingen +905309372047</p> <p>Document Provided – Shareholder for Jersey Court (Armenia Shareholder Application)</p> <p><i>Please find attached the application which has been prepared in order to protect shareholders for that specific Lydian International case.</i></p> <p><i>Please note that I would like to also join the court proceedings accordingly.</i></p> <p>Served Notice of Appearance – June 25, 2020</p>	<p>ekingen@yahoo.com</p>
<p>İlayda Nur Ayhan 05323495810</p> <p>Document Provided – Shareholder for Jersey Court</p> <p>No comment</p> <p>Served Notice of Appearance – June 25, 2020</p>	<p>bilalayhan@hotmail.com</p>
<p>Okan Ercakir Secretary 905073900280</p> <p>Document Provided – Lydian International Shareholders</p> <p><i>I wold like to join in all cases court in the attached text</i></p> <p>Served Notice of Appearance – June 25, 2020</p>	<p>okan_ercakir@hotmail.com</p>
<p>Recep Bakkaloglu +905337460750 İlkbahar Mah. Güneypark kümeevleri Blok 16 Daire 15/Çankaya/ ANKARA /TURKEY</p> <p>Document Provided – Shareholders for Jersey Court (Armenia Shareholder Application)</p> <p><i>Plase take attached application into your consideration so that Shareholders protection can be in force for that specific lydian case</i></p>	<p>recep.bakkaloglu@ciftay.com.tr</p>

<p><i>Please note that i like to join the court proceedings accordingly.</i></p> <p>Served Notice of Appearance – June 25, 2020</p>	
<p>Ramazan Karakaplan +90 554 397 6093</p> <p>Document Provided – Shareholder for Jersey Court</p> <p><i>Please take attched application into your consideration so that shareholders protection can be in force for that specific Lydian case. Please note that I like to join the court proceedings accordingly.</i></p> <p>Served Notice of Appearance – June 25, 2020</p>	<p>ramazankarakaplan75@icloud.com</p>
<p>Onat Kılıçoğlu 05326780478</p> <p>Document Provided – Shareholder for Jersey Court</p> <p>No comment</p> <p>Served Notice of Appearance – June 25, 2020</p>	<p>onatkilicoglu@gmail.com</p>
<p>Erhan Düz Chief Maintenance Planning Address: Anagold Madencilik, Çöpler Köyü Mevkii, İliç/Erzincan/Turkey Mobile: +90 530 915 63 77</p> <p>Document Provided – Shareholder for Jersey Court</p> <p><i>Please take attached application into your consideration so that share holders protection can be in force for that specific Lydian case.</i></p> <p><i>Please note that I like to join the court proceeding accordingly.</i></p> <p>Served Notice of Appearance – June 24, 2020</p>	<p>Erhan.Duz@alacergold.com</p>

<p>Aytac Bozkurt +905334279292 Bahçelievler Mah.164 cad.14/22 gölbaşı/Ankara/Turkey</p> <p>Document Provided – Shareholder for Jersey Court (Armenia Shareholder Application)</p> <p><i>Please take attached application into your consideration so that Shareholders protection can be in force for that specific lydian case</i></p> <p><i>Please note that ı like to join the court proceedings accordingly.</i></p> <p>Served Notice of Appearance – June 24, 2020</p>	<p>aytacbozkurt997799@gmail.com</p>
<p>Cüneyt Altınok 905332636573</p> <p>Document Provided – Shareholder Application for Jersey Court (Armenia Shareholder)</p> <p><i>Please take attached application into your consideration so that Shareholders protection can be in force for that specific Lydian Case.</i></p> <p><i>Please note that I like to join the court proceedings accordingly.</i></p> <p>Served Notice of Appearance – June 25, 2020</p>	<p>cuneyt.altinok@calik.com</p>
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<p>Hasan Batık</p> <p>Tel:0533 389 49 85</p> <p>Address: Gökdere Sokak:4/14 Yukarı ayrançı Çankaya/ Ankara</p> <p>Document Provided – Lydian International Shareholder</p> <p><i>I would like to join in all cases court in the attached text</i></p> <p>Served Notice of Appearance – June 25, 2020</p>	<p>hasabatik66@gmail.com</p>
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<p>million or more shares. The pandemic continues!!! The flights are closed!!!</p> <p>Does it make sense to take over the company and destroy shareholders, knowing this opportunity? Are you in a hurry? What for?</p> <p>We got into this business by relying on the laws of the government of UK & Canada. But we see that the investments of us and our children that we have accumulated over 20-25 years are trying to be destroyed.</p> <p>How can I hire a lawyer? Everything for the rich... Are there any democracy and justice? They are now trying to destroy our investments with cunning lawyers and company structures by making use of the gaps in the law. In this context, we fully believe that your precious court will protect the small investors and our investments will not be destroyed in the land of our precious Queen...</p> <p>I'm not here to defend myself...I am not wolf lawyer. You are there...Justice! You would!!! protect my right. I believe you...This event is a definitely political and economic bankruptcy...</p> <p>As seen in many examples in the appendices...The mine is working and will work...Did you see it in the documents. Our investments have become part of their bad games. If everybody knows but not talking...Big companies talking to play!!!Not for justice ...It will sign this decision with conscience, if there is a Judge...The vows are empty...Justice will dead.</p> <p>Justice for the Majesty Queen's Honor..</p>	
<p>Caner Palaz +90 5448170425 Esenevler mah. Yunus Emre caddesi galavia esenevler sitesi no 51/29 Umraniye Istanbul TURKEY</p> <p>Document Provided – Shareholder for Jersey Court</p>	<p>canerpalaz34@hotmail.com</p>

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<p><i>I would like to join in all cases court in the attached text.</i></p> <p>Served Notice of Appearance – June 24, 2020</p>	
<p>Yerem Sargsyan,</p> <p>No document provided</p> <p><i>a lawyer and a member of the Chamber of Advocates of the Republic of Armenia, who represents the interests of a number of shareholders of Lydian International Limited (hereinafter referred to as “Lydian”).</i></p> <p>....</p> <p><i>Before submitting a criminal case to the relevant authorities, please provide an explanation of whether the requirements of the RA legislation, in particular, the Law of RA on the Protection of Economic Competition, have been met before the aforementioned reorganization and were the interests of all parties involved, especially the small shareholders of Lydian, considered when planning the reorganization?</i></p>	<p>yerem.sargsyan@gmail.com</p>
<p>Ahmet Bircan Elçi</p> <p>Document Provided - Shareholder for Jersey Court</p> <p>No comments</p>	<p>abircanelci@hotmail.com</p>
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Appendix C

Monitor's Fifth Report to the Court dated June 16, 2020 (without
appendices)

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

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

**AND IN THE MATTER OF A PROPOSED PLAN OF
COMPROMISE OR ARRANGEMENT OF
LYDIAN INTERNATIONAL LIMITED, LYDIAN CANADA VENTURES
CORPORATION, AND LYDIAN U.K. CORPORATION LIMITED**

Applicants

**FIFTH REPORT OF THE MONITOR
ALVAREZ & MARSAL CANADA INC.**

JUNE 16, 2020

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1.0 INTRODUCTION AND STATUS OF CCAA PROCEEDINGS

1.1 On December 23, 2019, Lydian International Limited (“**Lydian International**”), Lydian Canada Ventures Corporation (“**Lydian Canada**”) and Lydian U.K. Corporation Limited (“**Lydian U.K.**”) (collectively, the “**Applicants**”) applied for and were granted protection by the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”). Pursuant to an order of the Court dated December 23, 2019 (the “**Initial Order**”), Alvarez & Marsal Canada Inc. (“**A&M**”) was appointed Monitor (in such capacity, the “**Monitor**”) of the Applicants in the CCAA proceedings (the “**CCAA Proceedings**”). Any capitalized terms not otherwise defined herein have the meanings attributed to them in the Initial Order.

1.2 The Initial Order, among other things:

- a) granted a stay of proceedings until January 2, 2020 (the “**Stay Period**”) as against the Applicants;
- b) provided that during the Stay Period, no proceedings could be commenced or continued against or in respect of Lydian Armenia CJSC (“**Lydian Armenia**”), Lydian International Holdings Limited, Lydian Resources Armenia Limited and Lydian U.S. Corporation (“**Lydian U.S.**”) (collectively, the “**Non-Applicant Stay Parties**”);

- c) granted a first ranking charge (the “**Administration Charge**”) for the benefit of the Monitor, its counsel, and the Applicants’ counsel in the amount of CAD\$460,740 (being US\$350,000 as per the Bank of Canada’s published exchange rate on December 20, 2019) as security for their professional fees and disbursements;
 - d) granted a second ranking charge (the “**Directors Charge**”) for the benefit of the Applicants’ directors and officers in an amount not to exceed CAD\$263,280 (being US\$200,000 as per the Bank of Canada’s published exchange rate on December 20, 2019) as security for the indemnity of the Applicants in favour of the directors and officers for any obligations or liabilities incurred after the commencement of the CCAA Proceedings, subject to the exceptions set out in the Initial Order; and
 - e) authorized the Applicants to continue negotiations with stakeholders in an effort to pursue restructuring options, including refinancing the Business or Property, subject to approval of the Court prior to any material refinancing.
- 1.3 For ease of reference, attached at **Appendix “A”** is a corporate organizational chart showing the various members of the Lydian Group as they currently exist prior to implementation of the Plan (as defined below), identifying the entities by how they are defined in the Plan and highlighting the Applicants and Non-Applicant Stay Parties for the benefit of the Court.
- 1.4 On January 2, 2020, the Court issued an order extending the Stay Period in favour of the Applicants and the Non-Applicant Stay Parties to January 23, 2020.

- 1.5 The Monitor’s First Report to the Court, dated January 21, 2020 was filed in support of the Applicants’ motion returnable on January 23, 2020 (the “**Comeback Motion**”) at which motion the Court issued an order extending the Stay Period to March 2, 2020.
- 1.6 At the Comeback Motion, the Court also issued an order (the “**Amended and Restated Initial Order**”) amending the Initial Order to expand the Applicants’ restructuring capabilities within the CCAA Proceedings and to expand the Monitor’s authority within the CCAA Proceedings, including its interactions with the Non-Applicant Stay Parties in specified circumstances.
- 1.7 On March 2, 2020, the Court issued an order to extend the Stay Period to March 11, 2020.
- 1.8 The Monitor’s Third Report to the Court dated March 10, 2020 (the “**Third Report**”) was filed in support of the Applicants’ motion returnable on March 11, 2020 for an order (the “**DIP Approval Order**”), among other things:
- a) extending the Stay Period in respect of the Applicants and the Non-Applicant Stay Parties to April 30, 2020;
 - b) increasing the Administration Charge to CAD\$658,200 (being US\$500,000 as per the Bank of Canada’s published exchange rate on December 20, 2019) as security for the professional fees and disbursements of the Applicants’ counsel, the Monitor and its counsel, and BMO Capital Markets (“**BMO**”), the Applicants’ financial advisor, in respect of the monthly fee provided for in its engagement

letter with the Applicants and Lydian Armenian dated February 21, 2020 (the “**BMO Engagement Letter**”);

- c) adding a Transaction Charge in favour of BMO to secure the Recapitalization Fee provided for in the BMO Engagement Letter;
- d) approving the Applicants’ ability to enter into the Sixteenth Amending Agreement (the “**DIP Agreement**”) between the Senior Lenders (as defined below), Lydian Armenia, as Borrower, and the Applicants, remaining Non-Applicant Stay Parties and remaining members of the Lydian group as guarantors, dated March 10, 2020 to fund certain obligations of the Applicants and the Non-Applicant Stay parties through the extension of the Stay Period and secured by a super-priority charge (the “**DIP Charge**”); and
- e) approving the fees and disbursements of the Monitor and its legal counsel.

1.9 On March 11, 2020, the Court issued the DIP Approval Order.

1.10 The Monitor’s Fourth Report to the Court dated April 27, 2020 (the “**Fourth Report**”) and the Monitor’s Supplement to the Fourth Report to Court dated April 29, 2020 (the “**Supplemental Fourth Report**”) were filed in support of the Applicants’ motion returnable on April 30, 2020 for an order (the “**Stay Extension Order**”), among other things:

- a) extending the Stay Period in respect of the Applicants and the Non-Applicant Stay Parties to June 30, 2020;

- b) approving the Applicants' ability to enter into the Seventeenth Amending Agreement, being an amendment to the DIP Agreement (the "**DIP Amendment**") between the Senior Lenders, Lydian Armenia, as Borrower, and the Applicants, remaining Non-Applicant Stay Parties and remaining members of the Lydian group as guarantors, to fund certain obligations of the Applicants and the Non-Applicant Stay Parties through the extension of the Stay Period and to be secured by the DIP Charge;
 - c) approving the fees and disbursements of the Monitor and its legal counsel disclosed in the Fourth Report; and
 - d) approving the Third Report, the Fourth Report and the Supplemental Fourth Report and activities as set out therein.
- 1.11 On April 30, 2020, the Court issued the Stay Extension Order.
- 1.12 On May 4, 2020, with the consent of the Applicants, the Court issued orders lifting the stay of proceedings to enable Caterpillar Financial Services (UK) Limited ("**CAT**") and ING Bank NV ("**ING**") to take enforcement steps with respect to their equipment located in Armenia. The Monitor is not aware of any further enforcement steps having been taken by either of CAT or ING, however, they are in a position to do so at any time.
- 1.13 The Monitor also notes that Lydian Armenia, with a copy to Lydian International, received a default letter from Ameriabank CJSC, one of Lydian Armenia's equipment financiers, dated June 15, 2020. The letter advised that Lydian Armenia has overdue payments owing to Ameriabank CJSC in the amount of \$3,275,001.85 as of June 15,

2020, and demanding payment of that amount within seven business days of the receipt of the letter. The Monitor has been advised by the Applicants that the intercreditor arrangements as amongst the lenders provide for a standstill period of 120 days in favour of Orion (as defined herein). A copy of the default letter is attached hereto as **Appendix “B”**.

1.14 Further information regarding these CCAA Proceedings, including motion materials, orders issued by the Court, affidavits, reports of the Monitor, and all other Court-filed documents and notices in these CCAA Proceedings are available on the Monitor’s website at <http://www.alvarezandmarsal.com/lydian> (the “**Monitor’s Website**”).

1.15 The purpose of this report (the “**Fifth Report**”) is to:

- a) provide the Court with information in respect of the status of the CCAA Proceedings since the date of the Fourth Report;
- b) provide the Court with cash flow results relative to forecast in respect of the cash flow forecast set out in the Fourth Supplemental Report;
- c) discuss the Applicants’ motion returnable on June 18, 2020 for an order (the “**Meeting Order**”), among other things:
 - i. authorizing and directing the Applicants to call, hold and conduct a meeting of their Affected Creditors (as defined below) on June 19, 2020 (the “**Meeting**”) to vote on the plan of compromise and arrangement of the Applicants (the “**Plan**”) under the CCAA and the *Business Corporations Act* (British Columbia) (“**BCBCA**”) dated June 15, 2020;

- ii. accepting the filing of the Plan with the Court;
 - iii. approving, pursuant to section 22 of the CCAA, the classification of creditors as set out in the Plan for the purposes of the Meeting and voting on the Plan;
 - iv. authorizing notice of the Meeting to be effected through service of the Meeting Order (when issued) on all Affected Creditors (as defined below); and
 - v. setting June 29, 2020 for the hearing of the Applicants' motion for an order sanctioning the Plan, if approved by the Required Majority (as defined in the Plan) (the "**Sanction Hearing**"); and
- d) provide the Court with the Monitor's recommendations in respect of the foregoing, as applicable.

2.0 TERMS OF REFERENCE AND DISCLAIMER

2.1 In preparing this Fifth Report, the Monitor has been provided with and has relied upon, unaudited financial information; books, records and financial information prepared by certain senior management of the Applicants and Lydian Armenia ("**Senior Management**"); and discussions with Senior Management (collectively, the "**Information**").

2.2 With respect to any of the Applicants' cash flow forecasts and projections:

- a) the Monitor has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Monitor has neither

audited nor otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Canadian Auditing Standards (“CASs”) pursuant to the *Chartered Professional Accountants Canada Handbook* and accordingly, the Monitor expresses no opinion or other form of assurance contemplated under CASs in respect of the Information; and

b) any examination or review of such financial forecasts and projections, as outlined in the *Chartered Professional Accountants Canada Handbook*, has not been performed.

2.3 Future oriented financial information referred to in this Fifth Report was prepared based on management’s estimates and assumptions. Readers are cautioned that since projections are based upon assumptions about future events and conditions that are not ascertainable, the actual results will vary from the projections. Even if the assumptions materialize, the variations could be significant.

2.4 This Fifth Report should be read in conjunction with the affidavit of Edward A. Sellers sworn June 15, 2020 (the “**June Sellers Affidavit**”) in support of the Applicants’ motion returnable on June 18, 2020 for the relief described above and the affidavit of Mark Caiger sworn June 11, 2020 (the “**BMO Affidavit**”), which have been posted to the Monitor’s Website.

2.5 Unless otherwise stated, all monetary amounts contained in this Fifth Report are expressed in U.S. dollars.

3.0 CORPORATE GOVERNANCE

Public Company Reporting and Cease Trade Order

- 3.1 Lydian International is a public company whose shares were delisted from the Toronto Stock Exchange in February 2020. As mentioned in the Fourth Report, Lydian International advised the Ontario Securities Commission (the “**OSC**”) that, due to its financial constraints, it would not be able to provide public company disclosure going forward. On June 9, 2020, the OSC issued a cease trade order against Lydian International for its failure to make the required interim filings for the first quarter of 2020. A copy of the Cease Trade Order is attached as Exhibit Q to the June Sellers Affidavit.
- 3.2 On June 15, 2020, the Applicants issued a press release (the “**Press Release**”) advising the public that they will seek an order of the Court accepting the filing of the Plan, authorizing and directing the Applicants to call, hold and conduct a meeting of the Senior Lenders to vote on the Plan, approving the procedures to be followed at the Meeting, including voting procedures, and setting a date for the hearing of the Applicants’ motion for an order of the Court approving the Plan. The Press Release further indicates, among other things, that following implementation of the Plan, Lydian International will have no assets and will be wound up under Jersey law, which will include the cancellation and extinguishment of all ordinary shares in the capital of Lydian International. A copy of the Press Release is attached hereto as **Appendix “C”**.

Governance

3.3 The Fourth Report described governance changes that have been implemented by the Applicants, in consultation with each of Resource Capital Fund VI L.P. (“**RCF**”), Orion Co IV (ED) Limited, a division of Orion Capital Management (“**Orion**”), and Osisko Bermuda Limited (collectively, the “**Senior Lenders**”) including:

- a) the resignation of the directors of Lydian International, other than Victor Flores and Edward Sellers, the latter of whom also continues to be engaged as interim CEO of Lydian International;
- b) the resignation of the directors and officers of Lydian Canada and Lydian U.K., other than Edward Sellers; and
- c) the appointment of Edward Sellers and Victor Flores as a director of 11910728 Canada Inc. (“**DirectorCo**”), a new company that was incorporated since the commencement of these CCAA Proceedings as a subsidiary of Lydian Canada for the sole purpose of being appointed as the sole director of Lydian International Holdings Limited and Lydian Resources Armenia Limited.

No additional directors have been appointed to any of the boards of the Applicants or DirectorCo.

Director and Officer Insurance

3.4 Following the date of the Fourth Report, the Applicants were able to secure an extension of insurance coverage for their directors and officers until June 30, 2020. However, the

Monitor understands that the Applicants' insurance broker has advised that no further extension of the existing D&O insurance coverage is available beyond June 30, 2020.

- 3.5 The Monitor further understands that replacement D&O insurance coverage is both impractical to obtain and that such coverage, if available at all, would be prohibitively expensive. In addition, prior extensions to the D&O insurance have been conditional upon the Applicants being able to demonstrate that there is sufficient funding available to them to cover expenses incurred during the period for which coverage is requested. As discussed below, that condition could not be satisfied in any event based on the lack of continuing support of the Senior Lenders.
- 3.6 In light of the foregoing, the Monitor understands that Edward Sellers is not prepared to continue in his current roles beyond the expiry of the current D&O insurance on July 1, 2020.
- 3.7 The Monitor has advised that, in the current circumstances, it is not prepared to assume a "super-Monitor" role if a request was made by the Applicants for an expansion of its existing mandate pursuant to orders issued in this proceeding, if a corporate vacuum existed. As of June 30, 2020, the Monitor understands that the Applicants will not have a sufficient number of directors required by the applicable corporate statutes. The effect of implementing the proposed Plan with the Senior Lenders holding the shares of Restructured Lydian, will allow that corporate governance issue to be addressed by the Senior Lenders.

4.0 SISP UPDATE

- 4.1 As reported in the Monitor’s previous reports to the Court, the Applicants and BMO had commenced and engaged in a sale and investment solicitation process (the “**SISP**”). The Monitor had participated in weekly update calls with BMO and the Applicants in order to keep apprised of all aspects of the SISP. The efforts taken to date in the SISP are described in the June Sellers Affidavit and BMO Affidavit. While the SISP did result in continued discussions with two potential purchasers, in late April 2020, one of the potential purchasers informed BMO that it would no longer be participating in negotiations and, in early May 2020, the Senior Lenders determined that a transaction with the other potential purchaser would not be possible. As mentioned in the June Sellers Affidavit and the BMO Affidavit, the SISP has not resulted in a transaction capable of completion.

5.0 MONITOR’S ACTIVITIES SINCE THE FOURTH REPORT

- 5.1 In addition to the activities described elsewhere in this Fifth Report, the activities of the Monitor since the date of the Fourth Report have included:
- a) assisting the Applicants with communications to employees and other parties;
 - b) engaging in discussions with the Applicants, their legal counsel and other advisors, and the Non-Applicant Stay Parties and their advisors regarding the CCAA Proceedings, financing in respect of same, the SISP, the DIP Agreement and the DIP Amendment, and the proposed Plan and related matters;

- c) facilitating and participating in discussions among the Applicants and their Senior Lenders with respect to the Plan, funding for various activities and governance structure post-Plan implementation and various work streams being considered and undertaken;
- d) responding to enquiries from stakeholders and participating in discussions with certain stakeholders;
- e) monitoring receipts, disbursements and commitments of the Applicants, assisting the Applicants to review receipts, disbursements and commitments of Lydian U.S. and Lydian Armenia, which is the source of funding to the Applicants, and assisting the Applicants in reporting in respect of same to the Senior Lenders in accordance with the DIP Agreement;
- f) assisting management of the Applicants to quantify potential funding requirements of Lydian International and remaining related entities for post-Plan implementation activities;
- g) engaging in discussions with BMO and management and advisors of the Applicants in respect of the SISP;
- h) consulting with management in respect of the potential extension of insurance coverage for the Applicants' directors and officers beyond June 30, 2020;
- i) posting non-confidential materials filed with this Court to the Monitor's Website;
- j) attending the motion returnable on April 30, 2020;

- k) reviewing and considering communications from shareholders (as further described below);
- l) assisting the Applicants with the preparation of the Plan, as further described herein; and
- m) preparing this Fifth Report.

5.2 The Monitor has also continued to assist the Applicants and the Non-Applicant Stay Parties with their diligent efforts to maintain flexibility and optionality for the benefit of their stakeholders with respect to the mine site, including the ability to re-start operations should current circumstances change. This has included, among other things, continued discussions between the Applicants and their lenders and other stakeholders.

5.3 Since the date of the Fourth Report, the Monitor has received inquiries from certain shareholders of Lydian International, and has responded to same in a timely manner. Certain communications are as follows:

- a) on April 28, 2020, the Monitor received a letter from Yerem Sargsyan, an attorney at law practicing in the Republic of Armenia (the “**Sargsyan Letter**”). The Sargsyan Letter advised the Monitor that Mr. Sargsyan is counsel to certain equity stakeholders of Lydian International and that his clients have been prejudiced by Lydian’s failure to advance the treaty arbitration. The Sargsyan Letter also states that his clients “have reasonable doubts that Lydian has acted in good faith and with due care and diligence in its so-called “listed business”.” The Monitor was also asked to provide a copy of this letter to all creditors of Lydian. The Sargsyan

Letter further requests the Court to thoroughly consider the information provided in the letter. By letter dated May 19, 2020, the Monitor responded to Mr. Sargsyan to advise that, if he wishes to make any submissions in the CCAA Proceedings, including with respect to whether Lydian has been acting in good faith during the CCAA Proceedings, he must prepare, serve and file a Notice of Appearance with the Court. The Sargsyan Letter was provided to the Monitor as a series of photographs, which were difficult to read. Therefore, a transcribed copy of the Sargsyan Letter, along with the Monitor's responding letter, are attached hereto as **Appendix "D"**;

- b) On May 7, 2020, the Monitor received a voice message from Andrew Clarke indicating his concern "that there have been no updates from April 30th" and that "if this goes any longer, it is going to force [him] and other shareholders that [he] represents to launch an action in Court against the Court-appointed Monitor". The Monitor was surprised by the accusations set out in the voice message (as it had recently filed the Fourth Report prior to this date) and had a phone call with Mr. Clarke on May 15, 2020 to discuss Mr. Clarke's concern. It became clear to the Monitor that Mr. Clarke had not accessed the Monitor's Website, where all information in relation to the CCAA Proceedings (including all Monitor's reports) was posted. The Monitor sent a follow up letter that same day to Mr. Clarke directing him to access the Monitor's Website, and reminding Mr. Clarke that he is stayed from commencing any proceeding against Lydian or the Monitor without first obtaining leave of the Court to do so. A copy of the Monitor's letter to Mr.

Clarke (which also attaches a transcribed version of his voice message) is attached hereto as **Appendix “E”**; and

- c) On May 4, 2020, the Monitor received an email from Israfil Baykal, claiming to be a shareholder in Lydian International, inquiring about news articles in the Armenian media stating that shareholders will not receive any distribution in the case of a sale of Lydian. The Monitor responded by email dated May 19, 2020 to advise that “Lydian is currently in discussions with its senior secured lenders on a plan to exit the CCAA proceedings” and that “any distribution made in the CCAA proceedings will be done pursuant to the scheme of distribution set forth in Canada’s insolvency legislation”. Following the issuance of the Press Release, Israfil Baykal sent a further email to the Monitor on June 16, 2020 inquiring as to why shareholders will not be entitled to vote on the Plan and asking for information on this subject. The Monitor responded that day via email to direct the individual to the Monitor’s website, where information in respect of the Plan is posted. A copy of the email correspondence between the Monitor and Israfil Baykal is attached hereto as **Appendix “F”**.

- 5.4 The Monitor also understands that the Applicants and its Armenian management have also received some communication from shareholders of Lydian International since the posting of the Press Release.

6.0 PLAN OF ARRANGEMENT

- 6.1 Pursuant to the DIP Amendment, the Applicants were required to deliver a term sheet to the Senior Lenders which included the terms, steps and timelines for the Applicants’

completion of the CCAA Proceedings, as the Senior Lenders were no longer prepared to support a continuation of the CCAA Proceedings. The Senior Lenders would otherwise be in a position to take steps to seek an Order lifting the stay of proceedings in order to enforce their security, which the Monitor understands includes a pledge of shares of Lydian Canada that is held by Lydian International.

6.2 In order to comply with this requirement of the DIP Amendment the Applicants have prepared the Plan, in consultation with the Senior Lenders, which is intended to place the Senior Lenders in the position they would otherwise be in if they enforced the Credit Agreement, Guarantees and security held from the Applicants and Non-Applicant Stay Parties. The Plan effectively transfers the shares of Lydian Canada for the benefit of the Senior Lenders through a corporate and financial restructuring of the Applicants. The Monitor has been involved in assisting the Applicants and in facilitating discussions amongst the Senior Lenders and the Applicants, on the terms of the Plan that was ultimately put forward.

6.3 A copy of the Plan is attached as Exhibit R to the June Sellers Affidavit, which is discussed in detail in the June Sellers Affidavit. Any capitalized terms used in this section but not otherwise defined have the meanings set out in the Plan.

Summary of Plan

6.4 The Plan, among other things, provides for the following:

- a) the assignment or settlement of all intercompany debts owing to the Applicants prior to the Effective Time (which the Monitor understands is intended to

minimize adverse tax consequences), as described in section 6.3 of the Plan and in the June Sellers Affidavit;

- b) the equivalent of an assignment of substantially all of the assets of Lydian Jersey (including the shares it holds in Lydian Canada) to SL Newco by amalgamating Lydian Canada with SL Newco (to form Restructured Lydian);
- c) the release of the guarantees of the obligations of the Existing Lydian Group owing to the Senior Lenders under the Credit Agreement, the Loan Documents (as defined in the Credit Agreement), the Stream Agreement and the Stream Documents (as defined in the Stream Agreement) that was granted by each of Lydian International, Lydian U.S., Georgian Resource Company LLC, Lydian Resources Georgia Limited and Kavkaz Zoloto CJSC (collectively, the “**Released Guarantors**”);
- d) a termination of the CCAA Proceedings in respect of Restructured Lydian and an amendment of the style of cause in the CCAA Proceedings to remove Lydian Canada and Lydian UK as Applicants;
- e) the appointment by the Senior Lenders of the New Directors of Restructured Lydian;
- f) the appointment of New Directors of Lydian International by its existing board of directors;
- g) the orderly wind-down of Lydian International (which will be the only remaining Applicant) and its remaining subsidiaries, including Lydian U.S.;

- h) a mechanism for the funding of same by the Senior Lenders;
- i) a termination of the CCAA Proceedings in respect of Lydian International as the final Applicant, and a discharge of the Monitor, upon the earlier of: (A) completion of the post-implementation steps contemplated by the Plan, including the orderly wind-up of Lydian International in the Jersey Court as evidenced by the Monitor's filing of a Certificate in this proceeding; and (B) an Order of the Court terminating the CCAA Proceedings and discharging the Monitor; and
- j) a full release of the Released Claims.

6.5 Under the Plan, the only Creditors with Affected Claims are the Senior Lenders (the “**Affected Creditors**”). The Affected Claims are comprised of the obligations of the Released Guarantors owing to the Senior Lenders in respect of their guarantees of the obligations of the Existing Lydian Group owing to the Senior Lenders under the Credit Agreement, the Loan Documents (as defined in the Credit Agreement), the Stream Agreement and the Stream Documents (as defined in the Stream Agreement). All other Claims are unaffected.

6.6 At the Effective Time, in accordance with the provisions of the Plan, each of the Senior Lenders will receive, in respect of its Affected Claim, (i) the number of Restructured Lydian Common Shares as set forth in Schedule “C” to the Plan; and (ii) as required, replacement guarantees, assumptions or acknowledgements from the Restructured Lydian Group of all of Lydian Armenia's obligations to the Senior Lenders secured by general security interests and specific pledges of shares of the Restructured Lydian Group.

- 6.7 Any claims of the Equipment Lenders against the Applicants will not be compromised under the Plan and will remain outstanding after the Effective Date and are considered Unaffected Claims under the Plan. The Equipment Lenders shall not receive any distributions or other consideration and shall not be able to vote on the Plan. As described below, and as is typical in many plans of arrangement under the CCAA, there are releases provided for under the Plan in favour of Released Parties which would apply to the Equipment Lenders.
- 6.8 Holders of ordinary shares of Lydian International (the “**Lydian International Ordinary Shares**”) will not receive any distribution or other consideration under the Plan and are not entitled to attend or vote on the Plan. While not affected under the Plan itself, it is anticipated that all Lydian International Ordinary Shares will be extinguished as part of the wind-up of Lydian International, which is to be effected by way of a just and equitable wind-up under the supervision of the Jersey Court through the appointment of a liquidator.
- 6.9 Attached as **Appendix “G”** is (i) a corporate chart demonstrating the structure of the Existing Lydian Group after the Plan Implementation Date if all conditions are met, consisting of Lydian International and its remaining subsidiaries (being Lydian U.S. and Kavkaz Zoloto CJSC)¹, which Lydian International will seek to wind-up after the Plan Implementation Date; and (ii) a corporate chart demonstrating the structure of the Restructured Lydian Group after the Plan Implementation Date.

¹ The shares of Lydian Resources Georgia Limited and its subsidiary, Georgian Resource Company LLC, will be sold to the Lydian Georgia Purchaser under the Plan and will not continue to form part of the Existing Lydian Group.

- 6.10 The Plan provides that the Plan Implementation Date will take place on or prior to June 30, 2020, and will take effect once the Monitor delivers a certificate to the Applicants (as soon as practicable upon receipt of a written notice from the Applicants of the satisfaction or waiver of the conditions precedent to the Plan) indicating that the Plan Implementation Date has occurred. Further, upon the filing of such certificate confirming that the Plan Implementation Date has occurred, each of the CCAA Charges, other than the Administration Charge and the DIP Charge, shall be terminated, discharged and released.

Released Claims

- 6.11 The Plan provides for broad releases of all claims by any Person against the Applicants, the Applicants' employees, contractors, agents and advisors (including legal counsel) and the Directors, the Monitor, the Monitor's counsel, the Senior Lenders, and each and every present and former affiliate, affiliated funds, subsidiary, director, officer, member, partner, employee, auditor, financial advisor, legal counsel and agent of any of the foregoing Persons (each, a **"Released Party"**) existing or taking place: (i) on or prior to the Plan Implementation Date or (ii) following the Plan Implementation Date up to the termination of the CCAA Proceedings.
- 6.12 The Plan does not release: (a) Lydian Canada's, Lydian UK's or the Senior Lenders' obligations under the Plan or incorporated into the Plan; (b) obligations of any Existing Lydian Group member other than Lydian International under the Credit Agreement and Stream Agreement, and any agreements entered into relating to the foregoing, from and after the Plan Implementation Date; (c) any claims arising from the willful misconduct or gross negligence of any applicable Released Party; (d) any Director from any Director

Claim that is not permitted to be released pursuant to section 5.1(2) of the CCAA; and (e) any Applicant and the subsidiaries of Restructured Lydian from or in respect of any Unaffected Claim (other than as set out in section 6.5 of the Plan, which provides (i) Lydian Jersey will seek to extinguish the Lydian Jersey Ordinary Shares and Equity Claims as part of the wind-up of Lydian Jersey and (ii) any members of the Existing Lydian Group that are also members of the Restructured Lydian Group and their respective employees, contractors, agents and Directors shall be released and discharged from any and all Claims by any Released Guarantor or their respective employees, contractors, agents and Directors).

Post-Implementation Date Expenses

- 6.13 The Applicants have no available cash to effect an orderly wind-down of the remaining entities that are not part of Restructured Lydian, including Lydian International and its remaining subsidiaries. As part of the negotiations among the Applicants and the Senior Lenders on the terms of the Plan, the Applicants requested that funds be made available to permit a wrap-up of these entities in a manner that would provide finality and clarity for their directors, any parties dealing with those entities and the Court.
- 6.14 It is a term of the Plan that, immediately prior to the Effective Time on the Plan Implementation Date, the Senior Lenders will advance additional funds to Lydian Armenia, which will be immediately transferred by way of an intercompany loan by Lydian Armenia to Lydian International. These funds will be then immediately transferred by Lydian International to the Monitor to be held in the Post-Implementation Date Expenses Reserve and used to pay the Post-Implementation Date Expenses in

accordance with Schedule “B” to the Plan. Disbursement of these funds will be upon written direction to the Monitor from Lydian International, the sole remaining Applicant at that time. The Monitor is advised by the Applicants that Schedule “B” to the Plan was inadvertently left out of the motion materials filed by the Applicants. Attached as **Appendix “H”** is a copy of Schedule “B” to the Plan, comprising the estimated Post-Implementation Date Expenses.

6.15 The Plan currently contemplates that the funding of the Post-Implementation Date Expenses shall be provided for through a further amendment to the DIP Agreement. The Monitor notes that Applicants and Senior Lenders are still in discussions in respect of the terms of any further DIP Agreement, and RCF has advised that it has not committed to fund any portion of the exit financing.

6.16 The Post-Implementation Date Expenses are comprised of the following:

- a) all potential costs and expenses (including fees of Lydian International’s counsel and the Monitor and its counsel) estimated to be incurred and accrued in respect of any further stay extensions or motions at any time prior to the CCAA Termination Date;
- b) all estimated costs and expenses of Lydian International and the other Released Guarantors, including all reasonable and documented fees of their advisors, the Monitor and its counsel, and director and officer insurance premiums incurred and accrued up to the CCAA Termination Date but not yet paid; and

- c) the costs and expenses estimated to be incurred in connection with or related to the dissolution or winding-up of Lydian International, Lydian U.S. and Kavkaz Zoloto CJSC, in each case, as set forth on, and, in all cases, subject to the maximums set forth on Schedule “B” to the Plan, and such further amounts as the Senior Lenders may agree in writing.

Termination of the CCAA Proceedings

- 6.17 Under the Plan and as mentioned above, upon the amalgamation of Lydian Canada and SL Newco to form Restructured Lydian, the CCAA Proceedings in respect of Lydian Canada and Lydian UK will be terminated and the style of cause in the CCAA Proceedings will be amended to remove them as Applicants.
- 6.18 The Applicants will seek to commence a just and equitable winding up process for Lydian International as set out in the Plan in order to wind up Lydian International and its remaining subsidiaries. The Monitor understands that those proceedings are anticipated to be commenced at or around the time of the implementation of the Plan and continue for a few months thereafter.
- 6.19 Upon the completion of the just and equitable winding up process for Lydian International as set out in the Plan, and once same has been confirmed to the Monitor in writing, the Monitor will file a certificate with the Court terminating the CCAA Proceedings and discharging the Monitor. This mechanism is proposed in order to reduce and minimize costs and expenses incurred by the Applicants and the Monitor for which funding is required, in preparing for and attending a further motion to seek a discharge of the CCAA Proceedings once the steps set out in the Plan have been completed.

- 6.20 The Plan also provides that the Applicants or the Monitor, as applicable, shall be entitled to seek an Order of the Court terminating the CCAA Proceedings (even if the steps set out in the Plan are not completed) in the event that there are insufficient funds in the Post-Implementation Date Expenses Reserve to pay the Remaining Post-Implementation Date Expenses or the process for a just and equitable wind-up becomes unduly delayed or beyond what is otherwise reasonably contemplated to occur. The Monitor wishes to ensure that, as an officer of the Court, it is not expected to remain involved in a proceeding where there are no funds to cover its costs or no mechanism to immediately bring it to conclusion.
- 6.21 Upon the filing of such certificate with the Court, which will have the effect of terminating the CCAA Proceedings and discharging the Monitor, the Administration Charge and DIP Charge shall also be terminated, released and discharged. Following payment of all of the Remaining Post-Implementation Date Expenses, immediately prior to the CCAA Termination Date, the Monitor will transfer any remaining funds in the Post-Implementation Date Expenses Reserve to Restructured Lydian. The source of such funds to cover the Post-Implementation Date Expenses Reserve will have been originally provided by some or all the Senior Lenders, who will then be the shareholders of Restructured Lydian, and it would be appropriate in the Monitor's view to return any unused funds to that same party.

Meeting

- 6.22 The Meeting to vote on the Plan is scheduled to take place on June 19, 2020 at 10:00 a.m. The Monitor will act as chair of the Meeting. The Affected Creditors will vote as a single

class of creditors at the Meeting. Each of the Affected Creditors are entitled to one vote equal to the aggregate dollar value of their Affected Claim, the quantum of which has now been finalized and is set out in **Appendix “I”** attached hereto. No other persons are entitled to vote on the Plan.

6.23 The only persons entitled to attend the Meeting are the Monitor, its legal counsel, the Applicants and their affiliates and subsidiaries and their legal counsel, advisors and directors and officers, and the Affected Creditors and their legal counsel and advisors.

6.24 If the Plan is approved by the Required Majority of the Affected Creditors (being an affirmative vote from a majority in number of Affected Creditors representing at least two-thirds in value of the Affected Creditors present and voting), the Applicants have advised the Monitor that they will seek an order from the Court sanctioning and approving the Plan at the Sanction Hearing. Based on information that the Monitor has received from counsel for the Affected Creditors and the Applicants, it appears that, barring some unforeseen event occurring between now and the Meeting, and provided the Meeting Order sought by the Applicants is granted by the Court, the Plan will be approved by the Required Majority at the Meeting. As noted below, the Applicants and the Monitor have been advised by RCF that it intends to vote against the Plan, for the reasons described below.

6.25 The Meeting Order sought by the Applicants requests that the Sanction Hearing be heard by the Court on June 29, 2020.

6.26 The Meeting Order provides that service by email of the Meeting Order, if issued, to counsel to the Affected Creditors constitutes good and sufficient service of the Meeting.

Given that the Affected Creditors (being the Senior Lenders) were consulted in the preparation of the Plan and have been made aware of its terms and conditions, the Monitor is satisfied that this constitutes sufficient notice of the Meeting to the Affected Creditors.

Letter from RCF

- 6.27 On June 16, 2020, counsel to the Applicants, with a copy to the Monitor, received a letter from counsel to RCF (the “**RCF Letter**”), one of the Senior Lenders, setting forth RCF’s position on the Plan. The RCF Letter states that a condition of RCF’s support of any plan of arrangement would be that it: (i) not prejudice or release Lydian’s rights in any arbitration claim against the Government of Armenia, and (ii) not adversely affect RCF’s interest in the proceeds of such arbitration. RCF requires that the Plan set out a clear and committed path forward for the commencement and pursuit of such arbitration.
- 6.28 The RCF Letter further states that RCF will vote against the Plan at the Meeting and will not consent to the granting of the Sanction and Implementation Order that will be sought by the Applicants at the Sanction Hearing if the Plan is approved by the Required Majority at the Meeting. RCF acknowledges its minority position and that it does not intend to propose or fund an alternative to the Plan and understands that the Court is likely to grant the Sanction and Implementation Order if the Plan is approved at the Meeting by the Required Majority.
- 6.29 The Monitor has participated on telephone calls with counsel for the Applicants and the Senior Lenders including RCF where the issue of the arbitration claim has been discussed, in connection with the Plan. The Monitor has heard from counsel for the

Applicants and the other Senior Lenders that, in their view, there is nothing in the Plan itself that is intended to extinguish any rights that may otherwise exist to pursue any arbitration against the Government of Armenia, if that path was to be pursued by Restructured Lydian. A purpose of the Plan is to permit Restructured Lydian and its shareholder/stakeholders to determine the manner and timing of pursuing any strategy after the Plan Implementation Date.

6.30 A copy of the RCF Letter is attached hereto as **Appendix “J”**.

7.0 CASH FLOW RESULTS RELATIVE TO FORECAST

7.1 Actual receipts and disbursements for the period from April 18 to May 29, 2020 (the “**Reporting Period**”), as compared to the Updated Cash Flow Forecast (as defined in and discussed in the Supplemental Fourth Report) are summarized in the following table:

Lydian International Limited., et. al. Schedule of Actual Receipts and Disbursements Compared to the Updated Cash Flow Forecast For the Six-Week Period Ended May 29, 2020 (\$ USD)			
	Actual	Forecast	Variance
Cash Receipts			
Miscellaneous receipts	11,268	-	11,268
Total Cash Receipts	11,268	-	11,268
Cash Disbursements			
Salaires, benefits and taxes	(230,927)	(151,000)	(79,927)
Insurance	(96,878)	(82,000)	(14,878)
Board of Directors	(60,000)	(60,000)	-
Office, IT and bank fees	(18,941)	(20,720)	1,779
Travel	-	(15,000)	15,000
Miscellaneous	(2,590)	(3,000)	410
Professional fees	(830,087)	(773,769)	(56,318)
Contingency	-	(50,000)	50,000
Total Cash Disbursements	(1,239,423)	(1,155,489)	(83,934)
Net Cash Flow, Before Debt Service	(1,228,155)	(1,155,489)	(72,666)
Beginning Cash Balance	569	497	72
Net operating cash flow	(1,228,155)	(1,155,489)	(72,666)
Intercompany transfers	1,250,000	1,165,000	85,000
Ending Cash Balance	22,414	10,008	12,406

7.2 During the Reporting Period:

- a) Salaries, benefits and tax payments were approximately \$80,000 greater than forecast due to a timing difference in the payment of certain expat tax obligations;
- b) Insurance related disbursements were approximately \$15,000 greater than forecast largely due to the payment of political risk insurance invoiced in respect of a three-month period that was not otherwise included in the Updated Cash Flow Forecast;

- c) Travel related expenses were approximately \$15,000 lower than forecast due to the moratorium on international travel implemented by governments as a result of the COVID-19 pandemic preventing any travel to Armenia or elsewhere; and
- d) Professional fees were approximately \$56,000 greater than forecast due to the timing of invoicing and represent the reversal of timing variances from the prior reporting period.

7.3 As provided in the Amended and Restated Initial Order, the Applicants and Non-Applicant Stay Parties continue to utilize the existing Cash Management System which provides for intercompany transfers to the Applicants by Lydian Armenia and Lydian U.S. The advances made under the DIP Agreement, as amended, are made to the borrower Lydian Armenia on the same basis as the pre-filing Credit Agreement, with all Applicants being guarantors thereunder.

8.0 MONITOR'S RECOMMENDATION

8.1 The Applicants have prepared the Plan, in consultation with the Senior Lenders, in an effort to exit the CCAA proceedings and conclude its restructuring. The Senior Lenders have advised the Applicants that they are not prepared to continue to support the CCAA Proceedings or provide further funding for a continuation of the CCAA Proceedings. Without such committed funding, the Applicants will not have sufficient cash beyond the expiration of the Stay Period to continue these CCAA Proceedings. The Plan provides for the payment in full of all expenses, fees and costs to implement the Plan and the wind down of Lydian International and the other Released Guarantors.

- 8.2 While the outcome is not what the Applicants or the Senior Lenders would have preferred, and reflects the effective enforcement of security by the Senior Lenders through a Plan brought forward by the Applicants, it appears to be the only path forward that is available to the Applicants at this time. In the absence of the Plan, the “hard stop” scenario of certain members of the Lydian Group being subject to enforcement proceedings and others that may be left “stranded”, is not desirable. In the circumstances, it is the Monitor’s view that the Plan represents a better path forward than any other alternative that is available to the Applicants.
- 8.3 For the reasons set out in this Fifth Report, the Monitor is of the view that the relief requested by the Applicants in the Meeting Order is appropriate, and respectfully recommends that this Court grant the relief sought by the Applicants. The Monitor will file a further report to the Court following the Meeting to report on the results of same, in advance of the Sanction Hearing.

All of which is respectfully submitted to this Court this 16th day of June 2020.

**Alvarez & Marsal Canada Inc., in its capacity
as Monitor of Lydian International Limited,
Lydian Canada Ventures Corporation and
Lydian U.K. Corporation Limited
and in no other capacity**



Per: Alan J. Hutchens
Senior Vice President

**IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF LYDIAN
INTERNATIONAL LIMITED, LYDIAN CANADA VENTURES CORPORATION, AND LYDIAN U.K.
CORPORATION LIMITED**

Court File No.:
CV-19-00633392-00CL

ONTARIO

**SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

MONITOR'S FIFTH REPORT

THORNTON GROUT FINNIGAN LLP

Barristers & Solicitors

Toronto Dominion Centre

100 Wellington Street W., Suite 3200

Toronto, Canada M5K 1K7

D. J. Miller LSO#344393P

djmiller@tgf.ca

Rachel Bengino LSO#68348V

rbengino@tgf.ca

Tel: 416.304.1153

Fax: 416.304.1313

Lawyers for the Monitor

Appendix D

Form of Acknowledgment and Undertaking of the Monitor

ACKNOWLEDGEMENT AND UNDERTAKING
(re: DIP EXIT CREDIT FACILITIES)

TO: ORION CO IV (ED) LIMITED and OSISKO BERMUDA LIMITED, in their capacities as lenders under the Eighteenth Amending Agreement (the “**DIP Lenders**”)

COPY TO: LYDIAN INTERNATIONAL LIMITED, LYDIAN CANADA VENTURES CORPORATION and LYDIAN U.K. CORPORATION LIMITED (collectively, the “**Applicants**”)

FROM: ALVAREZ & MARSAL CANADA INC. in its capacity as Court-appointed Monitor of the Applicants, and not in its personal or corporate capacity

RE: DIP Exit Credit Facilities to be made available in connection with the Plan of Arrangement of the Applicants dated June 15, 2020 (the “**Plan**”).

The Monitor hereby agrees and undertakes as follows:

1. Any capitalized terms not otherwise defined herein shall have the meanings attributed thereto to in the Plan.
2. Pursuant to the Plan and the Eighteenth Amending Agreement, the DIP Lenders have agreed to provide the DIP Exit Credit Facilities in the amount of USD\$1,866,000 to Lydian Armenia CJSC (“**Lydian Armenia**”), as borrower, in respect of the Post-Implementation Date Expenses.
3. Pursuant to directions to be provided to the DIP Lenders from Lydian Armenia and Lydian International Limited, the DIP Lenders will transfer the funds comprising the DIP Exit Credit Facilities (the “**DIP Funds**”) directly to the Monitor on or about June 26, 2020.
4. Upon receipt of the DIP Funds, the Monitor will transfer the DIP Funds to the Post-Implementation Date Expenses Reserve pursuant to the terms of the Plan.
5. In the event that either: (i) the Sanction and Implementation Order is not granted by the Court, or (ii) the Plan Implementation Date does not occur on June 30, 2020, the Monitor shall return the DIP Funds to the DIP Lenders in the same amount and currency as received pursuant to wire transfer instructions to be provided to the Monitor, in such event, without deduction.

This undertaking may be executed and delivered in original or electronically by email, and any electronic copy hereof so delivered shall be deemed to be an original.

[EXECUTION ON SEPARATE PAGE]

DATED this ____th day of June, 2020.

**ALVAREZ & MARSAL CANADA INC., in
its capacity as Court-appointed Monitor of
Lydian International Limited. et. al., and not
in its personal or corporate capacity**

Per: _____

Name:

Title:

I have the authority to bind the
corporation

Appendix E

Fee Affidavit of Alan J. Hutchens, sworn June 25, 2020

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

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

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF LYDIAN INTERNATIONAL
LIMITED, LYDIAN CANADA VENTURES
CORPORATION AND LYDIAN U.K. CORPORATION
LIMITED**

**AFFIDAVIT OF ALAN J. HUTCHENS
(Sworn June 25, 2020)**

I, **ALAN J. HUTCHENS**, of the Town of Oakville, in the Province of Ontario, **MAKE
OATH AND SAY:**

1. I am a Senior Vice-President at Alvarez & Marsal Canada Inc. ("**A&M**"), the Court appointed Monitor in these proceedings (the "**Monitor**"). As such, I have knowledge of the matters to which I hereinafter depose, except where stated to be on information and belief and whereso stated, I verily believe it to be true.

2. A&M was appointed as Monitor pursuant to an Order of the Superior Court of Justice Commercial List dated December 23, 2019. The Monitor retained Thornton Grout Finnigan LLP ("**TGF**") as its counsel in these proceedings.

3. Attached hereto as **Exhibit "A"** are copies of the invoices rendered by the Monitor for fees and disbursements incurred by A&M through the course of these proceedings for the period from April 16 to June 23, 2020 (the "**A&M Application Period**"). The invoices contain the fees (including details of the billing rates and total hours of each of the members of A&M who acted on behalf of the Monitor in these proceedings), and disbursements charged by A&M in these proceedings.

4. Attached hereto as **Exhibit "B"** is a schedule summarizing each invoice in Exhibit "A", the total billable hours charged per invoice, and the total fees charged per invoice.

5. Attached hereto as **Exhibit "C"** is a schedule summarizing personnel, their total hours billed and their hourly rates, as well as the average hourly rate billed for the A&M Application Period.

6. The Monitor expended a total of 315.7 hours in connection with this matter during the A&M Application Period, giving rise to fees totalling \$209,990.50 and disbursements totalling \$175.46, as outlined in Exhibit "B".

7. To the best of my knowledge, A&M's rates and disbursements are consistent with those in the market for these types of matters and the hourly billing rates charged by A&M are comparable to the rates charged by A&M for services rendered in similar proceedings. A&M has had its rates and disbursements, including the rates of various professionals who provided services in these proceedings, approved by this Court in respect of similar services provided in various insolvency and restructuring files.

8. I make this affidavit in support of the Applicants' motion for, among other things, approval of the Monitor's fees and disbursements.

SWORN before me by videoconference
from the Town of Oakville in the Province
of Ontario to City of Toronto, in the
Province of Ontario, on this 25th day of
June 2020.

A Commissioner for taking affidavits



ALAN J. HUTCHENS

This is Exhibit “A” referred to in the
affidavit of Alan J. Hutchens
sworn before me by videoconference, this 25th day of June 2020.

A Commissioner for Taking Affidavits



May 4, 2020

Lydian International Limited
5655 S Yosemite Street
Greenwood Village, CO
80111 USA

Attention: Mr. Edward Sellers, Interim CEO

RE: LYDIAN INTERNATIONAL LIMITED (the “Company”)
CCAA INVOICE #9 (817642)

For professional services rendered in connection with our appointment as Monitor under the *Companies’ Creditors Arrangement Act* pursuant to the Initial Order granted by the Ontario Superior Court of Justice (Commercial List) on December 23, 2019, for the period April 16 to 30, 2020.

BILLING SUMMARY

	<u>Hours</u>	<u>Rate</u>	<u>Total—in CAD</u>
A. Hutchens, Managing Director	9.5	\$860	\$8,170.00
M. MacKenzie, Senior Director	68.6	\$645	44,247.00
	<u>78.1</u>		\$52,417.00
Add: Out of pocket expenses - telephone			2.26
TOTAL AMOUNT DUE – in CAD			<u>\$52,419.26</u>

Mailing Instructions:

Alvarez & Marsal Canada ULC
Att: Audrey Singels-Ludvik
Royal Bank Plaza, South Tower
200 Bay Street, Suite 2900
P.O. Box 22
Toronto, ON M5J 2J1

Wiring Instructions:

Bank: TD Canada Trust
Account Name: Alvarez & Marsal Canada ULC
Swiftcode: TDOMCATTTOR
Bank Address: 55 King Street West
Toronto, ON
Bank Transit #: 10202
Institution #: 0004
Account #: 5519970 (CAD)
Reference #: Lydian Int’l – CCAA Inv #9 (817642)
HST#: 83158 2127 RT0001

Lydian International Limited (“Lydian”) – 817642
DETAILED SUMMARY – April 16 to 30, 2020

<u>A. Hutchens</u>	<u>Hrs.</u>
Apr 22 Internal discussion on open items/next steps.	0.3
Apr 24 Review the draft fee affidavit and internal emails on timing/open items for upcoming Court application.	0.7
Apr 25 Review the draft affidavit in support of the DIP amendment and stay extension request and related materials.	1.0
Apr 27 Review iterations of the draft Fourth Report of the Monitor (“Fourth Report”) and internal emails on same; internal discussion on status of the amended DIP agreement and related items; video conference with TGF to swear the fee affidavit; review and finalize the Fourth Report for service.	3.4
Apr 28 Review the draft Seventeenth Amending Agreement and extended cash flow forecast; review the draft Supplement to the Fourth Report of the Monitor (“Supplement Report”) and internal emails on same; emails regarding the DIP amendment; review the draft supplement affidavit in support of the DIP amendment and stay extension request.	2.3
Apr 29 Review iterations of the draft Supplement Report and internal discussion/emails to finalize same for service.	1.3
Apr 30 Attend via Zoom the Court hearing for the stay extension.	0.5
TOTAL – A. Hutchens	9.5 hrs.

<u>M. MacKenzie</u>	<u>Hrs.</u>
Apr 16 Call with E. Sellers in advance of lender call; call with E. Sellers, BMO and lenders and follow-up call with E. Sellers; emails with management regarding enquiry received from Orion; review and update cash flow forecast model.	3.0
Apr 17 Call with D.J. Miller to provide an update in respect of various matters; communications with TGF and Stikeman; call with legal counsel to Orion and Osisko, Stikeman and TGF; review and update cash flow forecast.	3.5
Apr 18 Review existing DIP forecast and extend framework of same to June 30, review details included in same for Lydian Armenia, extend forecast for same period and email management on follow-up items.	2.8

Lydian International Limited (“Lydian”) – 817642
DETAILED SUMMARY – April 16 to 30, 2020

Apr 19	Call with E. Sellers regarding the status of various matters; review Lydian International cash flow forecast and update same for potential extended DIP period and related communications with management.	3.8
Apr 20	Various communications with management regarding cash flow matters; review Jermuk Hotel settlement agreement; review schedule of expat tax equalization payments and update DIP forecast accordingly; communications with TGF regarding cash flow matters; follow-up in respect of various cash flow items, update DIP forecast accordingly, related discussions with E. Sellers and B. Linscome; emails with Stikeman; review banking schedule provided by M. Farrant; call with E. Sellers.	4.5
Apr 21	Call with D.J. Miller regarding the status of the DIP forecast and other matters; communications with management regarding cash flow matters; emails from management regarding the draft extended DIP forecast and incorporate same into working version; call with E. Sellers; call with E. Sellers, B. Linscome and M. Farrant regarding the DIP forecast for initial DIP period, extended DIP forecast and related matters; review various emails and supporting documents in respect of response to AEF; review Jermuk Hotel settlement agreement deadline and late payment provisions.	4.0
Apr 22	Emails with D.J. Miller; call with L. Pillon; call with D.J. Miller and R. Bengino regarding AEF matters; call with B. Linscome; prepare draft Fourth Report.	4.3
Apr 23	Call with D.J. Miller; prepare for and attend call with lenders regarding the extended DIP forecast; call with E. Sellers; call with D.J. Miller and R. Bengino; call with lenders, their legal counsel, E. Sellers, Stikeman and TGF and follow-up call with D.J. Miller; prepare materials requested by lenders and circulate same; call with E. Sellers.	6.3
Apr 24	Communications with TGF; review and provide comments on the draft Sellers affidavit; draft fee affidavit and supporting schedules and related communications with TGF and A. Hutchens; follow-up in respect of inquiries from lenders; prepare variance analysis for draft Fourth Report; prepare draft Fourth Report and related communications with R. Bengino.	7.3

Lydian International Limited (“Lydian”) – 817642
DETAILED SUMMARY – April 16 to 30, 2020

Apr 25	Revise draft Fourth Report and send same to TGF for review and comment; communications with Stikeman regarding inquiries to be made of Freshfields; call with E. Sellers regarding treatment of VAT in certain scenarios and related regulations; call with D.J. Miller; prepare appendices for the draft Fourth Report; respond to inquiries from lenders; review revised draft Sellers affidavit.	4.3
Apr 26	Communications with D.J. Miller.	0.3
Apr 27	Review draft DIP agreement and Torsys’ comments on same; review TGF comments on the draft Fourth Report and further changes to same; emails with Stikeman and TGF regarding Sellers affidavit and Monitor’s report and related matters; call with D.J. Miller; call with R. Bengino; communications with E. Sellers and B. Linscome regarding draw request for trailing AP amount and variance reporting required under the initial DIP agreement; call with A. Hutchens to provide status update; work on draft supplemental report; call with E. Sellers; review proposed disbursements for the week, request and review certain supporting documentation and related emails with management; various emails with B. Linscome; review variance analysis for weeks 1 through 6 of the initial DIP.	7.5
Apr 28	Coordinate posting of documents to case website; communications with B. Linscome regarding allocation of Freshfields fees as between categories of expenses and related update to the extended DIP forecast and related communications with E. Sellers and R. Dhir; prepare draft Supplement Report and related communications with TGF; review and provide comments on the draft amended DIP agreement; call with L. Pillon regarding cash flow matters; call with D.J. Miller regarding finalizing the Supplement Report; review TGF comments regarding draft Supplement Report and emails with A. Hutchens in respect of same; review additional comments from Torsys regarding amended DIP agreement and communications from Stikeman on same; review certain proposed disbursements and related communications with B. Linscome; review draft supplement affidavit; call with E. Sellers, R. Dhir, B. Linscome and M. Farrant regarding certain definitions in the draft amended DIP agreement and the mechanics of same.	7.7
Apr 29	Call with D.J. Miller regarding matters related to the supplement Sellers affidavit and the Supplement Report, call with A. Hutchens regarding same and to provide status update; review and respond to proposed revisions to the Supplement Report; communications with Stikeman and TGF on finalizing and filing Court materials; call with A. Hutchens regarding various matters; coordinate posting documents to the case website; call with E. Sellers.	6.0

Lydian International Limited (“Lydian”) – 817642
DETAILED SUMMARY – April 16 to 30, 2020

Apr 30	Prepare for and attend Court hearing via Zoom; SISP update call with lenders, BMO and E. Sellers; call with E. Sellers; review cash flow results for week 7 of the DIP forecast and update rolling forecast for same.	3.3
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TOTAL – M. MacKenzie	68.6 hrs.
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May 19, 2020

Lydian International Limited
5655 S Yosemite Street
Greenwood Village, CO
80111 USA

Attention: Mr. Edward Sellers, Interim CEO

RE: LYDIAN INTERNATIONAL LIMITED (the “Company”)
CCAA INVOICE #10 (817642)

For professional services rendered in connection with our appointment as Monitor under the *Companies’ Creditors Arrangement Act* pursuant to the Initial Order granted by the Ontario Superior Court of Justice (Commercial List) on December 23, 2019, for the period May 1 to 15, 2020.

BILLING SUMMARY

	<u>Hours</u>	<u>Rate</u>	<u>Total—in CAD</u>
A. Hutchens, Managing Director	4.4	\$860	\$3,784.00
M. MacKenzie, Senior Director	43.3	\$645	27,928.50
	<u>47.7</u>		\$31,712.50
Add: Out of pocket expenses - telephone			23.20
TOTAL AMOUNT DUE – in CAD			<u>\$31,735.70</u>

Mailing Instructions:

Alvarez & Marsal Canada ULC
Att: Audrey Singels-Ludvik
Royal Bank Plaza, South Tower
200 Bay Street, Suite 2900
P.O. Box 22
Toronto, ON M5J 2J1

Wiring Instructions:

Bank: TD Canada Trust
Account Name: Alvarez & Marsal Canada ULC
Swiftcode: TDOMCATTTOR
Bank Address: 55 King Street West
Toronto, ON
Bank Transit #: 10202
Institution #: 0004
Account #: 5519970 (CAD)
Reference #: Lydian Int’l – CCAA Inv #10 (817642)
HST#: 83158 2127 RT0001

Lydian International Limited (“Lydian”) – 817642
DETAILED SUMMARY – May 1 to 15, 2020

<u>A. Hutchens</u>		<u>Hrs.</u>
May 1	Read the endorsement from yesterday’s Court hearing; internal discussion on open items/next steps.	0.4
May 4	Email from a shareholder and internal emails regarding same.	0.3
May 5	Internal emails on open items.	0.4
May 6	Internal update discussion.	0.3
May 11	Review the BMO Capital emergence plan considerations deck and draft term sheet.	1.4
May 13	Internal discussion on open items.	0.3
May 14	Read update email from management; read email from counsel to a lender in response to a draft term sheet; internal update discussion.	0.7
May 15	Internal discussion and emails on sale process matters and read email from management on same.	0.6
TOTAL – A. Hutchens		4.4 hrs.

<u>M. MacKenzie</u>		<u>Hrs.</u>
May 1	Communications with B. Linscome regarding cash flow matters; call with E. Sellers; call with D.J. Miller; arrange for documents to be posted to case website and related communications with Stikeman.	1.8
May 4	Communications with management regarding various matters; call with BMO regarding information requirements to assist with exit plan; review disbursements for the week; review drafts of the schedule of intercompany balances.	2.3
May 5	Call with E. Sellers; review communications from equity holders and related emails with TGF; communications with management regarding cash flow matters.	1.5
May 6	Communications with management regarding cash flow matters; emails from E. Sellers regarding various matters; update call with TGF; review tax matters; review and respond to inquiries from interested parties; call with E. Sellers; draft analysis of ongoing costs and emails with Armenian management and BMO related to same; review revised draft term sheet circulated by BMO.	4.8

Lydian International Limited (“Lydian”) – 817642
DETAILED SUMMARY – May 1 to 15, 2020

May 7	Review emails from Armenian management and update draft analysis of post-CCAA costs; review communication from interested party and related emails with TGF; call with E. Sellers; attend update call with E. Sellers, BMO and lenders; call with D.J. Miller regarding various matters; call with BMO regarding schedule of ongoing costs, further revisions to same and related communications with E. Sellers; update cash flow forecast for week 8 actuals and update rolling forecast accordingly, and related communications with B. Linscome.	5.0
May 8	Emails with B. Linscome regarding cash flow matters and update variance analysis; call with E. Sellers to review and discuss schedule of annual costs in respect of exit plan and other matters; call with L. Pillon and D.J. Miller; follow-up call with D.J. Miller; revisions to draft schedule of annual costs, email to Armenian management to follow-up on aspects of same, and related emails with E. Sellers and BMO; emails with R. Stuparyk and BMO regarding details of security services.	4.3
May 9	Update variance analysis and rolling DIP forecast; emails with R. Stuparyk regarding schedule of annual costs; call with E. Sellers.	2.5
May 10	Further updates to schedule of annual costs as per email from R. Stuparyk, and related communications with E. Sellers; review draw request support.	1.8
May 11	Emails with R. Stuparyk regarding additional information in support of annual costs schedule, update same accordingly, related communications with BMO; call with E. Sellers; revise DIP forecast; call with B. Linscome; revise comments in variance analysis and send same together with related documents to B. Linscome.	3.5
May 12	Call with D.J. Miller and various emails with TGF; review draft term sheet and draft BMO deck in respect of exit plan, call with TGF to review and discuss same, and call with E. Sellers, BMO, Stikeman and TGF on same.	4.8
May 13	Review E. Sellers update email to lenders; communications with B. Linscome; discussion with A. Hutchens on open matters.	1.0
May 14	Review prior week variance analysis and incorporate same into rolling DIP forecast; preparation for call with lenders and their legal counsel; call with lenders, their legal counsel, E. Sellers, BMO, Stikeman and TGF; follow-up call with D.J. Miller; update call with A. Hutchens; review various communications from interested parties and related communications with TGF and A. Hutchens; call with E. Sellers.	6.0

Lydian International Limited (“Lydian”) – 817642
DETAILED SUMMARY – May 1 to 15, 2020

May 15	Emails with BMO regarding the SISP, review blacklined term sheet, related communications with TGF and related call and emails with A. Hutchens; call with R. Bengino and shareholder who contacted the Monitor with an enquiry, and related communications with R. Bengino; review draft letter to respond to stakeholder inquiry and provide comments in respect of same, and communications with R. Bengino regarding responses to inquiries; finalize updates to the rolling DIP forecast and related emails with B. Linscome.	4.0
TOTAL – M. MacKenzie		43.3 hrs.



June 1, 2020

Lydian International Limited
5655 S Yosemite Street
Greenwood Village, CO
80111 USA

Attention: Mr. Edward Sellers, Interim CEO

RE: LYDIAN INTERNATIONAL LIMITED (the "Company")
CCAA INVOICE #11 (817642)

For professional services rendered in connection with our appointment as Monitor under the *Companies' Creditors Arrangement Act* pursuant to the Initial Order granted by the Ontario Superior Court of Justice (Commercial List) on December 23, 2019, for the period May 16 to 31, 2020.

BILLING SUMMARY

	<u>Hours</u>	<u>Rate</u>	<u>Total-in CAD</u>
A. Hutchens, Managing Director	1.1	\$860	\$946.00
M. MacKenzie, Senior Director	33.2	\$645	21,414.00
	<u>34.3</u>		\$22,360.00
Add: Out of pocket expenses – case website			150.00
TOTAL AMOUNT DUE – in CAD			<u>\$22,510.00</u>

Mailing Instructions:

Alvarez & Marsal Canada ULC
Att: Audrey Singels-Ludvik
Royal Bank Plaza, South Tower
200 Bay Street, Suite 2900
P.O. Box 22
Toronto, ON M5J 2J1

Wiring Instructions:

Bank: TD Canada Trust
Account Name: Alvarez & Marsal Canada ULC
Swiftcode: TDOMCATTTOR
Bank Address: 55 King Street West
Toronto, ON
Bank Transit #: 10202
Institution #: 0004
Account #: 5519970 (CAD)
Reference #: Lydian Int'l – CCAA Inv #11 (817642)
HST#: 83158 2127 RT0001

Lydian International Limited (“Lydian”) – 817642
DETAILED SUMMARY – May 16 to 31, 2020

<u>A. Hutchens</u>	<u>Hrs.</u>
May 19 Internal discussion on open items.	0.3
May 25 Internal discussion on open items.	0.3
May 29 Internal update discussion.	0.2
May 31 Review the updated timeline document and related emails.	0.3
TOTAL – A. Hutchens	1.1 hrs.

<u>M. MacKenzie</u>	<u>Hrs.</u>
May 19 Review prior week cash flow results and incorporate into rolling variance and DIP forecast analysis; various communications with B. Linscome; review revised draft exit plan circulated by Torys; communications with TGF; call with A. Hutchens to provide status update.	3.3
May 20 Status update email from L. Pillon and related communications with TGF regarding scheduling; complete update of rolling variance and DIP forecast analysis and emails with B. Linscome regarding related same; call with E. Sellers; review draft exit plan; call with Torys; review proposed disbursements and emails with management on same; emails from Stikeman regarding exit plan, timeline and related matters.	3.8
May 21 Various communications with B. Linscome regarding cash flow matters; review invoices scheduled for payment and respond in respect of same as appropriate; review revisions to draft exit plan, related calls with TGF and Stikeman/TGF.	3.0
May 22 Prepare draft variance analysis and rolling DIP forecast for next draw request and related communications with management; review various communications in respect of the exit plan.	3.5
May 25 Review draft exit plan steps memo; call with E. Sellers regarding various matters; update discussion with A. Hutchens.	3.0
May 26 Review proposed disbursements and certain invoices, and related emails with management; call with B. Linscome; revise variance analysis and rolling DIP forecast for weeks 1 and 2 and recirculate same to management; review draw notice and related materials and communications with management; emails from E. Sellers regarding D&O insurance and CAT financing.	4.5

Lydian International Limited (“Lydian”) – 817642
DETAILED SUMMARY – May 16 to 31, 2020

May 27	Read the Court orders regarding the CAT and SEK equipment and coordinate posting of same to the case website; update rolling DIP forecast for prior week actuals; update schedule to be used for tracking estimated costs of Exit Plan.	3.0
May 28	Review debt schedule circulated by management and related emails; review comments to and revised drafts of exit plan and associated timeline and related emails with TGF; further updates to rolling DIP forecast in respect of prior week results.	3.5
May 29	Communications with management regarding various matters; update variance analysis for 10-week variance since commencement of DIP forecast and related communications with management; communications with TGF; review further revisions to exit plan; update discussion with A. Hutchens.	3.3
May 31	Update emails from Stikeman in respect of exit plan and related communications with TGF; review further revised exit plan timeline; summarize amounts required in order to prepare post-exit cost schedule; and further revisions to rolling DIP forecast.	2.3
TOTAL – M. MacKenzie		33.2 hrs.



June 16, 2020

Lydian International Limited
5655 S Yosemite Street
Greenwood Village, CO
80111 USA

Attention: Mr. Edward Sellers, Interim CEO

RE: LYDIAN INTERNATIONAL LIMITED (the "Company")
CCAA INVOICE #12 (817642)

For professional services rendered in connection with our appointment as Monitor under the *Companies' Creditors Arrangement Act* pursuant to the Initial Order granted by the Ontario Superior Court of Justice (Commercial List) on December 23, 2019, for the period June 1 to 15, 2020.

BILLING SUMMARY

	<u>Hours</u>	<u>Rate</u>	<u>Total—in CAD</u>
A. Hutchens, Managing Director	5.4	\$860	\$4,644.00
M. MacKenzie, Senior Director	93.9	\$645	60,565.50
TOTAL AMOUNT DUE – in CAD	99.3		\$65,209.50

Mailing Instructions:

Alvarez & Marsal Canada ULC
Att: Audrey Singels-Ludvik
ULC
Royal Bank Plaza, South Tower
200 Bay Street, Suite 2900
P.O. Box 22
Toronto, ON M5J 2J1

(817642)

Wiring Instructions:

Bank: TD Canada Trust
Account Name: Alvarez & Marsal Canada

Swiftcode: TDOMCATTTOR
Bank Address: 55 King Street West
Toronto, ON
Bank Transit #: 10202

Institution #: 0004
Account #: 5519970 (CAD)
Reference #: Lydian Int'l – CCAA Inv #12

HST#: 83158 2127 RT0001

Lydian International Limited (“Lydian”) – 817642
DETAILED SUMMARY – June 1 to 15, 2020

<u>A. Hutchens</u>		<u>Hrs.</u>
Jun 1	Internal status discussion.	0.4
Jun 5	Internal status discussion.	0.3
Jun 6	Review the draft CCAA Plan and related emails.	0.7
Jun 8	Internal status discussion.	0.4
Jun 10	Emails with various parties on the status of open items.	0.5
Jun 12	Internal discussion on the status of open items/next steps.	0.4
Jun 13	Internal discussion on status of open items; read update emails.	0.4
Jun 15	Review the revised draft CCAA Plan and Plan Order and internal discussion on same; review the draft Affidavit in support of the Plan Order; review aspects of the served motion record for acceptance of the CCAA Plan for voting purposes.	2.3
TOTAL – A. Hutchens		5.4 hrs.

<u>M. MacKenzie</u>		<u>Hrs.</u>
Jun 1	Emails with Stikeman and TGF in respect of the draft exit plan, prepare for calls scheduled today in respect of draft exit plan, calls with Stikeman and TGF in respect of same; call with TGF and Blakes; call with Stikeman, TGF and legal counsel to senior lenders; prepare post-exit cost summary; status update call with A. Hutchens.	5.3
Jun 2	Review email in respect of equipment lessors and claims at the Lydian UK level; call with D.J. Miller regarding various exit plan matters; call with Orion; call with E. Sellers; review proposed disbursements and certain supporting invoices and related communications with management; communications with Blakes and TGF regarding cash flow forecasts; various other communications with management.	4.0

Lydian International Limited (“Lydian”) – 817642
DETAILED SUMMARY – June 1 to 15, 2020

Jun 3	Review categories of exit and post-exit costs in preparation for call, related call with E. Sellers and follow-up call with TGF; prepare schedule of follow-up inquiries for RCF and related emails with TGF; status update call with A. Hutchens; call with L. Pillon; review email communications in respect of the dissolution of Kavkaz Zoloto, the spin-off of the Georgia companies, and the costs of a Liquidator in Jersey, and review Stikeman’s memorandum regarding the winding-up of Lydian International in association with estimating exit and post-exit costs; draft schedule of exit and post-exit costs based on earlier discussion with E. Sellers and prepare email in respect of same, and related communications with TGF.	6.0
Jun 4	Calls with TGF regarding exit plan costs and related matters; call with Torys; call with Z. Vincze; email from Stikeman regarding revised Jersey exit costs; review winding-up processes for various companies that will remain post-exit and related emails with TGF.	4.3
Jun 5	Call with B. Linscome regarding components of exit plan cost schedule, various related emails, revisions to schedule in respect of additional information obtained by company; review revised draft Exit Plan Term Sheet; review employment contract of Armenian employee and related provisions of Jersey Law in association with estimating potential exit plan costs; review draft Plan of Arrangement.	5.5
Jun 6	Various emails related to exit plan and associated costs, update draft schedule to reflect information provided by management, various related emails with TGF and call with E. Sellers; further update draft costs schedule, calls with Torys, Stikeman and TGF, related emails with Orion and further communications with E. Sellers; communications with TGF regarding the upcoming Court report and prepare draft framework of same.	6.5
Jun 7	Review comments from E. Sellers regarding draft Exit Cost Schedule and incorporate same, related call with E. Sellers, related call with E. Sellers and Stikeman, review and incorporate further comments from E. Sellers and circulate same to senior lenders and their legal counsel; review draft CCAA Plan and TGF comments in respect of same and incorporate additional comments; review draft Sellers Affidavit and provide comments in respect of same; various email correspondence regarding certain fees; call with TGF to review and discuss the draft CCAA Plan; review the draft BMO Affidavit and related emails with TGF; review draft Meeting Order, provide comments in respect of same and related communications with TGF; various emails to A. Hutchens; and call with R. Bengino to discuss framework of Court report and work on same.	7.5

Lydian International Limited (“Lydian”) – 817642
DETAILED SUMMARY – June 1 to 15, 2020

Jun 8	Review E. Sellers contracts and prepare for and attend call among the senior lenders, their legal counsel, Stikeman, TGF and E. Sellers; call with TGF; update rolling DIP forecast for results of the week ended May 29 and prepare variance analysis schedule for inclusion in Court report; communications with TGF regarding the draft Fifth Report; prepare for and participate in call with lenders, their legal counsel, Stikeman and TGF to review and discuss the draft CCAA Plan; work on the draft Fifth Report; call with TGF and Lenczner and related follow-up call with TGF.	7.8
Jun 9	Call with Lenczner, Stikeman and TGF regarding fees matters; review prior week cash flow variance analysis, incorporate same into rolling DIP forecast analysis, and related inquiries with B. Linscome; call with B. Linscome; call with TGF to discuss CCAA Plan matters; review the revised draft CCAA Plan and provide comments on same; analysis of potential permanent variances relative to DIP forecast and related communication with TGF.	8.3
Jun 10	Review and revise the draft Fifth Report; review rolling DIP forecast to estimate costs likely to be paid post-exit for inclusion in schedule of post-exit costs and update schedule in respect of same; status update call with TGF; work with B. Linscome to prepare variance analysis and rolling DIP forecast to support the companies’ draw request in the current week and to prepare a schedule of costs included in the DIP forecast estimated to be payable at exit for inclusion in the Exit/Post-Exit Cost Schedule to be appended to the CCAA Plan; call with Lenczner, Stikeman and TGF regarding fees matters and follow-up call with TGF; call with B. Linscome; revisions to draft rolling DIP forecast; call with E. Sellers regarding variance analysis and rolling DIP forecast.	8.0
Jun 11	Review the revised draft CCAA Plan and related communications with TGF; status update call with A. Hutchens and related email; call with senior lenders’ counsel, Stikeman and TGF on the draft CCAA Plan and follow-up call with TGF; revise the draft schedule of DIP forecast costs to be payable at exit and circulate same to management, related call with B. Linscome, related communications with E. Sellers and Stikeman; calls with TGF regarding open items; update call with A. Hutchens; emails with E. Sellers; various communications regarding requested attendance before Justice Morawetz.	8.3

Lydian International Limited (“Lydian”) – 817642
DETAILED SUMMARY – June 1 to 15, 2020

Jun 12	Summarize information requested by Torys, related communications with Stikeman and TGF; communications with TGF in advance of attendance before Justice Morawetz; attend call before Justice Morawetz and related follow-up call with TGF; communications with Stikeman regarding the status of various documents; call with R. Stuparyk; emails from E. Sellers regarding various matters; status update call with A. Hutchens; call with B. Linscome and follow-up email in respect of inquiry from Orion; call with Stikeman; review revised draft Meeting Order and related emails with TGF; call with TGF.	7.3
Jun 13	Call with E. Sellers regarding the draft Exit Cost Schedule and other matters; call with TGF regarding open items; review draft schedule of exit and post-exit costs and circulate same to senior lender group for comment; call with V. Flores; call with Torys; various emails in respect of fees matters.	4.5
Jun 14	Call with V. Flores; revise draft Exit Cost Schedule to incorporate comments from Torys and to prepare a draft filing version, various emails to follow-up on comments in respect of same, and related communications with V. Flores; communications with TGF regarding various matters; status update call with A. Hutchens; call with TGF on open items.	4.3
Jun 15	Emails regarding the board meeting scheduled for today and other related matters; email draft Exit Cost Schedule to Stikeman; communications with BMO regarding calculations of current debt balances, various related emails and calls with B. Linscome, and related discussion with Stikeman and TGF; call with E. Sellers; call with Stikeman and TGF; review the revised draft Fifth Report.	6.3
TOTAL – M. MacKenzie		93.9 hrs.



June 24, 2020

Lydian International Limited
5655 S Yosemite Street
Greenwood Village, CO
80111 USA

Attention: Mr. Edward Sellers, Interim CEO

RE: LYDIAN INTERNATIONAL LIMITED (the "Company")
CCAA INVOICE #13 (817642)

For professional services rendered in connection with our appointment as Monitor under the *Companies' Creditors Arrangement Act* pursuant to the Initial Order granted by the Ontario Superior Court of Justice (Commercial List) on December 23, 2019, for the period June 16 to 23, 2020.

BILLING SUMMARY

	<u>Hours</u>	<u>Rate</u>	<u>Total—in CAD</u>
A. Hutchens, Managing Director	9.2	\$860	\$7,912.00
M. MacKenzie, Senior Director	47.1	\$645	30,379.50
TOTAL AMOUNT DUE – in CAD	56.3		\$38,291.50

Mailing Instructions:

Alvarez & Marsal Canada ULC
Att: Audrey Singels-Ludvik
Royal Bank Plaza, South Tower
200 Bay Street, Suite 2900
P.O. Box 22
Toronto, ON M5J 2J1

Wiring Instructions:

Bank: TD Canada Trust
Account Name: Alvarez & Marsal Canada ULC
Swiftcode: TDOMCATTOR
Bank Address: 55 King Street West
Toronto, ON
Bank Transit #: 10202
Institution #: 0004
Account #: 5519970 (CAD)
Reference #: Lydian Int'l – CCAA Inv #13 (817642)
HST#: 83158 2127 RT0001

Lydian International Limited (“Lydian”) – 817642
DETAILED SUMMARY – June 16 to 23, 2020

<u>A. Hutchens</u>	<u>Hrs.</u>
June 16 Review and provide comments on iterations of the draft Fifth Report of the Monitor (the “Fifth Report”) and internal discussions and emails on aspects of same; review and finalize the Fifth Report for service.	3.7
June 17 Review the served Meeting Order and other aspects of the June 16 Motion Record.	1.0
June 18 Prepare for and attend by videoconference the Court hearing for acceptance of the CCAA Plan/Meeting Order; internal discussion regarding tomorrow’s creditors’ meeting and related matters; review the draft script for the creditors’ meeting and internal emails on same; internal emails regarding the Court report for reporting the voting results from the creditors’ meeting.	2.8
June 19 Review and provide comments on the draft Sixth Report of the Monitor (the “Sixth Report”) and internal emails related to same.	0.5
June 22 Review the revised draft Sixth Report incorporating comments from legal counsel and finalize same for service; read sample of emails from shareholders; internal discussion and emails on next steps.	0.8
June 23 Internal emails/emails with TGF on shareholder emails and other matters.	0.4
TOTAL – A. Hutchens	9.2 hrs.

<u>M. MacKenzie</u>	<u>Hrs.</u>
June 16 Communications with A. Hutchens regarding various matters; arrange for documents to be posted to the case website; review correspondence from Blakes and related emails with Stikeman and with TGF; call with V. Flores; review revised draft Fifth Report, provide further comments, and related communications with A. Hutchens; various emails with TGF and with A. Hutchens to finalize the Fifth Report; call with E. Sellers regarding matters related to debt schedule and funding mechanics.	7.0
June 17 Call with E. Sellers regarding funding matters and Armenian operations; review professional fee invoices and revise rolling DIP forecast; review invoices submitted by management for payment; call with B. Linscome; call with TGF on exit funding; review eighteenth DIP amendment and provide comments in respect of same.	6.8

Lydian International Limited (“Lydian”) – 817642
DETAILED SUMMARY – June 16 to 23, 2020

June 18	Review debt schedule prepared by the company and emails among E. Sellers, Stikeman and TGF regarding same; call with Stikeman and E. Sellers to discuss schedules to the Plan and matters related to today’s Court hearing; call with R. Dhir, D. Glavin, E. Sellers and B. Linscome regarding funding mechanics contemplated in the Plan, the associated schedules and aspects of the debt schedule; status update call with A. Hutchens; attend Court hearing by videoconference; review revised debt schedule and provide comments on same; review and further update rolling DIP forecast; emails with E. Sellers and management in respect of debt schedule, 17 th Amending Agreement to DIP, and information requested by E. Sellers in respect of cash flow and forecast liquidity; emails with TGF regarding preparation for meeting of Affected Creditors and review agenda and checklist in respect of same; status update call with A. Hutchens; call with B. Linscome; and various emails in respect of potential revisions to the Plan and preparation for the meeting of Affected Creditors.	8.5
June 19	Emails related to potential tax concerns; prepare for and chair meeting of Affected Creditors and work on report to Court in respect of same; call with D.J. Miller; review draft Sixth Report, provide comments in respect of same and related communications with A. Hutchens; update and other emails from E. Sellers; arrange for documents to be posted to the case website; calls with B. Linscome and various other emails.	5.0
June 21	Review revised draft Eighteenth Amending Agreement and send comments in respect of same to E. Sellers and to TGF, and follow-up with Orion; review comments on the draft Sixth Report and related emails with TGF; review the draft affidavit re: sanction motion.	4.0
June 22	Emails regarding the winding-up of U.S. Corp., review draft transition plan prepared by management; call with TGF regarding Seventh Report and sanction motion and work on report; call with A. Hutchens; review and respond to enquiries from B. Linscome; call with R. Bengino; emails with B. Linscome; work on fee affidavit and draft Seventh Report; call with E. Sellers, B. Linscome and M. Farrant and related follow-up associated with draw request.	7.0

Lydian International Limited (“Lydian”) – 817642
DETAILED SUMMARY – June 16 to 23, 2020

June 23	Communications regarding various exit matters; call with lenders and E. Sellers regarding transition matters; review draft letter to shareholders in response to correspondence sent to the Court and email TGF in respect of same; call with TGF and Stikeman regarding Court materials; review weekly cash flow results and draft variance analysis for prior two-week period; work on draft Seventh Report; review draft Sanction Order and provide comments in respect of same; call with B. Linscome regarding draws made under the Sixteenth Amendment and other related matters.	8.8
TOTAL – M. MacKenzie		47.1 hrs.

This is Exhibit “B” referred to in the
affidavit of Alan J. Hutchens
sworn before me by videoconference, this 25th day of June 2020.

A Commissioner for Taking Affidavits

**COURT-APPOINTED MONITOR OF
LYDIAN INTERNATIONAL LIMITED, LYDIAN CANADA VENTURES
CORPORATION AND LYDIAN U.K. CORPORATION LIMITED**

FOR THE PERIOD APRIL 16 TO JUNE 23, 2020

Invoice	Fees (\$)	Disbursements (\$)	Total Hours	Total Billed (\$)
9	52,417.00	2.26	78.1	52,419.26
10	31,712.50	23.20	47.7	31,735.70
11	22,360.00	150.00	34.3	22,510.00
12	65,209.50	-	99.3	65,209.50
13	38,291.50	-	56.3	38,291.50
Totals	209,990.50	175.46	315.7	210,165.96

This is Exhibit “C” referred to in the
affidavit of Alan J. Hutchens
sworn before me by videoconference, this 25th day of June 2020.

A Commissioner for Taking Affidavits

EXHIBIT "C"

**ALVAREZ & MARSAL CANADA INC.
COURT-APPOINTED MONITOR OF
LYDIAN INTERNATIONAL LIMITED, LYDIAN CANADA VENTURES
CORPORATION AND LYDIAN U.K. CORPORATION LIMITED**

FOR THE PERIOD APRIL 16 TO JUNE 23, 2020

Staff Member	Title	Total Hours	Rate (\$CAD)	Amuont Invoiced (\$CAD)
Alan Hutchens	Managing Director	29.6	860.0	25,456.00
Melanie MacKenzie	Senior Director	286.1	645.0	184,534.50
			Avg. Rate	
Total		315.7	665.16	209,990.50

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C 36, AS AMENDED,
AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF LYDIAN INTERNATIONAL LIMITED, LYDIAN CANADA VENTURES CORPORATION AND LYDIAN U.K. CORPORATION LIMITED

Court File No.: CV-19-00633392-00CL

	<p>ONTARIO</p> <p>SUPERIOR COURT OF JUSTICE (COMMERCIAL LIST)</p> <p>Proceeding commenced at Toronto</p>
	<p>AFFIDAVIT OF ALAN J. HUTCHENS (sworn June 25, 2020)</p>
	<p>THORNTON GROUT FINNIGAN LLP Barristers and Solicitors Toronto Dominion Centre 100 Wellington Street West, Suite 3200 Toronto, Ontario M5K 1K7</p> <p>D.J. Miller LSO# 344393P djmillier@tgf.ca</p> <p>Rachel Bengino LSO# 68348V rbengino@tgf.ca</p> <p>Tel: 416.304.1616 Fax: 416.304.1313</p> <p>Lawyers for the Monitor</p>

Appendix F

Fee Affidavit of D.J. Miller, sworn June 25, 2020

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

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

**AND IN THE MATTER OF THE PLAN OF COMPROMISE OR ARRANGEMENT OF
LYDIAN INTERNATIONAL LIMITED, LYDIAN CANADA VENTURES
CORPORATION AND LYDIAN U.K. CORPORATION LIMITED**

Applicants

**AFFIDAVIT OF D.J. MILLER
(Sworn June 25, 2020)**

I, **D.J. MILLER**, of the City of Toronto, in the Province of Ontario, **MAKE
OATH AND SAY AS FOLLOWS:**

1. I am a barrister and solicitor qualified to practice law in the Province of Ontario and I am a partner at Thornton Grout Finnigan LLP ("**TGF**"), lawyers for Alvarez & Marsal Canada Inc., the Court-appointed Monitor (the "**Monitor**") of the Applicants and, as such, I have knowledge of the matters to which I hereinafter depose. Unless I indicate to the contrary, the facts herein are within my personal knowledge and are true. Where I have indicated that I have obtained facts from other sources, I believe those facts to be true.

2. Attached hereto as **Exhibit "A"** are copies of the invoices issued to the Monitor by TGF for fees and disbursements incurred by TGF through the course of these proceedings between April 14, 2020 through to June 23, 2020.

3. Attached hereto as **Exhibit "B"** is a schedule summarizing each invoice in Exhibit "A", the total billable hours charged per invoice, the total fees charged per invoice and the average hourly rate charged per invoice.

4. Attached hereto as **Exhibit “C”** is a schedule summarizing the respective years of call and billing rates of each of the solicitors at TGF who acted for the Monitor.

5. To the best of my knowledge, the rates charged by TGF throughout the course of these proceedings are comparable to the rates charged by other law firms in the Toronto market for the provision of similar services.

6. The hourly billing rates outlined in **Exhibit “C”** to this affidavit are comparable to the hourly rates charged by TGF for services rendered in relation to similar proceedings.

7. I make this affidavit in support of a motion by the Applicants for, *inter alia*, approval of the fees and disbursements of the Monitor’s counsel.

SWORN before me by video conference
from the Town of Corbeil, in the Province
of Ontario, to the City of Toronto, in the
Province of Ontario this 25th day of June,
2020.

Commissioner for Taking Affidavits

D.J. MILLER