

IN THE SUPREME COURT OF BRITISH COLUMBIA
IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF THE RECEIVERSHIP OF
OTSO GOLD CORP.

BETWEEN:

PANDION MINE FINANCE LP, RIVERMET RESOURCE CAPITAL LP
AND PFL RAAHE HOLDINGS LP

PETITIONERS

AND:

OTSO GOLD CORP.

RESPONDENT

NOTICE OF APPLICATION

Name of Applicant: Deloitte Restructuring Inc. (“**Deloitte**”), as court-appointed receiver and receiver-manager (in such capacity, the “**Receiver**”) of the assets, undertakings and properties of Otso Gold Corp. (“**Otso**”)

On notice to: Service List, a copy of which is attached hereto as **Schedule “A”**

TAKE NOTICE that an application will be made by the Receiver before the Honourable Justice Gomery at the Vancouver Courthouse at 800 Smithe Street, Vancouver, British Columbia on October 24, 2022 at 9:00 a.m., for the orders set out in Part 1 below.

PART I – ORDERS SOUGHT

1. An order for advice and direction (the “**Order for Advice and Direction**”) substantially in the form attached as **Schedule “B”** which, among other things, authorizes and directs the Receiver to:

- (a) enter into the assignment and release agreement dated as of October 4, 2022 (the “**Assignment and Release Agreement**”), allowing the release of Otso’s security interest against Otso Gold AB (“**OGAB**”) and Otso Gold OY (“**OGOY**”), in substantially the same form that is attached as Appendix A to the Receiver’s Second Report dated October 12, 2022 (the “**Second Report**” together with the Receiver’s First Report dated April 6, 2022, collectively, the “**Receiver’s Reports**”); and

- (b) support the Finnish restructuring programme (the “**Restructuring Program**”) dated October 4, 2022 in substantially the same form that is attached as Appendix C to the Second Report.
2. A sealing order (the “**Sealing Order**”) substantially in the form attached as **Schedule “C”**.
3. An order, substantially in the form attached as **Schedule “D”**, approving the activities of the Receiver and approving the fees of the Receiver and its counsel.
4. Such further and other orders, declarations, and directions as counsel may request and this Honourable Court deems to be just and convenient in the circumstances.

PART II – FACTUAL BASIS

A. Background

5. Otso is a mineral exploration and development corporation existing under the laws of Alberta and is extra-provincially registered in British Columbia. Otso’s primary business pertains to the development of the Laiva Gold Project in Northern Ostrobothnia, Finland (the “**Mine**”), which it indirectly owns through its subsidiary companies OGAB and OGOY.
6. On December 3, 2021, Otso, OGOY, OGAB and 2273265 Alberta Ltd. (collectively, the “**Otso Group**”) obtained an order (the “**Initial Order**”) from the Court under the *Companies’ Creditors Arrangement Act*, R.S.C. 1995 C. C-36, as amended (the “**CCAA**”). Deloitte was appointed as monitor of the in the CCAA (the “**Monitor**”). The Initial Order provided for a stay of proceedings until December 13, 2021 (the “**Stay**”), pursuant to which creditors were restrained from enforcing or exercising any rights or remedies against Otso. The Stay was later extended to January 14, 2022.
7. The Monitor filed two reports in connection with the CCAA proceedings. The Second Report of the Monitor dated January 12, 2022 outlined that the CCAA proceedings could not continue since the Otso Group lacked sufficient resources to advance the restructuring and meet its obligations. The Monitor recommended that the Court lift the Stay and the CCAA proceedings be concluded to allow the secured creditor to exercise its rights against the Osto Group.
8. On January 14, 2022, Deloitte was appointed by the Court as the receiver and receiver-manager for Otso without security, of all assets, undertakings and property of Otso. An interim receivership order was

issued on January 20, 2022, reasons for judgement were issued on January 28, 2022 and a final order of the Court (the “**Receivership Order**”), was filed on February 2, 2022.

9. On April 12, 2022, an approval and vesting order (the “**Approval and Vesting Order**”) was granted by the Court to authorize and direct the Receiver to conclude the sale of a joint venture interest in a copper property in Northern British Columbia pursuant to the asset purchase agreement dated April 4, 2022 between the Receiver and Cavu Mining Corp.

10. Following conclusion of the sale of the joint venture interest, Otso’s primary assets were the shares of OGAB (the “**Shares**”) and inter-company receivables owing to it from OGOY (the “**Parent Receivables**”), pursuant to an intragroup loan agreement dated December 8, 2017 between OGOY and Otso. Prior to the CCAA proceedings and these receivership proceedings, the operations and expenses of OGOY and OGAB were, in large part, funded by advances from Otso, resulting in significant receivables owing to Otso from its subsidiaries. Otso has security from its subsidiaries for these Parent Receivables, but this security has been pledged and assigned to the Petitioners (collectively, “**Pandion**”) as part of the debt owing from the Otso Group to Pandion.

Transaction by OGAB for shares of OGOY

11. In February 2022, Deloitte Statsautoriseret Revisions (“**DSR**”) was engaged by OGOY to evaluate potential strategic transactions and to commence a marketing and sale process for the Mine or the shares of OGOY (the “**Sale Process**”). The Sale Process consisted of three phases over seven months, whereby 164 potential buyers were contacted, 18 interested parties signed confidentiality agreements to access confidential documents and four potential purchasers visited the Mine. DSR received five indicative offers, of which three advanced to binding offers.

12. The Sale Process resulted in a share purchase agreement dated October 4, 2022 (the “**Share Purchase Agreement**”), whereby OGAB is to sell the Shares to Pilar Gold Inc. (the “**Purchaser**”) (the “**Sale Transaction**”).

13. The conditions precedent to the Sale Transaction include, among other things, that the Receiver assign the Parent Receivables to the Purchaser and release Otso’s security interest against OGOY and OGAB as described in the Assignment and Release Agreement and that OGOY conclude the Restructuring Program (together, the “**Conditions Precedent**”).

Assignment and Release Agreement

14. As noted above and in the Second Report, the Share Purchase Agreement is the result of a robust sale process, and is the best transaction available as a result of that process. The Receiver is of the view that the Assignment and Release Agreement, which is requested of the Receiver to facilitate the transaction, is a reasonable condition in the circumstances, although it will release Otso's security and assign its debt (as reduced by the Restructuring Program) to the Purchaser.

Finnish Restructuring Program

15. On February 17, 2022, the District Court of Oulu approved the commencement of the corporate restructuring proceedings of OGOY under the *Finnish Restructuring Enterprises Act* ("FREA") and appointed Pekka Jaatinen of Castrén & Snellman as administrator (the "Finnish Administrator").

16. Pursuant to an order granted by the District Court of Oulu the Finnish Administrator was granted an extension from May 26, 2022 to October 31, 2022 to file a draft of the Restructuring Program.

17. On October 7, 2021, the Finnish Administrator delivered the Restructuring Program to OGOY's creditors.

18. Pursuant to the Restructuring Program, a lump-sum payment will be made to OGOY's creditors, except for Pandion and Otso. OGOY's unsecured creditors will receive 3.28 percent of the amounts owing, paid as a lump-sum on implementation. The debts owing to Pandion and Otso will remain owing, reduced by a similar percentage to the unsecured creditors. This will leave approximately EUR 1.35 million owing to Otso (which will be assigned to the Purchaser pursuant to the Assignment and Release Agreement).

19. The Finnish Administrator has advised OGOY's creditors that, despite the limited amount that will be paid to creditors, the payment represents the best outcome available, and that it is a better recovery than would be achieved in a bankruptcy.

20. In the event the proposed transaction does not close, the Restructuring Program provides an option for Pandion to fund the Restructuring Program. The Receiver is advised that without this option, OGOY would become bankrupt if the transaction did not conclude and that this preserves the ability for Pandion to continue to fund OGOY in care and maintenance and pursue an alternative transaction. If this were to occur, Otso would continue to be owed the Parent Receivable, in the amount of approx. EUR 1.35 million (as reduced by the Restructuring Program).

Sealing Order for Confidential Supplement

21. To assist the Court in assessing the requested directions regarding the Restructuring Program and the Assignment and Release Agreement, the Receiver has prepared a Confidential Supplement to the Second Report. This Confidential Supplement includes, among other things, commercially sensitive or confidential information in respect of the Shares, the Sale Transaction and the Sale Process. Accordingly, the Receiver will be seeking a sealing order to protect the information contained in the Confidential Supplement. In particular, the Receiver wishes to ensure the market for the assets and Shares in the event that the Sale Transaction does not close for any reason and OGOY is required to recommence the Sale Process.

Urgency and Notice

22. OGOY requires the Sale Transaction to complete as funding remains limited. The current funding for OGOY will run out around October 31, 2022 for the care and maintenance of the Mine.

23. The Sale Transaction is required to proceed shortly after the satisfaction of, among other things, the Conditions Precedent, in order to preserve value for the Sale Transaction. The Receiver understands that the Restructuring Program must be filed by October 31, 2022, and creditor positions are required in advance. Accordingly, to facilitate submission of the Restructuring Program and closing of the transaction within these timelines, the Receiver has set this matter for hearing on October 24, 2022.

24. The Receiver intends to serve this Application and the Second Report by posting a copy to the creditors' information website maintained by the Receiver in this matter and emailing a copy to the service list in these proceedings.

B. Activities of the Receiver

25. The activities of the Receiver in the course of these receivership proceedings are set out in detail in the Receiver's Reports. The Receiver's activities included, among other things:

- (a) fulfilling the requirements under the Receivership Order to notify Otso's creditors and other stakeholders of the receivership proceedings and maintaining records on the Receiver's website;
- (b) coordinating and maintaining of business operations, including payments of insurance premiums, freezing bank accounts and opening trust accounts;

- (c) coordinating with third-parties with regards to business operations and proceedings, including:
- (i) Westch International Pty Ltd. with respect to continuing technical services;
 - (ii) accountants, bookkeeping service providers and stakeholders, with respect to the delivery of all of Otso's books and records;
 - (iii) Canada Revenue Agency with respect to pre-receivership audits on Otso's GST and payroll accounts; and
 - (iv) the Finnish Administrator, with respect to Otso's claim and to seeking a roll on the Finnish Creditor's Committee and the Restructuring Program;
- (d) facilitating the replacement of the OGAB and OGOY board of directors in Sweden and Finland and replacing Alvarez & Marsal Europe LLP as Chief Restructuring Officer, all of which were conditions to ongoing funding;
- (e) assisting in the completion of the sale of the joint venture interest pursuant to the Approval and Vesting Order, including obtaining court approval for the transaction;
- (f) coordinating with OGOY and OGAB management and advisors regarding the sale process, including the resulting transaction and the Restructuring Program;
- (a) attending to various inquiries from creditors and other stakeholders; and
 - (b) filing Otso's claim against OGOY in the Finnish restructuring proceedings.

C. Approval of Fees of the Receiver and Receiver's Legal Counsel

26. Pursuant to paragraph 20 of the Receivership Order, the Receiver and its legal counsel are to be paid their reasonable fees disbursements at their standard rates and charges. Pursuant to paragraph 21 of the Receivership Order, the Receiver and its legal counsel will pass their accounts from time to time, with such accounts referred to a judge of this Court for determination (which may be heard by a judge on a summary basis).

27. From January 14, 2022 to September 30, 2022, the Receiver billed approximately 283.90 hours in connection with these receivership proceedings, representing total fees incurred by the Receiver at their

standard rates and charges during the relevant period, inclusive of taxes, of \$162,354.16, which consists of \$154,623.00 in fees and \$7,731.16 in GST.

28. The details of the Receiver's fees and disbursements in these receivership proceedings are set out in Affidavit #1 of Melinda McKie and the related exhibits, sworn on October 12, 2022 (the "**McKie Affidavit**"). Details of the work performed by the Receiver in these receivership proceedings is set out in the Receiver's Reports.

29. From January 14, 2022 to September 30, 2022, Borden Ladner Gervais LLP ("**BLG**") billed approximately 327.20 hours in connection with these receivership proceedings, representing total fees incurred by BLG at their standard rates and charges during the relevant period, inclusive of taxes, of \$193,280.16, which consists of \$171,762.50 in fees, \$869.66 in disbursements, \$8,624.61 in GST, and \$12,023.39 in PST.

30. The details of BLG's fees and disbursements in these receivership proceedings are set out in Affidavit #1 of Lisa Hiebert and the related exhibits, sworn on October 11, 2022 (the "**Hiebert Affidavit**"). Details of the work performed by BLG in these receivership proceedings is also set out in the Hiebert Affidavit.

31. The Receiver submits that its fees and the fees of its counsel are fair and reasonable in the circumstances, and that the time spent was necessary in the circumstances and the work was delegated to the appropriate professionals within each firm. Accordingly, the Receiver is seeking an order for the following relief:

- (a) approval of the fees and activities of the Receiver as set out in the Receiver's Reports and the McKie Affidavit; and
- (b) approval of the fees incurred by BLG as set out in the Hiebert Affidavit.

PART III – LEGAL BASIS

General Authority

32. In support of the relief sought in this application, the Receiver generally relies on:

- (a) the *Supreme Court Civil Rules*, including rules 8-1, 8-5 and 13-1;
- (b) the *Bankruptcy and Insolvency Act*, R.S.C. 1985, C.B-3 (the "**BIA**");

- (c) the inherent jurisdiction and statutory discretion of this Honourable Court; and
- (d) such further and other grounds as counsel may advise and this Honourable Court may permit.

Urgency and Notice

33. Pursuant to Rule 8-5 of the *Supreme Court Civil Rules*, this Honourable Court may order that an application be heard on short notice, thereby abridging the time for service of the application. To the extent that an abridgement of time is necessary, the Receiver submits that this is an urgent application that warrants an abridgement of service such that the application is properly returnable on October 24, 2022. In particular, the Sale Transaction contains the Conditions Precedent, which require court approval, and the Restructuring Program must be filed with the court in Finland by October 31, 2022. The Receiver will ensure the Application and the Second Report are provided to the Service List by email and submits that this will ensure the affected stakeholders have sufficient notice.

Advice and Direction

34. A receiver may apply to the court for directions, and the court shall give, in writing, such directions, if any, as it considers proper in the circumstances.

BIA, s. 249

35. Section 37 of the Receivership Order grants the Receiver the ability to apply to court for advice and directions in the discharge of its powers and duties thereunder.

36. The Receiver supports the proposed Sale Transaction and seeks confirmation from this Honourable Court that it may enter into the Assignment and Release Agreement and complete the Conditions Precedent.

37. The Receiver submits that the proposed Sale Transaction is the result of a robust Sale Process and is a commercially reasonable transaction that will benefit the stakeholders of the Otso Group by allowing the Mine to secure future funding that will preserve the prospect of going concern value. Although the Sale Transaction and the Restructuring Plan will not result in funds being made available for Otso's stakeholders, there is no transaction available that will do so. All alternative transactions identified in the Sale Process would have required the Parent Receivables to be assigned and released.

38. The Share Purchase Agreement is the superior of all binding offers received and will facilitate recovery for OGOY's unsecured creditors (approx. 3.28% of their claim amounts).

39. The Petitioners support the Share Purchase Agreement, notwithstanding that they will suffer a shortfall recovery and have agreed to release their security interest in OGOY and OGAB pursuant to certain terms and conditions of the Share Purchase Agreement.

40. Although the Sale Transaction is not taking place in Canada and it does not require approval from this Honourable Court, the Receiver has considered the *Soundair* principles in assessing the Sale Transaction and the Restructuring Program.

41. The Receiver submits that the Sale Transaction is the result of a comprehensive sale process and consultation with affected parties. Accordingly, the Receiver is of the view that OGOY made sufficient effort to get the best price and that there was no unfairness in the process. Applying those principles to the Assignment and Release Agreement and the Restructuring Program, each of which are required to implement the Sale Transaction, the Receiver submits that executing the Assignment and Release Agreement is commercially reasonable and in the best interests of stakeholders, and asks that this Honourable Court authorize and direct the Receiver to execute it. Similarly, the Receiver is of the view that supporting the Restructuring Program is in the best interests of stakeholders and asks that this Honourable Court authorize and direct the Receiver to support it.

Royal Bank v. Soundair Corp., 1991 CarswellOnt 205 (Ont. C.A.), at para. 16.

Sealing Order

42. The Receiver requires the Sealing Order authorizing it to file, under seal, the Confidential Supplement to the Second Report for the purpose of, among other things, protecting information regarding the market for the Shares and the Receiver's assessment of the selected offer.

43. The Court has jurisdiction to order that certain materials filed with the Court be sealed on the Court file. Such an order may be granted where:

- (i) court openness poses a serious risk to a "public interest", which is not restricted solely to the interests of the parties, but applies at the level of general principle;
- (ii) such an order is necessary in order to prevent a serious risk to the identified interest, including a commercial interest, in the context of litigation because reasonable alternative measures will not prevent the risk; and
- (iii) as a matter of proportionality, the salutary effects of the confidentiality order, including the effects on the right of civil litigants to a fair trial, outweigh its deleterious effects,

including the effects on the right to free expression, which in this context includes the public interest in open and accessible court proceedings.

Sierra Club of Canada v. Canada (Minister of Finance), 2002 SCC 41 at para. 53

Sherman Estate v. Donovan, 2021 SCC 25 at paras. 38, 41-43.

44. The materials sought to be sealed fit within the above test. The Confidential Supplement contains commercially sensitive or confidential information about the Shares and the Sale Transaction. The public disclosure of the Confidential Supplement could materially harm the integrity of the sale process in the event that the Sale Transaction is not completed and OGAB and OGOY need to return to the market. The sealing is necessary to prevent serious risk to OGAB and OGOY's commercial interests (and the interests of their economic stakeholders) and no other person has a reasonable expectation of accessing this information. There is an important public interest in preserving the integrity of insolvency sale processes.

45. As a matter of proportionality, the Confidential Supplement will be sealed for a limited time to ensure that the salutary effects of the Sealing Order outweigh possible deleterious effects, and the Receiver submits the Sealing Order is reasonable and necessary in the circumstances.

46. The Receiver will follow the procedures of BC *Supreme Court Practice Directive* PD-35, Practice Direction, Sealing Orders, in Civil and Family Proceedings, June 1, 2012.

Approval of Fees and Disbursements

47. The Court may make any order respecting the payment of fees and disbursements of the receiver and its legal counsel that it considers proper, provided the secured creditors who would be materially affected by the order were given reasonable notice and an opportunity to make representations.

BIA, s. 243(6).

48. In assessing whether the fees of a receiver and its counsel ought to be approved, the Court considers whether those fees and disbursements are "fair and reasonable", on the basis of evidence verified by affidavit and disclosing: (i) the name of each person who rendered services; (ii) the dates on which the services were rendered; (iii) the time expended each day; (iv) the rate charged; and (v) the total charges for each of the categories of services rendered.

Re Redcorp Ventures Ltd., 2016 BCSC 188 at para. 22 [*Redcorp*].

Re Confectionately Yours Inc., 2002 CarswellOnt 3002 (ONCA) at paras. 37-42 [*Confectionately Yours*].

49. While it is necessary to review some description of the nature of services rendered and the standard rates and charges of professionals and counsel, a line-by-line review of the documentation for the fees is not required.

Canadian Imperial Bank of Commerce v. Rempel Copper Sky Development Ltd., 2015 BCSC 2183 at para. 84

50. In assessing whether the fees of a receiver and its counsel are fair and reasonable, the Court considers the “normal rates and charges” of a receiver and its counsel according to the standard billing format and practice of the profession in question. It is standard for the hourly rates of chartered accountants and court officers to exclude the cost of administrative or support staff.

Bank of Montreal v. Nican Trading Co., 1990 CarswellBC 397 at paras. 36-38.

Northland Bank v. G.I.C. Industries Ltd., 1986 CarswellAlta 426 at paras. 30-35.

51. The Court considers a number of factors in assessing whether the fees of a receiver are reasonable, including: (i) the nature, extent and value of the assets handled; (ii) the complications and difficulties encountered; (iii) the degree of assistance provided by the debtor; (iv) the time spent; (v) the receiver’s knowledge, experience and skill; (vi) the diligence and thoroughness displayed; (vii) the responsibilities assumed; (viii) the results of the receiver’s efforts; and (ix) the cost of comparable services when performed in a prudent and economical manner.

Bank of Nova Scotia v. Diemer, 2014 ONCA 851 (Ont. C.A.) at paras. 32-33.

HSBC Bank of Canada v. Maple Leaf Loading Ltd., 2014 BCSC 2245 at para. 11 [*Maple Leaf*].

Redcorp at para. 23.

52. Similar factors are considered on the assessment of the fees and disbursements of legal counsel in insolvency proceedings, including: (i) the time expended; (ii) the complexity of the receivership; (iii) the degree of responsibility assumed by the lawyers; (iv) the amount of money involved; (v) the degree of skill of the lawyers involved; (vi) the results achieved; and (vii) the client’s expectations as to the fee.

Maple Leaf at para. 12.

Redcorp at para. 33.

53. The Receiver submits that its fees and the fees of its counsel are fair and reasonable in the circumstances and consistent with the market for legal services in British Columbia. The invoices of its counsel were provided to the Receiver when rendered. In this respect, the Receiver submits that the work completed was delegated to the appropriate professionals within the Receiver and BLG with the appropriate

seniority and hourly rates, and the services were performed by the Receiver and its legal counsel in a prudent and economical manner.

54. The Receiver will satisfy all technical requirements for the approval of fees, including providing reasonable notice to all secured creditors who would be materially affected by the order and verifying the fees and disbursements to be approved by affidavit.

Approval of the Receiver's Activities

55. The Court has the inherent jurisdiction to review the activities of a court-appointed receiver and, if satisfied that the receiver has acted reasonably, prudently and not arbitrarily, to approve the activities set out in the receiver's report. The assessment of whether the receiver has acted "reasonably, prudently and not arbitrarily" is made on an objective basis.

Leslie & Irene Dube Foundation Inc. v. P218 Enterprises Ltd., 2014 BCSC 1855 at para. 54.

56. There are good policy and practice reasons for the Court to provide a level of protection for the receiver by approving its activities, provided the benefit of such approval is limited the receiver itself.

Re Hanfeng Evergreen Inc., 2017 ONSC 7161 at para. 17.

57. The Receiver has reported to the Court, and all interested parties and stakeholders, throughout these proceedings. The Receiver carried out a transparent, orderly and timely sales process in respect of the Debtor's assets. As outlined in the Receiver's Reports, the Receiver made all commercially reasonable efforts to maximize the value received for the Debtor's assets throughout these proceedings.

58. The Receiver respectfully submits that its activities since its appointment have been carried out in a reasonable, prudent and not arbitrary manner. Accordingly, the Receiver submits that an order approving its activities, as set out in the Receiver Reports, is appropriate.

PART IV– MATERIAL TO BE RELIED ON

59. The Receiver relies on:

- (a) the Receivership Order filed February 2, 2022;
- (b) the Receiver's First Report dated April 6, 2022;
- (c) the Receiver's Second Report dated October 12, 2022;
- (d) the Confidential Supplement dated October 12, 2022 (to be filed subject to a sealing order);

- (e) the Affidavit #1 of Melinda McKie dated October 12, 2022;
- (f) the Affidavit #1 of Lisa Hiebert dated October 11, 2022; and
- (g) such further and other materials as counsel may advise and this Honourable Court may allow.

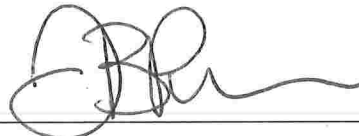
The applicant estimates that the application will take **30 minutes**.

- This matter is within the jurisdiction of a master.
- This matter is not within the jurisdiction of a master. Justice Gomery is seized of these proceedings. The hearing of this application has been set with Trial Scheduling.

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 of 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).

Date: October 12, 2022



Signature of Lisa Hiebert/Jennifer Pepper
 lawyer for the Applicant, Deloitte Restructuring Inc., in its capacity as the Court appointed Receiver of Otso Gold Corp

Borden Ladner Gervais LLP
1200 - 200 Burrard Street, P.O. Box 48600
Vancouver, B.C., V7X 1T2
Tel: 604.632.3425
Email: lhiebert@blg.com

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 Master

APPENDIX

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 matters 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
- other

Schedule "A"

The Service List

Please see attached.

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PETITIONERS

AND:

OTSO GOLD CORP.

RESPONDENT

SERVICE LIST
As of May 30, 2022

<p>Cassels Brock & Blackwell LLP 2200 – 885 West Georgia Street Vancouver, BC V6C 3E8 Tel: (604) 691-6100</p> <p>Attention: Mary Buttery, Q.C. Jared Enns Morgan Burris Natalie Levine</p> <p>Email: mbuttery@cassels.com jenns@cassels.com mburris@cassels.com nlevine@cassels.com</p> <p><i>Counsel for the Petitioners</i></p>	<p>Deloitte Restructuring Inc. 939 Granville Street Vancouver BC V6B 3V7 Tel: (604) 669-4466</p> <p>Attention: Melinda McKie Naomi McGregor</p> <p>Email: MMcKie@deloitte.ca NaoMcGregor@deloitte.ca</p> <p><i>The Receiver</i></p>
<p>Borden Ladner Gervais LLP 1200 - 200 Burrard Street Vancouver, BC V7X 1T2 Tel : (604) 687-5744</p> <p>Attention: Lisa Hiebert Ryan Laity Jennifer Pepper</p> <p>Email: lhiebert@blg.com rlaity@blg.com jpepper@blg.com katkinson@blg.com</p> <p><i>Counsel for the Receiver</i></p>	<p>Farris LLP 2500 - 700 W Georgia Street Vancouver, BC V7Y 1B3 Tel: (604) 661-1712</p> <p>Attention: Rebecca Morse Tim Louman-Gardiner</p> <p>Email: rmorse@farris.com tlouman-gardiner@farris.com</p> <p><i>Counsel to Otso Gold Corp.</i></p>

<p>McMillan LLP 1500 - 1055 W Georgia Street PO Box 11117 Vancouver BC V6E 4N7 Tel: (236) 826-3022</p> <p>Attention: Vicki Tickle Daniel Shouldice</p> <p>Email: Vicki.Tickle@mcmillan.ca Daniel.Shouldice@mcmillan.ca</p> <p>Poulus Ensom LLP Suite 1560, Box 15 - 505 Burrard Street Vancouver, BC V7X 1M5 Tel: (778) 727-3500</p> <p>Attention: Hein Poulus, Q.C.</p> <p>Email: hpoulus@poulusensom.com</p> <p>Counsel for Westech International Pty Ltd. and Lionsbridge Capital Pty Ltd.</p>	<p>Osler, Hoskin & Harcourt LLP 6200 – 100 King Street West P.O. Box 50 Toronto ON M5X 1B8 Tel: (416) 862-4908</p> <p>Attention: Marc Wasserman Kathryn Esaw Justin Kanji</p> <p>Email: MWasserman@osler.com kesaw@osler.com jkanji@osler.com</p> <p>White & Case LLP 1221 Avenue of the Americas New York, NY, USA 10020-1095 Tel: 1 (212) 819-8508, 1 (212) 819-8293</p> <p>Attention: Oliver Wright Gabrielle Goodrow</p> <p>Email: oliver.wright@whitecase.com gabrielle.goodrow@whitecase.com</p> <p>Counsel for Blackrock</p>
<p>McEwan Cooper Dennis LLP 900-980 Howe Street Vancouver, BC V6Z 0C8 Tel: (604) 283-7740</p> <p>Attention: Ken McEwan William Stransky</p> <p>Email: kmcewan@mcewanpartners.com wstransky@mcewanpartners.com</p> <p>Counsel for Brunswick Gold Ltd.</p>	<p>Christopher Alan John Towsey 14 Reg Percy Street Mount Tarcoola, WA 6530 Australia Tel: +61 417 230 295</p> <p>Email: ctowsey2003@yahoo.com.au</p>

<p>Miller Thomson LLP 400 - 725 Granville Street Vancouver, BC V7Y 1G5 Tel: (604) 643-1242</p> <p>Attention: Jeff Carhart Bryan Hicks</p> <p>Email: JCarhart@millerthomson.com BJHicks@millerthomson.com</p> <p><i>Counsel for Kroll, LLC</i></p>	<p>Martin Smith 44 Angelica Road Bisley, Surrey GU249EY UK Tel: +44 7920 775777</p> <p>Email: msmith98uk@hotmail.com</p>
<p>Harbourfront Technologies 77 Harbour Square, #2803 Toronto, ON M5J 2S2 Tel: (416) 839-8276</p> <p>Attention : Nam Nguyen</p> <p>Email: nnguyen@tech.harbourfronts.com</p>	<p>Aird & Berlis LLP 1800 – 181 Bay Street Toronto ON M5J 2T9 Tel: (416) 865-3965</p> <p>Attention: Pamela Miehls</p> <p>Email: pmiehls@airdbleris.com</p>

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Schedule "B"

Order Sought

Please see attached

IN THE SUPREME COURT OF BRITISH COLUMBIA
IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF THE RECEIVERSHIP OF
OTSO GOLD CORP.

BETWEEN:

PANDION MINE FINANCE LP, RIVERMET RESOURCE CAPITAL LP
AND PFL RAAHE HOLDINGS LP

PETITIONERS

AND:

OTSO GOLD CORP.

RESPONDENT

ORDER MADE AFTER APPLICATION

BEFORE THE HONOURABLE
JUSTICE GOMERY

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)

October 24, 2022

ON THE APPLICATION of Deloitte Restructuring Inc., in its capacity as Court-appointed receiver and receiver-manager (the “**Receiver**”) of the assets, undertakings and properties of Otso Gold Corp. (“**Otso**”), coming on for hearing at the Vancouver Courthouse at 800 Smithe Street, Vancouver, British Columbia, on the 24th day of October 2022; AND ON HEARING Lisa Hiebert, counsel for the Receiver, and those other counsel listed on **Schedule “A”** hereto; AND UPON READING the material filed, including the Receiver’s First Report dated April 6, 2022 and the Receiver’s Second Report dated October 12, 2022 (the “**Second Report**”);

THIS COURT ADVISES AND DIRECTS THAT:

1. The Receiver shall be approved and directed to:
 - (a) enter into the assignment and release agreement dated October 4, 2022 (the “**Assignment and Release Agreement**”) a copy of which is attached as Appendix A of the Second Report, whereby the Receiver shall release Otso’s security interest against Otso Gold AB and Osto Gold OY; and
 - (b) support the restructuring programme dated October 4, 2022 (the “**Restructuring Programme**”) a copy of which is attached as Appendix C of the Second Report,

in connection with the sale transaction contemplated by the Share Purchase Agreement dated October 4, 2022 (the “**Share Purchase Agreement**”) between, *inter alios*, the Receiver and Pilar Gold Inc. (the “**Purchaser**”).

2. After completion of all the conditions precedent required pursuant to the Share Purchase Agreement, the Receiver will file a certificate substantially in the form attached as **Schedule “B”** hereto (the “**Receiver’s Certificate**”), certifying that the Sale Transaction has concluded.
3. The Receiver or any other party have liberty to apply for such further or other directions or relief as may be necessary or desirable to give effect to this Order.
4. Endorsement of this Order by counsel appearing on this application other than counsel for the Receiver is hereby dispensed with.

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

Signature of Lisa Hiebert,
counsel to the Receiver, Deloitte Restructuring Inc.

BY THE COURT

REGISTRAR

Schedule "A"
LIST OF COUNSEL

COUNSEL	PARTY REPRESENTED
Lisa Hiebert Jennifer Pepper	Receiver, Deloitte Restructuring Inc.

Schedule "B"

Form of Receiver's Certificate

No. S-220231
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA
IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF THE RECEIVERSHIP OF
OTSO GOLD CORP.

BETWEEN:

PANDION MINE FINANCE LP, RIVERMET RESOURCE CAPITAL LP
AND PFL RAAHE HOLDINGS LP

PETITIONERS

AND:

OTSO GOLD CORP.

RESPONDENT

RECEIVER'S CLOSING CERTIFICATE

All capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Order for Advice and Direction, as pronounced by the Honourable Mr. Justice Gomery in these proceedings on the 24th day of October, 2022 (the "**Order**").

Pursuant to paragraph 2 of the Order, Deloitte Restructuring Inc., in its capacity as Receiver of the assets, properties and undertakings of Otso Gold Corp., hereby delivers and files with the Court this Certificate and hereby confirms that the Receiver is advised that the Sale Transaction contemplated in the Share Purchase Agreement has closed and is complete in all respects.

DATED the _____ day of October, 2022

DELOITTE RESTRUCTURING INC., in its capacity
as Receiver of the properties, assets, and undertakings of
Otso Gold Corp., and not in its personal capacity:

Per: _____
Name:
Title:

Schedule "C"

Sealing Order

Please see attached

IN THE SUPREME COURT OF BRITISH COLUMBIA
IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF THE RECEIVERSHIP OF
OTSO GOLD CORP.

BETWEEN:

PANDION MINE FINANCE LP, RIVERMET RESOURCE CAPITAL LP
AND PFL RAAHE HOLDINGS LP

PETITIONERS

AND:

OTSO GOLD CORP.

RESPONDENT

ORDER MADE AFTER APPLICATION
SEALING ORDER

BEFORE THE HONOURABLE
JUSTICE GOMERY

)
)
)

October 24, 2022

THE APPLICATION of Deloitte Restructuring Inc., in its capacity as Court-appointed receiver and receiver-manager (in such capacity, the “Receiver”) of the assets, undertakings and properties of Otso Gold Corp., coming on for hearing at the Vancouver Courthouse at 800 Smithe Street, Vancouver, British Columbia, on the 24th day of October 2022; AND ON HEARING Lisa Hiebert, counsel for the Receiver, and those other counsel listed on **Schedule “A”** hereto; AND UPON READING the material filed, including the Receiver’s Confidential Supplement to the Second Report dated October 12, 2022 (the “Second Report”);

THIS COURT ORDERS AND DECLARES THAT:

1. Access to Sealed Items permitted by: Counsel of Record
 Parties on Record
 Further Court Order
 Others: **Counsel to the Receiver**

2. Items to be sealed

Document Name	Date filed: <i>(Date on Court Stamp)</i>	Number of copies filed, including any extra copies for the judge	Duration of sealing order: <i>(to specific date or until further order)</i>	Sought:	Granted	
					YES	NO
(1) <u>Entire File</u>	N/A	N/A	N/A	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

(2) <u>Specific Document</u> Confidential Supplement to the Second Report dated October 12, 2022	To be filed	1	Until the completion of the Sale Transaction (as defined in the Order for Advice and Direction dated 24, 2022), as confirmed by the Receiver's filing of its Receiver's Certificate with the Court	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(3) <u>Clerk's Notes</u>	N/A	N/A	N/A	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(4) <u>Order</u>	N/A	N/A	N/A	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

3. Endorsement of this Order by counsel appearing on this application, other than counsel for the Receiver, is hereby dispensed with.

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

Signature of Lisa Hiebert
 Party Lawyer for the Receiver, Deloitte
Restructuring Inc.

BY THE COURT

REGISTRAR

Schedule "A"

LIST OF COUNSEL

COUNSEL	PARTY REPRESENTED
Lisa Hiebert Jennifer Pepper	Receiver, Deloitte Restructuring Inc.

Schedule "D"

Fee Approval Order

Please see attached

IN THE SUPREME COURT OF BRITISH COLUMBIA
IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF THE RECEIVERSHIP OF
OTSO GOLD CORP.

BETWEEN:

PANDION MINE FINANCE LP, RIVERMET RESOURCE CAPITAL LP
AND PFL RAAHE HOLDINGS LP

PETITIONERS

AND:

OTSO GOLD CORP.

RESPONDENT

ORDER MADE AFTER APPLICATION
FEE APPROVAL ORDER

BEFORE THE HONOURABLE)
JUSTICE GOMERY) October 24, 2022
)

ON THE APPLICATION of Deloitte Restructuring Inc., in its capacity as Court-appointed Receiver (in such capacity, the “**Receiver**”) of the assets, undertakings and properties of Otso Gold Corp., coming on for hearing at Vancouver, British Columbia, on the 24th day of October, 2022; AND ON HEARING Jennifer Pepper, counsel for the Receiver and those other counsel listed on **Schedule “A”** hereto; AND UPON READING the materials filed, including the Receiver’s First Report dated April 6, 2022 and the Receiver’s Second Report dated October 12, 2022 (collectively, the “**Receiver’s Reports**”), Affidavit #1 of Melinda McKie dated October 12, 2022, and Affidavit #1 of Lisa Hiebert dated October 11, 2022 (together, the “**Fee Affidavits**”);

THIS COURT ORDERS AND DECLARES THAT:

1. The activities of the Receiver, as described in the Receiver’s Reports, are hereby approved; provided, however, that only the Receiver in its personal capacity and only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approval.
2. The fees and disbursements of the Receiver and its counsel Borden Ladner Gervais LLP, as described in the Fee Affidavits and the Receiver’s Reports, are hereby approved.

3. Endorsement of this Order by counsel appearing on this application other than the Receiver is hereby dispensed with.

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

Signature of Jennifer Pepper
 Party Lawyer for Deloitte Restructuring Inc., in its
capacity as the Court appointed Receiver

BY THE COURT

REGISTRAR

Schedule "A"

LIST OF COUNSEL

NAME OF COUNSEL	PARTY REPRESENTED
Lisa Hiebert Jennifer Pepper	Receiver, Deloitte Restructuring Inc.

No. S-220231
Vancouver Registry

**IN THE SUPREME COURT OF BRITISH COLUMBIA
IN BANKRUPTCY AND INSOLVENCY**

**IN THE MATTER OF THE RECEIVERSHIP OF
OTSO GOLD CORP.**

BETWEEN:

PANDION MINE FINANCE LP, RIVERMET RESOURCE CAPITAL LP
AND PFL RAAHE HOLDINGS LP

PETITIONERS

AND:

OTSO GOLD CORP.

RESPONDENT

NOTICE OF APPLICATION

BORDEN LADNER GERVAIS LLP
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P.O. Box 48600
Vancouver, B.C., V7X 1T2
Telephone: (604) 632-3425
Client/Matter: 560836/00013
Attn: Lisa Hiebert