



No. S-228723  
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

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

AND

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

AND

IN THE MATTER OF THE PLAN OF COMPROMISE AND ARRANGEMENT OF  
PURE GOLD MINING INC.

PETITIONER

**O R D E R MADE AFTER APPLICATION**

**(SISP AND SALES AGENT APPROVAL)**

BEFORE THE HONOURABLE  
JUSTICE WALKER

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)

November 9, 2022

THE APPLICATION of the Petitioner coming on for hearing at Vancouver, British Columbia, on the 9<sup>th</sup> day of November, 2022; AND ON HEARING Peter L. Rubin, Peter Bychawski, and Claire Hildebrand, counsel for the Petitioner, and those other counsel listed on **Schedule "A"** hereto; AND UPON READING the First Affidavit of Chris Haubrich affirmed on October 30, 2022, the Second Affidavit of Chris Haubrich affirmed on November 4, 2022 (the "**Second Haubrich Affidavit**"), the confidential Third Affidavit of Chris Haubrich affirmed on November 4, 2022, and the First Report of KSV Restructuring Inc. dated November 7, 2022; AND pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985 c. C-36 as amended, the British Columbia *Supreme Court Civil Rules*, and the inherent jurisdiction of this Honourable Court;

THIS COURT ORDERS AND DECLARES THAT:

1. The Sales and Investment Solicitation Process attached as **Schedule “B”** to this Order (the **“SISP”**) is hereby approved. Capitalized terms not defined herein shall have the meanings ascribed to them in the SISP.
2. The Petitioner, the Monitor, National Bank Financial Inc. (the **“Sales Agent”**) and their respective advisors (if applicable) are hereby authorized and directed to carry out the SISP and to take such steps and execute such documentation as may be necessary or incidental to the SISP.
3. The agreement dated as of November 1, 2022 between the Sales Agent and the Petitioner, a copy of which is attached as Exhibit “A” to the Second Haubrich Affidavit (the **“Sales Agent Agreement”**), is hereby approved, including, without limitation, the payment of the fees set out therein (collectively, the **“Sales Agent Compensation”**) and the Petitioner is authorized to continue the engagement of the Sales Agent on the terms set out in the Sales Agent Agreement.
4. The Sales Agent shall be entitled to the benefit of and is hereby granted a charge (the **“Sales Agent Charge”**) on the Property (as defined in the Amended and Restated Initial Order granted in this proceeding on November 9, 2022 (the **“ARIO”**)) as security for the Sales Agent Compensation. The Sales Agent Charge shall have such priority and protections as are set out in the ARIO.
5. The Petitioner, the Monitor and the Sales Agent and their respective affiliates, partners, directors, employees, advisors, agents, shareholders and controlling persons shall have no liability with respect to any losses, claims, damages or liability of any nature or kind to any person in connection with or as a result of the SISP or the conduct thereof, except to the extent of such losses, claims, damages or liabilities resulting from the gross negligence or willful misconduct of any of the foregoing in performing their obligations under the SISP (as determined by this Court).
6. Pursuant to Section 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, S.C. 2000, c.5 and Section 18(1)(o) of the *Personal Information Protection Act*, S.B.C. 2003, c.63, and any regulations promulgated under the authority of either Act or any equivalent enactments of the Province of Ontario, the Petitioner, the Sales Agent and the Monitor

may disclose personal information of identifiable individuals to Potential Bidders and their advisors in connection with the SISP, but only to the extent desirable or required to carry out the SISP. Each Potential Bidder (and their respective advisors) to whom any such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information solely to its evaluation of a transaction in respect of the Petitioner and the Property, and if it does not complete such a transaction, shall return all such information to the Petitioner, or in the alternative destroy all such information. The Successful Bidder shall be entitled to continue to use the personal information provided to it in a manner that is in all material respects identical to the prior use of such information by the Petitioner, and shall return all other personal information to the Petitioner, or ensure that all other personal information is destroyed.

7. Endorsement of this Order by counsel appearing on this application other than counsel for the Petitioner hereby dispensed with.

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



\_\_\_\_\_  
Signature of Peter L. Rubin  
Lawyer for the Petitioner

BY THE COURT



\_\_\_\_\_  
REGISTRAR



Schedule "A" to SISP Order

COUNSEL NAME	PARTY REPRESENTED
Glen Nesbitt	KSV Restructuring Inc., in its capacity as the Monitor
Colin Brousson	Sprott Private Resource Lending II (Collector), LP, Sprott Private Resource Lending II (CO), Inc., and Sprott Resource Lending Corp.
<del>_____</del>	<del>Linda Larouche</del>
<del>Rob Y. Moubarak</del>	<del>Epiroc Canada Inc.</del>
<del>William MacLarkey</del> Timothy Jones Julia Fyfe (student-at-law)	<del>His Majesty the King</del> Her Majesty the Queen in right of Ontario, as represented by the Ministry of Mines

## Schedule "B" to SISP Order

### PURE GOLD MINING INC. CCAA SALES AND INVESTMENT SOLICITATION PROCESS

#### INTRODUCTION

1. Pure Gold Mining Inc. (the "**Debtor**") obtained protection under the *Companies' Creditors Arrangement Act* (the "**CCAA**") pursuant to an Order (the "**Initial Order**") issued by the Supreme Court of British Columbia (the "**Court**") on October 31, 2022, as amended and extended by an Amended and Restated Initial Order dated November 9, 2022 (the "**ARIO**"). Pursuant to the Initial Order, as confirmed by the ARIO, KSV Restructuring Inc. ("**KSV**") was appointed as monitor of the Debtor (the "**Monitor**"). All capitalized terms used herein and not otherwise defined shall have the meaning ascribed to them in the ARIO.
2. On November 9, 2022, the Court issued an Order (the "**SISP Approval Order**") which, among other things, approved this Sales and Investment Solicitation Process (the "**SISP**") involving the Debtor and all the assets, undertakings and properties of the Debtor (collectively, the "**Property**"), including without limitation the interests of the Debtor in the Pure Gold Mine Project located in Ontario. The objective of the SISP is to maximize the recovery to the lenders and other stakeholders of the Debtor.
3. This SISP describes the way the Debtor, on the terms set out herein, will advance this SISP and how interested parties may gain access to due diligence materials concerning the Debtor and the Property, how bids involving the Property or Debtor, or any part or parts thereof, will be submitted and dealt with, and how required Court approval will be sought in respect of any transaction or transactions involving the Property or Debtor.
4. The terms of this SISP, including the requirements, criteria and timelines set out herein may be amended, extended, or waived by the Debtor with the consent of the Monitor or by further order of this Court. In determining whether to provide its consent, the Monitor shall first consult with Sprott Private Resource Lending II (Collector), LP ("**Sprott LP**"), in its capacity as the Debtor's first lien lender and Interim Lender, Sprott Private Resource Lending II (CO), Inc. ("**Sprott CO**") in its capacity as a party to the Production Payment Agreement and Gold Stream Agreement both dated August 6, 2019 and Sprott Resource Lending Corp. ("**Sprott Corp**") in its capacity as a party to the August 6, 2019 Security Sharing Agreement (collectively hereinafter, Sprott LP, Sprott CO and Sprott Corp. are referred to as "**Sprott**").
5. The Debtor has selected National Bank Financial Inc. (the "**Sales Agent**") to assist the Debtor in carrying out this SISP.

#### "AS IS, WHERE IS" BASIS

6. Any transaction involving the Property or the Debtor will be subject only to such representations, warranties, covenants, or indemnities as are expressly included in a Final Agreement (as defined herein), but will otherwise be on an "as is, where is" basis and without surviving representations, warranties, covenants or indemnities of any kind, nature, or description by the Debtor, or any of its agents, estates, advisors, professionals or otherwise, including without limitation the Monitor and the Sales Agent,

and in the event of a sale, all of the right, title and interest of the Debtor in and to the Property to be acquired will be, subject to the Court granting approval and any other required orders in the form contemplated by the relevant transaction, sold free and clear of all pledges, liens, security interests, encumbrances, claims, charges, options and interests therein and thereon, except those assumed pursuant to a Final Agreement.

### TIMELINE

7. The following table sets out the target dates under the SISP:

PHASES	TARGET DATES
SISP to commence	November 10, 2022
LOI Deadline	December 19, 2022
Final Bid Process commences	December 20, 2022
Final Bid Deadline	February 6, 2023
Final Agreement Deadline	February 21, 2023
Outside Closing Date	March 10, 2023

### SUPERVISION AND CONDUCT OF THE SISP

8. The Debtor, in consultation with the Monitor, may engage such other consultants, agents or experts and such other persons from time to time as may be reasonably necessary to assist the Debtor in carrying out this SISP.
9. The Monitor will oversee, in all respects, the conduct of the SISP by the Debtor and the Sales Agent and, without limitation to that supervisory role, and provided that Sprott confirms in writing to the Debtor and Monitor that neither it, nor any of its affiliates or related entities, are participating in the preparation, or submission of any bid pursuant to this SISP, whether by providing financing in connection with a bid by a prospective bidder or otherwise (the "**Sprott Confirmation**"), then the Monitor will consult with Sprott throughout the SISP and provide Sprott, on a confidential basis, with full access to copies of all bidder and sales information, including but not limited to bidder solicitation materials, LOIs, Final Bids and any definitive agreements and drafts in connection therewith, together with regular updates from the Debtor during the SISP. Until such time as Sprott provides the Sprott Confirmation, and notwithstanding any other provision of this SISP, the Debtor and Monitor may restrict their consultation with Sprott, and limit the provision of information and documents to Sprott, as otherwise required pursuant to this SISP, and in such manner as the Monitor in its professional judgment and sole discretion considers to be reasonable to preserve the integrity of this SISP.
10. To the extent that any Potential Bidders (defined below) wish to engage, discuss, or communicate with any party with an existing contractual relationship with the Debtor in relation to this SISP or the business or assets of the Debtor, such Potential Bidders may

only do so after advising the Monitor and obtaining the Monitor's consent. In considering any specific request, the Monitor shall impose such restrictions, if any, or participation by the Monitor, as the Monitor deems appropriate. Subject to the confidentiality obligations of Potential Bidders and Sprott, and provided the Monitor is notified in advance of any such discussions, nothing in this paragraph shall prevent any Potential Bidders from discussing a potential acquisition of Sprott's debt separate and apart from a transaction under this SISP. Sprott shall not disclose to any such Potential Bidders any information it has obtained concerning the conduct of the SISP, including, but not limited to the names or identities of any bidder contacted by the Sales Agent in carrying out the SISP, the names or identities of any bidder participating in the SISP, the number of bidders participating in the SISP, or the details of any potential bid.

11. The Debtor and Sales Agent shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations under this SISP and provide the Monitor with the assistance, information and documentation that is reasonably necessary to enable the Monitor to adequately carry out the Monitor's functions herein.
12. The Debtor, the Sales Agent, the Monitor and any of their agents, estates, advisors, and professionals are not responsible for, and will have no liability with respect to, any information provided to or obtained by any Potential Bidder in connection with the Debtor or its Property.
13. The Debtor, Sales Agent, Monitor, and Sprott shall keep confidential:
  - (a) the names, details, and all other non-public information related to Potential Bidders, LOIs, Qualified Bidders, Final Bids, Qualified Final Bids, the Successful Bidder, the Winning Bid, the Backup Bidder, the Backup Bid, and the Final Agreement, and;
  - (b) any other information provided to them and marked as confidential,

and shall only use such information to conduct this SISP, or as is reasonably necessary to seek directions from or make submissions to the Court, or to obtain, oppose, or otherwise make submissions regarding the approval of any Winning Bid or Back Up Bid (as hereinafter defined) all while taking such steps as may be reasonably necessary so as to preserve the confidentiality of such information and protect the integrity of the SISP.

## **PHASE 1 OF THE SISP PROCESS**

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

14. The Debtor and Sales Agent, in consultation with the Monitor, may, but are not required to, cause a notice regarding this SISP to be published in any publication in which the Debtor or Sales Agent determine notice of this SISP should be published.
15. The Debtor and Sales Agent, in consultation with the Monitor, will prepare a list of potential bidders (the "**Known Potential Bidders**") who may have an interest in a transaction involving the Property or the Debtor. Such list will include parties who, in the Debtor's and Sales Agent's reasonable judgment, may be interested in acquiring an interest in the Property or the Debtor, or any part or parts thereof, whether pursuant to an asset purchase transaction (an "**Asset Bid**") or some other investment, restructuring,

recapitalization or other form of reorganization of the business, property or affairs of the Debtor, including but not limited to the debt, share, or capital structure of the Debtor (a "**Restructuring Bid**").

16. The Debtor and Sales Agent will prepare an initial marketing or offering summary (a "**Teaser Letter**") and distribute it to the Known Potential Bidders together with any additional marketing materials the Debtor and Sales Agent consider appropriate, as well as a draft form of confidentiality agreement (the "**Confidentiality Agreement**").
17. Any Known Potential Bidder or other person wishing to submit an Asset Bid and/or a Restructuring Bid who (a) executes a Confidentiality Agreement in form and substance satisfactory to the Monitor, (b) in the judgment of the Debtor and Sales Agent, in consultation with the Monitor, appears to have a bona fide interest in submitting an Asset Bid and/or Restructuring Bid, and (c) in the judgment of the Debtor and Sales Agent, in consultation with the Monitor, appears to have the financial capabilities and the technical, managerial, and operational expertise and capabilities to make a viable Asset Bid or Restructuring Bid, shall be deemed to be a potential bidder (each such person so deemed, a "**Potential Bidder**").

#### **B. Initial Due Diligence**

18. The Debtor and Sales Agent may prepare such marketing or other materials in addition to the Teaser Letter as they deem appropriate describing the opportunity to make an Asset Bid or a Restructuring Bid for distribution to Known Potential Bidders and/or Potential Bidders.
19. The Debtor and Sales Agent shall provide Potential Bidders with access to an electronic data room that will contain information in the possession or control of the Debtor that in their reasonable business judgment will allow Potential Bidders to evaluate their interest in submitting an Asset Bid or a Restructuring Bid.

#### **C. Qualified LOI Process**

20. Any Potential Bidder who wishes to submit an Asset Bid or a Restructuring Bid must deliver a written, non-binding letter of intent in respect of the Property or the Debtor (each, an "**LOI**") to the Sales Agent and to the Monitor in the manner and at the addresses specified in **Schedule "A"** so as to be received by the Sales Agent and the Monitor not later than 5:00 p.m. (Pacific time) on **December 19, 2022** (the "**LOI Deadline**"). An LOI shall be a qualified LOI (each, a "**Qualified LOI**"), provided that it contains:
  - (a) an acknowledgment of receipt of a copy of this SISP, the SISP Approval Order, and agreement to accept and be bound by the provisions contained therein;
  - (b) a letter setting forth the identity of the Potential Bidder, the contact information for such Potential Bidder, and full disclosure of the direct and indirect owners of the Potential Bidder and their principals (without needing to disclose non-controlling interests, in the case of public companies only);
  - (c) an indication of whether the Potential Bidder wishes to tender (i) an Asset Bid; (ii) a Restructuring Bid; or (iii) both;



- (d) a specific indication of the anticipated sources of capital for such Potential Bidder and information regarding the Potential Bidder's financial, managerial, operational, technical, and other capabilities to consummate an Asset Bid or a Restructuring Bid, as applicable, and such additional information as may be requested by the Debtor, the Sales Agent, or the Monitor;
- (e) in the case of an Asset Bid, it identifies:
  - (i) the form of consideration for the proposed sale including the purchase price or price range in Canadian dollars and details of any liabilities to be assumed;
  - (ii) the Property included as part of the Asset Bid, any of the Property expected to be excluded, and/or any additional assets desired to be included in the transaction;
  - (iii) the structure and financing of the transaction including, but not limited to, the sources of financing to fund the acquisition, preliminary evidence of the availability of such financing or such other form of financial disclosure and credit-quality support or enhancement that will allow the Debtor, the Sales Agent, and the Monitor to make a reasonable business or professional judgment as to the Potential Bidder's financial or other capabilities to consummate the transaction and to perform all obligations to be assumed in such transaction and the steps necessary and associated timing to obtain financing and any related contingencies, as applicable;
  - (iv) any anticipated corporate, shareholder, internal or regulatory approvals required to close the transaction and the anticipated time frame and any anticipated impediments for obtaining such approvals;
  - (v) additional due diligence required or desired to be conducted by the Potential Bidder, if any;
  - (vi) any conditions to closing that the Potential Bidder may wish to impose; and
  - (vii) any other terms or conditions of the Asset Bid which the Potential Bidder believes are material to the transaction;
- (f) in the case of a Restructuring Bid, it identifies:
  - (i) an outline of the type of transaction or structure of the bid including with respect to any proposed restructuring, recapitalization, or other form of reorganization of the business, property, or affairs of the Debtor, including but not limited to the debt, share, or capital structure of the Debtor, as applicable;

- (ii) the aggregate amount of the equity and debt investment, including liabilities to be assumed by the Potential Bidder, to be made in the Debtor, if applicable;
  - (iii) the underlying assumptions regarding the pro forma capital structure (including the form and amount of anticipated equity and/or debt levels, debt service fees, interest or dividend rates, amortization, voting rights, or other protective provisions (as applicable), redemption, prepayment or repayment attributes and any other material attributes of the investment);
  - (iv) the consideration to be allocated to the stakeholders including claims of any secured or unsecured creditors of the Debtor;
  - (v) the financing of the transaction including, but not limited to, the sources of financing to fund the acquisition, preliminary evidence of the availability of such financing or such other form of financial disclosure and credit-quality support or enhancement that will allow the Debtor, the Sales Agent, and the Monitor to make a reasonable business or professional judgment as to the Potential Bidder's financial or other capabilities to consummate the transaction and to perform all obligations to be assumed in such transaction and the steps necessary and associated timing to obtain financing and any related contingencies, as applicable;
  - (vi) any anticipated corporate, shareholder, internal or regulatory approvals required to close the transaction, the anticipated time frame and any anticipated impediments for obtaining such approvals;
  - (vii) anticipated tax planning, if any;
  - (viii) additional due diligence required or desired to be conducted by the Potential Bidder, if any;
  - (ix) any conditions to closing that the Potential Bidder may wish to impose; and
  - (x) any other terms or conditions of the Restructuring Bid which the Potential Bidder believes are material to the transaction; and
- (g) such other information reasonably requested by the Debtor or Sales Agent, in consultation with the Monitor.

21. The Debtor, Sales Agent and Monitor shall retain full discretion and authority to discuss any LOIs received, and their terms, with the applicable Potential Bidders.
22. Following the LOI Deadline, the Debtor, and the Sales Agent, in consultation with the Monitor, will assess the Qualified LOIs. If it is determined by the Debtor and the Sales Agent, with the approval of the Monitor, that a Potential Bidder that has submitted a Qualified LOI: (a) has a bona fide interest in consummating an Asset Bid or a Restructuring Bid, as applicable; and (b) has the financial, managerial, operational, technical, and other capabilities to consummate an Asset Bid or a Restructuring Bid,

as applicable, then such Potential Bidder will be deemed a “**Qualified Bidder**”, provided that the Debtor and the Sales Agent may, in their reasonable business judgment, following consultation with Sprott, and with the approval of the Monitor, limit the number of Qualified Bidders (and thereby eliminate some Potential Bidders who have submitted Qualified LOIs from this SISP) taking into account the factors identified in paragraph 32 of this SISP. For greater certainty, no Potential Bidder who has submitted a Qualified LOI by the LOI Deadline will be deemed not to be a Qualified Bidder without the approval of the Monitor and Sprott.

23. Subject to the immediately following paragraph, the Debtor, in consultation with the Monitor and Sprott, may waive compliance with any one or more of the requirements specified above and deem non-compliant Potential Bidders to be Qualified Bidders.

## **PHASE 2 OF THE SISP PROCESS**

### **A. Due Diligence**

24. The Debtor and the Sales Agent, in consultation with the Monitor, will in their reasonable business judgment and subject to competitive and other business considerations, afford each Qualified Bidder such access to additional due diligence materials and information relating to the Property and the Debtor as they deem appropriate. Due diligence access may include management presentations, on-site inspections, and other matters which a Qualified Bidder may reasonably request and as to which the Debtor and the Sales Agent, in their reasonable business judgment and after consulting with the Monitor, may agree. For avoidance of doubt, and without limiting the terms of applicable Confidentiality Agreements, selected due diligence materials may be withheld from certain Qualified Bidders if the Debtor and the Sales Agent, with the approval of the Monitor, determine such information to represent proprietary or sensitive competitive information.
25. All Qualified Bidders will be provided with a form of draft asset purchase agreement (the “**Draft APA**”) that will serve as the basis for the submission of a Final Bid (as defined below) that is an Asset Bid.

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

26. Any Qualified Bidder may submit an Asset Bid or a Restructuring Bid (each, a “**Final Bid**”) to the Sales Agent and to the Monitor at the address specified in **Schedule “A”** hereto on or before 5:00 pm (Pacific Time) on **February 6, 2023** (the “**Final Bid Deadline**”).
27. A Final Bid submitted as an Asset Bid shall be a “**Qualified Asset Bid**” if:
- (a) it includes a duly authorized and executed purchase and sale agreement specifying all consideration payable, together with all exhibits and schedules thereto, and such ancillary agreements as may be required by the Qualified Bidder with all exhibits and schedules thereto, together with a blackline to the Draft APA provided to all Qualified Bidders;

- (b) it includes a letter stating that the Asset Bid is irrevocable until the earlier of (i) the approval by the Court, and (ii) thirty (30) days following the Final Bid Deadline; provided, however, that if such Asset Bid is selected as a Winning Bid (as defined below) or a Backup Bid (as defined below), it shall remain irrevocable until the closing of the Winning Bid or the Backup Bid, as the case may be;
- (c) it does not include any request or entitlement to any break fee, expense reimbursement or similar type of payment;
- (d) it includes written evidence of a firm, irrevocable commitment for all required funding and/or financing from a creditworthy bank or financial institution to consummate the proposed transaction, or other evidence of ability to consummate the proposed transaction that will allow the Debtor, the Sales Agent and the Monitor to make a determination as to the Qualified Bidder's (and its direct and indirect owners and their principals) financial and other capabilities to consummate the transaction contemplated by the Qualified Asset Bid;
- (e) it includes an acknowledgement and representation that the bidder (i) has had an opportunity to conduct any and all required due diligence prior to making its Asset Bid; (ii) has relied solely on its own independent review, investigation and inspection of any documents, the assets to be acquired and the liabilities to be assumed; (iii) did not rely upon any written or oral statements, representations, promises, warranties or guarantees whatsoever, whether express or implied, except as expressly stated in the purchase and sale agreement; and (iv) unless prior written consent of the Monitor has been obtained, has not coordinated its Final Bid or any aspect of its participation in this SISP with any Potential Bidder, Qualified Bidder, or any party with an existing contractual relationship with the Debtor, has kept and will continue to keep its Final Bid confidential, and has not entered into any agreement or arrangement with any Potential Bidder, Qualified Bidder, or any party with an existing contractual relationship with the Debtor which has affected or may, directly or indirectly, affect the bidder's Final Bid or the Final Bid of any other bidder and/or the SISP process generally.
- (f) it fully discloses the identity of each person that is bidding or otherwise that will be sponsoring or participating in the Asset Bid, including the identification of the bidder's direct and indirect owners and their principals (without needing to disclose non-controlling interests, in the case of public companies only), and the complete terms of any such participation;
- (g) it provides for closing of the proposed transaction by no later than **March 10, 2023** (the "**Outside Closing Date**");
- (h) it is accompanied by a refundable deposit (the "**Deposit**") in the form of a wire transfer (to a trust account specified by the Monitor), in an amount equal to five percent (5%) of the total value of all cash and non-cash consideration to be paid in respect of the Asset Bid, to be held and dealt with in accordance with this SISP;
- (i) it contains other information reasonably requested by the Debtor or Sales Agent or the Monitor; and
- (j) it is received by no later than the applicable Final Bid Deadline.

28. A Final Bid submitted as a Restructuring Bid shall be a **“Qualified Restructuring Bid”** if:
- (a) it includes definitive documentation, duly authorized, and executed by the Qualified Bidder, setting out the terms and conditions of the proposed transaction, including the aggregate amount of the proposed equity and debt investment, assumption of debt, if any, and details regarding the proposed equity and debt structure of the Debtor following completion of the proposed transaction;
  - (b) it includes a letter stating that the Restructuring Bid is irrevocable until the earlier of (i) the approval by the Court, and (ii) thirty (30) days following the applicable Final Bid Deadline; provided, however, that if such Restructuring Bid is selected as a Winning Bid or a Backup Bid, it shall remain irrevocable until the closing of the Winning Bid or the Backup Bid, as the case may be;
  - (c) it does not include any request or entitlement to any break fee, expense reimbursement or similar type of payment;
  - (d) it includes written evidence of a firm, irrevocable commitment for all required funding and/or financing from a creditworthy bank or financial institution to consummate the proposed transaction, or other evidence of ability to consummate the proposed transaction that will allow the Debtor, the Sales Agent and the Monitor to make a determination as to the Qualified Bidder’s (and its direct and indirect owners and their principals) financial and other capabilities to consummate the transaction contemplated by the Restructuring Bid;
  - (e) it includes an acknowledgement and representation that the bidder (i) has had an opportunity to conduct any and all required due diligence prior to making its Restructuring Bid; (ii) has relied solely on its own independent review, investigation and inspection of any documents, the assets to be acquired and the liabilities to be assumed; (iii) did not rely upon any written or oral statements, representations, promises, warranties or guarantees whatsoever, whether express or implied, except as expressly stated in the definitive documentation; and (iv) unless prior written consent of the Monitor has been obtained, has not coordinated its Final Bid or any aspect of its participation in this SISP with any Potential Bidder, Qualified Bidder, or any party with an existing contractual relationship with the Debtor, has kept and will continue to keep its Final Bid confidential, and has not entered into any agreement or arrangement with any Potential Bidder, Qualified Bidder, or any party with an existing contractual relationship with the Debtor which has affected or may, directly or indirectly, affect the bidder’s Final Bid or the Final Bid of any other bidder and/or the SISP process generally.
  - (f) it fully discloses the identity of each entity that is bidding or otherwise that will be sponsoring or participating in the Restructuring Bid, including the identification of the Qualified Bidder’s direct and indirect owners and their principals (without needing to disclose non-controlling interests, in the case of public companies only), and the complete terms of any such participation;

- (g) it provides for closing of the proposed transaction by no later than the Outside Closing Date (being **March 10, 2023**);
  - (h) it is accompanied by a refundable Deposit in the form of a wire transfer (payable to a trust account specified by the Monitor) in an amount equal to five percent (5%) of the total value of all cash and non-cash consideration to be paid or provided pursuant to the Restructuring Bid, to be held and dealt with in accordance with this SISP;
  - (i) it contains other information reasonably requested by the Debtor or Sales Agent or the Monitor; and
  - (j) it is received by no later than the applicable Final Bid Deadline.
29. All Qualified Asset Bids and Qualified Restructuring Bids shall constitute "**Qualified Final Bids**".
30. The Debtor, in consultation with the Monitor, may waive compliance with any one or more of the requirements specified above and deem non-compliant Final Bids to be Qualified Final Bids.

### **C. Selection of Winning Bid**

31. In reviewing the Qualified Final Bids and before determining a Winning Bid or Backup Bid (both as defined below), the Debtor, Sales Agent and Monitor shall retain full discretion and authority to discuss the bids received, and their terms, with the applicable Qualified Bidders.
32. The Debtor shall review all Qualified Final Bids, in consultation with the Sales Agent and the Monitor, to determine the highest or otherwise best Asset Bid or Restructuring Bid. Evaluation criteria will include, but are not limited to, matters such as: (a) the purchase price or net value being provided by such bid; (b) the conditionality of any bid; (c) the firm, irrevocable commitment for any required financing; (d) the timeline to closing of any bid; (e) the identity, circumstances and ability of the proponents of the Qualified Final Bids to successfully complete the transaction; (f) the costs associated with the bid and its consummation; and (g) the terms of the proposed transaction documents.
33. The Debtor shall, in consultation with the Monitor and Sprott, identify the highest or otherwise best Qualified Final Bid received for the Property, or part or parts thereof, as applicable (each, a "**Winning Bid**") and the next highest or otherwise best Qualified Final Bid received for the Property, or part or parts thereof, as applicable (each, a "**Backup Bid**"). A person or persons who make a Winning Bid shall be a "**Successful Bidder**" and a person or person who makes a Backup Bid shall be a "**Backup Bidder**".
34. The Debtor or Sales Agent, after consulting with the Monitor, shall notify a Successful Bidder, if any, a Backup Bidder, if any, and any other bidders of their respective status as soon as a reasonably practicable in the circumstances.
35. The Debtor or Sales Agent will notify a Backup Bidder, if any, that their bid is a successful Backup Bid and the Backup Bid shall remain open and capable of

acceptance by the Debtor until the earlier of (i) the consummation of the transaction contemplated by a Winning Bid; and (ii) the date that is 30 days after the applicable Final Agreement Deadline, as defined below, (the "**Backup Bid Release Date**"). For greater certainty, the Monitor shall be entitled to continue to hold the Deposit in respect of a Backup Bid until the Backup Bid Release Date.

36. The Debtor may, but shall have no obligation to, enter into an agreement or agreements with a Successful Bidder (a "**Final Agreement**"). Any Final Agreement entered into with a Successful Bidder shall be executed on or before **February 21, 2023** (the "**Final Agreement Deadline**").
37. The Debtor, with the consent of the Monitor and Sprott, has the right not to accept any Qualified Final Bid. The Debtor further has the right to deal with one or more Qualified Bidders to the exclusion of other Persons, to accept a Qualified Final Bid or Qualified Final Bids for some or all of the Property, to accept multiple Qualified Final Bids and enter into multiple Final Agreements.
38. Notwithstanding anything to the contrary in this SISP, the Debtor and the Monitor shall not, without the prior consent of Sprott, identify a Qualified Final Bid as a Winning Bid or a Backup Bid if such Qualified Final Bid would not result in the payment in full of the amounts owing to Sprott on closing.

#### **COURT APPROVAL ORDER**

39. If the Debtor enters into a Final Agreement in respect of a Winning Bid, a Backup Bid, or any other bid, the Debtor shall apply for an order from the Court approving the transaction contemplated by that bid and any necessary or appropriately related relief required to consummate the transaction contemplated by that bid. Court approval shall be a condition precedent to the consummation of any transaction or transactions contemplated by a Final Agreement. The Debtor may also (i) concurrently obtain relief approving the transaction contemplated by a Backup Bid and any necessary related relief required to consummate the transaction contemplated by a Backup Bid and (ii) if deemed necessary or advisable, seek approval of or other relief in respect of the Winning Bid and/or Backup Bid from the courts or governmental bodies in other relevant jurisdictions.

#### **DEPOSITS**

40. All Deposits paid pursuant to this SISP shall be held in trust by the Monitor in a non-interest-bearing account. The Monitor shall hold Deposits paid by each Winning Bidder and Backup Bidder in accordance with the terms of the Final Agreement with the Successful Bidder and the Backup Bidder, or as may be ordered by the Court.
41. If a Deposit is paid pursuant to this SISP, and the Debtor elects not to proceed to negotiate and settle the terms and conditions of a definitive agreement with the person that paid such Deposit, the Monitor shall return the Deposit to that Person.
42. If (a) a Qualified Bidder breaches any of its obligations under its Qualified Final Bid, any Final Agreement or the terms of this SISP (including the Confidentiality Agreement), or (b) a Qualified Bidder breaches its obligations under the terms of this SISP (including the Confidentiality Agreement) or under the terms of its Qualified Final Bid if required by the Debtor to complete such transaction contemplated by its Qualified Final Bid, then, in each

case, such Qualified Bidder's Deposit will be forfeited as liquidated damages and not as a penalty.

### **TERMINATION OF THE SISP**

43. If,

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

then this SISP shall, subject to any amendments, extensions or waivers granted in accordance with this SISP, terminate.



## **SCHEDULE "A" TO SISP**

### **Addresses for Deliveries**

Any delivery made to the Sales Agent pursuant to this SISP shall be made to:

National Bank Financial Inc.  
475 Howe Street, Suite 3000  
Vancouver, BC V6C 2B3

Attention: Morten Eisenhardt, Managing Director, Global Investment Banking  
Email: morten.eisenhardt@nbc.ca

Attention : Andrew Armstrong, Managing Director, Mergers & Acquisitions  
Email : andrew.armstrong@nbc.ca

Any delivery made to the Monitor pursuant to this SISP shall be made to:

KSV Restructuring Inc.  
150 King Street West, Suite 2308  
Toronto, Ontario, M5H 1J9

Attention: Bobby Kofman  
Email: bkofman@ksvadvisory.com

Attention: David Sieradzki  
Email: dsieradzki@ksvadvisory.com

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

No. S-228723  
Vancouver Registry

IN THE SUPREME COURT  
OF  
BRITISH COLUMBIA

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

AND

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

AND

IN THE MATTER OF THE PLAN OF COMPROMISE  
AND ARRANGEMENT OF

PURE GOLD MINING INC.

PETITIONER

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**ORDER MADE AFTER APPLICATION  
(KEY EMPLOYEE RETENTION PLAN APPROVAL)**

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