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**UNITED STATES BANKRUPTCY COURT
DISTRICT OF ARIZONA**

In re:
Elevation Gold Mining Corporation, et al,
Debtor in a Foreign Proceeding.

Chapter 15
(Jointly administered)
Case No. 2:24-bk-06359-EPB
Declaration of Neville Dastoor

I, Neville Dastoor, declare under penalty of perjury under the laws of the United States of America as follows:

1) I make the following statements based upon my personal knowledge and business records as to which I am the custodian.

2) I am a Principal of INFOR Financial Inc. (“INFOR”) with offices at 200 Bay Street, Toronto, Ontario. INFOR is a leading independent investment bank in Canada providing services in mergers and acquisitions, capital raising and debt restructuring across a wide range of industries, including the minerals and mining sector, which has been my focus for 20 years.

3) INFOR was initially engaged by Elevation Gold Mining Corporation to act as financial advisor to the above-captioned debtors (the “Group”) on August 9, 2023 which engagement was amended and restated by agreement dated June 4, 2024. INFOR has served as Sales Agent for the Group under the sale and investment solicitation process (the “SISP”) being conducted pursuant to an order of the Supreme Court of British Columbia in Vancouver dated August 12, 2024 which was made in connection with the

1 proceedings for the Group under Canada's Companies' Creditors Arrangement Act (the
2 "CCAA"). I am fully familiar with the Group's assets, business and financial
3 circumstances.

4 4) For more than a year, INFOR has focused its efforts on soliciting interest in
5 the Group's assets and business. Under my direction, more than 50 potential investors and
6 buyers have been contacted. Many of them signed confidentiality agreements and
7 conducted significant due diligence.

8 5) The Group has had to manage financial distress throughout the time of my
9 involvement. The Group has been cash flow negative even after curtailing payments on
10 its obligations. Prior to the commencement of the CCAA in August of this year, in the
11 face of continuing defaults and no improvement in the financial results of the business, the
12 Group's senior secured lender, Maverix Metals Inc. ("Maverix"), ceased funding. The
13 Group had to implement further, significant cost reductions to sustain the CCAA process.
14 This included suspending active mining operations. As a result, the business has been
15 limited to "beneficiation" of ore previously extracted from the Moss Mine. Under the
16 protection provided by the CCAA and the ancillary proceedings in the United States, the
17 Group has been operating on this scaled down basis to preserve liquidity.

18 6) The primary purpose of the CCAA has been to continue to operate in the
19 stabilized environment that results from filing for creditor protection while carrying out
20 the court-approved SISF so that a value maximizing transaction for the Group (or part of
21 it) could be completed. Completion of such a transaction is in the interest of all
22 stakeholders. After a wide solicitation process which canvassed strategic and financial
23 parties, the Group has identified and is now negotiating a proposed transaction which the
24 Group, my firm and the Monitor believe achieves the highest value in the circumstances
25 of this proceeding. Unfortunately, the value of the contemplated transaction, if
26 completed, will not be sufficient to repay Maverix's secured debt.

27 7) While the focus on beneficiation has preserved value, it is only a short-term
28 solution that cannot be sustained, which is evidenced from the cash flows filed in these

1 proceedings. Those cash flows reflect a declining cash balance from the present date to
2 the end of January 2025. Moreover, the proposed buyer's offer will not be available
3 indefinitely.

4 8) Without liquidity, the operations of the business would need to be
5 discontinued. There are multiple operational risks that could result in unforecasted cash
6 requirements of the business between now and the date a transaction is completed, and for
7 that reason, securing DIP financing is critical. A major or even minor mechanical failure
8 of one of the many pieces of equipment and/or infrastructure necessary to sustain the
9 operation, could have significant consequences on liquidity. For example, the Group
10 recently identified a tear in a solution pond liner at the Moss Mine which will require
11 approximately \$400,000 to fix. This repair will also defer gold production which reduced
12 revenue by approximately \$300,000 in October. The Group was able to manage its cash
13 during the time needed to fix the tear, but any additional unexpected capital requirements
14 may be beyond the Group's ability to manage. It is also important to note that the
15 Group's production over the next quarter is projected to be 30% lower than it was during
16 the first quarter of the CCAA process. Also, as gold is a highly volatile commodity, a
17 decline in prices back to where they were just a few months ago, would put the Group
18 under significant additional strain. Any unanticipated combination of these variables can
19 lead to a full shutdown. The proposed interim loan is a prudent measure to avoid that
20 outcome.

21 9) I am aware that both the secured lender (Maverix) and the lead bidder
22 support the proposed DIP financing, and the lead bidder is an affiliate of the proposed
23 interim lender. This, in my view, is an important consideration as the lead bidder may not
24 have an interest in completing a transaction if operations are discontinued as this will
25 make it challenging to restart operations, including rehiring key employees. It is notable
26 that unlike many transactions with buyer-affiliated DIP financing, here there are no case
27 milestones or other control mechanisms for the lender.
28

1 10) Based on my discussions with interested parties, including the lead bidder, it
2 is also critical to retain the expertise of key management and employees as the Group
3 works toward completing a sale. Amounts payable to retain key management and
4 employees under the key employee retention plan (the “KERP”) are critical and
5 reasonable in the circumstances for the following reasons:

6 a) the Moss Mine is located in a remote location and as a result, there is
7 a limited labour pool, and it is difficult for the Group to attract and retain employees;

8 b) there is presently a shortage of labour in the gold mining industry and
9 competitors are offering high salaries and signing bonuses to attract employees;

10 c) several important employees of the Group resigned earlier in these
11 proceedings and the Group cannot risk losing more critical employees;

12 d) the proposed payments to key employees are supported by the
13 secured lender (Maverix), the lead bidder, the proposed interim lender and the Monitor;

14 e) the lead bidder, as noted in paragraph 9 above, has advised that it is
15 important to it that the business continue to operate; and

16 f) since the proposed interim loan is meant to address contingencies, the
17 Group’s cash flow forecast does not show the need to draw on it to fund the KERP or
18 otherwise. For the type of “ordinary course” contingencies the interim financing is
19 intended to cover, it would be available to fund them to prevent disruptions in operations.
20 It is expected that the KERP will be paid from available cash flow and the proceeds of the
21 sale transaction.

22 11) Given the catastrophic consequences of a shutdown on the ability to
23 complete a sale, the Group has obtained a commitment for interim financing and has
24 agreed to an employee bonus arrangement (i.e. the KERP). Both of these were approved
25 by the Canadian Court by an order dated September 26, 2024. The Canadian court
26 authorized liens on the Group’s assets to secure advances, if any, under the interim
27 financing and the KERP. Maverix, which is expected to recover only a fraction of its
28 claims in a successful transaction, has agreed to subordinate its liens to accommodate the

1 additional liens. The Group has asked this Court to give effect in the United States to the
2 liens authorized by the Canadian Court.

3 12) The granting of interim financing and KERP liens are part of the “building
4 blocks” on which Canadian restructuring proceedings are premised. Each block assists a
5 debtor company to achieve its ultimate objective, i.e. in this case, the completion of a
6 going-concern sale transaction. The building block concept is foundational to Canadian
7 restructuring proceedings and is subject to the reasonable business judgement of the
8 debtor company and the Monitor, subject to Court approval. Court approval was obtained
9 in the circumstance.

10 13) Timing is tight. A condition to the interim financing is that an Order of this
11 Court giving effect to the liens on US assets must be obtained by November 15.

12 14) I am advised by the Group’s Canadian insolvency counsel that no party filed
13 a response to, or otherwise opposed the Canadian Court granting, the Group’s application
14 for an order approving the proposed DIP and KERP.

15 I make the foregoing declaration under penalty of perjury under the laws of the
16 United States. Executed at Toronto, Canada, on November 1, 2024.

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Neville Dastoor