

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

**Lewis Roca Rothgerber Christie LLP**

One South Church Avenue, Suite 2000  
Tucson, AZ 85701-1611

**Robert M. Charles, Jr.** (State Bar No. 07359)  
Direct Dial: 520.629.4427  
Direct Fax: 520.622.3088  
Email: RCharles@lewisroca.com

**Ken Coleman** (*pro hac vice*)  
2628 Broadway  
New York, NY 10025  
Tel. 646.662.0138  
Email: ken@kencoleman.us

*Attorneys for KSV Restructuring Inc., as Monitor*

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF ARIZONA

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

Chapter 15  
Case No. 2:24-bk-06359-EPB  
(Jointly Administered)

**Notice of Filing**

Date: October 29, 2024  
Time: 10:00 a.m.  
Location: Telephonic

NOTICE IS HEREBY GIVEN that KSV Restructuring Inc., as Monitor, hereby files the following documents filed in the Canadian Proceeding that relate to this matter.

- 3<sup>d</sup> Affidavit of Tim Swendseid dated September 19, 2024 (**Exhibit H**);
- 5<sup>th</sup> Affidavit of Tim Swendseid sworn October 21, 2024 (**Exhibit I**);
- Notice of Application October 21, 2024 (**Exhibit J**);
- Third Report of the Monitor, filed October 23, 2024 (**Exhibit K**).

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

DATED this 26th day of October, 2024.

LEWIS ROCA ROTHGERBER CHRISTIE LLP

By: /s/ Robert M. Charles, Jr.

Robert M. Charles, Jr.

AND

By: /s/ Ken Coleman

Ken Coleman (*pro hac vice*)

Attorneys for KSV Restructuring Inc. as Monitor

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

**CERTIFICATE OF SERVICE**

I certify that on this 26th day of October, 2024, I electronically transmitted the attached document to the Clerk’s office using the CM/ECF System for filing and served through the Notice of Electronic Filing automatically generated by the Court’s facilities.

/s/ Renee L. Creswell  
Lewis Roca Rothgerber Christie LLP



This is the 3<sup>rd</sup> Affidavit of Tim Swendseid  
in this case and was made on September 19, 2024

NO. S- 245121  
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, AS AMENDED

AND

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

AND

IN THE MATTER OF ELEVATION GOLD MINING CORPORATION, ECLIPSE GOLD  
MINING CORPORATION, ALCMENE MINING INC., GOLDEN VERTEX CORP.,  
GOLDEN VERTEX (IDAHO) CORP., and HERCULES GOLD USA, LLC

**AFFIDAVIT**

I, Tim Swendseid, of 15889 W. 62<sup>nd</sup> Pl., in the City of Arvada, in the State of Colorado, United  
States of America, SWEAR THAT:

1. I am the Chief Executive Officer and a Director of the Petitioner, Elevation Gold Mining Corporation ("**Elevation Gold**"), and as such have personal knowledge of the facts and matters hereinafter deposed to, save and except where the same are stated to be made upon information and belief, in which case the source of information is disclosed and I verily believe the same to be true.
2. I am also the sole director and an officer of each of Eclipse Gold Mining Corporation, Golden Vertex Corp. ("**Golden Vertex**"), and Golden Vertex (Idaho) Corp. ("**Golden Vertex Idaho**"). By virtue of my positions with these Petitioners, I have personal knowledge of the facts and matters deposed to herein with respect to these entities.
3. Capitalized terms used herein and not otherwise defined have the meaning given to them in my 1<sup>st</sup> Affidavit sworn on July 29, 2024 (the "**First Affidavit**") or my 2<sup>nd</sup> Affidavit, sworn August 8, 2024 (the "**Second Affidavit**").

**I. INTRODUCTION / OVERVIEW**

4. This Affidavit is made in support of an application by the Petitioners for:

- (a) an order, amongst other things:
- (i) approving an interim financing facility (the “**Interim Financing Facility**”) in the maximum principal amount of \$2,000,000 USD to be made available to Elevation Gold, Golden Vertex and Golden Idaho (collectively, the “**Borrowers**”) by KIA II LLC in its capacity as an interim lender to the Borrowers (in such capacity, the “**Interim Lender**”) pursuant to an interim lending term sheet (the “**Interim Financing Term Sheet**”);
  - (ii) granting an “**Interim Lender’s Charge**” as security for the Borrowers’ obligations to the Interim Lender pursuant to the Interim Financing Term Sheet; Borrowers
  - (iii) approving a key employee retention program (the “**KERP**”);
  - (iv) granting a “**KERP Charge**” over the Property to secure the Petitioners’ obligations under the KERP;
  - (v) providing for the relative priority of the Interim Lender’s Charge and KERP Charge in relation to the court-ordered priority charges set out defined in the ARIO (as defined herein); and
  - (vi) removing Alcmene Mining Inc. (“**Alcmene Mining**”) and Hercules Gold USA, LLC (“**Hercules Gold**”) as Petitioners in these proceedings, terminating these proceedings with respect to those entities, and amending the style of cause of these proceedings accordingly;
- (b) an order sealing the Confidential 4<sup>th</sup> Affidavit of Tim Swendseid sworn on September 19, 2024 (the “**Confidential Swendseid Affidavit**”) on the Court file; and
- (c) such further and other relief as counsel may request and this Honourable Court may deem just.

## II. RECENT ACTIVITIES

### A. The SISP

5. As detailed in the Second Affidavit, the SISP is divided into two phases, each with various interim steps and associated deadlines, as follows:

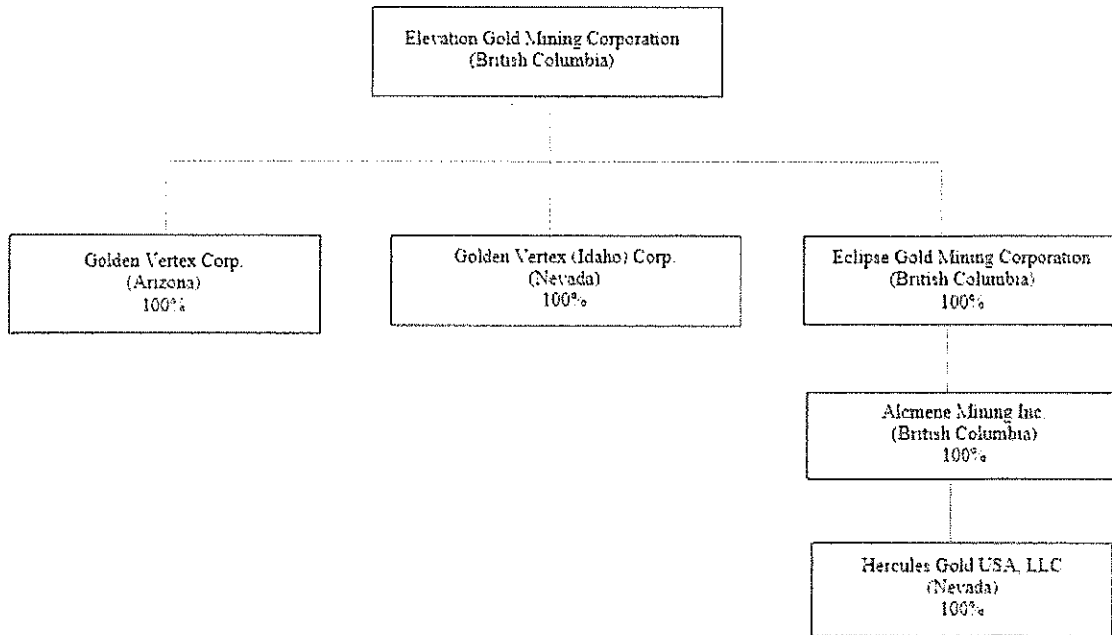
PHASE	STEPS	TARGET DATES
Phase 1	SISP to commence	August 12, 2024
	LOI Deadline	September 13, 2024
Phase 2	Final Bid Process Commences	September 19, 2024

PHASE	STEPS	TARGET DATES
	Final Bid Deadline	October 18, 2024
	Determination of Successful Bidder	October 25, 2024

6. In connection with the SISP, INFOR prepared a teaser, which it then circulated with a confidentiality agreement to 47 potential purchasers and investors, including publicly traded mining companies, privately held mining companies, and various private equity firms and investment funds. Interested parties were required to sign a confidentiality agreement to obtain access to a virtual data room that was set up by the Petitioners.
7. The Petitioners and INFOR responded to numerous due diligence requests from interested parties and facilitated two onsite visits to the Moss Mine. Multiple offers were received in Phase 1 of the SISP and Phase 2 has now commenced.

**B. Sale of the Hercules Property**

8. Throughout the summer of 2024, the Petitioners were engaged in conversations with Strikepoint Gold Inc. (“**Strikepoint**”) about the potential purchase of the Hercules Gold.
9. At the time of the First Affidavit, the corporate structure for the Petitioners was as follows:



10. In August 2024, the Petitioners received an offer from Strikepoint to purchase 100% of the shares of Alcmene Mining for \$250,000 (the “**Hercules Transaction**”). Subsequently, the Petitioners:

- (a) received approval for the Hercules Transaction from the Elevation Gold Board of Directors on August 27, 2024;
  - (b) consulted with INFOR who advised that the Hercules Transaction would not impact the SISP or the marketability of the Petitioners' main assets; and
  - (c) advised the Monitor of the Hercules Transaction and obtained its approval for the same.
11. Eclipse Gold then entered into a Share Purchase Agreement with Strikepoint dated August 29, 2024, pursuant to which Eclipse Gold sold 100% of the shares of Alcmene Mining to Strikepoint for \$250,000 CAD. On or around September 3, 2024 the TSX Venture Exchange provided its approval for the Hercules Transaction.
  12. As part of the Hercules Transaction, Strikepoint assumed the obligation of Hercules Gold to pay annual fees to the US Bureau of Land Management of approximately \$258,000 USD in order to preserve the various unpatented mining claims with respect to the Hercules Property.
  13. As Strikepoint now owns the shares of Alcmene Mining, the Petitioners wish to remove Alcmene Mining and Hercules Gold from these proceedings and understand that the Monitor is in support of this.

**C. Chapter 15 Proceedings**

14. At a hearing held on August 27, 2024, the United States Bankruptcy Court for the District of Arizona held that this CCAA proceeding should be recognized as a foreign main proceeding under chapter 15 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532. An order to that effect was entered on September 16, 2024.

**D. General Operations**

15. As discussed in the First Affidavit, to enable the Petitioners to remain cash flow positive throughout these proceedings without interim financing, Elevation Gold's management determined that an interim cessation of active mining from the open pits at the Moss Mine should take place, and that operation of the beneficiation facilities would allow the Petitioners to continue to produce gold and silver from the ore held in the leach pads at the Moss Mine.
16. As part of this process the Petitioners have worked with their employees and vendors to stabilize operations following the cessation of active mining. This has involved re-assigning some employees to different tasks and engaging with certain vendors who are important to the beneficiation process.
17. Since the commencement of these proceedings, the Petitioners have focused on the beneficiation process. This includes:
  - (a) organizing the removal of explosives and contaminated infrastructure associated with explosives;

- (b) organizing, planning and commencing the reshaping the leach pad to improve the recovery of additional gold and silver and prepare for ultimate reclamation;
  - (c) removing pre-crusher stockpiled ore, crushing the same, and placing the resulting product on the leach pad to recover additional gold and silver; and
  - (d) organizing and conducting maintenance of the access road to the mine for the purpose of safety and dust control.
18. Additionally, the Petitioners managed their relationships with key stakeholders, including by engaging with their senior secured lender Maverix in order to provide updates and seek their consent to the Interim Financing Facility and the KERP (discussed below), and meeting with local, state and federal authorities to discuss the ongoing CCAA proceedings.

### III. INTERIM FINANCING

19. Prior to the commencement of the CCAA proceeding, Maverix advised the Petitioners that it would not provide additional funding by way of an interim financing facility or otherwise. INFOR, in its capacity as the Petitioners' financial advisor, also contacted more than 10 parties who were believed to have the expertise and resources necessary to provide interim financing. These parties declined to provide such financing.
20. The Petitioners have remained cash flow positive thus far with the cessation of active mining operations. The most recent cash flow indicates that the Petitioners should be able to continue to operate until at least the end of November 2024. This, however, assumes the continued cessation of active mining at the Moss Mine. If the Petitioners were to restart active mining operations, they would require additional capital. The Petitioners may also require additional capital if they have operational issues resulting in additional costs that are not presently in the cash flow or if the actual revenues projected in the cash flow are less than forecasted.
21. To provide a contingency in the event of operational issues and lower than forecasted revenues, as well as a source of funding if the Petitioners were to recommence active mining operations, the Petitioners have agreed with the Interim Lender on the terms of an Interim Financing Term Sheet pursuant to which the Interim Lender will make the necessary Interim Financing available to the Petitioners.
22. The terms of the proposed Interim Financing Term Sheet are summarized as follows (with capitalized terms not otherwise defined in this affidavit having the meanings ascribed to them in the Interim Financing Term Sheet):

<b>Borrowers</b>	Elevation Gold, Golden Vertex, and Golden Idaho (collectively, and on a joint and several basis, the " <b>Borrowers</b> ", and each a " <b>Borrower</b> ").
<b>Lender</b>	KIA II LLC.
<b>Purpose</b>	To fund working capital and general corporate needs of the Borrowers during, as well professional fees, costs and expenses incurred by the



	Borrowers in connection with, the CCAA Proceedings.
<b>Interim Facility</b>	A non-revolving loan up to the maximum principal amount of \$2,000,000 USD (the “ <b>Maximum Amount</b> ”).
<b>Maturity Date</b>	The earlier of: (a) March 31, 2025; (b) the date on which the CCAA proceedings or Stay of Proceedings is terminated; (c) the closing of a sale or similar transaction for all or substantially all of the assets and business of the Borrowers pursuant to the SISP; (d) the implementation of a plan of compromise or arrangement within the CCAA proceedings; or (f) the occurrence of an Event of Default.
<b>Interest Rate</b>	15% per annum.
<b>Fees</b>	<ol style="list-style-type: none"> <li>1. A commitment fee equal to 2% of the Maximum Amount which shall be fully earned upon the granting of an Order (the “<b>Interim Financing Order</b>”) (i) approving the Interim Financing Term Sheet, (ii) authorizing the Borrowers to borrow up to the Maximum Amount, and (iii) granting the Interim Lender’s Charge.</li> <li>2. An exit fee equal to 2% of the outstanding amounts under the Interim Financing as at the Maturity Date or at the time all amounts owed under the Interim Financing Term Sheet (the “<b>Obligations</b>”) are to be repaid.</li> <li>3. Reasonable and documented legal fees of the Interim Lender to a maximum amount of \$20,000 USD incurred by the Interim Lender in connection with the Interim Financing Term Sheet.</li> </ol>
<b>Interim Financing Charge</b>	All Obligations shall be secured by the Interim Lender’s Charge which shall rank after the Administration Charge, the Sales Agent Charge and any other charge or encumbrance which the Interim Lender, in its sole discretion, agrees may rank ahead of the Interim Lender’s Charge.
<b>Conditions Precedent</b>	(1) by no later than October 15, 2024, the Interim Financing Order shall be granted; (2) by no later than November 15, 2024, the United States Bankruptcy Court District of Arizona shall grant an order recognizing and giving effect to the Interim Financing Order, in the United States; (3) the cash flow projection shall be acceptable to the Interim Lender; (4) the ARIO shall be in force; (5) the representations and warranties within the Interim Financing Term Sheet shall be true; and (6) no event of default shall have occurred.

23. The Petitioners’ management believes that the terms of the Interim Financing Term Sheet are reasonable and appropriate in the circumstances given (a) the Petitioners’ need for an additional source of funding to implement their restructuring efforts if they were recommence active mining, encounter operational issues, or lower than forecasted revenue; and (b) the consent to the Interim Financing Term Sheet by Maverix, the Petitioners’ senior secured creditor.

24. In the circumstances, I believe that the approval of the Interim Financing Facility will provide the Petitioners with needed capital in the event that the Petitioners, in consultation with the Monitor, determine that resuming active mining operations is in the best interest of the Petitioners and their stakeholders. The Interim Financing Facility will also provide the Petitioners with capital in the event of negative cash flow variances and to address unplanned operational issues that arise during these proceedings.
25. I do not believe that any creditor will be materially prejudiced because of the approval of the Interim Financing Facility or the granting of the Interim Lender's Charge.

#### **IV. THE KEY EMPLOYEMENT RETENTION PROGRAM**

##### **A. The need for the KERP**

26. The Petitioners have made significant strides towards their restructuring goals since the Initial Order was granted. As is described in greater detail in the Second Affidavit, these efforts have included the development of the SISP to solicit offers to purchase, or invest in, the Petitioners or their assets, and the engagement of INFOR to conduct the SISP.
27. In the weeks since the Petitioners obtained CCAA protection, their employees and officers have been working diligently to consider and implement the steps required to both stabilize and restructure the Petitioners business with the assistance of the Monitor. In particular, certain key employees (the "**Key Employees**") have recently expended significant time and effort in demanding circumstances to stabilize the Petitioners business and preserve value for their stakeholders.
28. The Petitioners have had to lay-off approximately 38 employees involved in active mining and crushing operations at the Moss Mine. After the lay-offs, six employees, representing 12% of the total remaining employees have resigned. As with any company in CCAA protection, there is significant concern about the uncertainty surrounding the employment future of current employees the Petitioners or a prospective purchaser of their business.
29. Challenges facing the Petitioners include: (i) the continued need to manage and operate a complex business in strained financial circumstances; (ii) the cross border aspects of the Petitioners' business and operations; and (iii) the significant work required to guide the Petitioners' restructuring efforts in addition to day-to-day business operations.
30. The Petitioners have determined it is in the Petitioners' and their stakeholders' best interests that steps be taken to facilitate the continued retention of the Key Employees. The Petitioners have identified ten Key Employees who will participate in the proposed KERP.
31. The Key Employees are drawn from a broad range of various teams and departments within the Petitioners' business and include members of their senior management, operations, human resources, environmental, and finance teams. They collectively provide critical leadership, experience, and day-to-day operational oversight of the Petitioners' business operations. They have historical knowledge of, and familiarity with, the Petitioners' business and operations, and significant experience and expertise.

32. In particular, amongst other things, the Key Employees: (i) interact with potential suitors and provide them information on the Petitioners' business; (ii) ensure all financial and accounting aspects of the CCAA proceedings and operations are monitored and managed; (iii) are responsible for various corporate governance matters; and (iv) are critical to ongoing operations and transitioning to new ownership in the event of a sale of the Petitioners' assets.
33. The Petitioners have also considered the roles of the Key Employees in both their ongoing business operations and their restructuring efforts in light of the roles played by both the Monitor and the proposed Sales Agent and do not believe there is any unwarranted duplication of roles. The Petitioners believe the retention of the Key Employees will reduce the costs of the professionals involved in these proceedings. For example, a loss of financial staff may require additional involvement by the Monitor.
34. It is the Petitioners' view that while not only will the Key Employees face a significantly increased workload during these CCAA proceedings, they will also have other, more certain employment opportunities available to them with other companies due to their experience and expertise. Without the benefit of the KERP, the Petitioners are highly concerned that the Key Employees would consider accepting other employment opportunities.
35. The departures of additional key employees would be costly, disruptive, and detrimental to the Petitioners' restructuring efforts. Most of the Key Employees have irreplaceable knowledge with respect to the Petitioners' business operations. Even if it were possible to replace any of the Key Employees externally, which is highly uncertain, it would be expensive and time consuming to do so. Further departures are also likely to result in additional challenges on the Petitioners in terms of work and morale at a time that the Petitioners are most in need of stability and continuity, and the Petitioners believe that retention of the Key Employees will help to ensure a supportive work environment and avoid an exodus of employees more generally.

**B. The KERP Terms and Charge**

36. The "**Retention Bonus**" paid to the Key Employees under the KERP will be paid in two parts, upon the occurrence of the following events (each a "**Completion Event**"):
  - (a) 20% of the Retention Bonus will be paid on November 15, 2024; and
  - (b) 80% of the Retention Bonus will be paid no later than 60 days following the completion of a transaction or concurrently with the termination of the Petitioners proceedings under the CCAA.
37. A Key Employee's entitlement to receive the Retention Bonus is contingent on each Key Employee meeting certain eligibility and payment criteria, namely:
  - (a) the Petitioners have determined that such employee is essential to the stability of the Petitioners' business and/or will enhance the effectiveness of the SISP;

- (b) the Monitor has consented to such employee participating in the KERP and to the terms on which such employee may receive payment under the KERP; and
  - (c) Key Employees must be actively employed with the Petitioners until the applicable bonus payment date, must be performing their duties and responsibilities through to such payment date; or are terminated without cause before the applicable bonus is due and payable.
38. A Key Employee is not eligible for a Retention Bonus payment if, before a Completion Event, they are terminated for cause or if they resign.
  39. It is anticipated that the Retention Bonus amounts payable under the KERP will be funded out of the Petitioners' cash flow. However, to ensure that the Key Employees receive reasonable assurances that their entitlements under the KERP are secure given the Petitioners' insolvency, the Petitioners' request a charge (the "KERP Charge") in respect of their obligations under the KERP in an amount of no more than US \$870,417 on account of anticipated Retention Bonus payments.
  40. The proposed KERP Charge would rank after the Administration Charge, the Sales Agent Charge, the Interim Lender's Charge and the D&O Charge (but before the Intercompany Advances Charge).
  41. In the above circumstances, the Petitioners believe that the amounts payable to the Key Employees under the KERP and the provision of the KERP Charge are reasonable and appropriate in the circumstances.
  42. The Board of Directors of Elevation Gold has approved of the terms of the KERP, the identity of the Key Employees, and the amounts payable to the Key Employees under the KERP.
  43. As mentioned above, the Monitor has been involved with the development of the KERP. It is my understanding that the Monitor is supportive of this Court's approval of the KERP and KERP Charge.
  44. Maverix consents to the terms of the KERP and the identity of the Key Employees, and the Interim Lender is also supportive of the KERP. The Interim Lender's support is relevant because an entity related to it is a prospective purchaser in the SISF, and believes the KERP will improve the likelihood of retaining key employees following the completion of a purchase and sale transaction.
- C. The need for confidentiality**
45. The KERP is attached to the Confidential Swendseid Affidavit as Exhibit "A". Attached as Schedule A to the KERP is a list of the Key Employees, their salaries, their Retention Bonus, the timelines for payment of the Retention Bonuses, and a short summary of each Key Employee's role in and importance to the Petitioners' business and restructuring efforts.

- 46. Disclosure of the information contained in the Confidential Swendseid Affidavit could be prejudicial to the Petitioners, the Key Employees, and others. Among other issues, disclosure of the information in the Confidential Swendseid Affidavit could (a) create concerns among the Key Employees with respect to the disclosure of particularly sensitive personal information; (b) allow the Petitioners' business competitors and others to attempt to induce the Key Employees to depart from their employment for more lucrative opportunities; and (c) make it more difficult for the Petitioners to negotiate employment terms for replacement employees if required. In addition, and generally speaking, salary and compensation levels for employees is a particularly personal and private matter to employees.
- 47. These issues and disruptions would be prejudicial to the Petitioners at a time that they are most in need of stability and continuity. As the information found in the Confidential Swendseid Affidavit is not of a nature that would normally be made public, I don't believe that anyone would be prejudiced by it remaining sealed from public view.
- 48. For these reasons, the Petitioners seek an order that the Confidential Swendseid Affidavit be filed under seal and kept confidential.

**V. CONCLUSION**

- 49. I swear this Affidavit in support of the Petitioners' application pursuant to the CCAA. and for any other proper purpose in connection with these restructuring proceedings.

SWORN BEFORE ME at the City of Denver, )  
 in the State of Colorado, U.S.A. this 19th day )  
 of September, 2024. )

Camille Linn-Curnow )  
 A Notary Public in and for the State of Colorado, )  
 U.S.A. )

Tim Swendseid  
 TIM SWENDSEID

CAMILLE LINN-CURNOW  
 Notary Public  
 State of Colorado  
 Notary ID # 20054005845  
 My Commission Expires 02-11-2025

NO. S-245121  
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, AS AMENDED

AND

IN THE MATTER OF THE BUSINESS  
CORPORATION'S ACT, S.B.C. 2002,  
C. 57, AS AMENDED

AND

IN THE MATTER OF ELEVATION GOLD MINING  
CORPORATION, ECLIPSE GOLD MINING  
CORPORATION, ALCMENE MINING INC., GOLDEN  
VERTEX CORP., GOLDEN VERTEX (IDAHO) CORP.,  
and HERCULES GOLD USA, LLC

---

**3<sup>rd</sup> AFFIDAVIT OF  
TIM SWENDSEID**

---



Barristers & Solicitors  
1600 Cathedral Place  
925 West Georgia Street  
Vancouver, British Columbia  
V6C 3L2

Phone: (604) 631-9163 / (403) 218-7564  
Attention: William L. Roberts / Alexis Teasdale / Angad Bedi



This is the 5<sup>th</sup> Affidavit of Tim Swendseid  
in this case and was made on October 21, 2024

NO. S- 245121  
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, AS AMENDED

AND

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

AND

IN THE MATTER OF ELEVATION GOLD MINING CORPORATION,  
ECLIPSE GOLD MINING CORPORATION, GOLDEN VERTEX CORP.,  
and GOLDEN VERTEX (IDAHO) CORP.

**AFFIDAVIT**

I, Tim Swendseid, of 15889 W. 62<sup>nd</sup> Pl., in the City of Arvada, in the State of Colorado, United States of America, SWEAR THAT:

1. I am the Chief Executive Officer and a Director of the Petitioner, Elevation Gold Mining Corporation ("**Elevation Gold**"), and as such have personal knowledge of the facts and matters hereinafter deposed to, save and except where the same are stated to be made upon information and belief, in which case the source of information is disclosed and I verily believe the same to be true.
2. I am also the sole director and an officer of each of Eclipse Gold Mining Corporation, Golden Vertex Corp. ("**Golden Vertex**"), and Golden Vertex (Idaho) Corp. ("**Golden Vertex Idaho**"). By virtue of my positions with these Petitioners, I have personal knowledge of the facts and matters deposed to herein with respect to these entities.
3. Capitalized terms used herein and not otherwise defined have the meaning given to them in my 1<sup>st</sup> Affidavit sworn on July 29, 2024 (the "**First Affidavit**"), my 2<sup>nd</sup> Affidavit, sworn August 8, 2024 (the "**Second Affidavit**"), or my 3<sup>rd</sup> Affidavit, sworn September 19, 2024 (the "**Third Affidavit**"), as applicable.

113045 175734 ESH.26353234.1

A. Overview

4. This Affidavit is made in support of an application by the Petitioners for an Order (the "Stay Extension Order") under the *Companies' Creditors Arrangement Act*, R.S.C 1985, c. C-36, as amended (the "CCAA") extending the Stay Period, as that term is defined in paragraph 16 of the Amended and Restated Initial Order pronounced on August 12, 2024 (the "ARIO"), from November 1, 2024 up until and including January 31, 2025 (the "Stay Extension").
5. This Affidavit describes the activities of the Petitioners since the date of the ARIO, and specifically provides updates on the following matters:
  - (a) the progress and status of the Sale and Investment Solicitation Process (the "SISP") approved pursuant an Order granted by this Court on August 12, 2024 (the "SISP Order");
  - (b) the Petitioners' operations; and
  - (c) issues associated with the determination of the nature of various agreements relating to certain mineral claims comprising the Moss Mine.

B. Status of Recognition of the Interim Financing and KERP Order

6. On September 26, 2024, this Court granted an order in favour of the Petitioners (the "Interim Financing and KERP Order"), which, among other things:
  - (a) authorized Elevation Gold, Golden Vertex and Golden Idaho to obtain and borrow funds under a credit facility from the Interim Lender, KIA II LLC (the "Interim Lending Facility") and granted a priority charge to secure the Interim Lending Facility against the Petitioners' Property;
  - (b) approved a key employee retention plan (the "KERP"), authorized the Petitioners to enter into the KERP with the Key Employees, and granted a priority charge to secure the Petitioners' obligations under the KERP against their Property; and
  - (c) removed Alcmene and Hercules as petitioners in these proceedings as a result of an immaterial sale transaction for the business and assets of Hercules.
7. On or around October 2, 2024, the Petitioners brought a motion in the US Court for recognition and enforcement of the Interim Financing and KERP Order, which is scheduled to be heard on October 29, 2024.

C. Status of the SISP

8. The Petitioners commenced the SISP with the assistance of the Sales Agent, INFOR Financial Group Inc. ("INFOR"), immediately after this Court granted the SISP Order on August 12, 2024. As set out in the Second Affidavit, the SISP is divided into two phases, each with various interim steps and associated deadlines, as follows:



PHASE	STEPS	TARGET DATES
Phase 1	SISP to commence	August 12, 2024
	LOI Deadline	September 13, 2024
Phase 2	Final Bid Process Commences	September 19, 2024
	Final Bid Deadline	October 18, 2024
	Determination of Successful Bidder	October 25, 2024

9. Over the course of Phase 1 of the SISP and the initial stage of Phase 2 of the SISP, the Petitioners worked with their legal counsel and the Monitor to formulate a template asset purchase agreement to be used in the context of any Final Asset Bids made in the SISP.
10. As at the LOI Deadline, the Petitioners had received multiple letters of intent from interested parties. The Petitioners and Sales Agent, in consultation with the Monitor, undertook a thorough review of each bid and held discussions with each Potential Bidder to ensure that it had a genuine interest in consummating a transaction and had the financial, managerial and technical capabilities to consummate a transaction within the timelines set out in the SISP.
11. Through this review and discussion process, the Petitioners and Sales Agent determined that the Potential Bidders should be confirmed as Qualified Bidders under the SISP. Since that time, the Petitioners and Sales Agent, in consultation with the Monitor, have assisted the Qualified Bidders in Phase 2 of the SISP the Final Bid Process in determining whether to submit Final Bids, and on the terms of those Final Bids.
12. On October 4, 2024, INFOR advised the Petitioners that a new party, not previously involved in the SISP, wished to take part in the process. INFOR confirmed to the Petitioners that it believed the new interested party had a genuine interest in making a bid, and would be able consummate a bid. The Monitor confirmed to the Petitioners that both the Monitor and Triple Flag supported the entry of the additional bidder into the SISP. On that basis, the new party executed a confidentiality agreement (which is a requirement to be a Qualified Bidder) on October 4, 2024 and was admitted into the SISP as a Qualified Bidder.
13. Also after the LOI Deadline had passed, another new party not previously interested in the SISP contacted the Monitor to indicate its interest in participating in the SISP. INFOR again confirmed to the Petitioners its belief that the new party had a bona fide interest in making, and would be able to consummate, a bid, and the entry of this new interested party into the SISP was supported by the Monitor and Triple Flag. This new party executed a confidentiality agreement on October 8, 2024, and was also admitted into the SISP as a Qualified Bidder.
14. Following the LOI Deadline, the Petitioners' senior management team, with the assistance of and in consultation with the Sales Agent, the Monitor, and the Petitioners' legal counsel, engaged with the Qualified Bidders to assist the Qualified Bidders with their continued due diligence, including discussing terms of any potential Final Bids.

- was*  
*FD 4 A*
15. The Final Bid Deadline ~~is~~ on October 18, 2024. Upon receipt of any Final Bids, the Petitioners, in consultation with the Monitor and with the assistance of the Sales Agent, will review the offers with the objective of determining the Winning Bid. If the Petitioners select a Winning Bid, the Petitioners intend to negotiate and enter into a Final Agreement with the Successful Bidder.
16. In the event the Petitioners enter into a Final Agreement, the Petitioners have reserved time before this Court at 2:00 pm on November 22, 2024 for an application seeking Court approval of the transaction contemplated by the Final Agreement and all related relief required to consummate the transaction contemplated by that Final Agreement. The closing date for the proposed transaction is contemplated by the SISP to be no later than December 31, 2024, although this date may be further extended pursuant to the terms of the SISP.

**D. Operational and Other Activities**

17. The Petitioners have continued the operation of beneficiation facilities in order to produce gold and silver from the ore held on the leach pads at the Moss Mine. As noted in my Third Affidavit, this includes work associated with reshaping the leach pad to improve the recovery of minerals and prepare for eventual reclamation, crushing and placing stockpiled ore on the leach pad to recover additional gold and silver, and maintaining the mine access road for safety and dust control purposes.
18. As part of the continued operation of the beneficiation facilities, the Petitioners have also been actively working with the State of Arizona's Department of Environmental Quality to maintain all applicable permits associated with the Moss Mine, and keep the mine in good working order.
19. In addition to the foregoing, the Petitioners have undertaken the following activities during the Stay Period:
- (a) communicated with relevant employees regarding the KERP and managed other human resources issues, including starting the process to hire a new mine manager due to the current mine manager resigning;
  - (b) prepared weekly cash flow forecasts and reporting for the Monitor's review;
  - (c) continued to manage and maintain positive relationships with their major vendors and key stakeholders;
  - (d) engaged with their primary senior secured creditor, Maverix, to provide updates on, among other things, the SISP; and
  - (e) as described in more detail below, worked with their legal counsel and the Monitor to prepare motions before the U.S. Court seeking the determination of the nature and effect of various agreements in respect of the mineral claims comprising the Moss Mine.

**E. Management of Purported Royalties**

20. As set out in the First Affidavit, certain claims comprising the Moss Mine are subject to agreements that impose specific payment obligations associated with production from those claims, including:
- (a) a letter agreement between Golden Vertex and Nomad Royalty Company Limited (“**Nomad**”), which provides for a net smelter return (“**NSR**”) royalty ranging between 0.5% and 3.0% depending on the attributes of the relevant claims (the “**Nomad Agreement**”);
  - (b) a finder’s fee agreement between Golden Vertex and Hartmut W. Baitis, Robert B. Hawkins and Larry L. Lackey (collectively, “**BHL**”) providing for a sliding fee scale based on production (the “**Finders Fee Agreement**”); and
  - (c) an agreement with Patriot Gold Corp. (“**Patriot Gold**”), providing for a 3% NSR on gold and silver production from certain patented and unpatented claims (the “**Patriot Agreement**”).
21. The Petitioners are of the view that the burdens created by the Nomad Agreement, the Finders Fee Agreement and the Patriot Agreement (the “**Payment Obligation Agreements**”) are interests in personal property, not interests in real property, such that the claims comprising the Moss Mine can be sold free and clear of these agreements and the payment obligations created by them. Patriot Gold and Nomad have advised the Petitioners of their position that the payment obligations established by their agreements with Golden Vertex are interests in real property.
22. Based on my discussions with the various Qualified Bidders, I believe that the determination of the nature of the interest created by each of the Payment Obligation Agreements is critical to the completion of a transaction in the SISF. The Qualified Bidders need to know the extent of any obligations, if any, against the Moss Mine, as this affects the value that Qualified Bidders are prepared to offer to purchase the claims.
23. Given the importance of this issue the Petitioners have instructed their U.S. legal counsel to file motions before the US Court to determine the nature of the obligations created by the Payment Obligation Agreements. Accordingly, on October 14, 2024, the Petitioners’ U.S. legal counsel filed three motions seeking the required determination, together with a motion to expedite the hearing of the said motions, in order to attempt to resolve these issues, with the objective of determining the nature of these agreements in advance of the Petitioners’ application for approval of any Final Agreement concluded under the SISF.
24. On October 15, 2024, Patriot Gold filed an objection to the motion to expedite the hearing of the motions to determine the nature of the burdens created by the Payment Obligation Agreements. The Petitioners intend to file a reply to Patriot Gold’s objection.

**F. Stay Extension**

25. The Petitioners are asking this Court to approve an extension of the Stay Period from November 1, 2024 through to January 31, 2025 (the “**Stay Extension**”).

- 26. The Petitioners restructuring efforts to date have benefitted from the breathing room provided by this Court's granting of a stay of proceedings. The Stay Extension is critical to the successful conclusion of these proceedings. Given the status of the SISP and the intended timeline for negotiating and closing a transaction arising from the SISP, the Petitioners continue to require a stay of proceedings and the other protections afforded by this Court's orders.
- 27. The requested Stay Extension will afford the Petitioners the opportunity to continue advancing the SISP, including taking the necessary steps towards negotiating, obtaining court approval of, and, if approved, closing, a transaction pursuant to a Final Agreement concluded under the SISP.
- 28. The Petitioners have prepared an updated cash flow, in consultation with the Monitor, and it is expected that the Petitioners will have sufficient available cash through the proposed Stay Extension period. A copy of the updated cash flow will be appended to the Monitor's report, which the Monitor will file in respect of the Petitioners' application for the Stay Extension Order.
- 29. I believe that the Petitioners have been acting in good faith and with due diligence in these proceedings and that the Stay Extension is in its best interest and the best interest of the Petitioners stakeholders. I understand that the Monitor, Maverix, and the Interim Lender support the Stay Extension.

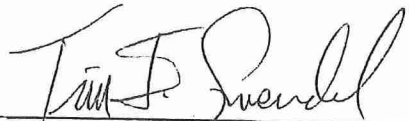
**G. Conclusion**

- 30. I swear this Affidavit in support of the Petitioners' application for the Stay Extension Order and for no other or improper purpose.
- 31. I acknowledge the solemnity of making a sworn statement/solemn declaration and acknowledge the consequences of making an untrue statement.
- 32. I was not physically present before the person before whom this affidavit was sworn or affirmed but was in that person's presence using video conferencing.

SWORN BEFORE ME at the City of Calgary in )  
the Province of Alberta, Canada, this 21<sup>st</sup> day )  
of October, 2024. )



\_\_\_\_\_  
A Commissioner for taking Affidavits for British )  
Columbia )



TIM SWENDSEID

Alexis Teasdale  
Barrister and Solicitor

NO. S- 245121  
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, AS AMENDED

AND

IN THE MATTER OF THE BUSINESS  
CORPORATIONS ACT, S.B.C. 2002,  
C. 57, AS AMENDED

AND

IN THE MATTER OF ELEVATION GOLD MINING  
CORPORATION, ECLIPSE GOLD MINING  
CORPORATION, GOLDEN VERTEX CORP., and  
GOLDEN VERTEX (IDAHO) CORP.

---

5<sup>th</sup> AFFIDAVIT OF  
TIM SWENDSEID

---



Barristers & Solicitors  
1600 Cathedral Place  
925 West Georgia Street  
Vancouver, British Columbia  
V6C 3L2

Phone: (604) 631-9163 / (403) 218-7564

Attention: William L. Roberts / Alexis Teasdale / Angad Bedi



NO. S - 245121  
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 AS AMENDED

AND

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

AND

IN THE MATTER OF ELEVATION GOLD MINING CORPORATION,  
ECLIPSE GOLD MINING CORPORATION, GOLDEN VERTEX CORP.  
and GOLDEN VERTEX (IDAHO) CORP.

PETITIONERS

**NOTICE OF APPLICATION**

**Name of Applicants:** Elevation Gold Mining Corporation, Eclipse Gold Mining Corporation, Golden Vertex Corp., and Golden Vertex (Idaho) Corp. (collectively, the "Petitioners")

To: Those parties set out in **Schedule "A"** attached hereto.

TAKE NOTICE that an application will be made by the Petitioners to the Honourable Madam Justice Fitzpatrick at the Courthouse at 800 Smithe Street, in the City of Vancouver, in the Province of British Columbia on November 1, 2024 at 10:00 am. for the order set out in Part 1 below.

The Petitioners estimate that the application will take 2 hours.

- This matter is within the jurisdiction of an Associate Judge.
- This matter is not within the jurisdiction of an Associate Judge.

**Part 1: ORDERS SOUGHT**

1. The Petitioners seek

- (a) An order (the “**Stay Extension Order**”) under the *Companies’ Creditors Arrangement Act*, R.S.C 1985, c. C-36, as amended (the “**CCAA**”), substantially in the form of the draft order attached hereto as **Schedule “B”**, providing the following relief, amongst other things:
- (i) abridging the time for service of this Notice of Application, and the 5<sup>th</sup> Affidavit of Tim Swendseid, sworn October 21, 2024, and dispensing with further service thereof other than in accordance with the Amended and Restated Initial Order pronounced on August 12, 2024 (the “**ARIO**”); and
  - (ii) extending the Stay Period (as defined in paragraph 16 of the ARIO) from November 1, 2024 up until and including January 31, 2025 (the “**Stay Extension**”); and
- (b) such further and other relief as counsel may request and this Honourable Court may deem just.

## Part 2: FACTUAL BASIS

2. Capitalized terms used herein and not otherwise defined have the meaning ascribed to them in the following documents, as applicable:

- (a) The 1<sup>st</sup> Affidavit of Tim Swendseid sworn July 29, 2024 (the “**First Swendseid Affidavit**”);
- (b) The 2<sup>nd</sup> Affidavit of Tim Swendseid sworn August 8, 2024 (the “**Second Swendseid Affidavit**”);
- (c) The 3<sup>rd</sup> Affidavit of Tim Swendseid sworn September 19, 2024 (the “**Third Swendseid Affidavit**”);
- (d) The 5<sup>th</sup> Affidavit of Tim Swendseid sworn October 21, 2024 (the “**Fifth Swendseid Affidavit**”); and
- (e) The ARIO.

### A. Orders Granted to Date in the Petitioners’ CCAA Proceedings

3. On August 1, 2024, this Court granted an initial order (the “**Initial Order**”) pursuant to the CCAA, which provided for, *inter alia*, a stay of proceedings (the “**Stay of Proceedings**”) in favour of the Petitioners and two affiliated entities that are no longer party to these proceedings. The Stay of Proceedings was in effect until the comeback date of August 12, 2024.
2. On August 2, 2024, the Monitor commenced proceedings under Chapter 15 of title 11 of the United States Code (the “**Chapter 15 Proceedings**”) for recognition of the Petitioners’ CCAA proceedings as foreign main proceedings, and for recognition and enforcement of the Initial Order.

4. On August 12, 2024, this Court granted the ARIО, which, among other things, extended the Stay of Proceedings until November 1, 2024 and granted the following priority charges:
  - (a) The Administration Charge, which ranks on equal footing with a charge (the “Sales Agent Charge”) in favour of the INFOR Financial Group Inc.;
  - (b) The Director’s Charge; and
  - (c) The Intercompany Advance Charge.
5. Also on August 12, 2024, this Court granted an order approving a sale and investment solicitation process in respect of all the assets, undertakings, and properties of the Petitioners (the “SISP”), and authorizing the Petitioners and the Monitor to implement and carry out the SISP (the “SISP Order”) with the assistance of the Petitioners’ financial advisor, INFOR Financial Group Inc. (“INFOR”). The SISP Order further authorized the Petitioners to retain INFOR as sales agent in relation to the SISP.
6. On August 27, 2024 the United States Bankruptcy Court for the District of Arizona (the “US Court”) granted an Order in the Chapter 15 Proceedings recognizing these CCAA proceedings and giving full force and effect to the Initial Order and the ARIО, which Order was entered in the US Court on September 16, 2024.
7. On September 26, 2024, this Court granted an order (the “Interim Financing and KERP Order”) which, among other things:
  - (a) approved an interim financing facility;
  - (b) approved a key employee retention plan (the “KERP”); and
  - (c) removed Alcmene Mining Inc. and Hercules Gold USA, LLC as Petitioners, as a result of an immaterial sale transaction for the business and assets of Hercules.
8. On or around October 2, 2024, the Petitioners filed a motion with the US Court for an order recognizing and enforcing the Interim Financing and KERP Order, which is scheduled to be heard on October 29, 2024.

**B. Status of the SISP**

9. Since the granting of the ARIО, the Petitioners, in consultation with the Monitor, have been working diligently to carry out their restructuring, including carrying out the SISP in accordance with its terms, all with a view to maximizing value for the Petitioners’ stakeholders.
10. The SISP provides, among other things, and subject to the Petitioners’ ability to modify the SISP with the consent of the Monitor or approval of this Court, that (all capitalized terms in the following section have the definitions given to them in the SISP):
  - (a) the Final Bid Deadline is October 18, 2024;



- (b) the Successful Bidder shall be determined by October 25, 2024;
- (c) any Final Agreement entered into with a Successful Bidder shall be executed on or before November 15, 2024; and
- (d) the closing of the proposed transaction is contemplated to be no later than December 31, 2024.

11. The Petitioners have currently reserved time before this Court at 2:00 pm on November 22, 2024 for an application seeking Court approval of a transaction contemplated by the Final Agreement (as defined in the SISP) and all related relief required to consummate such transaction.

**C. Operational and Other Activities**

12. The Petitioners have continued the operation of beneficiation facilities in order to produce gold and silver from the ore held in the leach pads at the Moss Mine. As part of the continued operation of the beneficiation facilities, the Petitioners have also been actively working with the State of Arizona's Department of Environmental Quality to maintain all applicable permits associated with the Moss Mine, and keep the mine in good order.

3. In addition to the foregoing, the Petitioners have undertaken the following activities during the Stay Period:

- (a) communicated with relevant employees regarding the KERP and managed other human resources issues, including starting the process to hire a new mine manager due to the current mine manager resigning;
- (b) prepared weekly cash flow forecasts and reporting for the Monitor's review;
- (c) continued to manage and maintain positive relationships with their major vendors and key stakeholders; and
- (d) engaged with their primary senior secured creditor, Maverix, to provide updates on, among other things, the SISP.

13. The Petitioners have also worked with their legal counsel and the Monitor to formulate a process for the determination of the nature and effect of three agreements regarding mineral claims comprising the Moss Mine (the "**Payment Obligation Agreements**").

14. The Petitioners are of the view that the obligations created by the Payment Obligation Agreements are interests in personal property, not interests in real property, such that the claims comprising the Moss Mine can be sold free and clear of these agreements and the payment obligations created by them.

15. The determination of the nature of the interest created by each of the Payment Obligation Agreements is critical to completion of a transaction pursuant to the SISP. The Qualified

Bidders need to know the extent of any obligations, if any, against the Moss Mine, as this affects the value that Qualified Bidders are prepared to offer to purchase the claims.

16. On October 14, 2024, the Petitioners' U.S. legal counsel filed three motions seeking the required determination, together with a motion to expedite the hearing of the said motions, with the objective of determining the nature and extent of the interests, if any, created by the Payment Obligation Agreements in advance of the Petitioners' application for approval of a transaction in the SISP.

**D. Stay Extension**

17. The Petitioners seek approval of an order extending the Stay Period until and including January 31, 2025, to advance these proceedings and to attempt to complete a value maximizing transaction.
18. In particular, the SISP contemplates an outside closing date of December 31, 2024, which justifies a stay extension to the end of January 2025, in order to close a transaction. Without an extension of the Stay of Proceedings, the Petitioners will not be able to successfully conclude a transaction or otherwise restructure their affairs.
19. The Monitor, the Petitioners' senior secured creditor, Maverix, and the Interim Lender support the Stay Extension.

**Part 3 LEGAL BASIS**

20. The Petitioners plead and rely on:
- (a) The CCAA;
  - (b) The *Business Corporations Act*, S.B.C. 2002, c. 57 (the "BCBCA");
  - (c) The *Supreme Court Civil Rules*, B.C. Reg. 168/2009 (the "Rules") in particular, and without limitation, Rules 2-1(2), 8-1, 8-2, 8-5, 16-1, 22-1, and 22-4;
  - (e) The inherent and equitable jurisdiction of this Honourable Court; and
  - (f) Such further and other legal basis as counsel may advise and this Honourable Court may allow.

**A. The Stay Extension Order is Necessary and Appropriate and the Petitioners are Acting in Good Faith and With Due Diligence**

21. The granting of the Stay Extension Order is authorized by section 11.02(2) of the CCAA, which provides that this Court may extend a stay for any period that the Court considers necessary provided that (a) the extension sought is appropriate in the circumstances; and (b) the applicant has acted and are acting in good faith and with due diligence.

CCAA, s. 11.02(2)

22. In determining whether the appropriate circumstances exist to extend the Stay of Proceedings, the Court should inquire whether the order sought advances the remedial purpose of the CCAA

*North American Tungsten Corp. (Re)*, 2015 BCSC 1376 at para 25 [*Tungsten*]  
*Century Services Inc. v. Canada (Attorney General)*, 2010 SCC 60 at para 70 [*Century Services*]

23. The Supreme Court of Canada has held that the purpose of the CCAA is “to facilitate the survival of going concerns” by “permit[ting] the debtor to continue to carry on business and, where possible, avoid the social and economic costs of liquidating its assets”.

*Century Services*, 2010 SCC 60 at para 15  
*Canada v Canada North Group Inc.*, 2021 SCC 30, at para 21

24. A stay of proceedings helps achieve this purpose by preserving the status quo for the debtor company, facilitating the ongoing operations of the debtor company’s business, preserving the value of the business, and providing the debtor company with the necessary time, flexibility, and “breathing room” to carry out a supervised restructuring or organized sale process.

*Re Lehdorff General Partners Ltd.*, 1993 CarswellOnt 183, at paras 5- 7  
*Tungsten*, at para 25  
*1057863 B.C. Ltd. (Re)*, 2020 BCSC 1359, at para 118 [*Northern Pulp*], citing *Timminco Limited (Re)*,  
 2012 ONSC 2515 at para 15

25. Granting the Stay Extension is appropriate and necessary to enable the Petitioners to complete any transaction arising from the SISP for the benefit of the Petitioners’ stakeholders.

26. The Petitioners are acting in good faith and with due diligence and the Stay Extension is appropriate and necessary in the circumstances. The length of the proposed Stay Extension is appropriate having regard to, among other factors, the reasonable estimates for completing the SISP, the Petitioners’ financial challenges and liquidity needs, and the costs associated with bring forward any further applications for stay extensions pending the advancement of the SISP.

*Northern Pulp*, 2022 BCSC 876 at para 52

27. Based on the updated cash flow forecast attached to the Monitor’s Third Report, the Petitioners are projected to have sufficient liquidity to fund their operations the Stay Extension period.
28. The Monitor, the Petitioners’ primary secured creditor, Maverix, and the Interim Lender all support the Petitioners’ request for the Stay Extension.
29. Accordingly, the Petitioners submit that the proposed extension is reasonable and appropriate, in addition to being necessary to complete the steps contemplated by the SISP, and in particular, completion of a transaction pursuant to the SISP.

30. The Petitioners submit that it is necessary and appropriate to grant the Stay Extension and extend the Stay of Proceedings up to and including January 31, 2025.

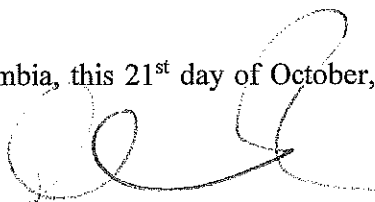
**Part 4: MATERIAL TO BE RELIED ON**

31. Affidavit #1 of Tim Swendseid sworn July 29, 2024;
32. Affidavit #2 of Tim Swendseid sworn August 8, 2024;
33. Affidavit #3 of Tim Swendseid sworn September 19, 2024;
34. Affidavit #5 of Tim Swendseid sworn October 21, 2024;
35. The Pre-Filing Report of KSV Restructuring Inc., dated July 30, 2024;
36. The First Report of KSV Restructuring Inc.;
37. The Second Report of KSV Restructuring Inc.;
38. The Third Report of KSV Restructuring Inc., to be filed; and
39. Such further and other materials as counsel may advise and this Honourable Court may allow.

TO THE PERSONS RECEIVING THIS NOTICE OF APPLICATION: If you wish to respond to this Notice of Application, you must, within 5 business days after service of this Notice of Application or, if this application is brought under Rule 9-7, within 8 business days after service of this Notice of Application.

- (a) file an Application Response in Form 33,
- (b) file the original of every affidavit, and every other document, that
  - (i) you intend to refer to at the hearing of this application, and
  - (ii) has not already been filed in the proceeding, and
- (c) serve on the applicant 2 copies of the following, and on every other party of record one copy of the following:
  - (i) a copy of the filed Application Response;
  - (ii) a copy of each of the filed affidavits and other documents that you intend to refer to at the hearing of this application and that has not already been served on that person;
  - (iii) if this application is brought under Rule 9-7, any notice that you are required to give under Rule 9-7(9).

Dated at the City of Vancouver, in the Province of British Columbia, this 21<sup>st</sup> day of October, 2024.



Lawson Lundell LLP  
Solicitors for the Applicants, Elevation Gold Mining Corporation, Eclipse Gold Mining Corporation, Golden Vertex Corp., and Golden Vertex (Idaho) Corp.

This Notice of Application is filed by William L. Roberts, Alexis Teasdale and Angad Bedi, of the law firm of Lawson Lundell LLP, whose place of business and address for delivery is 1600 – 925 West Georgia Street, Vancouver, British Columbia, V6C 3L2, e-mail address: [wroberts@lawsonlundell.com](mailto:wroberts@lawsonlundell.com); telephone number: 604-631-1620.

*To be completed by the court only:*

Order made

in the terms requested in paragraphs \_\_\_\_\_ of Part 1 of this Notice of Application

with the following variations and additional terms:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Date: \_\_\_\_\_

Signature of  Judge  Associate Judge

**APPENDIX**

The following information is provided for data collection purposes only and is of no legal effect.

**THIS APPLICATION INVOLVES THE FOLLOWING:**

- discovery: comply with demand for documents
- discovery: production of additional documents
- other matters concerning document discovery
- extend oral discovery
- other matter concerning oral discovery
- amend pleadings
- add/change parties
- summary judgment
- summary trial
- service
- mediation
- adjournments
- proceedings at trial
- case plan orders: amend
- case plan orders: other
- experts
- none of the above

**SCHEDULE "A"****Respondents**

TRIPLE FLAG PRECIOUS METALS CORP. and MAVERIX METALS INC.	PATRIOT GOLD CORP.
ROYAL BANK OF CANADA	JPMORGAN CHASE BANK, N.A.
MOHAVE ELECTRIC COOPERATIVE INCORPORATED	CATERPILLAR FINANCIAL SERVICES CORPORATION
ASAHI REFINING USA, INC.	PURVES REDMOND LIMITED
HARTMUT W. BAITIS	ROBERT B. HAWKINS
LARRY L. LACKEY	WESCO
MONROE GIESE	LHOIST NORTH AMERICA OF ARIZONA
MARY ANDERSON ABELL	BENJAMIN GIESE
KJRA SYSTEMS INC.	NOMAD ROYALTY COMPANY LIMITED
RICHARD HIMES	TRISURA GUARANTEE INSURANCE COMPANY
LEDCOR CMI LTD.	CALESIDO FOUNDATION
GREENSTONE RESOURCES LP	ME GLOBAL INC.
MAPTEK	ENTERPRISE CAR RENTAL
REBEL OIL COMPANY, INC dba ROC	

**SCHEDULE "B"**  
**Form of Stay Extension Order**



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 ELEVATION GOLD MINING CORPORATION,  
ECLIPSE GOLD MINING CORPORATION, GOLDEN VERTEX CORP.  
and GOLDEN VERTEX (IDAHO) CORP.

PETITIONERS

ORDER MADE AFTER APPLICATION

(Approval of Stay Extension)

BEFORE THE HONOURABLE )  
MADAM JUSTICE ) November 1, 2024

ON THE APPLICATION of the Petitioners coming on for hearing at Vancouver, British Columbia, on this day; AND ON HEARING William L. Roberts of Lawson Lundell LLP, counsel for the Petitioners, and those other counsel listed on Schedule "A" hereto; AND UPON READING the material filed, the Fifth Affidavit of Tim Swendseid, sworn October 21, 2024, and the Third Report of KSV Restructuring Inc. in its capacity as the Court-appointed monitor of the Petitioners (in such capacity, the "Monitor"), filed ● (the "Third Report"); AND pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985 c. C-36 as amended (the "CCA"), the British Columbia *Supreme Court Civil Rules*, and the inherent jurisdiction of this Honourable Court;

THIS COURT ORDERS AND DECLARES THAT:

1. The time for service of the Notice of Application for this Order and the supporting materials is hereby abridged and this application is properly returnable today, and service upon any interested party other than those parties on the service list maintained in these proceedings is hereby dispensed with.

**STAY EXTENSION**

2. The Stay Period granted in paragraph 16 of the Amended and Restated Initial Order made in this proceeding on August 12, 2024 is hereby extended up to and including January 31, 2025.

**GENERAL**

3. Endorsement of this Order by counsel appearing on this application other than counsel for the Petitioners is hereby dispensed with.
4. THIS COURT REQUESTS the aid and recognition of other Canadian and foreign courts, tribunals, and regulatory or administrative bodies having jurisdiction in Canada or in the United States of America, including the United States Bankruptcy Court overseeing the Petitioners' proceedings under Chapter 15 jointly administered in Case No. 2:24-bk-06359 or in any other foreign jurisdiction, to give effect to this Order and to assist the Petitioners, the Monitor, and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Petitioners and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, or to assist the Petitioners and the Monitor and their respective agents in carrying out the terms of this Order.

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 Alexis Teasdale  
 Party  Lawyer for the Petitioners

BY THE COURT

---

REGISTRAR

**Schedule "A"**

**List of Counsel**

<b>Name of Counsel</b>	<b>Party Representing</b>
Kibben Jackson	KSV Restructuring Inc.

NO. S-245121  
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, AS AMENDED

AND

IN THE MATTER OF THE BUSINESS  
CORPORATIONS ACT, S.B.C. 2002,  
C. 57, AS AMENDED

AND

IN THE MATTER OF ELEVATION GOLD  
MINING CORPORATION, ECLIPSE GOLD  
MINING CORPORATION, GOLDEN VERTEX  
CORP., and GOLDEN VERTEX (IDAHO) CORP.

---

**NOTICE OF APPLICATION**

---



Barristers & Solicitors  
1600 Cathedral Place  
925 West Georgia Street  
Vancouver, British Columbia  
V6C 3L2

Phone: (604) 685-3456 / 218-7564

Attention: William L. Roberts / Alexis Teasdale / Angad Bedi



No. S-245121  
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, AS AMENDED

- AND -

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

- AND -

IN THE MATTER OF  
ELEVATION GOLD MINING CORPORATION, ECLIPSE GOLD MINING CORPORATION, GOLDEN  
VERTEX CORP., and GOLDEN VERTEX (IDAHO) CORP.

PETITIONERS

THIRD REPORT OF THE MONITOR

OCTOBER 23, 2024

<b>Contents</b>		<b>Page</b>
1.0	Introduction .....	1
2.0	Background .....	5
3.0	SISP Update.....	6
4.0	Updated Cash Flow Forecast .....	8
5.0	Performance Against the Initial Cash Flow Forecast.....	10
6.0	Determination Motions.....	10
7.0	Stay Extension .....	12
8.0	Update on the Petitioners' Activities .....	13
9.0	Monitor's Activities.....	13
10.0	Conclusion and Recommendation .....	14

<b>Appendix</b>	<b>Tab</b>
Cash Flow Forecast and Management's Report thereon .....	A
Monitor's Report on Cash Flow Forecast.....	B

## 1.0 Introduction

1. Pursuant to an order (the “**Initial Order**”) issued by the Supreme Court of British Columbia (the “**BC Court**”) on August 1, 2024 (the “**Filing Date**”), Elevation Gold Mining Corporation (“**Elevation**”) and its subsidiaries, Golden Vertex Corp. (“**Golden Vertex**”), Golden Vertex (Idaho) Corp. (“**Golden Idaho**”), Eclipse Gold Mining Corporation (“**Eclipse Gold**”, together with Elevation, Golden Vertex, and Golden Idaho, the “**Petitioners**”), Alcmene Mining Inc. (“**Alcmene Mining**”), and Hercules Gold USA, LLC (“**Hercules Gold**”, together with Alcmene Mining and the Petitioners, the “**Original Petitioners**”) were granted protection under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”), and KSV Restructuring Inc. (“**KSV**”) was appointed monitor in these CCAA proceedings (in such capacity, the “**Monitor**”).
2. The CCAA proceedings were initiated in order to create a stabilized environment to enable the Petitioners to continue to operate their businesses on a scaled-down basis with the breathing space afforded by a stay of proceedings under the CCAA while they continue a sale and investment solicitation process (the “**SISP**”), with the assistance of a financial advisor, INFOR Financial Inc. (“**INFOR**” or the “**Sales Agent**”), for the purpose of completing a going-concern transaction (a “**Transaction**”).
3. Pursuant to the terms of the Initial Order, *inter alia*, the Court:
  - a) granted a stay of proceedings in favour of the Original Petitioners and their directors and officers to and including August 12, 2024 (the “**Stay Period**”);
  - b) created charges on all of the Original Petitioners’ current and future assets, property, and undertakings (collectively, the “**Property**”), as follows:
    - i. a first ranking charge in the amount of \$300,000<sup>1</sup> in favour of the Original Petitioners’ legal counsel, the Monitor, and its legal counsel to secure payment of their fees and disbursements (the “**Administration Charge**”);
    - ii. a second ranking charge in the amount of \$520,000 in favour of the Original Petitioners’ directors and officers to secure the Original Petitioners’ indemnity obligations to such persons (the “**D&O Charge**”); and

---

<sup>1</sup> All currency references in this Third Report are in Canadian dollars unless otherwise noted.

- iii. a third ranking charge to secure repayment of any advances made by any Original Petitioner to another Original Petitioner during these proceedings (the “**Intercompany Advance Charge**”);
  - c) appointed the Monitor as the foreign representative, including for the purpose of commencing recognition proceedings in the United States Bankruptcy Court for the District of Arizona (the “**US Court**”) pursuant to chapter 15 (“**Chapter 15**”) of title 11 of the *United States Code*, 11 U.S.C. §§ 101-1532 (the “**Bankruptcy Code**”); and
  - d) permitted the Original Petitioners to pay certain pre-filing obligations owing to critical suppliers, subject to first obtaining the Monitor’s consent.
4. On August 2, 2024, the Monitor commenced proceedings in the US Court (the “**Chapter 15 Proceedings**”) seeking recognition of these CCAA proceedings as a foreign main proceeding under Chapter 15 of the Bankruptcy Code.
5. On August 12, 2024, at the Original Petitioners’ comeback application (the “**Comeback Application**”), the Court granted:
  - a) an order (the “**SISP Approval Order**”) approving the SISP and the retention of the Sales Agent pursuant to its engagement letter dated August 7, 2024 (the “**INFOR Engagement Letter**”), including the Sales Agent’s work fee (the “**Work Fee**”) and a “**Transaction Fee**” (as defined in the INFOR Engagement Letter), each as contemplated by the INFOR Engagement Letter; and
  - b) an order amending and restating the terms and provisions of the Initial Order (as amended and restated, the “**ARIO**”) that, among other things:
    - i. extended the Stay Period to and including November 1, 2024;
    - ii. increased the amount of the Administration Charge from \$300,000 to \$500,000 due, in part, to including the Work Fee under this charge; and
    - iii. granted a charge for the Transaction Fee (the “**Sales Agent Charge**”) over the Property, ranking *pari passu* with the Administration Charge, which fee is only payable from the consideration payable on completion of a Transaction.



6. At the conclusion of a hearing on August 27, 2024, the US Court announced that it would enter an order recognizing this CCAA proceeding as a foreign main proceeding under Chapter 15 of the Bankruptcy Code and enforcing the Initial Order and the ARIO in the United States. The order to that effect was entered by the Clerk of the Bankruptcy Court on September 16, 2024.
7. On September 20, 2024, the Court granted an order (the “**Interim Financing and KERP Order**”):
  - a) approving an interim financing credit facility (the “**Interim Financing Facility**”) in the maximum principal amount of US\$2 million to be made available to the Petitioners by KIA II LLC (in such capacity, the “**Interim Lender**”), pursuant to an interim lending facility term sheet and granting a charge on the Property in favour of the Interim Lender (the “**Interim Lender’s Charge**”) to secure the advances made under the Interim Financing Facility;
  - b) approving a key employee retention program (the “**KERP**”) and a corresponding charge in the maximum amount of US\$870,417 as security for amounts payable under the KERP;
  - c) sealing certain aspects of the KERP to protect the privacy of the employees proposed to participate in the KERP; and
  - d) as a result of the Hercules Transaction (defined below), removing Alcmene Mining and Hercules Gold as Petitioners in these CCAA proceedings as a result of an immaterial transaction for the business and assets of Hercules Gold.
8. On October 2, 2024, the Monitor, as the foreign representative, filed a motion in the US Court for recognition and enforcement of the Interim Financing and KERP Order. On October 18, 2024, Patriot Gold Corp. (“**Patriot**”) filed its objection to such motion. On October 21, 2024, Nomad Royalty Company Limited (“**Nomad**”) filed a Joinder to Patriot’s objection. The motion is scheduled to be heard on October 29, 2024.
9. The affidavits of Tim Swendseid, Elevation’s Chief Executive Officer, sworn July 29, August 8, and September 19, 2024, provide, *inter alia*, background information regarding the Original Petitioners, their businesses, and these proceedings. The affidavit of Mr. Swendseid, sworn October 21, 2024 (the “**Fifth Swendseid Affidavit**”), provides additional information, including the factual basis for the relief being sought by the Petitioners on the present application.

10. Court materials filed in these proceedings and in the Chapter 15 Proceedings, including the report to Court prepared by KSV as proposed Monitor dated July 30, 2024, the first report of the Monitor dated August 7, 2024 (the “**First Report**”), and the Second Report of the Monitor dated September 20, 2024 (the “**Second Report**”, together with the First Report, the “**Previous Reports**”), are available on the Monitor’s case website at <https://www.ksvadvisory.com/experience/case/elevation-gold-mining-corporation-inc>.

## 1.1 Purposes of this Third Report

1. The purposes of this report (the “**Third Report**”) are to, among other things:
  - a) provide background information and an update concerning the Petitioners and these proceedings;
  - b) provide an update on the status of the SISP;
  - c) report on the Petitioners’ updated cash flow projection for the period October 12, 2024 to January 31, 2025 (the “**Updated Cash Flow Forecast**”);
  - d) provide a comparison of the Petitioners’ initial cash flow forecast for the period July 27 to October 25, 2024 (the “**Initial Cash Flow Forecast**”) to their actual results;
  - e) discuss the rationale for extending the Stay Period from November 1, 2024 to January 31, 2025;
  - f) provide the Court with an update on the Petitioners’ and the Monitor’s activities since the Second Report; and
  - g) provide the Monitor’s recommendations in respect of the Petitioners’ application for an order extending the Stay Period from November 1, 2024 to January 31, 2025.

## 1.2 Restrictions

1. In preparing this Third Report, the Monitor has relied upon the Petitioners’ unaudited financial information, books and records, information available in the public domain, and discussions with the Petitioners’ management, legal counsel, and INFOR.
2. The Monitor has not audited or otherwise attempted to verify the accuracy or completeness of the financial information relied on to prepare this Third Report in a manner that complies with Canadian Auditing Standards (“**CAS**”) pursuant to the Chartered Professional Accountants of Canada Handbook and, accordingly, the Monitor expresses no opinion or

other form of assurance contemplated under the CAS in respect of such information. Any party, other than the BC Court, wishing to place reliance on the financial information should perform its own diligence.

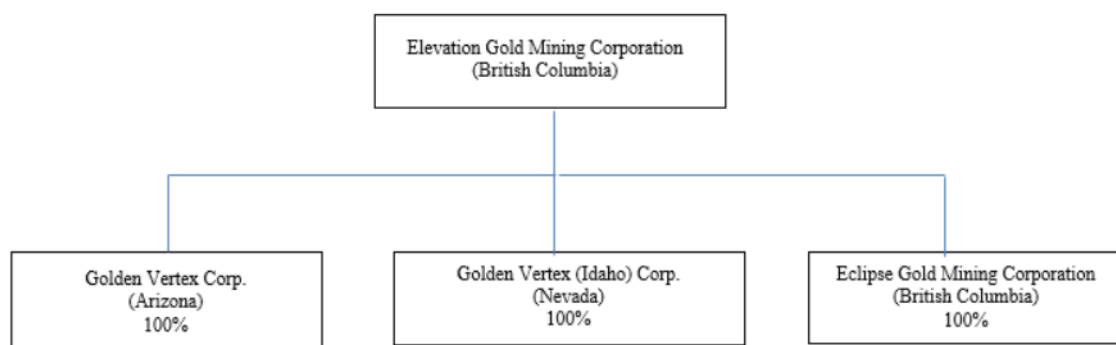
3. An examination of the Updated Cash Flow Forecast as outlined in the Chartered Professional Accountants of Canada Handbook has not been performed. Future-oriented financial information relied upon in this Third Report is based upon the Petitioners' assumptions regarding future events; actual results achieved may vary from this information, and these variations may be material. The Monitor expresses no opinion or other form of assurance on whether the Updated Cash Flow Forecast will be achieved.

### 1.3 Currency

1. Unless otherwise noted, all currency references in this Third Report are in Canadian dollars.

## 2.0 Background

1. The Petitioners' head office is located in Vancouver, British Columbia. The Petitioners are principally engaged in the acquisition, exploration, development, and exploitation of mineral properties.
2. Prior to the CCAA proceedings, Elevation's common shares were listed on the TSX Venture Exchange ("TSX-V") and on the OTCQB Exchange under the symbol EVGDF. Elevation's common shares are now only listed on the NEX board of the TSX-V under the symbol ELVT-H.V.
3. The Petitioners' current corporate structure is as follows:



4. The Petitioners' principal operation is the production of gold and silver from their Moss Gold Mine (the "**Moss Mine**"), which is owned and operated by Golden Vertex, a wholly-owned subsidiary of Elevation. The Moss Mine is located in the Oatman District in Mohave County, Arizona. The Moss Mine began operating as an open-pit mine in or around September 2018.
5. In addition to the Moss Mine, Elevation owns, through Golden Vertex:
  - a) approximately 145 square kilometers of exploration land adjacent to the Moss Mine in Mohave County, Arizona; and
  - b) a Mineral Lease and Option Agreement with La Cuesta International of approximately 15 square kilometers with a 35-year term related to property adjacent to the Moss Mine in Mohave County, Arizona.
6. To enable the Petitioners to remain cash flow positive during these proceedings, Elevation's management determined in late July 2024 that mineral extraction at the Moss Mine should be suspended and operations focussed on beneficiation, a process where metals of interest are extracted from mined ore on a leach pad.

## 2.1 Hercules Transaction

1. Pursuant to a share purchase agreement dated August 29, 2024, Eclipse Gold, a wholly owned subsidiary of Elevation, sold 100% of the shares of Alcmene Mining to Strikepoint Gold Inc. for \$250,000 (the "**Hercules Transaction**"). Alcmene owns 100% of the shares of Hercules Gold, which is the sole owner of 100 square kilometers of exploration land that sits in Lyon County, Nevada.

## 3.0 SISP Update<sup>2</sup>

1. Since the granting of the SISP Approval Order, the Sales Agent has been working with the Petitioners to carry out the SISP, under the supervision of the Monitor.

---

<sup>2</sup> Capitalized terms used but not otherwise defined in this section have the meanings provided to them in the SISP.

2. As detailed in the First Report, the SISP contemplates the following milestones and timelines:

Phase	Milestone	Deadline
Phase 1	SISP Commencement Date	August 12, 2024
	Letter of Intent Deadline	5:00 p.m. PT, September 13, 2024 (“ <b>LOI Deadline</b> ”)
Phase 2	Final Bid Process Commences	September 19, 2024
	Final Bid Deadline	5:00 p.m. PT, October 18, 2024 (“ <b>Final Bid Deadline</b> ”)
	Determination of Successful Bidder	October 25, 2024

3. The SISP is a two-stage process, with letters of intent to be submitted by the LOI Deadline and binding agreements to be submitted at the Final Bid Deadline.
4. As outlined in the Second Report, the Petitioners received multiple letters of intent (“**LOIs**”) from Potential Bidders at the LOI Deadline. After reviewing the LOIs, engaging in discussions with the Potential Bidders, and consulting with the Monitor, the Petitioners and the Sales Agent determined that the Potential Bidders who had submitted LOIs should be confirmed as “**Qualified Bidders**” in accordance with the SISP. Since that time, the Petitioners and the Sales Agent, in consultation with the Monitor, have assisted the Qualified Bidders to advance their due diligence and consider issues relevant to submitting definitive offers by the Final Bid Deadline.
5. Following the LOI Deadline, two new parties advised that they wished to participate in the SISP (the “**New Potential Bidders**”). INFOR confirmed to the Petitioners that it believed each of the New Potential Bidders had a genuine interest in making a Final Bid and that they have the financial capabilities and the managerial, technical, and operational expertise and capabilities to complete a transaction. Further, the Monitor confirmed to the Petitioners that it supported the entry of the New Potential Bidders into the SISP, as did Maverix Metals Inc., the Petitioners’ senior secured creditor. On that basis, the New Potential Bidders executed confidentiality agreements (which is a requirement to be a Qualified Bidder) and were admitted into the SISP as Qualified Bidders.
6. Several offers were received by the Petitioners at the Final Bid Deadline. The Petitioners have identified a lead bidder (the “**Lead Bidder**”). The Lead Bidder’s offer contemplates, among other things, a sale of the shares of Golden Vertex (which are owned by Elevation), as well as confirmation that certain of the Payment Obligation Agreements (as defined in Section 6.1(c), below) are not interests in the lands comprising the Moss Mine. Based on the terms of the Lead Bidder’s offer, it will be necessary to determine on a timely basis the

nature of certain of the Payment Obligation Agreements (as defined and discussed in greater detail in Section 6.1(c) below).

7. It is the Petitioners' intention to advance the Lead Bidder's offer so that they can seek court approval of, and complete, a value-maximizing transaction as soon as possible. The Monitor believes this is appropriate and in the interests of the Petitioners' stakeholders.

#### 4.0 Updated Cash Flow Forecast

1. The Petitioners, with the assistance of the Monitor, have prepared the Updated Cash Flow Forecast for the period October 12, 2024 to January 31, 2025 (the "**Updated Forecast Period**"). The Updated Cash Flow Forecast and the Petitioners' statutory report thereon pursuant to Section 10(2)(b) of the CCAA are attached as **Appendix "A"**.
2. The Updated Cash Flow Forecast reflects that the Petitioners are projected to have sufficient liquidity to continue to operate during the Updated Forecast Period.

(unaudited; US\$000s)	Note	Oct 12, 2024 – Jan 31, 2025
Receipts	A	7,332
Disbursements		
Workforce	B	(1,640)
Non-labour operating expenses	C	(3,866)
Administration and other	D	(1,392)
Professional fees	E	(1,538)
KERP	F	(870)
		<u>(9,306)</u>
<b>Net cash flow</b>		<b>(1,974)</b>
Opening cash balance		2,544
Net cash flow		<u>(1,974)</u>
<b>Ending cash balance</b>		<b>570</b>

3. A summary of the key assumptions underlying the Updated Cash Flow Forecast<sup>3</sup> is as follows:
  - a) Receipts: represents the collection of gold and silver sales;
  - b) Workforce: represents employee payroll, vacation pay, and benefits paid on a bi-weekly basis;

<sup>3</sup> The notes to the Updated Cash Flow Forecast provide the underlying assumptions, including a description of each line item.

- c) Non-labour operating expenses: represents non-labour operating expenses including mining contractors, materials, consumables, capital expenditures, other operating expenses, and a contingency of US\$50,000 per week;
  - d) Administration and other: represents technology, rent, sales taxes, insurance, administrative, directors and officers insurance, and other expenses;
  - e) Professional fees: includes fees and disbursements of the Petitioners' Canadian and US legal counsel, the Monitor and its Canadian and US legal counsel, and the Financial Advisor's Work Fee; and
  - f) KERP: represents payments under the KERP.
4. Based on KSV's review of the Updated Cash Flow Forecast, the cash flow assumptions appear reasonable. KSV's statutory report on the Updated Cash Flow Forecast is attached as **Appendix "B"**.
  5. The Updated Cash Flow is premised on the Petitioners continuing the beneficiation process and not recommencing mining operations. In the event mining operations recommence, as has been suggested by interested parties who participated in the SISP (including the Lead Bidder), additional capital may be required, and the Interim Financing Facility is available as a source of capital for this purpose.
  6. The Petitioners are also concerned that a material negative cash flow variance could result in a liquidity crisis. The Monitor shares this concern. Accordingly, in addition to providing capital to restart operations (if financially sensible), the Interim Financing Facility provides liquidity to the Petitioners to address negative cash flow variances so the Petitioners can continue to operate while they work to complete a going-concern transaction for the benefit of their stakeholders. Absent this facility, the Petitioners face the risk that a liquidity crisis could result in the immediate cessation of operations, bankruptcy and the inability to complete the Sale Process.
  7. The Petitioners have scheduled a hearing on October 29, 2024 for the US Court's recognition of the Interim Financing and KERP Order.

## 5.0 Performance Against the Initial Cash Flow Forecast

1. A summary of the Petitioners' actual receipts and disbursements compared to the Initial Cash Flow Forecast for the period July 27 to October 11, 2024 is as follows:

(unaudited; US\$000s)	Actual	Projected	Difference	Difference %
Receipts				
Revenue	7,175	7,341	(166)	-2.3%
Hercules Transaction	185	-	185	0.0%
	7,360	7,341	19	0.3%
Disbursements				
Workforce	(1,425)	(1,565)	140	8.9%
Non-labour operating expenses	(2,862)	(3,194)	332	10.4%
Administration and other	(214)	(756)	542	71.7%
Professional fees	(889)	(1,010)	121	12.0%
	(5,390)	(6,525)	1,135	17.4%
<b>Net cash flow</b>	<b>1,970</b>	<b>816</b>	<b>1,154</b>	<b>141.4%</b>

2. As reflected in the table above, Petitioners' cash flow has exceeded forecast since the commencement of these proceedings. The material variances and explanations are summarized below:
  - a) the sale of Hercules was not contemplated in the Initial Cash Flow Forecast;
  - b) non-labour operating costs and general and administrative costs have been lower than forecasted; and
  - c) no extraordinary or one-time costs have been allocated by the Petitioners to the contingency line item (forecast of US\$275,000 through October 11, 2024).

## 6.0 Determination Motions

1. As outlined in the First Swendseid Affidavit, the following agreements exist relating to the Moss Mine:
  - a) an agreement with various tenant in common interest owners, providing for a 3% net smelter return ("**NSR**") on gold and silver and 4% on other products (the "**Cal Moss Agreement**");
  - b) a letter agreement between Golden Vertex and Nomad, which provides for an NSR ranging between 0.5% and 3% depending on the attributes of the relevant claims (the "**Nomad Agreement**");



- c) a finder's fee agreement between Golden Vertex and Hartmut W. Baitis, Robert B. Hawkins, and Larry L. Lackey (collectively, "**BHL**") providing for a sliding fee scale based on production (the "**Finders Fee Agreement**"); and
  - d) an agreement with Patriot, providing for a 3% NSR on gold and silver production from certain patented and unpatented claims (the "**Patriot Agreement**", together with the Cal Moss Agreement, the Nomad Agreement, and Finders Fee Agreement, the "**Payment Obligation Agreements**").
2. Patriot and Nomad have advised the Petitioners of their positions that the payment obligations established by their agreements with Golden Vertex are interests in real property. As at the date of this Third Report, neither the interest owners in the Cal Moss Agreement nor BHL have provided their positions regarding the respective payment obligations established by the relevant agreements.
  3. As outlined in the Fifth Swendseid Affidavit, the Petitioners are of the view that the obligations created by the Payment Obligation Agreements (excepting the Cal Moss Agreement) are mere interests in personal property. As a result, the Petitioners are of the view that the patented and unpatented claims comprising the Moss Mine can be sold free and clear of the Payment Obligation Agreements (except the Cal Moss Agreement).
  4. The Monitor is firmly of the view that the determination of the interests created by the Nomad Agreement, Finders Fee Agreement, and Patriot Agreement on a timely basis is critical to completing a value-maximizing transaction in the CCAA proceedings. In the Monitor's view, the Petitioners require a determination by the US Court as to the nature of the identified Payment Obligation Agreements as quickly as possible as this issue concerns not only the ability of the Petitioners to complete a Transaction, but also the value realized from any such Transaction. Apart from the liquidity constraints of the Petitioners, which necessitate the completion of a Transaction as soon as practicable, the Monitor is also concerned that the Qualified Bidders, including the Lead Bidder, will not wait indefinitely to have the nature of relevant the Payment Obligation Agreements determined.
  5. On October 14, 2024, the Petitioners' U.S. legal counsel filed:
    - a) three motions seeking a determination of the Nomad Agreement, Finders Fee Agreement, and Patriot Agreement (collectively, the "**Determination Motions**"); and

- b) a motion to expedite the hearing of the Determination Motions (the “**Expedited Hearing Motion**”) with the objective of determining in advance of the Petitioners’ application for approval of any proposed sale under the SISP. In this regard, the Petitioners have scheduled an application for sale approval by the BC Court on November 22, 2024.
- 6. On October 15, 2024, Patriot filed an objection to the Expedited Hearing Motion. On October 17, 2024, the Petitioners filed a reply to Patriot’s objection.
- 7. On October 17, 2024, the Monitor filed a Joinder to the Petitioners’ Motion to Expedite (the “**Joinder**”) with the US Court confirming the Monitor’s position that the Determination Motions need to be determined on an expedited basis as they impact the value and timing to close a transaction.
- 8. On October 18, 2024, Nomad filed an objection to the Expedited Hearing Motion.
- 9. As at the date of this Third Report, a hearing has not been set for the Expedited Hearing Motion or Determination Motions.

## 7.0 Stay Extension

- 1. The stay of proceedings currently expires on November 1, 2024. The Petitioners are requesting an extension of the Stay Period until January 31, 2025.
- 2. The Monitor supports the extension of the Stay Period for the following reasons, among others:
  - a) the Petitioners are acting in good faith and with due diligence to advance their restructuring;
  - b) an extension of the Stay Period will allow the Petitioners to continue discussions with the Qualified Bidders, including the Lead Bidder, with a view to completing a transaction;
  - c) the Monitor does not believe that any creditor will be materially prejudiced if the extension is granted; and the Petitioners are projected to have sufficient liquidity to fund their operations and the costs of these proceedings until January 31, 2025, as reflected in the Updated Cash Flow Forecast. Additionally, if the US Court recognizes the Interim Financing Facility and KERP Order, the Petitioners will have a funding contingency that will assist the Petitioners to complete these proceedings.

## 8.0 Update on the Petitioners' Activities

1. Since the Second Report, the Petitioners have:
  - a) continued the beneficiation process at the Moss Mine;
  - b) worked with INFOR to advance the SISP, including facilitating due diligence by interested parties;
  - c) engaged with the Monitor concerning all aspects of these proceedings, including reporting on receipts and disbursements, the SISP, employee issues, and supplier issues;
  - d) dealt with suppliers to secure the provision of goods and services, including coordinating with the Monitor regarding certain supplier discussions;
  - e) dealt with various issues concerning the Payment Obligation Agreements and the legal proceedings to have the nature of these obligations determined; and
  - f) communicated with staff regarding these proceedings.
2. The Fifth Swendseid Affidavit provides further details regarding the Petitioners' activities.

## 9.0 Monitor's Activities

1. The Monitor's activities from the Filing Date to the date of the Second Report (September 20, 2024) were summarized in the Previous Reports.
2. Since the date of the Second Report, the Monitor has, among other things:
  - a) corresponded regularly with the Petitioners' management team regarding all aspects of these proceedings including operations and the SISP;
  - b) corresponded with INFOR regarding the SISP;
  - c) assisted the Petitioners in dealing with suppliers in connection with the ongoing supply of goods and services;
  - d) monitored the Petitioners' receipts and disbursements;
  - e) monitored the Petitioners' business and operations;

- f) engaged extensively with: (i) Fasken Martineau DuMoulin LLP (“Fasken”), the Monitor’s Canadian legal counsel; (ii) Kenneth Coleman and Lewis Roca Rothgerber Christie LLP, together the Monitor’s US legal counsel (the “Monitor’s US Counsel”); (iii) Lawson Lundell LLP (“Lawson”), the Petitioners’ Canadian legal counsel; and (iv) Fennemore Craig (“Fennemore”) and Dorsey & Whitney LLP (“D&W”), together the Petitioners’ US counsel, regarding various matters relating to these proceedings;
- g) engaged extensively with the Monitor’s US Counsel regarding the motion for recognition and enforcement of the Interim Financing and KERP Order filed by the Monitor in connection with the Chapter 15 Proceedings;
- h) dealt with various stakeholders who have asserted royalty claims, including Patriot, Nomad, and certain individuals;
- i) reviewed and commented on the Determination Motions and Expedited Hearing Motion and engaged in extensive correspondence with Fasken, the Monitor’s US Counsel, Lawson, Fennemore, and D&W regarding same;
- j) with the Monitor’s US Counsel, assisted with the preparation and filing of the Joinder with respect to the Expedited Hearing Motion;
- k) reviewed and commented on the Petitioners’ materials to be filed in support of the relief to be sought on this Application; and
- l) prepared this Third Report.

## 10.0 Conclusion and Recommendation

1. Based on the foregoing, the Monitor respectfully recommends that this Honourable Court grant the relief sought by the Petitioners.

\* \* \*

All of which is respectfully submitted,

**KSV RESTRUCTURING INC.,  
in its capacity as monitor of  
Elevation Gold Mining Corporation, Golden Vertex Corp.,  
Golden Vertex (Idaho) Corp., and Eclipse Gold Mining Corporation,  
and not in its personal capacity**

Per: Robert Kofman, President and Managing Director

# APPENDIX A

[ATTACHED]

Elevation Gold Mining Corporation et al.  
**Weekly Cash Flow Projection**  
October 12, 2024 to January 31, 2025  
(Unaudited; \$USD Thousands)

<b>Week #</b>		<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>10</b>	<b>11</b>	<b>12</b>	<b>13</b>	<b>14</b>	<b>15</b>	<b>16</b>		
<b>Week Ending</b>	<b>Note</b>	<b>18-Oct-24</b>	<b>25-Oct-24</b>	<b>1-Nov-24</b>	<b>8-Nov-24</b>	<b>15-Nov-24</b>	<b>22-Nov-24</b>	<b>29-Nov-24</b>	<b>6-Dec-24</b>	<b>13-Dec-24</b>	<b>20-Dec-24</b>	<b>27-Dec-24</b>	<b>3-Jan-25</b>	<b>10-Jan-25</b>	<b>17-Jan-25</b>	<b>24-Jan-25</b>	<b>31-Jan-25</b>	<b>Total</b>	
<b>RECEIPTS</b>																			
Revenue - Gold Sales	2	1,196	1,202	-	902	-	810	-	698	-	622	-	582	-	582	-	582	7,175	
Contract - Leaching Cost		-	-	(114)	-	-	-	-	-	-	-	-	-	-	-	-	-	(114)	
Revenue - Silver Sales	3	-	33	-	33	-	33	-	33	-	35	-	35	-	35	-	35	271	
		<b>1,196</b>	<b>1,234</b>	<b>(114)</b>	<b>935</b>	<b>-</b>	<b>843</b>	<b>-</b>	<b>730</b>	<b>-</b>	<b>657</b>	<b>-</b>	<b>617</b>	<b>-</b>	<b>617</b>	<b>-</b>	<b>617</b>	<b>7,332</b>	
<b>DISBURSEMENTS</b>																			
<u>Site-Related Disbursements</u>																			
Workforce	4	-	(205)	-	(205)	-	(205)	-	(205)	-	(205)	-	(205)	-	(205)	-	(205)	(1,640)	
Operating Expenses	5	(198)	(237)	(397)	(250)	(173)	(148)	(148)	(229)	(148)	(148)	(148)	(148)	(173)	(148)	(148)	(148)	(2,989)	
Capital Expenditures	6	-	(76)	-	-	-	(50)	-	-	-	-	(26)	-	-	-	-	-	(152)	
<u>Corporate Disbursements</u>																			
General & Administrative	7	(37)	(54)	(98)	(54)	(68)	(54)	(98)	(54)	(68)	(54)	(98)	(54)	(54)	(68)	(54)	(98)	(1,062)	
Financial Advisory	8	-	-	-	-	(26)	-	-	-	-	-	-	-	-	-	-	-	(26)	
Professional Fees	9	(107)	-	-	(170)	(190)	-	-	(170)	(190)	-	-	(170)	(190)	-	-	(325)	(1,512)	
KERP	10	-	-	-	-	(174)	-	-	-	-	-	-	-	-	-	-	(696)	(870)	
D&O Insurance	11	-	-	(130)	-	-	-	-	-	-	-	-	-	-	-	(200)	-	(330)	
Contingency	12	-	(25)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(725)	
		<b>(342)</b>	<b>(597)</b>	<b>(675)</b>	<b>(729)</b>	<b>(680)</b>	<b>(507)</b>	<b>(296)</b>	<b>(708)</b>	<b>(455)</b>	<b>(457)</b>	<b>(321)</b>	<b>(627)</b>	<b>(467)</b>	<b>(470)</b>	<b>(452)</b>	<b>(1,522)</b>	<b>(9,306)</b>	
<b>Net Cash Flow</b>		<b>854</b>	<b>637</b>	<b>(789)</b>	<b>206</b>	<b>(680)</b>	<b>336</b>	<b>(296)</b>	<b>23</b>	<b>(455)</b>	<b>200</b>	<b>(321)</b>	<b>(10)</b>	<b>(467)</b>	<b>146</b>	<b>(452)</b>	<b>(905)</b>	<b>(1,974)</b>	
<b>Cash Balance</b>																			
Opening Cash Balance		2,544	3,398	4,035	3,247	3,452	2,772	3,108	2,812	2,835	2,379	2,580	2,258	2,248	1,781	1,927	1,475	2,544	
Net Cash Flow		854	637	(789)	206	(680)	336	(296)	23	(455)	200	(321)	(10)	(467)	146	(452)	(905)	(1,974)	
<b>Ending Cash Balance</b>		<b>3,398</b>	<b>4,035</b>	<b>3,247</b>	<b>3,452</b>	<b>2,772</b>	<b>3,108</b>	<b>2,812</b>	<b>2,835</b>	<b>2,379</b>	<b>2,580</b>	<b>2,258</b>	<b>2,248</b>	<b>1,781</b>	<b>1,927</b>	<b>1,475</b>	<b>570</b>	<b>570</b>	

### **Purpose and General Assumptions**

1. The purpose of the projection is to present a cash flow forecast of Elevation Gold Mining Corporation, Golden Vertex Corp., Golden Vertex (Idaho) Corp., and Eclipse Gold Mining Corporation (collectively, the "Petitioners") from October 12, 2024 to January 31, 2025 (the "Period") in respect of the proceedings under the Companies' Creditors Arrangement Act ("CCAA").

The cash flow projection has been prepared based on hypothetical and most probable assumptions.

### **Hypothetical**

2. Projected gold sales are based on Management's planned weekly pour schedule and an assumed price of gold of \$2,500 dollars per ounce.
3. Projected silver sales are based on Management's planned weekly pour schedule and an assumed price of silver of \$29 dollars per ounce.

### **Most Probable**

4. Workforce labour is paid bi-weekly.
5. Operating expenses include mining contractor costs, materials, consumables, surety bonds, and other operating expenses.
6. Based on Management's estimate of the minimum capital expenditures required to maintain operations.
7. Corporate G&A expense includes monthly payroll for the Petitioners' corporate office, as well as office rent and administration expenses.
8. Relates to the work fees charged by INFOR for the sale and investment solicitation process.
9. Professional fees include the fees and disbursements of the Petitioners' Canadian and US legal counsel and the Monitor and its Canadian and US legal counsel.
10. Represents payments under the Key Employee Retention Plan.
11. Includes the annual renewal premium for the Petitioners' directors and officers ("D&O") insurance policy and estimated premiums for a D&O tail insurance policy.
12. Beginning the week ending November 1, 2024, the weekly contingency has been increased from \$25,000 to \$50,000 to account for capital expenditures that Management believes may be required during the Period.

IN THE SUPREME COURT OF BRITISH COLUMBIA

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

IN THE MATTER OF  
ELEVATION GOLD MINING CORPORATION, ECLIPSE GOLD MINING CORPORATION,  
GOLDEN VERTEX CORP., and GOLDEN VERTEX (IDAHO) CORP.

MANAGEMENT'S REPORT ON CASH FLOW STATEMENT  
(paragraph 10(2)(b) of the CCAA)

The management of Elevation Gold Mining Corporation ("**Elevation Gold**") has developed the assumptions and prepared the attached projected cash flow (the "**Cash Flow**") for the period October 12, 2024 to January 31, 2025 (the "**Cash Flow Period**") reflecting the operations of Elevation Gold, Golden Vertex Corp., Golden Vertex (Idaho) Corp., and Eclipse Gold Mining Corporation (collectively, the "**Petitioners**") for the Cash Flow Period. The assumptions are disclosed in the notes to the Cash Flow.

The hypothetical assumptions are reasonable and consistent with the purpose of the Cash Flow as described in Note 1 to the Cash Flow, and the probable assumptions are suitably supported and consistent with the plans of the Petitioners and provide a reasonable basis for the Cash Flow.

Since the Cash Flow is based on assumptions regarding future events, actual results will vary from the information presented and the variations may be material.

The Cash Flow has been prepared solely for the purpose outlined in Note 1 using a set of hypothetical and probable assumptions set out therein. Consequently, readers are cautioned that the Cash Flow may not be appropriate for other purposes.

Dated at Draper, Utah this 21 day of October, 2024.

**ELEVATION GOLD MINING CORPORATION,  
ECLIPSE GOLD MINING CORPORATION, GOLDEN VERTEX CORP.,  
and GOLDEN VERTEX (IDAHO) CORP.**



Per: William Dean  
Chief Financial Officer  
Elevation Gold Mining Corporation



# **APPENDIX B**

## **[ATTACHED]**

**IN THE SUPREME COURT OF BRITISH COLUMBIA**

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

**IN THE MATTER OF**  
**ELEVATION GOLD MINING CORPORATION, ECLIPSE GOLD MINING CORPORATION,  
GOLDEN VERTEX CORP., and GOLDEN VERTEX (IDAHO) CORP.**

**MONITOR'S REPORT ON CASH FLOW STATEMENT**  
(paragraph 23(1)(b) of the CCAA)

The attached statement of projected cash flow of Elevation Gold Mining Corporation ("**Elevation Gold**"), Golden Vertex Corp., Golden Vertex (Idaho) Corp., and Eclipse Gold Mining Corporation (collectively, the "**Petitioners**"), as of the 21<sup>st</sup> day of October, 2024, consisting of a weekly projected cash flow statement for the period October 12, 2024 to January 31, 2025 (the "**Cash Flow**") has been prepared by the management of Elevation Gold for the purpose described in Note 1, using the probable and hypothetical assumptions set out in the notes to the Cash Flow.

Our review consisted of inquiries, analytical procedures and discussions related to information supplied by Elevation Gold's management. Since hypothetical assumptions need not be supported, our procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the Cash Flow. We have also reviewed the support provided by Elevation Gold's management for the probable assumptions and the preparation and presentation of the Cash Flow.

Based on our review, nothing has come to our attention that causes us to believe that, in all material respects:

- a) the hypothetical assumptions are not consistent with the purpose of the Cash Flow;
- b) as at the date of this report, the probable assumptions developed by Elevation Gold's management are not suitably supported and consistent with the plans of the Petitioners or do not provide a reasonable basis for the Cash Flow, given the hypothetical assumptions; or
- c) the Cash Flow does not reflect the probable and hypothetical assumptions.

Since the Cash Flow is based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and the variations may be material. Accordingly, we express no assurance as to whether the Cash Flow will be achieved. We express no opinion or other form of assurance with respect to the accuracy of any financial information presented in this report, or relied upon in preparing this report.

The Cash Flow has been prepared solely for the purpose described in Note 1 of the Cash Flow and readers are cautioned that it may not be appropriate for other purposes.

Dated at Toronto, Ontario this 21<sup>st</sup> day of October, 2024.

*KSV Restructuring Inc.*

**KSV RESTRUCTURING INC.  
IN ITS CAPACITY AS MONITOR OF  
ELEVATION GOLD MINING CORPORATION,  
ECLIPSE GOLD MINING CORPORATION, GOLDEN VERTEX CORP.,  
and GOLDEN VERTEX (IDAHO) CORP.,  
AND NOT IN ITS PERSONAL CAPACITY**