



This is the 1<sup>st</sup> affidavit of Laura Ferguson in this case and was made on December 8, 2021.

No. S2110503  
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**

**AND**

**IN THE MATTER OF OTSO GOLD CORP. OTSO GOLD OY, OTSO GOLD AB, and**  
**2273265 ALBERTA LTD.**

**PETITIONERS**


**AFFIDAVIT**

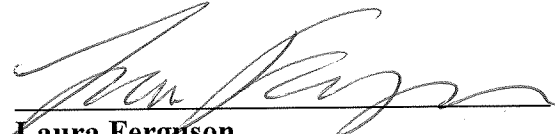
I, Laura Ferguson, care of 2500-700 West Georgia Street, Director, SWEAR THAT:

1. I am a legal assistant at Farris LLP, counsel for Petitioners, and as such I have personal knowledge of the facts sworn to herein unless such facts are stated to be on information and belief, in which case I believe them to be true.
2. Attached and marked as Exhibit "A" are copies of the service letters dated December 6, 2021 which enclosed the Initial Order, Petition, Affidavit #1 of Victor Koshkin and Affidavit #2 of Victor Koshkin.
3. Attached and marked as Exhibit "B" is a copy of a letter dated December 3, 2021 from counsel for Lionsbridge and Westech.
4. Attached and marked as Exhibit "C" is a copy of an email chain dated December 4, 2021 between counsel for the Petitioners and counsel for Lionsbridge and Westech, which attaches the Initial Order and December 3, 2021 letter.
5. Attached and marked as Exhibit "D" is a copy of a letter dated December 5, 2021 from counsel for the Petitioners to counsel for Lionsbridge and Westech.
6. Attached and marked as Exhibit "E" is a copy of a letter dated December 5, 2021 from counsel for the Petitioners to counsel for Pandion Mine Finance.
7. Attached and marked as Exhibit "F" is a copy of an email chain dated December 5, 2021 between counsel for Pandion Mine Finance and counsel for the Petitioners.
8. Attached and marked as Exhibit "G" is a copy of an email chain dated December 7, 2021 between counsel for Pandion Mine Finance and counsel for the Petitioners.

9. Attached and marked as Exhibit "H" is a copy of an email chain dated December 8, 2021 between counsel for Pandion Mine Finance and counsel for the Petitioners, which attached calculations.

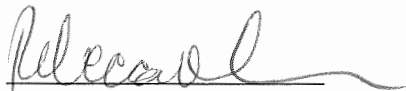
SWORN BEFORE ME at Vancouver, )  
British Columbia, on December 8, 2021 )

  
A Commissioner for taking Oaths for the )  
Province of British Columbia )

  
Laura Ferguson

REBECCA M. MORSE  
Barrister • Solicitor  
FARRIS LLP  
2500 - 700 West Georgia Street  
P.O. Box 10026, Pacific Centre  
Vancouver, BC V7Y 1B3

This is Exhibit "A" to the Affidavit #1 of  
Laura Ferguson affirmed December 8, 2021  
before me at the City of Vancouver.

A handwritten signature in cursive script, appearing to read "Rebecca", written over a horizontal line.

A Commissioner for taking Affidavits in and for  
the Province of British Columbia.

Reply Attention of: Tim Louman-Gardiner  
Direct Dial Number: 604 661 1729  
Email Address: tlouman-gardiner@farris.com

**FARRIS**

File No: 48387-1

December 6, 2021

BY EMAIL: agc\_pgc\_Vancouver@justice.gc.ca

BY REGISTERED MAIL

British Columbia Regional Office  
Department of Justice Canada  
900 - 840 Howe Street  
Vancouver, British Columbia V6Z 2S9

Deputy Attorney General  
Ministry of Attorney General  
PO Box 9290 Stn Prov Govt  
Victoria BC V8W 9J7

**Re: In the Matter of Otso Gold Corp. et al;  
SCBC Vancouver Action No. S2110503**

Please find enclosed for service the Petition, Initial Order, Affidavit #1 of Victor Koshkin and Affidavit #2 of Victor Koshkin filed in the above noted matter. Note that only the body of the Affidavit #1 of Victor Koshkin has been provided here and a full copy can be found at the below website:

[www.insolvencies.deloitte.ca/en-ca/otsogoldcorp](http://www.insolvencies.deloitte.ca/en-ca/otsogoldcorp)

Yours truly,

FARRIS LLP

Per:



Tim Louman-Gardiner

TLG/lf  
Enclosures

**FARRIS LLP**

25th Floor - 700 W Georgia Street Vancouver, BC Canada V7Y 1B3  
Tel 604 684 9151 farris.com

48387|6761809\_1

Reply Attention of: Tim Louman-Gardiner  
Direct Dial Number: 604 661 1729  
Email Address: tlouman-gardiner@farris.com

**FARRIS**

File No: 48387-1

December 6, 2021

BY EMAIL

**Counsel for Pandion Mine Finance, LP**

Cassels Brock & Blackwell LLP  
Suite 2200, HSBC Building,  
885 West Georgia St.  
Vancouver, BC V6C 3E8  
**Attention: Mary Buttery, Q.C.**  
Email: mbuttery@cassels.com; jenns@cassels.com; sdanielisz@cassels.com

**Re: In the Matter of Otso Gold Corp. et al;  
SCBC Vancouver Action No. S2110503**

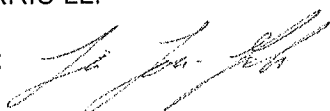
Please find enclosed for service upon Pandion Mine Finance, LP the Petition, Initial Order, Affidavit #1 of Victor Koshkin and Affidavit #2 of Victor Koshkin filed in the above noted matter. Note that only the body of the Affidavit #1 of Victor Koshkin has been provided here and a full copy can be found at the below website:

[www.insolvencies.deloitte.ca/en-ca/otsogoldcorp](http://www.insolvencies.deloitte.ca/en-ca/otsogoldcorp)

Yours truly,

FARRIS LLP

Per:



Tim Louman-Gardiner

TLG/lf  
Enclosures

**FARRIS LLP**

25th Floor - 700 W Georgia Street Vancouver, BC Canada V7Y 1B3  
Tel 604 684 9151 farris.com

Reply Attention of: Tim Louman-Gardiner  
Direct Dial Number: 604 661 1729  
Email Address: tlouman-gardiner@farris.com

**FARRIS**

File No: 48387-1

December 6, 2021

BY EMAIL

Westech International Pty Ltd.

**Attention: Clyde Wesson**  
Email: clyde.w@lionsbridge.com.au

**Re: In the Matter of Otso Gold Corp. et al;  
SCBC Vancouver Action No. S2110503**


Please find enclosed for service upon Westech International Pty Ltd. the Petition, Initial Order, Affidavit #1 of Victor Koshkin and Affidavit #2 of Victor Koshkin filed in the above noted matter. Note that only the body of the Affidavit #1 of Victor Koshkin has been provided here and a full copy can be found at the below website:

[www.insolvencies.deloitte.ca/en-ca/otsogoldcorp](http://www.insolvencies.deloitte.ca/en-ca/otsogoldcorp)

Yours truly,

FARRIS LLP

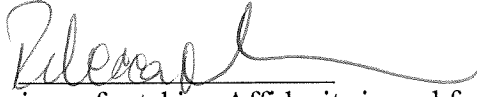
Per:



Tim Louman-Gardiner

TLG/lf  
Enclosures

This is Exhibit "B" to the Affidavit #1 of  
Laura Ferguson affirmed December 8, 2021  
before me at the City of Vancouver.

A handwritten signature in cursive script, appearing to read "P. [unclear]", written over a horizontal line.

A Commissioner for taking Affidavits in and for  
the Province of British Columbia.



Harris & Company <sup>LLP</sup>  
14th Floor, 550 Burrard Street  
Vancouver, BC  
Canada V6C 2B5

T/ 604 684 6633  
F/ 604 684 6632  
harrisco.com  
info@harrisco.com

December 3, 2021

Hein Poulus, Q.C.  
D/ 778 328 2548

By EMail

hpoulus@harrisco.com  
Our file 009728.001

Farris LLP  
700 W Georgia St #2500  
Vancouver, BC V7Y 1B3

Attention: Rebecca M. Morse

Dear Ms. Morse:

**Re: Otso Gold Corp**

Thank you for your letter of 1 December 2021.

I act for Lionsbridge and Westech in connection with the Services Agreement. Communications on that subject should be sent to me.

I will deal separately with your substantive allegations. For the moment I will say only that your instructions as to the history of this dispute are simply incorrect.

This letter is intended to deal with the administrative issues that you have raised and that you characterize as urgent. I have reproduced the numbered points in your letter and italicized them. The responses are in ordinary font.

As a general point, many of your questions assume that Lionsbridge has in its possession files on the operations of Otso. That assumption is incorrect: Otso has a substantial operation on site and maintains books and records there. Much of what you seek is already in your client's possession.

*1) Full access, including administrative access and passwords, to the Company's (and, as applicable, its subsidiaries):*

*a. Web site;*

Lionsbridge will be happy to give Otso control of the website. Please identify the Otso employee who will do the work and have him or her contact Clyde Wesson.



*b. E-mail and document servers;*

The Email servers are Lionsbridge's property. Lionsbridge will be happy to assign the Otso domain names and give Otso an archive of the mailboxes of Otso employees, if desired. Otso will be required to set up its own email hosting. Otso will, of course, have to bear the expense of that work and of maintaining the mailboxes until Otso has created its own. Lionsbridge will provide an estimate, so that the cost can be prepaid.

*c. Data room;*

Lionsbridge owns the data room. Lionsbridge will be happy, at Otso's expense, to have an archive prepared so that Otso can set up its own data room.

*d. Social media accounts; and*

Please provide a list of social media accounts of which Otso would like to have control and Lionsbridge will provide access details.

*e. Financial accounts, including bank and credit card accounts*

The financial accounts are in the possession of Otso personnel on site and in the possession of Otso's consultants.

Otso has control of, and access to, all of its own bank accounts. Otso's directors have had access to and approved expenses from these accounts for some time.

Otso has control of the credit card accounts (they are in its name). Lionsbridge has not used any corporate credit cards since Brian and Clyde Wesson resigned from the board.

*f. All intellectual properties including Boyd mining plan, Company's mining plan and block model, drilling results and any other intellectual properties;*

So far as our client is aware, all of the intellectual property is in the possession of Otso on site or in the possession of its consultants, including Boyd. Please specify what property is claimed to not be in your client's possession.

*2) All computers, mobile phones and other physical properties including their contents*

Lionsbridge is aware of having possession of only one item in these categories: a mobile phone. Lionsbridge will arrange to have it sent to the site.

*3) All corporate credit cards. We further advise Lionsbridge and its Key Persons that they will be liable for any unauthorized charges incurred on such cards;*

Lionsbridge will, at Otso's option, send the cards to the site or destroy them.

- 4) *All credit card statements including supporting documents and underlying invoices that were paid for with the credit cards from January 2021 to November 2021 for CAD 683,704;*

All of the credit card statements are available from the credit card providers and again are in Otso's name. Lionsbridge will be happy, at Otso's expense, to do the work of collecting underlying invoices. Lionsbridge will furnish a cost estimate for the work and will require prepayment.

- 5) *All bank account statements for the Company's accounts ;*

All of this information is available either in Otso's accounting records on site, from the banks in question or from Otso's employees. Again Otso's directors have had access to these bank accounts for approval purposes for some time. Lionsbridge does not maintain files of this information.

- 6) *All accounts payable records. Our client is particularly concerned about (i) an apparent increase in accounts payable of Otso Gold OY (excluding payables owed to Tallqvist) from c.€2 million at the end of July to c.€9 million at the end of November and our client requires the records relating to the accounts payable as a matter of extreme urgency and, the reasons for the increase (particularly in reference to the budget presented to the Board on October 6, 2021); and (ii) copies of all invoices received for Otso Canada pertaining to the period from August 2021 to November 2021, even if they have not yet been paid; and*

Accounts payable records are maintained on site or by Otso personnel. It is unsurprising that the payables have risen, as the Company is currently moving into production and waiting for funds from gold sales.

- 7) *All records relating to the gold sales trade accounts, and specifically any records relating to the payment by MKS of USD\$741,000.*

This information is tracked on site by Otso personnel and should be available from their files or can be sought directly from MKS.

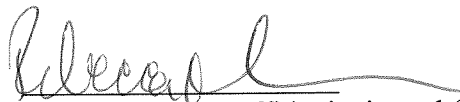
Yours very truly,  
Harris & Company LLP

Per:



Hein Poulus, Q.C.  
HP/an

This is Exhibit "C" to the Affidavit #1 of  
Laura Ferguson affirmed December 8, 2021  
before me at the City of Vancouver.

A handwritten signature in black ink, appearing to read "Robert", written over a horizontal line.

A Commissioner for taking Affidavits in and for  
the Province of British Columbia.

## Laura Ferguson

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**From:** Tim Louman-Gardiner  
**Sent:** December 4, 2021 9:06 AM  
**To:** 'jbuysen@harrisco.com'; 'hpoulus@harrisco.com'  
**Cc:** Rebecca Morse; 'Hiebert, Lisa'  
**Subject:** RE: Lionsbridge and Otso Gold Corp. HARRISCO-LLP.FID416753  
**Attachments:** S2110503 Initial Order, Dec. 3, 2021.pdf; 2021-12-03 LT R Morse.pdf

Hello,

We look forward to the substantive response.

With respect to property of our client I attach for delivery to Lionsbridge a copy of the Order pronounced yesterday. Paragraphs 17, 18, and 28 in particular will have some relevance to the matter at issue. I have also copied Lisa Hiebert, who is counsel for the Monitor.

Thanks,  
Tim

**Tim Louman-Gardiner** (he/him)  
**Partner**

T: (604) 661-1729  
 F: (604) 661-9349  
[tlouman-gardiner@farris.com](mailto:tlouman-gardiner@farris.com)  
[LinkedIn](#)  
 Assistant: Laura Ferguson  
 T: (604) 684-9151 ext. 231

**FARRIS LLP**  
 25th Floor, 700 W Georgia St.  
 Vancouver, BC V7Y 1B3  
[www.farris.com](http://www.farris.com)

---

**From:** Alysha Nightingale <[anightingale@harrisco.com](mailto:anightingale@harrisco.com)>  
**Sent:** December 3, 2021 11:51 AM  
**To:** Rebecca Morse <[rmorse@farris.com](mailto:rmorse@farris.com)>  
**Cc:** Hein Poulus <[hpoulus@harrisco.com](mailto:hpoulus@harrisco.com)>; Jonathan Buysen <[jbuysen@harrisco.com](mailto:jbuysen@harrisco.com)>  
**Subject:** [EXT] Lionsbridge and Otso Gold Corp. [HARRISCO-LLP.FID416753]

Good morning,

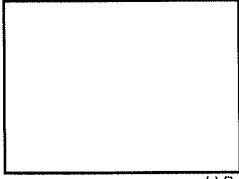
Please see the attached correspondence of today's date in connection with the above-noted matter from Mr. Poulus.

Regards,

Alysha

Alysha Nightingale  
 (she/ her/ hers)

Legal Assistant  
D/ 604 684 6633 x2266  
[ANightingale@harrisco.com](mailto:ANightingale@harrisco.com)



Harris & Company <sup>LLP</sup>  
14<sup>th</sup> Floor, 550 Burrard St.  
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F/ 604 684 6632  
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## **SUBSEQUENT HEARING DATE**

2. The hearing of the Petitioners' application for an extension of the Stay Period (as defined in paragraph 15 of this Order) and for any ancillary relief shall be held at the Courthouse at 800 Smithe Street, Vancouver, British Columbia at 10:00 a.m. on Monday, the 13th day of December, 2021 or such other date as this Court may order.

## **PLAN OF ARRANGEMENT**

3. The Petitioners shall have the authority to file and may, subject to further order of this Court, file with this Court a plan of compromise or arrangement (hereinafter referred to as the "Plan").

## **POSSESSION OF PROPERTY AND OPERATIONS**

4. Subject to this Order and any further Order of this Court, the Petitioners shall remain in possession and control of their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "Property"), and continue to carry on its business (the "Business") in the ordinary course and in a manner consistent with the preservation of the Business and the Property. The Petitioners shall be authorized and empowered to continue to retain and employ the employees, consultants, agents, experts, accountants, counsel and such other persons (collectively, "Assistants") currently retained or employed by it, with liberty to retain such further Assistants as they deem reasonably necessary or desirable in the ordinary course of business or for carrying out the terms of this Order.

5. The Petitioners shall be entitled, but not required, to pay the following expenses which may have been incurred prior to the Order Date:

- (a) all outstanding wages, salaries, employee and pension benefits (including long and short term disability payments), vacation pay and expenses (but excluding severance pay) payable before or after the Order Date, in each case incurred in the

ordinary course of business and consistent with the relevant compensation policies and arrangements existing at the time incurred (collectively “Wages”); and

- (b) the fees and disbursements of any Assistants retained or employed by the Petitioners which are related to the Petitioners’ restructuring, at their standard rates and charges, including payment of the fees and disbursements of legal counsel retained by the Petitioner, whenever and wherever incurred, in respect of:
  - (i) these proceedings or any other similar proceedings in other jurisdictions in which the Petitioner or any subsidiaries or affiliated companies of the Petitioner are domiciled;
  - (ii) any litigation in which the Petitioner is named as a party or is otherwise involved, whether commenced before or after the Order Date; and
  - (iii) any related corporate matters.

6. Except as otherwise provided herein, the Petitioners shall be entitled to pay all expenses reasonably incurred by the Petitioners in carrying on the Business in the ordinary course following the Order Date, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

- (a) all expenses and capital expenditures reasonably incurred and which are necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors’ and officers’ insurance), maintenance and security services, provided that any capital expenditure exceeding \$500,000 shall be approved by the Monitor;
- (b) all obligations incurred by the Petitioners after the Order Date, including without limitation, with respect to goods and services actually supplied to the Petitioners following the Order Date (including those under purchase orders outstanding at the Order Date but excluding any interest on the Petitioners’ obligations incurred prior to the Order Date); and



- (c) fees and disbursements of the kind referred to in paragraph 5(b) which may be incurred after the Order Date.
7. The Petitioners are authorized to remit, in accordance with legal requirements, or pay:
- (a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from Wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, (iii) Quebec Pension Plan, and (iv) income taxes or any such claims which are to be paid pursuant to Section 6(3) of the CCAA;
  - (b) all goods and services or other applicable sales taxes (collectively, “Sales Taxes”) required to be remitted by the Petitioners in connection with the sale of goods and services by the Petitioners, but only where such Sales Taxes accrue or are collected after the Order Date, or where such Sales Taxes accrued or were collected prior to the Order Date but not required to be remitted until on or after the Order Date; and
  - (c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal property taxes, municipal business taxes or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors.
8. Until such time as a real property lease is disclaimed in accordance with the CCAA, the Petitioners shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable as rent to the landlord under the lease) based on the terms of existing lease arrangements or as otherwise may be negotiated between the Petitioner and the landlord from time to time (“Rent”), for the period commencing from and including the Order Date, twice-monthly in equal payments on the first and fifteenth day of the month in advance (but not

in arrears). On the date of the first of such payments, any Rent relating to the period commencing from and including Order Date shall also be paid.

9. Except as specifically permitted herein, the Petitioners are hereby directed, until further Order of this Court:

- (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Petitioner to any of its creditors as of the Order Date except as authorized by this Order;
- (b) to make no payments in respect of any financing leases which create security interests;
- (c) to grant no security interests, trust, mortgages, liens, charges or encumbrances upon or in respect of any of its Property, nor become a guarantor or surety, nor otherwise become liable in any manner with respect to any other person or entity except as authorized by this Order;
- (d) to not grant credit except in the ordinary course of the Business only to its customers for goods and services actually supplied to those customers, provided such customers agree that there is no right of set-off in respect of amounts owing for such goods and services against any debt owing by the Petitioners to such customers as of the Order Date; and
- (e) to not incur liabilities except in the ordinary course of Business.

## **RESTRUCTURING**

10. Subject to such requirements as are imposed by the CCAA and such covenants as may be contained in the Definitive Documents (as hereinafter defined), the Petitioners shall have the right to:

- (a) permanently or temporarily cease, downsize or shut down all or any part of its Business or operations and commence marketing efforts in respect of any of its

redundant or non-material assets and to dispose of redundant or non-material assets not exceeding \$200,000 in any one transaction or \$500,000 in the aggregate;

- (b) terminate the employment of such of its employees or temporarily lay off such of its employees as it deems appropriate; and
- (c) pursue all avenues of refinancing for its Business or Property, in whole or part;

all of the foregoing to permit the Petitioners to proceed with an orderly restructuring of the Business (the "**Restructuring**").

11. The Petitioners shall provide each of the relevant landlords with notice of the Petitioner's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Petitioner's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors who claim a security interest in the fixtures, such landlord and the Petitioner, or by further Order of this Court upon application by the Petitioners, the landlord or the applicable secured creditors on at least two (2) clear days' notice to the other parties. If a Petitioner disclaims any lease governing such leased premises in accordance with Section 32 of the CCAA, it shall not be required to pay Rent under such lease pending resolution of any dispute concerning such fixtures (other than Rent payable for the notice period provided for in Section 32(5) of the CCAA), and the disclaimer of the lease shall be without prejudice to the Petitioner's claim to the fixtures in dispute.

12. If a notice of disclaimer is delivered pursuant to Section 32 of the CCAA, then: (a) during the period prior to the effective time of the disclaimer, the landlord may show the affected leased premises to prospective tenants during normal business hours on giving the Petitioner and the Monitor 24 hours' prior written notice; and (b) at the effective time of the disclaimer, the landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims the landlord may have against such Petitioner, or any other rights the

landlord might have, in respect of such lease or leased premises and the landlord shall be entitled to notify the Petitioner of the basis on which it is taking possession and gain possession of and re-lease such leased premises to any third party or parties on such terms as the landlord considers advisable, provided that nothing herein shall relieve the landlord of its obligation to mitigate any damages claimed in connection therewith.

13. Pursuant to Section 7(3)(c) of the *Personal Information Protection and Electronics Documents Act*, S.C. 2000, c. 5 and Section 18(1)(o) of the *Personal Information Protection Act*, S.B.C. 2003, c. 63, and any regulations promulgated under authority of either Act, as applicable (the “**Relevant Enactment**”), the Petitioners, in the course of these proceedings, are permitted to, and hereby shall, disclose personal information of identifiable individuals in its possession or control to stakeholders, its advisors, prospective investors, financiers, buyers or strategic partners (collectively, “**Third Parties**”), but only to the extent desirable or required to negotiate and complete the Restructuring or to prepare and implement the Plan or transactions for that purpose; provided that the Third Parties to whom such personal information is disclosed enter into confidentiality agreements with the Petitioners binding them in the same manner and to the same extent with respect to the collection, use and disclosure of that information as if they were an organization as defined under the Relevant Enactment, and limiting the use of such information to the extent desirable or required to negotiate or complete the Restructuring or to prepare and implement the Plan or transactions for that purpose, and attorning to the jurisdiction of this Court for the purposes of that agreement. Upon the completion of the use of personal information for the limited purposes set out herein, the Third Parties shall return the personal information to the Petitioner or destroy it. If the Third Parties acquire personal information as part of the Restructuring or the preparation and implementation of the Plan or transactions in furtherance thereof, such Third Parties may, subject to this paragraph and any Relevant Enactment, continue to use the personal information in a manner which is in all respects identical to the prior use thereof by the Petitioners.

#### **STAY OF PROCEEDINGS, RIGHTS AND REMEDIES**

14. Until and including December 13, 2021 or such later date as this Court may order (the “**Stay Period**”), no action, suit or proceeding in any court or tribunal (each, a “**Proceeding**”)

against or in respect of the Petitioners or the Monitor, or affecting the Business or the Property, shall be commenced or continued except with the written consent of the Petitioners and the Monitor or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Petitioners or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

15. During the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being “Persons” and each being a “Person”) against or in respect of the Petitioners or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Petitioners and the Monitor or leave of this Court.

16. Nothing in this Order, including paragraphs 14 and 15 shall: (i) empower the Petitioners to carry on any business which the Petitioner is not lawfully entitled to carry on; (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA; (iii) prevent the filing of any registration to preserve or perfect a mortgage, charge or security interest (subject to the provisions of Section 39 of the CCAA relating to the priority of statutory Crown securities); or (iv) prevent the registration or filing of a lien or claim for lien or the commencement of a Proceeding to protect lien or other rights that might otherwise be barred or extinguished by the effluxion of time, provided that no further step shall be taken in respect of such lien, claim for lien or Proceeding except for service of the initiating documentation on the Petitioners.

#### **NO INTERFERENCE WITH RIGHTS**

17. During the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Petitioner, except with the written consent of the Petitioners and the Monitor or leave of this Court.

## **CONTINUATION OF SERVICES**

18. During the Stay Period, all Persons having oral or written agreements with any or all of Petitioners or mandates under an enactment for the supply of goods and/or services, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation, services, utility or other services to the Business or the Petitioner, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with, or terminating the supply of such goods or services as may be required by such Petitioner or Petitioners, and that the Petitioner or Petitioners shall be entitled to the continued use of their current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the Order Date are paid by such Petitioner or Petitioners in accordance with normal payment practices of such Petitioner or such other practices as may be agreed upon by the supplier or service provider and such Petitioner and the Monitor, or as may be ordered by this Court.

## **NON-DEROGATION OF RIGHTS**

19. Notwithstanding any provision in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of leased or licensed property or other valuable consideration provided on or after the Order Date, nor shall any Person be under any obligation to advance or re-advance any monies or otherwise extend any credit to the Petitioners on or after the Order Date. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

## **PROCEEDINGS AGAINST DIRECTORS AND OFFICERS**

20. During the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against the directors or officers of the Petitioners with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Petitioners whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or

performance of such obligations, until a compromise or arrangement in respect of the Petitioners, if one is filed, is sanctioned by this Court or is refused by the creditors of the Petitioners or this Court. Nothing in this Order, including in this paragraph, shall prevent the commencement of a Proceeding to preserve any claim against a director or officer of the Petitioners that might otherwise be barred or extinguished by the effluxion of time, provided that no further step shall be taken in respect of such Proceeding except for service of the initiating documentation on the applicable director or officer.

#### **DIRECTORS AND OFFICERS INDEMNIFICATION AND CHARGE**

21. The Petitioner shall indemnify its directors and officers against obligations and liabilities that they may incur as directors or officers of the Petitioner after the commencement of the within proceedings, except to the extent that, with respect to any director or officer, the obligation or liability was incurred as a result of the director's or officer's gross negligence or wilful misconduct.

#### **APPOINTMENT OF MONITOR**

22. Deloitte Restructuring Inc. is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Petitioners with the powers and obligations set out in the CCAA or set forth herein, and that the Petitioners and their shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Petitioners pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

23. The Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

- (a) monitor the Petitioners' receipts and disbursements;

- (b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;
- (c) assist the Petitioners, to the extent required by the Petitioners, in their dissemination, to the Interim Lender (as hereinafter defined) and its counsel on a periodic basis of financial and other information as agreed to between the Petitioner and the Interim Lender which may be used in these proceedings including reporting on a basis to be agreed with the Interim Lender;
- (d) advise the Petitioners in their preparation of the Petitioners' cash flow statements and reporting required by the Interim Lender, which information shall be reviewed with the Monitor and delivered to the Interim Lender and its counsel on a periodic basis, but not less than monthly, or as otherwise agreed to by the Interim Lender;
- (e) advise the Petitioners in their development of the Plan and any amendments to the Plan;
- (f) assist the Petitioners, to the extent required by the Petitioners, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan;
- (g) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Petitioners, to the extent that is necessary to adequately assess the Petitioners' business and financial affairs or to perform its duties arising under this Order;
- (h) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order; and



- (i) perform such other duties as are required by this Order or by this Court from time to time.

24. The Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, or by inadvertence in relation to the due exercise of powers or performance of duties under this Order, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof, and nothing in this Order shall be construed as resulting in the Monitor being an employer or a successor employer, within the meaning of any statute, regulation or rule of law or equity, for any purpose whatsoever.

25. Nothing herein contained shall require or allow the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Fisheries Act*, the *British Columbia Environmental Management Act*, the *British Columbia Fish Protection Act* and regulations thereunder (the "**Environmental Legislation**") provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. For greater certainty, the Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

26. The Monitor shall provide any creditor of the Petitioners and the Interim Lender with information provided by the Petitioners in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Petitioners is

confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Petitioners may agree.

27. In addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the rights and protections afforded the Monitor by the CCAA or any applicable legislation.

28. Any party with knowledge of this order in possession of any books, records, data, including data in electronic form, or other documents that are property of the Petitioners (the "Petitioners' Records"), including any such Property created by parties engaged in management of the Petitioners, shall take steps to preserve such Petitioners' Records.

#### **ADMINISTRATION CHARGE**

29. The Monitor, counsel to the Monitor, if any, and counsel to the Petitioners shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, by the Petitioners as part of the cost of these proceedings. The Petitioners are hereby authorized and directed to pay the accounts of the Monitor, counsel to the Monitor and counsel to the Petitioners on a periodic basis and, in addition, the Petitioners is hereby authorized to pay to the Monitor, counsel to the Monitor, and counsel to the Petitioner, retainers in any amount requested by any of them to be held by them as security for payment of their respective fees and disbursements outstanding from time to time.

30. The Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Monitor and its legal counsel are hereby referred to a judge of the British Columbia Supreme Court who may determine the manner in which such accounts are to be passed, including by hearing the matter on a summary basis or referring the matter to a Registrar of this Court.

31. The Monitor, counsel to the Monitor, if any, and counsel to the Petitioners shall be entitled to the benefit of and are hereby granted a charge (the “**Administration Charge**”) on the Property, which charge shall not exceed an aggregate amount of \$100,000, as security for their respective fees and disbursements incurred at the standard rates and charges of the Monitor and such counsel, both before and after the making of this Order which are related to the Petitioner’s restructuring. The Administration Charge shall have the priority set out in paragraph 33 hereof.

#### **VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER**

32. Any security documentation evidencing, or the filing, registration or perfection of, the Administration Charge shall not be required, and the Administration Charge shall be effective as against the Property and shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered or perfected subsequent to the Administration Charge coming into existence, notwithstanding any failure to file, register or perfect any such Administration Charge.

33. The Administration Charge shall constitute a mortgage, security interest, assignment by way of security and charge on the Property and shall rank in priority to all other security interests, trusts, liens, mortgages, charges and encumbrances and claims of secured creditors, statutory or otherwise (collectively, “**Encumbrances**”), in favour of any Person, save and except those claims contemplated by section 11.8(8) of the CCAA.

34. Except as otherwise expressly provided herein, or as may be approved by this Court, the Petitioners shall not grant or suffer to exist any Encumbrances over any Property that rank in priority to, or *pari passu* with the Administration Charge, unless the Petitioners obtain the prior written consent of the Monitor and the beneficiaries of the Administration Charge.

35. The Administration Charge, and remedies of the chargees entitled to the benefit of the Administration Charge (collectively, the “**Chargees**”) shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to the BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the

general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, mortgage, security agreement, debenture, sublease, offer to lease or other agreement (collectively, an “Agreement”) which binds the Petitioner; and notwithstanding any provision to the contrary in any Agreement:

- (a) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of the Commitment Letter or the Definitive Documents shall create or be deemed to constitute a breach by the Petitioner of any Agreement to which it is a party;
- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the Petitioner entering into the Commitment Letter, the creation of the Charges, or the execution, delivery or performance of the Definitive Documents; and
- (c) the payments made by the Petitioners pursuant to this Order, the Commitment Letter or the Definitive Documents, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

36. THIS COURT ORDERS that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the Petitioners’ interest in such real property leases.

#### **SERVICE AND NOTICE**

37. The Monitor shall (i) without delay, publish in The Globe and Mail a notice containing the information prescribed under the CCAA, (ii) within five days after Order Date, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner, a notice to every known creditor who has a claim against the Petitioner of more than

\$1000, and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder.

38. The Petitioners and the Monitor are at liberty to serve this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or electronic transmission to the Petitioners' creditors or other interested parties at their respective addresses as last shown on the records of the Petitioner and that any such service or notice by courier, personal delivery or electronic transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

39. Any Person that wishes to be served with any application and other materials in these proceedings must deliver to the Monitor by way of ordinary mail, courier, personal delivery or electronic transmission a request to be added to a service list (the "Service List") to be maintained by the Monitor. The Monitor shall post and maintain an up to date form of the Service List on its website at: [www.insolvencies.deloitte.ca/en-ca/otsogoldcorp](http://www.insolvencies.deloitte.ca/en-ca/otsogoldcorp)

40. Any party to these proceedings may serve any court materials in these proceedings by emailing a PDF or other electronic copy of such materials to counsels' email addresses as recorded on the Service List from time to time, and the Monitor shall post a copy of all prescribed materials on its website at: [www.insolvencies.deloitte.ca/en-ca/otsogoldcorp](http://www.insolvencies.deloitte.ca/en-ca/otsogoldcorp)

41. Notwithstanding paragraphs 38 and 40 of this Order, service of the Petition, the Notice of Hearing of Petition, any affidavits filed in support of the Petition and this Order shall be made on the Federal and British Columbia Crowns in accordance with the *Crown Liability and Proceedings Act*, R.S.C. 1985, c. C-50, and regulations thereto, in respect of the Federal Crown, and the *Crown Proceeding Act*, R.S.B.C. 1996, c. 89, in respect of the British Columbia Crown.

#### **GENERAL**

42. The Petitioners or the Monitor may from time to time apply to this Court for directions in the discharge of its powers and duties hereunder.

43. Nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the Petitioners, the Business or the Property.

44. THIS COURT REQUESTS the aid and recognition of other Canadian and foreign Courts, tribunal, regulatory or administrative bodies, including but not limited to the District Court of Stockholm or any other District Court in any other judicial district in Sweden, as well as the District Court of Ouluto or any competent Court in Finland, to act in aid of and to be complementary to this Court in carrying out the terms of this Order where required. 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, to grant representative status to the Monitor in any foreign proceeding, or to assist the Petitioner and the Monitor and their respective agents in carrying out the terms of this Order.

45. Each of the Petitioners and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order and the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada, including acting as a foreign representative of the Petitioners to apply for relief pursuant to any applicable local statutes or regulations.

46. The Petitioners may (subject to the provisions of the CCAA and the BIA) at any time file a voluntary assignment in bankruptcy or a proposal pursuant to the commercial reorganization provisions of the BIA if and when the Petitioner determines that such a filing is appropriate.

47. The Petitioners are hereby at liberty to apply for such further interim or interlocutory relief as it deems advisable within the time limited for Persons to file and serve Responses to the Petition.

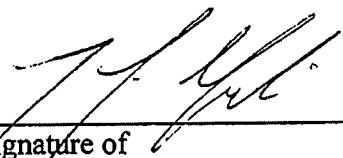
48. Leave is hereby granted to hear any application in these proceedings on two (2) clear days' notice after delivery to all parties on the Service List of such Notice of Application and all affidavits in support, subject to the Court in its discretion further abridging or extending the time for service.

49. Any interested party (including the Petitioners and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to all parties on the Service List and to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

50. Endorsement of this Order by counsel appearing on this application other than counsel for the Petitioners is hereby dispensed with.

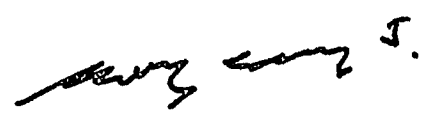
51. This Order and all of its provisions are effective as of 12:01 a.m. local Vancouver time on the Order Date.

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:

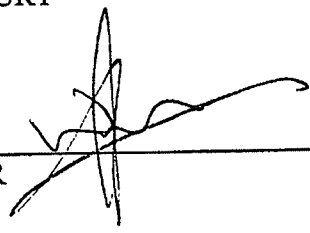
  
\_\_\_\_\_

Signature of  
 Party  Lawyer for the Petitioners

For Rebecca Morse



BY THE COURT

  
\_\_\_\_\_  
REGISTRAR

CREATED  
2.



Harris & Company <sup>LLP</sup>  
 14th Floor, 550 Burrard Street  
 Vancouver, BC  
 Canada V6C 2B5

T/ 604 684 6633  
 F/ 604 684 6632  
 harrisco.com  
 info@harrisco.com

December 3, 2021

Hein Poulus, Q.C.  
 D/ 778 328 2548

By EMail

hpoulus@harrisco.com  
 Our file 009728.001

Farris LLP  
 700 W Georgia St #2500  
 Vancouver, BC V7Y 1B3

Attention: Rebecca M. Morse

Dear Ms. Morse:

Re: Otso Gold Corp

Thank you for your letter of 1 December 2021.

I act for Lionsbridge and Westech in connection with the Services Agreement. Communications on that subject should be sent to me.

I will deal separately with your substantive allegations. For the moment I will say only that your instructions as to the history of this dispute are simply incorrect.

This letter is intended to deal with the administrative issues that you have raised and that you characterize as urgent. I have reproduced the numbered points in your letter and italicized them. The responses are in ordinary font.

As a general point, many of your questions assume that Lionsbridge has in its possession files on the operations of Otso. That assumption is incorrect: Otso has a substantial operation on site and maintains books and records there. Much of what you seek is already in your client's possession.

*1) Full access, including administrative access and passwords, to the Company's (and, as applicable, its subsidiaries):*

*a. Web site;*

Lionsbridge will be happy to give Otso control of the website. Please identify the Otso employee who will do the work and have him or her contact Clyde Wesson.



*b. E-mail and document servers;*

The Email servers are Lionsbridge's property. Lionsbridge will be happy to assign the Otso domain names and give Otso an archive of the mailboxes of Otso employees, if desired. Otso will be required to set up its own email hosting. Otso will, of course, have to bear the expense of that work and of maintaining the mailboxes until Otso has created its own. Lionsbridge will provide an estimate, so that the cost can be prepaid.

*c. Data room;*

Lionsbridge owns the data room. Lionsbridge will be happy, at Otso's expense, to have an archive prepared so that Otso can set up its own data room.

*d. Social media accounts; and*

Please provide a list of social media accounts of which Otso would like to have control and Lionsbridge will provide access details.

*e. Financial accounts, including bank and credit card accounts*

The financial accounts are in the possession of Otso personnel on site and in the possession of Otso's consultants.

Otso has control of, and access to, all of its own bank accounts. Otso's directors have had access to and approved expenses from these accounts for some time.

Otso has control of the credit card accounts (they are in its name). Lionsbridge has not used any corporate credit cards since Brian and Clyde Wesson resigned from the board.

*f. All intellectual properties including Boyd mining plan, Company's mining plan and block model, drilling results and any other intellectual properties;*

So far as our client is aware, all of the intellectual property is in the possession of Otso on site or in the possession of its consultants, including Boyd. Please specify what property is claimed to not be in your client's possession.

*2) All computers, mobile phones and other physical properties including their contents*

Lionsbridge is aware of having possession of only one item in these categories: a mobile phone. Lionsbridge will arrange to have it sent to the site.

*3) All corporate credit cards. We further advise Lionsbridge and its Key Persons that they will be liable for any unauthorized charges incurred on such cards;*

Lionsbridge will, at Otso's option, send the cards to the site or destroy them.

- 4) *All credit card statements including supporting documents and underlying invoices that were paid for with the credit cards from January 2021 to November 2021 for CAD 683,704;*

All of the credit card statements are available from the credit card providers and again are in Otso's name. Lionsbridge will be happy, at Otso's expense, to do the work of collecting underlying invoices. Lionsbridge will furnish a cost estimate for the work and will require prepayment.

- 5) *All bank account statements for the Company's accounts ;*

All of this information is available either in Otso's accounting records on site, from the banks in question or from Otso's employees. Again Otso's directors have had access to these bank accounts for approval purposes for some time. Lionsbridge does not maintain files of this information.

- 6) *All accounts payable records. Our client is particularly concerned about (i) an apparent increase in accounts payable of Otso Gold OY (excluding payables owed to Tallqvist) from c.€2 million at the end of July to c.€9 million at the end of November and our client requires the records relating to the accounts payable as a matter of extreme urgency and, the reasons for the increase (particularly in reference to the budget presented to the Board on October 6, 2021); and (ii) copies of all invoices received for Otso Canada pertaining to the period from August 2021 to November 2021, even if they have not yet been paid; and*

Accounts payable records are maintained on site or by Otso personnel. It is unsurprising that the payables have risen, as the Company is currently moving into production and waiting for funds from gold sales.

- 7) *All records relating to the gold sales trade accounts, and specifically any records relating to the payment by MKS of USD\$741,000.*

This information is tracked on site by Otso personnel and should be available from their files or can be sought directly from MKS.

Yours very truly,  
Harris & Company LLP

Per:



Hein Poulus, Q.C.  
HP/an

This is Exhibit "D" to the Affidavit #1 of  
Laura Ferguson affirmed December 8, 2021  
before me at the City of Vancouver.



A Commissioner for taking Affidavits in and for  
the Province of British Columbia.

Reply Attention of: Rebecca M. Morse  
 Direct Dial Number: 604 661 1712  
 Email Address: rmorse@farris.com

**FARRIS**

File No: 48387-1

December 5, 2021

BY EMAIL AND MAIL

Harris & Company LLP  
 14<sup>th</sup> Floor, 550 Burrard Street  
 Vancouver, BC, V6C 2B5

**Attention: Hein Poulus, Q.C.**

Dear Sirs/Mesdames:

**Re: Services Agreement dated July 2, 2019, as amended (the "Services Agreement") among Otso Gold Corp. (the "Company"), Lionsbridge Pty. Ltd. ("Lionsbridge") and Westech International Pty Ltd. ("Westech")**

Thank you for your letter of December 3, 2021.

We will be providing a full and comprehensive response to your letter and all of the points raised therein; however, and for the meantime, we need to address the issue of the Company's e-mail and document servers, and the dataroom. We appreciate that your client is willing to assign the domain names and provide an archive of the contents of certain mailboxes, and we ask that you advise us as to what is needed for that transfer to occur as soon as possible.

Please note, however, that none of the email servers, document servers or the dataroom belong to Lionsbridge. Lionsbridge may be the registered holder, but the servers and the dataroom belong to our client and Lionsbridge was, at all times, acting as the Company's agent. Given recent events, the Company now needs to have control over all of its documents, and your client is no longer authorized to control them (or to maintain copies). For the avoidance of doubt, our client does agree to pay the reasonable costs incurred in transferring the servers and dataroom into its name, and we ask that you provide us with details of such costs and what you need in order to effect that change.

As mentioned in our earlier correspondence, Lionsbridge has repudiated the Services Agreement and our client is in the process of considering whether to accept such repudiation or to affirm the Services Agreement, and we will advise you of our client's position in that regard shortly. If our client decides to affirm the Services Agreement, it will grant Lionsbridge access to those documents required for carrying out its role; however, the Company now needs to maintain control over its documents and servers.

We hope that your client will cooperate in transferring control of the email servers, document servers and the dataroom to the Company, and we ask that you confirm your client's position in this regard by

**FARRIS LLP**

25th Floor - 700 W Georgia Street Vancouver, BC Canada V7Y 1B3  
 Tel 604 684 9151 farris.com

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December 5, 2021

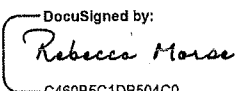
- 2 -

**FARRIS**

noon in Vancouver on December 7, 2021. If we do not receive this confirmation by that time, we expect to be instructed to seek the assistance of the Courts.

Yours truly,

FARRIS LLP

Per:  *Rebecca Morse*

C460B5C1DB504C0...

Rebecca M. Morse\*

\*Denotes a Professional Law Corporation

RMM/

cc: Lisa Hiebert, BLG

**Laura Ferguson**

---

**From:** Rebecca Morse  
**Sent:** December 5, 2021 9:34 PM  
**To:** 'Hein Poulus'  
**Cc:** 'Hiebert, Lisa'; Tim Louman-Gardiner  
**Subject:** Otso  
**Attachments:** LT H Poulus - December 5 2021.docx.pdf

Please see the attached letter of today's date.

**Rebecca Morse\*****Partner**

\*A Professional Law Corporation

T: (604) 661-1712

F: (604) 661-9349

C: (778) 558-6219

[rmorse@farris.com](mailto:rmorse@farris.com)

LinkedIn: <https://www.linkedin.com/in/rmmorse/>

Assistant: Sarah Macallister

T: (604) 684-9151 ext. 475

**FARRIS LLP**

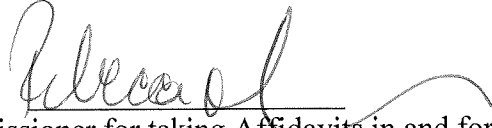
25th Floor, 700 W Georgia St.

Vancouver, BC V7Y 1B3

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This is Exhibit "E" to the Affidavit #1 of  
Laura Ferguson affirmed December 8, 2021  
before me at the City of Vancouver.

A handwritten signature in black ink, appearing to read "P. [unclear]", written over a horizontal line.

A Commissioner for taking Affidavits in and for  
the Province of British Columbia.

Reply Attention of: Rebecca M. Morse  
Direct Dial Number: 604 661 1712  
Email Address: rmorse@farris.com

**FARRIS**

File No: 48387-0001-0000

December 5, 2021

BY EMAIL

Cassels Brock & Blackwell LLP  
885 W Georgia St #2200  
Vancouver, BC V6C 3E8

**Attention: Mary Buttery, Q.C.**

Dear Ms. Buttery:

**Re: Amounts Owing from Otso Gold Corp. (the "Company") to PFL  
Raahe Holdings LP ("Pandion")**

As you are aware, we represent the Company.

We write further to our phone conversation on Friday during which you advised us that it is your client's view that the amount owing to Pandion increases to US\$104 million if the debt is not paid by December 7, 2021. As set out in our client's materials, the Company has received conflicting information about the amount that Pandion asserts is owing if, in fact, there is an escalation in the indebtedness as of December 8, 2021 and if such escalation is enforceable. It will assist further discussions to have clarity on the amount alleged to be owing to Pandion from the Company. Would you please:

- 1) Confirm the amount that Pandion asserts will be owing as of December 8, 2021;
- 2) Confirm the basis of the amounts owing; and
- 3) Provide calculations and statements of account that will enable our client to verify the amount claimed.

Given the time sensitivity, we would appreciate your client's position as soon as possible, but in any case by the end of day Monday, December 6.



December 5, 2021

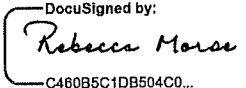
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**FARRIS**

Please let us know if you have any further questions.

Yours truly,

FARRIS LLP

Per:   
C480B5C1DB504C0...  
Rebecca M. Morse\*  
\*Denotes a Professional Law Corporation

RMM/TLG

**Laura Ferguson**

---

**From:** Rebecca Morse  
**Sent:** December 5, 2021 10:47 AM  
**To:** 'Buttery, Mary I.A.'  
**Cc:** 'Hiebert, Lisa'; Tim Louman-Gardiner  
**Subject:** Otso  
**Attachments:** LT Mary Buttery - December 5 2021.docx.pdf

Please see the letter of today's date.

**Rebecca Morse\*****Partner**

\*A Professional Law Corporation

T: (604) 661-1712

F: (604) 661-9349

[rmorse@farris.com](mailto:rmorse@farris.com)

LinkedIn: <https://www.linkedin.com/in/rmmorse/>

**FARRIS LLP**

25th Floor, 700 W Georgia St.

Vancouver, BC V7Y 1B3

[www.farris.com](http://www.farris.com)

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This is Exhibit "F" to the Affidavit #1 of  
Laura Ferguson affirmed December 8, 2021  
before me at the City of Vancouver.

A handwritten signature in cursive script, appearing to read "A. [unclear]", written over a horizontal line.

A Commissioner for taking Affidavits in and for  
the Province of British Columbia.

## Laura Ferguson

---

**From:** Buttery, Mary I.A. <mbuttery@cassels.com>  
**Sent:** December 5, 2021 1:04 PM  
**To:** Tim Louman-Gardiner  
**Cc:** Rebecca Morse; Lars-Henrik.Andersson@cirio.se; Pekka Jaatinen; Christer Svartström; Enns, Jared  
**Subject:** [EXT] RE: Otso - Lawyers

Yes have forwarded the information to them.

**Cassels** | **MARY I.A. BUTTERY, QC** (*she/her/hers*)  
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 e: mbuttery@cassels.com

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 Suite 2200, HSBC Building, 885 West Georgia St.  
 Vancouver, BC V6C 3E8 Canada

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**From:** Tim Louman-Gardiner <tlouman-gardiner@farris.com>  
**Sent:** Saturday, December 04, 2021 9:00 AM  
**To:** Buttery, Mary I.A. <mbuttery@cassels.com>  
**Cc:** Rebecca Morse <rmorse@farris.com>; Lars-Henrik.Andersson@cirio.se; Pekka Jaatinen <pekka.jaatinen@castren.fi>; Christer Svartström <christer.svartstrom@castren.fi>  
**Subject:** Otso - Lawyers

Hello Mary,

Further to our call yesterday our clients' lawyers are Lars-Henrik Andersson in Sweden and Pekka Jaatinen and Christer Svartstrom in Finland. If you can connect them with your client's lawyers in Finland and Sweden as well we'd appreciate it.

Thanks,  
 Tim

**Tim Louman-Gardiner** (he/him)  
**Partner**

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 Assistant: Laura Ferguson  
 T: (604) 684-9151 ext. 231

**FARRIS LLP**  
 25th Floor, 700 W Georgia St.  
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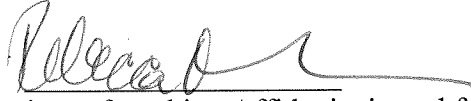
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This is Exhibit "G" to the Affidavit #1 of  
Laura Ferguson affirmed December 8, 2021  
before me at the City of Vancouver.

A handwritten signature in black ink, appearing to read "R. [unclear]", written over a horizontal line.

A Commissioner for taking Affidavits in and for  
the Province of British Columbia.

## Laura Ferguson

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**From:** Enns, Jared <jenns@cassels.com>  
**Sent:** December 7, 2021 5:08 PM  
**To:** Tim Louman-Gardiner  
**Cc:** Rebecca Morse; Buttery, Mary I.A.  
**Subject:** [EXT] RE: Information Requests [IWOV-LEGAL.049612-00008]

Hi Tim,

Thanks for preparing the list of information requests. There were some items under point 1 that were not fully captured, and we note that the timeframe for item 3 is for the last 6 months. For ease of reference, the list of requests that we have at this time is as follows:

1. All documents that underpin the cash flow. That includes the underlying model or models and, to the extent not reflected in the models:
  - a. All budgets generated by the Wessons;
  - b. The production budget by month for Dec'21 and 2022;
  - c. The full year financial budget by month for 2022;
  - d. The production and financial budgets for the life of mine;
  - e. Detail on the revisions made in the base case model;
  - f. supporting details on the Change in working capital, Repair and replacement capex, Sustaining capex, and Mine Closure costs (as listed in Exhibit BBBB);
  - g. Current cash balance;
  - h. Alvarez and Marsal contract and costs;
  - i. Email correspondence involving Otso, MKS, and banks regarding the "missing" ~\$741k from MKS,
2. Any internally produced financial statements for the period after July 31, 2021 (being the last external financial statements); and
3. Any periodic reports, specifically related to performance or production, and specifically production reports whether on a daily, weekly, or other basis, going back for the last 6 months.

Please let us know if you have any questions, or if you would like to discuss further.

Kind regards,  
 Jared

**Cassels** | **JARED ENNS** (*He/him/his*)  
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 e: jenns@cassels.com

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**From:** Tim Louman-Gardiner <tlouman-gardiner@farris.com>  
**Sent:** Tuesday, December 07, 2021 1:46 PM  
**To:** Buttery, Mary I.A. <mbuttery@cassels.com>; Enns, Jared <jenns@cassels.com>  
**Cc:** Rebecca Morse <rmorse@farris.com>  
**Subject:** Information Requests

Hi Mary and Jared,

I understand the requests made to be:

- 1) All documents that underpin the cash flow. That includes the underlying model or models and, to the extent not reflected in the models:
  - a. The budgets generated by the Wessons;
  - b. The production budget;
  - c. The full year budget; and
  - d. The life of mine budget;
- 2) Any internally produced financial statements for the period after July 31, 2021 (being the last external financial statements); and
- 3) Any periodic reports, specifically related to performance or production, and specifically production reports whether on a daily, weekly, or other basis.

Please confirm and I will seek instructions ASAP.

Thanks,  
Tim

**Tim Louman-Gardiner** (he/him)  
**Partner**

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# FARRIS

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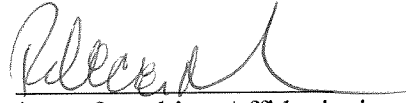
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This is Exhibit "H" to the Affidavit #1 of  
Laura Ferguson affirmed December 8, 2021  
before me at the City of Vancouver.



A Commissioner for taking Affidavits in and for  
the Province of British Columbia.

## Laura Ferguson

---

**From:** Buttery, Mary I.A. <mbuttery@cassels.com>  
**Sent:** December 8, 2021 9:21 AM  
**To:** Rebecca Morse; Tim Louman-Gardiner  
**Cc:** Enns, Jared; Lisa Hiebert (lhiebert@blg.com); McKie, Melinda  
**Subject:** [EXT] Otso Early Termination Amount Calculation and Definition from Amendment No. 1 to the PPF  
**Attachments:** 2021.12.07 - Deferred Payment Amounts Calculation.pdf; 2021.12.07 - Early Termination Amount Calculation.pdf

Rebecca/Tim, here are the amounts owing, as calculated by our clients, with the pinpoint reference to the applicable agreements.

We have reviewed your material filed in the CCAA proceedings and note that you do have all of the agreements that provide for the debt owing.

A formal notice of the Early Termination Amount should be delivered today, but we know you wanted this information as early as we could get it to you, so here it is. In essence, and as you client knows, the full amount of the "original deal" has now become due and owing as payments were not made as required yesterday.

We note that we have yet to have any information regarding what relief (if any) beyond an extension that you are seeking on Monday, nor have we been advised as to the length of the extension you are seeking.

Finally as discussed yesterday we remain concerned about the intimation that the Wessons somehow absconded with the MKS payment as that is not our understanding and in fact, the true state of affairs is set out in the board minutes appended to your initial filing materials. We trust this will be corrected at the proceedings on Monday. Please confirm.

Regards,  
Mary

**Cassels**

**MARY I.A. BUTTERY, QC** *(she/her/hers)*

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Parameter	Reference	Unit	Total	Source
Deferred Payment Amounts: Due December 7, 2021				2020.12.12: Pandion Oiso Gold Undertaking Letter with AA
Deferred Payments Amount		USD	23,000,000	2020.12.12: Pandion Oiso Gold Undertaking Letter with AA Section I (a)(i)
Deferred Payments Amount: Interest		USD	2,903,750	2020.12.12: Pandion Oiso Gold Undertaking Letter with AA Section I (a)(ii)
<b>Total Deferred Payment Amounts + Interest</b>		USD	<b>25,903,750</b>	

Parameter	Reference	Unit	Total	Source
<b>PPF Early Termination Amount: Due December 8, 2021 if Deferred Payment Amounts are not Paid on December 7, 2021</b>				
(i)	Contract Quantity of Gold	USD	46,557,500	2019.10.07 - Nordic - Consent and Agreement Version 5 EXECUTED Section 2.1 and 2018.10.15 Nordic Amendment No. 1 Section 3(c)
	Contract Quantity of Gold: Default Interest	USD	685,054	2018.10.15 Nordic Amendment No. 1 Schedule P Delivery Schedule 2017.11.10 - Firesteel- Pre-Paid Forward Gold Purchase Agreement Section 5(5)
(ii)	(iii) Plus any other unpaid amounts due and owing to Buyer:			
	Maintenance Loan Agreement	USD	5,849,030	2019.04.17 - Pandion Maintenance Loan Agreement Section 2.2
	Maintenance Loan Agreement: Default Interest	USD	1,590,365	2019.04.17 - Pandion Maintenance Loan Agreement Section 3.1
	Buyer Fee Cash Payment	USD	1,500,000	2018.10.15 Nordic Amendment No. 1 Section 2(e)(vi)
(v)	Upside Participation Amount	USD	39,168,456	2018.10.15 Nordic Amendment No. 1 Section 2(d)(iii)
	<b>PPF Early Termination Amount</b>	<b>USD</b>	<b>95,350,406</b>	