

## **Frequently Asked Questions**

### **CCAA Protection – Trevali Mining Corporation and Trevali Mining (New Brunswick) Ltd.**

#### **1. What is the CCAA?**

The *Companies' Creditors Arrangement Act* or "CCAA" is a federal law which gives companies short-term protection from their creditors so they can restructure their business and financial affairs under the supervision of the Court.

As part of the CCAA proceedings, the Court grants a "stay of proceedings" which prevents creditors and those having contracts with the Company from taking action against the Company, giving it time and stability to allow it to restructure its affairs while continuing to operate.

A monitor (the "Monitor") is appointed by the Court to oversee the restructuring and report periodically to the Court.

#### **2. Is the Company bankrupt?**

No. Under Canadian insolvency and restructuring laws, "bankruptcy" is a specific type of proceeding under which an insolvent company's operations are terminated and its assets are sold or "liquidated" by a trustee in bankruptcy.

The CCAA proceedings, amongst other things, prevent creditors from forcing the Company into bankruptcy. For this reason, CCAA proceedings are sometimes referred to as "bankruptcy protection".

#### **3. Why did the Company file CCAA?**

The Company's financial position has deteriorated significantly in 2022 resulting from among other things, a tragic flooding event in April 2022 which has caused the suspension of operations and production at the Perkoa mine as well as low productivity rates, operational challenges and an unfavourable fixed price contract in respect of the Caribou mine.

#### **4. What happens in a CCAA filing?**

The Company is given time to develop and implement a strategy to restructure its business and financial affairs. Generally, a business can be restructured through the sale of assets or a "plan of arrangement" under which the financial and operational affairs of the Company are restructured through compromises with creditors (for example, creditors settle for something less than the amount they believe they are owed, but more than they would receive in the event the Company were to liquidate its assets in a bankruptcy).

The Court will grant a "stay of proceedings" to prevent creditors from taking actions that could destabilize the Company or force it into bankruptcy.

Subject to the oversight of the Court, the Company remains in control of its business and operations and can take steps to complete its financial and operational restructuring and improve its long-term viability.

If a plan of arrangement has been developed, creditors are given the ability to vote on the plan. If the plan approved by the creditors and the Court, the Company implements the plan and "emerges" from CCAA, as a continuing business, completing the restructuring process.

## **5. What is the Monitor?**

The Monitor is an officer of the Court whose responsibilities include assisting the Company with its restructuring, reporting to the Court from time to time on the progress of the CCAA proceedings and, ultimately, providing a recommendation on any plan of arrangement or proposed transaction. In this case, FTI Consulting Canada Inc. has been appointed as Monitor.

The Company will be giving its full co-operation to the Monitor.

## **6. What is the Company's plan?**

The Company intends to stabilize its operations upon entering CCAA proceedings while conducting an orderly transition to care and maintenance operations at the Caribou mine; preserving its assets including its foreign subsidiaries; and pursuing and implementing a restructuring strategy.

## **7. How long will the CCAA proceeding take to complete?**

At this time, it is not possible to determine how long the proceedings will take to complete.

The Court has granted an initial stay of proceedings for 10 days, which is the maximum allowed by law on an initial application under the CCAA. The Company is entitled to request extensions of the stay of proceedings from time to time and these extensions are routinely granted as long as the Company continues to work in good faith and with due diligence towards completing a sale or restructuring.

## **8. Who is now in charge of the Company?**

The executive management team remains in charge of the Company and its operations, subject to the specific requirements of the Court Orders granted under the CCAA.

## **9. What does the filing mean for the Company's operations?**

The Company will continue to operate in normal course throughout the CCAA proceedings while Caribou transitions to care and maintenance operations.

We will provide additional details on the operational restructuring once plans have been finalized.

Information about the marketing process and other materials filed in connection with the CCAA can be found on the Monitor's website at: <http://cfcanada.fticonsulting.com/trevali/>.

## **10. Does the Company have sufficient financing to continue operations?**

Yes. The Company has sufficient financing to fund the Canadian operations through the CCAA proceedings.