



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

SECOND SUPPLEMENT TO THIRD REPORT OF THE MONITOR

DECEMBER 3, 2024

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1.0 Introduction

1. This report (the “**Second Supplemental Report**”) supplements the Third Report of the Monitor dated October 23, 2024 (the “**Third Report**”) and the supplemental report to the Third Report dated November 21, 2024 (the “**First Supplemental Report**”).
2. Defined terms in this Second Supplemental Report have the meaning provided to them in the Third Report unless otherwise defined herein. This Second Supplemental Report is subject to the restrictions and qualifications in the Third Report.

1.1 Purpose of this Second Supplemental Report

1. The purpose of this Second Supplemental Report is to update the BC Court and US Court regarding the status of the negotiations with the Lead Bidder.

2.0 Transaction Update

1. Since the Final Bid Deadline, the Petitioners (with the assistance of INFOR) and the Lead Bidder have been working diligently and in good faith to finalize the transaction documents, including an agreement of purchase and sale. On December 3, 2024, Elevation and the Lead Bidder¹ finalized and executed an Agreement of Purchase and Sale dated December 3, 2024 (the “**APS**”) that contemplates the Lead Bidder purchasing the shares of Golden Vertex owned by Elevation (the “**Transaction**”). In this regard, the Petitioners have scheduled a sale approval application with the BC Court on December 17, 2024 (the “**Canadian Sale Approval Application**”).
2. As outlined in the Third Report and First Supplemental Report, the Determination Motions and the Expedited Hearing Motion were originally filed by the Petitioners for the following reasons:
 - a) the letter of intent and the offer submitted by the Lead Bidder during the SISP required:
 - (i) confirmation (either through an order of the US Court or settlement) that the Nomad Agreement and Finder’s Fee Agreement do not create an interest in any real property owned by Golden Vertex; and (ii) an outside closing date of December 31, 2024 (the “**Outside Closing Date**”); and

¹ The Lead Bidder is a third-party entity that has no affiliation with any of the Petitioners.

- b) even if the Lead Bidder was prepared to extend the Outside Closing Date for a short period of time, the Petitioners' declining liquidity would result in the termination of operations at the Moss Mine early in the new year, making completion of any going-concern transaction unlikely.
- 3. Although the Petitioners have been able to resolve the Finder's Fee Agreement by way of a settlement with BHL, the issues concerning the Nomad Agreement and the Patriot Agreement have not been resolved or settled.
- 4. As a result, the Petitioners negotiated a modified sale Transaction with the Lead Bidder that would see the operations of the Moss Mine continue, while providing additional time to litigate the Determination Motions or otherwise resolve the issues underlying the Determination Motions; however, the Outside Closing Date has not changed due to the Petitioners' declining liquidity, which continues to affect the urgency to conclude the Transaction with the Lead Bidder.
- 5. In order to balance the business realities resulting from the Petitioners' declining liquidity, the Purchaser's requirement that the Transaction close by the Outside Closing Date, the issues raised by Nomad, Patriot, and the US Court concerning the matters underlying the Determination Motion, and the amount of time to render a decision on the Determination Motion, the Petitioners and the Lead Bidder, with the assistance of the Monitor, amended the APS on a basis that will allow the Transaction to close by the Outside Closing Date, with a portion of the purchase price payable on closing and a portion of the purchase price based on the outcome of the Determination Motions. By structuring the Transaction in this fashion, the time sensitivity related to settling or resolving the Determination Motions has been addressed. Specifically, the Petitioners and the Lead Bidder have agreed that:
 - a) the purchase price payable on closing will be reduced; and
 - b) provisions have been included in the APS that result in increases in the purchase price if the US Court determines, by June 30, 2025, that the Nomad Agreement and the Patriot Agreement are determined not to create an interest in any real property owned by Golden Vertex.

6. The Monitor, as Foreign Representative, intends to file a motion with the US Court seeking recognition and enforcement of the BC Court's approval and vesting order in the United States (the "**US Sale Recognition Order**"). Given the changes in the structure of the Transaction and the urgency to close, the Monitor requests that the time that had been set aside to hear the Determination Motions be used by the US Court to consider the motion for the US Sale Recognition Order. Sufficient notice of the Canadian Sale Approval Application and US Sale Recognition Motion and a copy of the APS will be provided to all relevant stakeholders.

* * *

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