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12 **IN THE UNITED STATES BANKRUPTCY COURT**
13 **FOR THE DISTRICT OF ARIZONA**

14 In re:

15 ELEVATION GOLD MINING
16 CORPORATION, et al.,

17 Debtor in a Foreign Proceeding.

18 In Proceedings Under Chapter 15

19 Case No. 2:24-bk-06359-EPB

20 Jointly Administered with:

21 Case No. 2:24-bk-06364-DPC
22 Case No. 2:24-bk-06367-BKM
23 Case No. 2:24-bk-06368-MCW
24 Case No. 2:24-bk-06370-EPB
25 Case No. 2:24-bk-06371-DPC

26 **PATRIOT GOLD'S AND NOMAD'S**
27 **JOINT OBJECTION TO REVISED**
28 **PROPOSED ORDER LODGED BY**
MONITOR RECOGNIZING
CANADIAN SALE ORDER

29 This Joint Objection (the “**Objection**”) is filed jointly by Patriot Gold Corporation
30 (“**Patriot Gold**”) and Nomad Royalty Company, Ltd. (“**Nomad**” and, collectively with
31 Patriot Gold, the “**Royalty Holders**”). At the end of the hearing held by the Court on
32 Friday, December 27, 2024 (the “**12/27 Hearing**”), the Court directed the Royalty Holders
33 to make a certain revision to the form of Order recognizing Canadian sale order they had
34 previously lodged, and to lodge the revised form of Order (along with a redline) for
35 consideration by the Court. The Royalty Holders did as the Court directed, and lodged a
36 revised form of proposed Order for entry by the Court on the afternoon of December 27

1 (the “**Royalty Holders’ Revised Order**”). See *Patriot Gold’s and Nomad’s Joint Notice*
2 *of Lodging Proposed Order Recognizing Canadian Sale Order* [Dkt. 145].¹

3 On Saturday, December 28, the Monitor filed an objection (the “**Monitor**
4 **Objection**”) to the Royalty Holders’ Revised Order [see Dkt. No. 146] and he lodged yet
5 another competing form of order (the “**Monitor’s Revised Order**”) [see Dkt. No. 147].

6 The Royalty Holders will not re-argue the points previously argued at the 12/27
7 Hearing (including that the Monitor’s proposed orders are entirely inconsistent with the
8 Monitor’s previous on the record representations to the Court and agreement that the
9 “GVC Residual Assets” would be held pending further Order of this Court). However,
10 the Royalty Holders file this limited Objection to address certain new points raised by the
11 Monitor in its Monitor Objection and Monitor’s Revised Order that are flatly wrong and/or
12 misleading:

13 1. The Monitor asserts that, unless it can consume the GVC Residual Assets,
14 it will lack the ability to pay for estate expenses and for estate professionals. See Monitor
15 Objection at 2–3. This is untrue and inconsistent with the Canadian Court’s Distribution
16 Order (which the Monitor also asked to be recognized). The Distribution Order makes
17 clear that estate expenses, including specifically professional fee claims, are to be reserved
18 from the *Sale Proceeds* from the sale of the GVC stock, which are separate and apart from
19 the GVC Residual Assets that GVC is transferring to Elevation. In this regard, the
20 Distribution Order provides:

21 3. Provided that no creditor provides written notice to the
22 Monitor (each a “Written Notice of Priority Claim”), within 30
23 days following the date on which the Monitor’s Certificate is
24 filed herein (the “Hold Period”), asserting that it has a claim
25 ranking in priority to Maverix’s interest in the Purchased Assets
26 (a “Priority Claim”), the Monitor is hereby authorized and
27 directed to distribute the net proceeds of the sale of the
Purchased Assets (the “Sale Proceeds”) to Maverix Metals, Inc.
 (“Maverix), **subject to the Monitor holding back sufficient
proceeds to satisfy any obligation which may be incurred by**

28 ¹ Unless specifically defined herein, capitalized defined terms used in this Objection will
have the meanings as defined in the Royalty Holders’ Revised Order.

1 **the Petitioners through to the conclusion of these**
2 **proceedings, including to pay any professional fees secured**
3 **under the Administration Charge (as defined in the**
4 **Amended and Restated Initial Order of this court made**
5 **herein on August 12, 2024), as the Monitor deems**
6 **appropriate, in its sole discretion.**

7 *See* Canadian Distribution Order (attached as Exhibit “2” to the Royalty Holders’ Revised
8 Order and separately filed with the Court at Dkt. No. 132-2 at p. 2, Sec. 3) (emphasis
9 added).²

10 2. The Monitor asserts that preservation of the GVC Residual Assets pending
11 determination of the competing claims against same is somehow inconsistent with the
12 Canadian Court’s ARIO. *See* Monitor Objection at 3–4. This is untrue. The ARIO only
13 provides authority for the Debtors (called “Petitioners” in the Canadian Orders) to pay
14 certain expenses reasonably necessary “in carrying on the [Debtors’] Business in the
15 ordinary course following the Order Date, and in carrying out the provisions of this Order
16 . . .”. *See* ARIO at Sec. 7. Of course, after the closing of the sale of the GVC stock
17 requested by the Monitor and the Debtors, there will be no “ordinary course” business
18 expenses of the Debtors’ because the business is sold to, and run by, the buyer. Moreover,
19 nowhere does the Canadian Court authorize (much less direct) that payment of expenses
20 is to come from the GVC Residual Assets. Rather, as discussed in Paragraph 1 above, the
21 Canadian Court has ruled expressly that payment for such expenses is to be reserved from
22 the Sale Proceeds.

23 3. The Monitor asserts that the Royalty Holders have somehow tried to modify
24 the definition of “GVC Residual Assets” in the Royalty Holders’ Revised Order. *See*
25 Monitor Objection at 4–5. This is untrue. The Royalty Holders’ Revised Order refers to
26 the GVC Residual Assets as follows – “All ‘GVC Residual Assets’ (as defined in the
27 Canadian Sale Order) transferred from GVC to Elevation Gold under the Canadian Sale
28 Order, including all pre-sale closing cash, accounts receivable, and rights to proceeds from

² The August 12, 2024 Amended and Restated Initial Order (the “**ARIO**”) referenced by the
Canadian Court in the quoted passage from the Distribution Order is the same order the Monitor
cites in his Monitor Objection.

1 mineral extraction . . .”. See Royalty Holders’ Revised Order at 4. This is entirely
2 consistent with the Canadian Sale Order (it actually states that the Canadian Sale Order
3 definition controls), and does not in any way expand, limit, or otherwise alter, the phrase
4 “GVC Residual Assets” as used in the Canadian Sale Order. The Canadian Sale Order
5 incorporates the defined terms from the Agreement of Purchase and Sale between GVC
6 and the Buyer (the “APS”). See Canadian Sale Order (attached as Exhibit “1” to the
7 Royalty Holders’ Revised Order and separately filed with the Court at Dkt. No. 132-3 at
8 p. 2, Sec. 2).

9 The APS defines “GVC Residual Assets” as:

10 (i) all of GVC’s cash and cash equivalents, bank deposits, bank
11 balances, and moneys in possession of banks, the Monitor and
12 other depositories; (ii) any Accounts Receivable from Refinery;
13 and (iii) any deposits of GVC held in trust accounts to secure
14 payment of the reasonable fees and disbursements of the
15 Monitor, the Sales Agent and any professional advisors of
16 GVC, the Seller or the Monitor.

17 See APS at Sec. 1.1 (oo).

18 The APS defines “Accounts Receivable from Refinery” as:

19 [A]ccounts receivable or other amounts due, owing or accruing
20 due to GVC or the Seller from any refinery, whether such
21 amounts become due, owing or accruing, before or after
22 Closing, in respect of any gold or silver processed or to be
23 processed from any ore produced from the Moss Mine that is
24 received by any such refinery prior to Closing, whether such ore
25 is processed before or after Closing, whether such amounts are
26 current or overdue, together with all interest accrued on such
27 items without deduction or reserve for uncollectible amounts.

28 See APS at Sec. 1.1(b)

4. The Monitor asserts that the Royalty Holders have not quantified the amount
of their claims. See Monitor Objection at 5. This is misleading. The Monitor admits that
the Debtors have failed to pay at least \$2 million of required royalty payments to the
Royalty Holders. Moreover, the Debtors have failed to provide required accountings and
other documentation necessary for the Royalty Holders to determine the exact amount of
royalty payments wrongfully withheld and converted by the Debtors. This is one of the

1 specific issues raised in the pending Adversary Proceedings filed by the respective Royalty
2 Holders, which include claims for an accounting from the Debtors.

3 WHEREFORE, the Royalty Holders request that the Court enter the Royalty
4 Holders' Revised Order, which includes the change requested by the Court at the 12/27
5 Hearing.

6
7 DATED this 30th day of December, 2024.

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