

Court File No.: CV-20-00649558-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

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

AND IN THE MATTER OF A PLAN OF
COMPROMISE OR ARRANGEMENT WITH RESPECT TO
EXPRESS GOLD REFINING LTD.

FOURTEENTH REPORT OF THE MONITOR

June 8, 2023

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INTRODUCTION

1. On October 15, 2020, Express Gold Refining Ltd. (“**EGR**” or the “**Applicant**”) filed for and obtained protection under the *Companies’ Creditors Arrangement Act* (the “**CCAA**”). Pursuant to the Order of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) granted on October 15, 2020 (the “**Initial Order**”), Deloitte Restructuring Inc. was appointed as the Monitor in these proceedings (in such capacity, the “**Monitor**”). The proceedings commenced by the Applicant under the CCAA are referred to herein as the “**CCAA Proceedings**”. The Initial Order also provided for, among other things, a stay of proceedings with respect to the Applicant until and including October 19, 2020 (the “**Stay Period**”). In his endorsement, Justice Hainey scheduled the comeback hearing (the “**Comeback Hearing**”) for October 19, 2020.
2. At the Comeback Hearing, Justice McEwen amended the Initial Order to, among other things, order that the stay of proceedings shall not apply to the Tax Litigation (as defined herein) and extend the Stay Period until and including October 27, 2020. The Initial Order was amended and restated on October 19, 2020, and again on October 27, 2020 (the “**SARIO**”). The Stay Period in these CCAA Proceedings has been extended numerous times by further Orders, most recently up to and including June 16, 2023.
3. The following provides a summary of select orders and endorsements of the Court that are material to the CCAA Proceedings:
 - (a) on March 8, 2021, the Court granted an Order approving an amendment to the Monitoring Protocol dated March 1, 2021, among the Applicant, Canada Revenue Agency (“**CRA**”) and the Monitor (the “**Amended Monitoring Protocol**”);
 - (b) on May 20, 2021, the Monitor filed a motion (the “**Production Motion**”) for an Order granting the Monitor unfettered access to all documents in EGR’s possession and control that have been provided to EGR or its tax counsel, Baker McKenzie LLP (“**EGR’s Tax Counsel**”), by CRA in connection with all GST/HST assessments and reassessments that have been issued or will be issued by CRA (the “**Tax Documents**”), including all Tax Documents produced by CRA

to EGR or EGR's Tax Counsel in connection with the appeal commenced by EGR at the Tax Court of Canada ("**Tax Court**") bearing Court File No. 2020-1214(GST)G (the "**Tax Litigation**"). The Production Motion was heard on June 8, 2021. CRA opposed the Production Motion;

- (c) on June 9, 2021, the Court issued an endorsement (the "**June 9 Endorsement**") in respect of the Production Motion. In summary, the June 9 Endorsement provided reasons supporting the Court's jurisdiction to direct the delivery of the Tax Documents by EGR to the Monitor and further directed an additional hearing, if necessary, to determine any restrictions to be imposed upon certain documents, as identified by CRA;
 - (d) on August 17, 2021, the Court issued a Production and Confidentiality Order, dated June 8, 2021, ordering EGR to produce and make available to the Monitor all Tax Documents;
 - (e) on December 15, 2021, EGR, CRA and the Monitor agreed to amend the Amended Monitoring Protocol (the "**Second Amended and Restated Monitoring Protocol**") to account for current business volumes and reduce the costs associated with implementing the Amended Monitoring Protocol; and
 - (f) on January 18, 2022, the Court issued an Order, dated December 14, 2021, approving the Second Amended and Restated Monitoring Protocol;
4. Copies of all orders and endorsements granted in the CCAA Proceedings are located on the Monitor's website accessible at: <https://www.insolvencies.deloitte.ca/en-ca/pages/ExpressGoldRefiningLtd.aspx> (the "**Monitor's Website**"). The Monitor encourages interested stakeholders to review the Monitor's Website for a complete history of the CCAA Proceedings, including the various orders and endorsements issued.

PURPOSE

5. The purpose of this fourteenth report of the Monitor (the "**Fourteenth Report**") is to provide the Court with information and updates on the following:

- (a) the activities of EGR and the Monitor from March 10, 2023, the date of the Thirteenth Report of the Monitor (the “**Thirteenth Report**”), a copy of which is attached hereto as **Appendix “A”**, filed in connection with the previous motion to extend the Stay Period granted in the CCAA Proceedings, to the date of this Fourteenth Report;
 - (b) EGR’s cash flow results for the 12-week period ended May 12, 2023, with a comparison to forecast amounts in the 17-week cash flow forecast that was included in the Thirteenth Report;
 - (c) EGR’s revised cash flow forecast (the “**Revised Cash Flow Forecast**”) for the 18-week period from May 15, 2023 to September 15, 2023, and the Monitor’s comments thereon;
 - (d) the status of the Tax Litigation;
 - (e) the status of the Third Party Mareva Injunction; and
 - (f) EGR’s requested extension of the Stay Period up to and including September 12, 2023 (the “**Stay Extension Period**”).
6. This Fourteenth Report should be read in conjunction with the Affidavit of Atef Salama sworn June 5, 2023 in support of the Applicant’s motion for the extension of the Stay Period (the “**Salama Affidavit**”).

TERMS OF REFERENCE AND DISCLAIMER

7. In preparing this Fourteenth Report and making the comments herein, the Monitor has been provided with, and has relied upon the following information (collectively, the “**Information**”): unaudited financial information, books and records and financial information prepared by EGR, and discussions with management of the Applicant (“**Management**”).
8. The Monitor has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Monitor has not audited or otherwise

attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Canadian Generally Accepted Assurance Standards (“**Canadian GAAS**”) pursuant to the Chartered Professional Accountants Canada Handbook and, accordingly, the Monitor expresses no opinion or other form of assurance contemplated under Canadian GAAS in respect of the Information.

9. Some of the information referred to in this Fourteenth Report consists of forecasts and projections. An examination or review of the financial forecasts and projections, as outlined in the Chartered Professional Accountants Canada Handbook, has not been performed.
10. Future oriented financial information referred to in this Fourteenth Report was prepared based on Management’s estimates and assumptions. Readers are cautioned that since projections are based upon assumptions about future events and conditions that are not ascertainable, the actual results will vary from the projections, even if the assumptions materialize, and the variations could be significant.
11. Unless otherwise stated, all monetary amounts noted herein are expressed in Canadian dollars.

ACTIVITIES OF EGR SINCE THE THIRTEENTH REPORT

12. The activities of EGR since the Thirteenth Report are set out in the Salama Affidavit, and such activities of EGR that are related to or arising out of these CCAA Proceedings include:
 - (a) complying with the terms of the Second Amended and Restated Monitoring Protocol;
 - (b) continuing to manage its relationships with customers and suppliers to minimize business disruption;
 - (c) continuing to provide regular updates and information to the Monitor with respect to EGR’s business and the Tax Litigation; and

- (d) continuing its efforts to advance the Tax Litigation. A status update of the Tax Litigation is provided in paragraphs 9 to 19 of the Salama Affidavit.

ACTIVITIES OF THE MONITOR SINCE THE THIRTEENTH REPORT

13. Since the Thirteenth Report, the Monitor has undertaken the following activities:

- (a) monitored EGR's business in accordance with the Second Amended and Restated Monitoring Protocol;
- (b) reviewed EGR's GST/HST filings and communicated with CRA regarding the processing status. In this regard, CRA processed and released net tax refunds for GST/HST filings for the periods from October 16, 2020 to February 28, 2023. The GST/HST filing for the March 2023 and April 2023 periods are currently under review by CRA;
- (c) communicated with EGR's restructuring counsel regarding developments in the CCAA Proceedings and Tax Counsel regarding the status of the Tax Litigation; and
- (d) assisted EGR in preparing the Revised Cash Flow Forecast and cash flow variance reporting.

CASH FLOW FORECAST AND RESULTS RELATIVE TO FORECAST

14. Summarized in the following table are EGR's actual cash receipts and disbursements for the 12-week period ended May 12, 2023 (the "**Reporting Period**"), as compared to the corresponding weeks in the cash flow forecast included in the Thirteenth Report.

Express Gold Refining Ltd.				
Summary of Actual versus Forecast Cash Flows				
For the 12-week period from February 20, 2023 to May 12, 2023				
(SCAD '000s)				
Unaudited				
	Actual	Forecast	Variance	Note
Receipts				
Collection from Sales and Accounts Receivable	12,740	12,535	205	A
HST refunds	658	869	(211)	B
Interest income	11	13	(2)	
Other	(1)	-	(1)	
Total Receipts	13,408	13,417	(9)	
Disbursements				
Purchases	(13,381)	(12,033)	(1,348)	C
Customer accounts and hedging	676	-	676	D
Salaries and wages	(188)	(192)	4	
Consulting and professional fees	(20)	(32)	12	E
General Administrative Expenses	(68)	(65)	(3)	
Insurance	(72)	(125)	53	F
Rent	(50)	(50)	-	
Advertising and promotion	(40)	(33)	(7)	
Vehicle	(6)	(6)	-	
Freight	(28)	(26)	(2)	
Income Tax	-	(90)	90	G
Total Disbursements	(13,177)	(12,652)	(525)	
Litigation Costs	(430)	(300)	(130)	H
Restructuring Costs	(340)	(600)	260	I
Total Litigation and Restructuring Costs	(770)	(900)	130	
Intercompany loan	-	-	-	
Total Intercompany loan	-	-	-	
Net Cash Flow	(539)	(135)	(404)	
Opening Cash	1,841	1,841	-	
Ending Cash	1,302	1,706	(404)	

15. EGR's actual net cash outflow for the Reporting Period was \$539,000 compared to forecast net cash outflow of \$135,000, resulting in an unfavourable variance of \$404,000. The following are the reasons for the major variances, identified by the Notes in the table above:

- A** A favourable variance of \$205,000 in sales receipts is due in part to a permanent difference due to increased customer traffic as a result of the increase in gold price during the Reporting Period and a timing difference from prior periods;
- B** An unfavourable variance of \$211,000 in HST refunds is a timing difference due to the delay in receipt of February 2023 net tax refunds from CRA, which was received subsequent to the Reporting Period on May 25, 2023;
- C** An unfavourable variance of \$1.3 million in purchases is due in part to a permanent difference due to increased customer traffic as a result of the increase in gold price during the Reporting Period and a timing difference from prior periods;
- D** A favourable variance of \$676,000 in customer accounts and hedging is a permanent difference primarily due to funds withdrawn from EGR's Saxo Bank account. EGR takes positions in the gold futures markets using the Saxo Bank hedging/trading account to hedge against short and long-term fluctuations in the price of gold;
- E** A favourable variance of \$12,000 in consulting and professional fees is a permanent difference due to lower than expected activities requiring consulting and professional services;
- F** A favourable variance of \$53,000 in insurance is a timing difference that will reverse in the future;
- G** A favourable variance of \$90,000 in income tax is a timing difference that will reverse in the future;
- H** An unfavourable variance of \$130,000 in litigation costs is a permanent difference due to higher than expected activity in the Tax Litigation; and
- I** A favourable variance of \$260,000 in restructuring costs is a timing difference that will reverse in the future.

APPLICANT'S REVISED CASH FLOW FORECAST

16. The Applicant, with the assistance of the Monitor, has prepared the Revised Cash Flow Forecast, which covers the period from May 15, 2023 to September 15, 2023 (the “**Revised Cash Flow Period**”) for the purposes of projecting the cash position of the Applicant’s planned operations and other activities during the Revised Cash Flow Period. A copy of the Revised Cash Flow Forecast is attached hereto as **Appendix “B”**.
17. The Revised Cash Flow Forecast has been prepared by Management, using the probable and hypothetical assumptions set out in the notes to the Revised Cash Flow Forecast (the “**Assumptions**”), and is presented on a weekly basis during the Revised Cash Flow Period.
18. EGR’s opening cash balance on May 15, 2023 was \$1.3 million. The forecast cash flow surplus for the Revised Cash Flow Period before litigation and restructuring costs is estimated to be approximately \$1.8 million. Litigation and restructuring costs in connection with the Tax Litigation and these CCAA proceedings are estimated to be approximately \$600,000 and \$600,000, respectively, over the Revised Cash Flow Period. As a result, the forecast cash flow surplus for the Revised Cash Flow Period after litigation and restructuring costs is estimated to be \$583,000, resulting in an estimated ending cash balance of \$1.9 million on September 15, 2023.
19. Accordingly, the Applicant is expected to have sufficient liquidity to operate during the proposed Stay Extension Period.
20. The Monitor has reviewed the Revised Cash Flow Forecast to the standard required of a Court-appointed monitor by section 23(1)(b) of the CCAA. Section 23(1)(b) requires a monitor to review the debtor’s cash flow statement as to its reasonableness and to file a report with the Court on the monitor’s findings. The Canadian Association of Insolvency and Restructuring Professionals’ Standards of Professional Practice include a standard for monitors fulfilling their statutory responsibilities under the CCAA in respect of a monitor’s report on a cash flow statement.
21. In accordance with the standard, the Monitor’s review of the Revised Cash Flow Forecast consisted of inquiries, analytical procedures and discussions related to the Information.

Since the Assumptions need not be supported, the Monitor's procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the Revised Cash Flow Forecast. The Monitor also reviewed the support provided by Management for the Assumptions and the preparation and presentation of the Revised Cash Flow Forecast.

22. Based on the Monitor's review, nothing has come to its attention that causes it to believe, in all material aspects, that:
 - (a) the Assumptions are not consistent with the purpose of the Revised Cash Flow Forecast;
 - (b) as at the date of this Report, the Assumptions are not suitably supported and consistent with the plans of the Applicant or do not provide a reasonable basis for the Revised Cash Flow Forecast, given the Assumptions; or
 - (c) the Revised Cash Flow Forecast does not reflect the Assumptions.
23. Since the Revised Cash Flow Forecast is based on Assumptions regarding future events, actual results will vary from the information presented even if the Assumptions occur, and the variations could be material. Accordingly, the Monitor expresses no assurance as to whether the Revised Cash Flow Forecast will be achieved. In addition, the Monitor expresses no opinion or other form of assurance with respect to the accuracy of the financial information presented in the Revised Cash Flow Forecast or relied upon by the Monitor in preparing this Fourteenth Report.
24. The Revised Cash Flow Forecast has been prepared solely for the purposes described above, and readers are cautioned that it may not be appropriate for other purposes.

TAX LITIGATION UPDATE

25. As discussed in the Monitor's prior reports, CRA's re-assessments and potential enforcement against EGR was the catalyst for EGR's filing for creditor protection under the CCAA. The Tax Litigation (which is EGR's appeal against such re-assessments) is a central component of the CCAA Proceedings.

26. The timetable for the Tax Litigation is set out in an order of the Tax Court dated March 23, 2022 (the “**Timetable Order**”), and is summarized as follows:

Step	Deadline for Completion
Examinations for Discovery	October 31, 2022
Fulfill undertakings	November 30, 2022
Follow-up questions arising from undertakings	December 19, 2022
Responses to follow-up questions	January 27, 2023
Status update to court re: readiness for hearing	February 28, 2023

27. EGR advises the Monitor that the Tax Litigation is generally proceeding in accordance with the Timetable Order, with the examinations for discovery (the “**Examinations**”) having concluded on or about October 31, 2022, and the parties now addressing follow-up questions arising from the Examinations. As noted at paragraphs 17 to 19 of the Salama Affidavit, on May 31, 2023, EGR delivered a written response to more than 960 of such follow-up questions posed by CRA in April 2023.
28. The Monitor understands that the next milestones in the Tax Litigation are for EGR and CRA to convene a settlement conference at the Tax Court and/or set the matter down for trial. As discussed at paragraphs 10 to 18 of the Salama Affidavit, EGR served CRA with a written offer to settle the Tax Litigation on February 23, 2023, which CRA rejected without (to date) making a counteroffer. In past discussions, the parties have indicated to the Monitor that a trial in this matter could be measured in weeks, if not months. In the Monitor’s view, given the resources that would be expended at such a protracted trial, there should be a strong impetus on both parties at this juncture to explore settlement of some or all issues in the Tax Litigation.
29. On March 31, 2023, EGR and CRA jointly wrote to the Tax Court requesting a settlement conference date in July 2023. On May 29, 2023, the Tax Court advised the parties that their request for a settlement conference was rejected because, as a pre-condition to scheduling a settlement conference, the Tax Court required that the parties “must have exchanged written offers of settlement”.

30. In the Monitor's view, the parties' willingness to discuss settlement and mutual request for a settlement conference should be pursued at this stage of the Tax Litigation, either within or outside of the formal Tax Court procedures. The Monitor will discuss potential alternative forums for settlement discussions (e.g. through processes available under the CCAA) with the parties and is willing to assist in facilitating a settlement as required.

THIRD PARTY MAREVA INJUNCTION

31. On December 19, 2022, the parties, including the Monitor and its counsel, attended before Justice Myers regarding, among other matters, whether EGR should have been added as a defendant to the action that Chicago Title Insurance Company ("CTIC") had initiated in June 2022, and whether the *Mareva* relief should have been extended against EGR. Justice Myers set aside the prior orders that added EGR as a defendant and extended the *Mareva* relief against it. Justice Myers also indicated that CTIC and EGR should cooperate regarding the former's request for certain documents and that the Monitor should provide assistance if necessary.
32. Following Justice Myers' Endorsement, counsel to CTIC and EGR have been collaborating on a proposed form of production order pursuant to which the scope of EGR's document production would be circumscribed. While certain issues remain to be resolved, the Monitor is hopeful that a resolution can be achieved without the need for advice and directions from this Court.

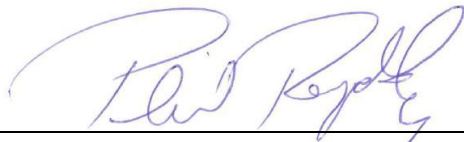
STAY EXTENSION

33. The current Stay Period expires on June 16, 2023. EGR is seeking an extension of the Stay Period up to and including September 12, 2023 in order to allow EGR, with the assistance of the Monitor, to:
- (a) preserve the *status quo* and continue to maintain the stability of operations;
 - (b) work towards a resolution of the Tax Litigation with CRA; and
 - (c) determine next steps in respect of the CCAA Proceedings.

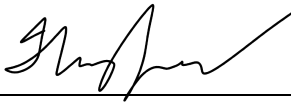
34. As described above, the Revised Cash Flow Statement indicates that EGR will have sufficient liquidity during the Stay Extension Period.
35. In the Monitor's view, EGR has acted and continues to act in good faith and with due diligence in these CCAA Proceedings.
36. The Monitor supports EGR's request for the extension of the Stay Period to September 12, 2023.

All of which is respectfully submitted this 8th day of June, 2023.

**Deloitte Restructuring Inc., solely in its
capacity as Court-appointed Monitor of
Express Gold Refining Ltd.**



Phil Reynolds, LIT
Senior Vice-President



Warren Leung, LIT
Senior Vice-President

Appendix "A"
to the Fourteenth Report of the Monitor

Court File No.: CV-20-00649558-00CL

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IN THE MATTER OF THE *COMPANIES' CREDITORS*
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AND IN THE MATTER OF A PLAN OF
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THIRTEENTH REPORT OF THE MONITOR

March 10, 2023

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Appendices

- A **Appendix “A”**: Twelfth Report of the Monitor (without appendices)
- B **Appendix “B”**: Revised Cash Flow Forecast
- C **Appendix “C”**: Transcript Agreement dated December 20, 2022
- D **Appendix “D”**: Endorsement of Justice Myers dated December 19, 2022

INTRODUCTION

1. On October 15, 2020, Express Gold Refining Ltd. (“**EGR**” or the “**Applicant**”) filed for and obtained protection under the *Companies’ Creditors Arrangement Act* (the “**CCAA**”). Pursuant to the Order of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) granted on October 15, 2020 (the “**Initial Order**”), Deloitte Restructuring Inc. was appointed as the Monitor in these proceedings (in such capacity, the “**Monitor**”). The proceedings commenced by the Applicant under the CCAA are referred to herein as the “**CCAA Proceedings**”. The Initial Order also provided for, among other things, a stay of proceedings with respect to the Applicant until and including October 19, 2020 (the “**Stay Period**”). In his endorsement, Justice Hainey scheduled the comeback hearing (the “**Comeback Hearing**”) for October 19, 2020.
2. At the Comeback Hearing, Justice McEwen amended the Initial Order to, among other things, order that the stay of proceedings shall not apply to the Tax Litigation (as defined herein) and extend the Stay Period until and including October 27, 2020. The Initial Order was amended and restated on October 19, 2020, and again on October 27, 2020 (the “**SARIO**”). The Stay Period in these CCAA Proceedings has been extended numerous times by further Orders, most recently up to and including March 16, 2023.
3. The following provides a summary of select orders and endorsements of the Court that are material to the CCAA Proceedings:
 - (a) On March 8, 2021, the Court granted an Order approving an amendment to the Monitoring Protocol dated March 1, 2021, among the Applicant, Canada Revenue Agency (“**CRA**”) and the Monitor (the “**Amended Monitoring Protocol**”);
 - (b) on May 20, 2021, the Monitor filed a motion (the “**Production Motion**”) for an Order granting the Monitor unfettered access to all documents in EGR’s possession and control that have been provided to EGR or its tax counsel, Baker McKenzie LLP (“**EGR’s Tax Counsel**”), by CRA in connection with all GST/HST assessments and reassessments that have been issued or will be issued by CRA (the “**Tax Documents**”), including all Tax Documents produced by CRA

to EGR or EGR's Tax Counsel in connection with the appeal commenced by EGR at the Tax Court of Canada ("**Tax Court**") bearing Court File No. 2020-1214(GST)G (the "**Tax Litigation**"). The Production Motion was heard on June 8, 2021. CRA opposed the Production Motion;

- (c) on June 9, 2021, the Court issued an endorsement (the "**June 9 Endorsement**") in respect of the Production Motion. In summary, the June 9 Endorsement provided reasons supporting the Court's jurisdiction to direct the delivery of the Tax Documents by EGR to the Monitor and further directed an additional hearing, if necessary, to determine any restrictions to be imposed upon certain documents, as identified by CRA;
- (d) on August 17, 2021, the Court issued a Production and Confidentiality Order, dated June 8, 2021, ordering EGR to produce and make available to the Monitor all Tax Documents (the "**Production Order**");
- (e) on December 15, 2021, EGR, CRA and the Monitor agreed to amend the Amended Monitoring Protocol (the "**Second Amended and Restated Monitoring Protocol**") to account for current business volumes and reduce the costs associated with implementing the Amended Monitoring Protocol;
- (f) on January 18, 2022, the Court issued an Order, dated December 14, 2021, approving the Second Amended and Restated Monitoring Protocol; and
- (g) on August 17, 2022, the Court issued an endorsement in respect of a case conference held to discuss the Monitor's intention to attend the examinations for discovery (the "**Examinations**") that were scheduled to begin on September 6, 2022.

4. Copies of all orders and endorsements granted in the CCAA Proceedings are located on the Monitor's website accessible at: <https://www.insolvencies.deloitte.ca/en-ca/pages/ExpressGoldRefiningLtd.aspx> (the "**Monitor's Website**"). The Monitor encourages interested stakeholders to review the Monitor's Website for a complete history of the CCAA Proceedings, including the various orders and endorsements issued.

PURPOSE

5. The purpose of this thirteenth report of the Monitor (the “**Thirteenth Report**”) is to provide the Court with information and updates on the following:
 - (a) the activities of EGR and the Monitor from December 12, 2022, the date of the Twelfth Report of the Monitor (the “**Twelfth Report**”), a copy of which is attached hereto as Appendix “A”, filed in connection with the previous motion to extend the Stay Period granted in the CCAA Proceedings, to the date of this Thirteenth Report;
 - (b) EGR’s cash flow results for the 12-week period from November 28, 2022 to February 17, 2023, with a comparison to forecast amounts;
 - (c) EGR’s revised cash flow forecast (the “**Revised Cash Flow Forecast**”) for the 17-week period from February 20, 2023 to June 16, 2023, and the Monitor’s comments thereon;
 - (d) the status of the Tax Litigation, including the Examinations and the Monitor’s access to the transcripts generated at the Examinations (the “**Transcripts**”), as described herein;
 - (e) the status of the Third Party Mareva Injunction; and
 - (f) an extension of the Stay Period up to and including June 16, 2023 (the “**Stay Extension**”).
6. This Thirteenth Report should be read in conjunction with the Affidavit of Atef Salama sworn March 9, 2023 in support of the Applicant’s motion for the extension of the Stay Period (the “**Salama Affidavit**”).

TERMS OF REFERENCE AND DISCLAIMER

7. In preparing this Thirteenth Report and making the comments herein, the Monitor has been provided with, and has relied upon the following information (collectively, the “**Information**”): unaudited financial information, books and records and financial

information prepared by EGR, and discussions with management of the Applicant (**“Management”**).

8. The Monitor has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Monitor has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Canadian Generally Accepted Assurance Standards (**“Canadian GAAS”**) pursuant to the Chartered Professional Accountants Canada Handbook and, accordingly, the Monitor expresses no opinion or other form of assurance contemplated under Canadian GAAS in respect of the Information.
9. Some of the information referred to in this Thirteenth Report consists of forecasts and projections. An examination or review of the financial forecasts and projections, as outlined in the Chartered Professional Accountants Canada Handbook, has not been performed.
10. Future oriented financial information referred to in this Thirteenth Report was prepared based on Management’s estimates and assumptions. Readers are cautioned that since projections are based upon assumptions about future events and conditions that are not ascertainable, the actual results will vary from the projections, even if the assumptions materialize, and the variations could be significant.
11. Unless otherwise stated, all monetary amounts noted herein are expressed in Canadian dollars.

ACTIVITIES OF EGR SINCE THE TWELFTH REPORT

12. The activities of EGR since the Twelfth Report are set out at paragraphs 9 to 18 of the Salama Affidavit, and such activities of EGR that are related to or arising out of these CCAA Proceedings include:
 - (a) complying with the terms of the Second Amended and Restated Monitoring Protocol;

- (b) continuing to manage its relationships with customers and suppliers to minimize business disruption;
- (c) continuing to provide regular updates and information to the Monitor with respect to the business and the Tax Litigation; and
- (d) continuing its efforts to advance the Tax Litigation. A status update of the Tax Litigation is provided in paragraphs 9 to 17 of the Salama Affidavit.

ACTIVITIES OF THE MONITOR SINCE THE TWELFTH REPORT

13. Since the Twelfth Report, the Monitor has undertaken the following activities:

- (a) monitored EGR's business in accordance with the Second Amended and Restated Monitoring Protocol;
- (b) reviewed EGR's GST/HST filings and communicated with CRA regarding the processing status. In this regard, CRA processed and released net tax refunds for GST/HST filings for the periods from October 16, 2020 to December 31, 2022. The GST/HST filing for the January 31, 2023 period is currently under review by CRA;
- (c) communicated with EGR's restructuring counsel regarding developments in the CCAA Proceedings and Tax Counsel regarding the status of the Tax Litigation;
- (d) communicated with CRA regarding developments in these CCAA Proceedings;
- (e) communicated with EGR and CRA in relation to the Tax Litigation timeline and the Examinations; and
- (f) assisted EGR in preparing the Revised Cash Flow Forecast and cash flow variance reporting.

CASH FLOW FORECAST AND RESULTS RELATIVE TO FORECAST

14. Summarized in the following table are EGR’s actual cash receipts and disbursements for the 12-week period ended February 17, 2023 (the “**Reporting Period**”), as compared to the corresponding weeks in the cash flow forecast included in the Twelfth Report.

Express Gold Refining Ltd.				
Summary of Actual versus Forecast Cash Flows				
For the 12-week period from November 28, 2022 to February 17, 2023				
(\$CAD '000s)				
Unaudited				
	Actual	Forecast	Variance	Note
Receipts				
Collection from Sales and Accounts Receivable	12,453	10,950	1,503	A
HST refunds	909	700	209	B
Interest income	12	5	7	
Other	6	-	6	
Total Receipts	13,380	11,655	1,725	
Disbursements				
Purchases	(11,279)	(10,512)	(767)	C
Customer accounts and hedging	(677)	-	(677)	D
Salaries and wages	(173)	(182)	9	
Consulting and professional fees	(48)	(26)	(22)	E
General Administrative Expenses	(43)	(53)	10	F
Insurance	(20)	(34)	14	G
Rent	(50)	(50)	-	
Advertising and promotion	(58)	(30)	(28)	H
Vehicle	(7)	(7)	-	
Freight	(32)	(26)	(6)	
Income Tax	(30)	(70)	40	I
Total Disbursements	(12,417)	(10,990)	(1,427)	
Litigation Costs	(581)	(450)	(131)	J
Restructuring Costs	(313)	(380)	67	K
Total Litigation and Restructuring Costs	(894)	(830)	(64)	
Intercompany loan	(40)	-	(40)	L
Total Intercompany loan	(40)	-	(40)	
Net Cash Flow	29	(165)	194	
Opening Cash	1,813	1,813	-	
Ending Cash	1,842	1,648	194	

15. EGR's actual net cash inflow for the Reporting Period was \$29,000 compared to a forecast net cash outflow of \$165,000, resulting in a favourable variance of \$194,000. The following are the reasons for the major variances, identified by the Notes in the table above:
- A** A favourable variance of \$1.5 million in sales receipts is a permanent difference due to increased customer traffic as a result of the increase in gold price during the Reporting Period;
 - B** A favourable variance of \$209,000 in HST refunds is a permanent difference due to higher than expected receipts from the November 2022 net tax refund;
 - C** An unfavourable variance of \$767,000 in purchases is a permanent difference due to increased customer traffic as a result of the increase in gold price during the Reporting Period;
 - D** An unfavourable variance of \$677,000 in customer accounts and hedging is primarily due to transfers out totaling \$849,000 related to advances to customers against the customers' gold held at EGR offset slightly by funds withdrawn from EGR's FXDD account of \$173,000. EGR takes positions in the gold futures markets using the FXDD hedging/trading account to hedge against short and long-term fluctuations in the price of gold;
 - E** An unfavourable variance of \$22,000 is a permanent difference due to higher than expected activity as a result of the third party *Mareva* order;
 - F** A favourable variance of \$10,000 in general and administrative expenses is primarily a permanent difference due to Management's efforts to conserve cash;
 - G** A favourable variance of \$14,000 in insurance is a timing difference that will reverse in the future;
 - H** An unfavourable variance of \$28,000 in advertising and promotion expenses is a permanent difference due to higher than expected payments in December 2022 from holiday promotional activities;

- I** A favourable variance of \$40,000 in income tax is a timing difference that will reverse in the future;
- J** An unfavourable variance of \$131,000 in litigation costs is a permanent difference due to higher than expected activity in the Tax Litigation;
- K** A favourable variance of \$67,000 in restructuring costs is a timing difference that will reverse in the future; and
- L** An unfavourable variance of \$40,000 in intercompany loan is a timing difference that arose due to borrowing funds from a related party for working capital needs in March 2022. EGR repaid \$40,000 during this Reporting Period and expects the remainder to be repaid the week ending June 16, 2023, at which point the timing difference will reverse.

APPLICANT'S REVISED CASH FLOW FORECAST

- 16. The Applicant, with the assistance of the Monitor, has prepared the Revised Cash Flow Forecast, which covers the period from February 20, 2023 to June 16, 2023 (the “**Revised Cash Flow Period**”) for the purposes of projecting the cash position of the Applicant’s planned operations and other activities during the Revised Cash Flow Period. A copy of the Revised Cash Flow Forecast is attached hereto as **Appendix “B”**.
- 17. The Revised Cash Flow Forecast has been prepared by Management, using the probable and hypothetical assumptions set out in the notes to the Revised Cash Flow Forecast (the “**Assumptions**”), and is presented on a weekly basis during the Revised Cash Flow Period.
- 18. EGR’s opening cash balance on February 20, 2023 was \$1.8 million. The forecast cash flow surplus for the Revised Cash Flow Period before litigation and restructuring costs is estimated to be approximately \$1.0 million. Litigation and restructuring costs in connection with the Tax Litigation and these CCAA proceedings are estimated to be approximately \$600,000 and \$800,000, respectively, over the Revised Cash Flow Period. As a result, the forecast cash flow deficit for the Revised Cash Flow Period after litigation

and restructuring costs is estimated to be \$446,000, resulting in an estimated ending cash balance of \$1.4 million on June 16, 2023.

19. Accordingly, the Applicant is expected to have sufficient liquidity to operate during the proposed Stay Extension Period. However, with all of its costs considered, including all operating costs, litigation costs and restructuring costs, EGR continues to experience an overall deteriorating liquidity position.
20. The Monitor has reviewed the Revised Cash Flow Forecast to the standard required of a Court-appointed monitor by section 23(1)(b) of the CCAA. Section 23(1)(b) requires a monitor to review the debtor's cash flow statement as to its reasonableness and to file a report with the Court on the monitor's findings. The Canadian Association of Insolvency and Restructuring Professionals' Standards of Professional Practice include a standard for monitors fulfilling their statutory responsibilities under the CCAA in respect of a monitor's report on a cash flow statement.
21. In accordance with the standard, the Monitor's review of the Revised Cash Flow Forecast consisted of inquiries, analytical procedures and discussions related to the Information. Since the Assumptions need not be supported, the Monitor's procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the Revised Cash Flow Forecast. The Monitor also reviewed the support provided by Management for the Assumptions and the preparation and presentation of the Revised Cash Flow Forecast.
22. Based on the Monitor's review, nothing has come to its attention that causes it to believe, in all material aspects, that:
 - (a) the Assumptions are not consistent with the purpose of the Revised Cash Flow Forecast;
 - (b) as at the date of this Report, the Assumptions are not suitably supported and consistent with the plans of the Applicant or do not provide a reasonable basis for the Revised Cash Flow Forecast, given the Assumptions; or

- (c) the Revised Cash Flow Forecast does not reflect the Assumptions.
23. Since the Revised Cash Flow Forecast is based on Assumptions regarding future events, actual results will vary from the information presented even if the Assumptions occur, and the variations could be material. Accordingly, the Monitor expresses no assurance as to whether the Revised Cash Flow Forecast will be achieved. In addition, the Monitor expresses no opinion or other form of assurance with respect to the accuracy of the financial information presented in the Revised Cash Flow Forecast or relied upon by the Monitor in preparing this Thirteenth Report.
24. The Revised Cash Flow Forecast has been prepared solely for the purposes described above, and readers are cautioned that it may not be appropriate for other purposes.

TAX LITIGATION UPDATE

25. As discussed in the Monitor’s prior reports, CRA’s re-assessments and potential enforcement against EGR was the catalyst for EGR’s filing for creditor protection under the CCAA. The Tax Litigation (which is EGR’s appeal against such re-assessments) is a central component of the CCAA Proceedings.
26. The timetable for the Tax Litigation is set out in an order of the Tax Court dated March 23, 2022 (the “**Timetable Order**”), and is summarized as follows:

Step	Deadline for Completion
Examinations for Discovery	October 31, 2022
Fulfill undertakings	November 30, 2022
Follow-up questions arising from undertakings	December 19, 2022
Responses to follow-up questions	January 27, 2023
Status update to court re: readiness for hearing	February 28, 2023

27. EGR advises the Monitor that the Tax Litigation is generally proceeding in accordance with the Timetable Order, with the Examinations beginning on September 6, 2022, and

concluding on or about October 31, 2022, and that undertakings, follow-up questions and responses to such follow-up questions have also been completed.

28. The Monitor did not attend the Examinations but has been provided with, and reviewed, all Transcripts, answers to undertakings and other documents exchanged between the parties during and after the Examinations.
29. As detailed at paragraphs 27 to 49 of the Twelfth Report, the Monitor's access to the Transcripts was interpreted on October 7, 2022, following receipt of a Directive of the Tax Court regarding the Monitor's proposed participation at the Examinations. On December 20, 2022, following various discussions between the Monitor and CRA's counsel ("**DOJ**"), the Monitor and DOJ entered into an Agreement and Acknowledgment (the "**Transcript Agreement**"), pursuant to which:
 - (a) EGR, without objection from CRA, will provide to the Monitor the Transcripts (including all answers to undertakings, under advisements and refusals in connection thereto) arising from the Examinations;
 - (b) the parties agreed that the Transcripts shall be treated as a "Subject Document" as such term is defined in the Production Order; and
 - (c) the Monitor agreed to use the Transcripts for the sole purposes of developing an understanding the Tax Litigation and discharging its duties pursuant to the SARIO and the CCAA.
30. A copy of the Transcript Agreement is attached hereto as **Appendix "C"**.
31. The Monitor understands that the next step in the Tax Litigation is for EGR and CRA to provide the Tax Court with an update regarding whether the Tax Litigation will settle, whether a settlement conference would be beneficial or whether a trial date should be set. Pursuant to the Timetable Order, the parties were to advise the Tax Court regarding their readiness for trial by February 28, 2023. As discussed in paragraph 15 of the Salama Affidavit, EGR served CRA with a written offer to settle the Tax Litigation on February 23, 2023. On the same date, the parties' have mutually requested an extension of the

February 28 deadline to March 31, 2023. On March 1, 2023, the Tax Court amended the Timetable Order in accordance with the parties' joint request.

32. The Monitor understands the parties continue to have settlement discussions. The Monitor will discuss the status of settlement discussions with the parties and assist in facilitating a settlement as required.

THIRD PARTY MAREVA INJUNCTION

33. On December 19, 2022, the parties, including the Monitor and its counsel, attended before Justice Myers regarding, among other matters, whether EGR should have been added as a defendant to the action that Chicago Title Insurance Company ("CTIC") had initiated in June 2022 (see para. 52-54 of the Twelfth Report), and whether the *Mareva* relief should have been extended against EGR. Justice Myers set aside the prior orders that added EGR as a defendant and extended the *Mareva* relief against it. Justice Myers also indicated that CTIC and EGR should cooperate regarding the former's request for certain documents and that the Monitor should provide assistance if necessary. A copy of Justice Myers' Endorsement dated December 19, 2022 as attached as **Appendix "D"**.
34. Following Justice Myers' Endorsement, counsel to CTIC and EGR have been collaborating on a proposed form of production order pursuant to which the scope of EGR's document production would be circumscribed. While certain issues remain to be resolved, the Monitor is hopeful that a resolution can be achieved without the need for advice and directions from this Court.

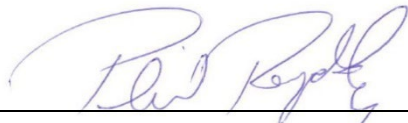
STAY EXTENSION

35. The current Stay Period expires on March 16, 2023. EGR is seeking an extension of the Stay Period up to and including June 16, 2023 in order to allow EGR, with the assistance of the Monitor, to:
 - (a) preserve the *status quo* and continue to maintain the stability of operations;
 - (b) work towards a resolution of the Tax Litigation with CRA; and

- (c) determine next steps in respect of the CCAA Proceedings.
36. As described above, the Revised Cash Flow Statement indicates that EGR will have sufficient liquidity during the Stay Extension Period.
37. In the Monitor's view, EGR has acted and continues to act in good faith and with due diligence in these CCAA Proceedings.
38. The Monitor supports EGR's request for the extension of the Stay Period to June 16, 2023.

All of which is respectfully submitted this 10th day of March, 2023.

**Deloitte Restructuring Inc., solely in its
capacity as Court-appointed Monitor of
Express Gold Refining Ltd.**



Phil Reynolds, LIT
Senior Vice-President



Warren Leung, LIT
Senior Vice-President

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c C-36 AS AMENDED AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT WITH RESPECT TO EXPRESS GOLD REFINING LTD.

ONTARIO

**SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

PROCEEDING COMMENCED AT TORONTO

THIRTEENTH REPORT OF THE MONITOR

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Lawyers for Deloitte Restructuring Inc., the Monitor

Appendix "B"
to the Fourteenth Report of the Monitor

Express Gold Refining Ltd.

18-week cash flow forecast for the period May 15, 2023 to September 15, 2023

Amounts in CAD, unaudited

Notes	Week 1 19-May	2 26-May	3 2-Jun	4 9-Jun	5 16-Jun	6 23-Jun	7 30-Jun	8 7-Jul	9 14-Jul	10 21-Jul	11 28-Jul	12 4-Aug	13 11-Aug	14 18-Aug	15 25-Aug	16 1-Sep	17 8-Sep	18 15-Sep	TOTAL
Receipts																			
1	1,022,975	818,380	1,022,975	1,022,975	1,022,975	1,022,975	1,022,975	818,380	1,022,975	1,022,975	1,022,975	1,022,975	818,380	1,022,975	1,022,975	1,022,975	818,380	1,022,975	17,595,177
2	-	303,647	-	-	457,017	-	-	-	489,025	-	-	-	-	321,891	-	-	-	321,891	1,893,471
3	-	-	-	4,254	-	-	-	4,254	-	-	-	4,254	-	-	-	4,254	-	-	17,016
Total Receipts	1,022,975	1,122,027	1,022,975	1,027,229	1,479,992	1,022,975	1,022,975	822,634	1,512,001	1,022,975	1,022,975	1,027,229	818,380	1,344,866	1,022,975	1,027,229	818,380	1,344,866	19,505,663
Disbursements																			
4	(982,056)	(785,645)	(982,056)	(982,056)	(982,056)	(982,056)	(982,056)	(785,645)	(982,056)	(982,056)	(982,056)	(982,056)	(785,645)	(982,056)	(982,056)	(982,056)	(785,645)	(982,056)	(16,891,369)
5	-	(35,309)	-	(17,621)	(16,680)	(35,309)	-	(17,621)	-	(34,302)	(17,687)	(17,621)	-	(16,680)	(35,309)	-	(17,621)	(16,680)	(278,441)
6	(5,000)	-	(5,000)	-	(5,000)	-	(5,000)	-	(5,000)	-	(5,000)	-	(5,000)	-	(5,000)	-	(5,000)	-	(44,996)
7	(5,370)	(5,370)	(5,370)	(5,370)	(5,370)	(5,370)	(5,370)	(5,370)	(5,370)	(5,370)	(5,370)	(5,370)	(5,370)	(5,370)	(5,370)	(5,370)	(5,370)	(5,370)	(96,667)
8	-	(4,577)	(11,244)	-	-	-	(4,577)	-	(11,244)	(5,000)	-	(4,577)	(11,244)	-	-	(4,577)	-	(11,244)	(68,285)
9	-	-	(16,653)	-	-	-	-	(16,653)	-	-	-	-	(16,653)	-	-	-	-	(16,653)	(66,614)
10	(2,783)	(2,783)	(2,783)	(2,783)	(2,783)	(2,783)	(2,783)	(2,783)	(2,783)	(2,783)	(2,783)	(2,783)	(2,783)	(2,783)	(2,783)	(2,783)	(2,783)	(2,783)	(50,096)
11	(1,114)	(1,226)	(226)	(226)	(1,114)	(226)	(226)	(1,114)	(1,226)	(226)	(226)	(1,114)	(226)	(226)	(1,226)	(226)	(1,114)	(1,226)	(13,512)
12	(2,378)	(2,378)	(2,378)	(2,378)	(2,378)	(2,378)	(2,378)	(2,378)	(2,378)	(2,378)	(2,378)	(2,378)	(2,378)	(2,378)	(2,378)	(2,378)	(2,378)	(2,378)	(42,804)
13	-	-	-	(30,000)	-	-	-	(30,000)	-	-	-	(30,000)	-	-	-	(30,000)	-	-	(120,000)
Total Disbursements	(998,701)	(837,288)	(1,025,711)	(1,040,436)	(1,015,382)	(1,028,123)	(1,003,390)	(871,922)	(1,003,701)	(1,028,116)	(1,020,078)	(1,068,333)	(802,290)	(1,009,494)	(1,038,699)	(1,022,814)	(847,809)	(1,010,494)	(17,672,783)
Net Cash Flow Before Litigation and Restructuring Costs																			
	24,274	284,739	(2,736)	(13,206)	464,611	(5,147)	19,585	(49,288)	508,299	(5,141)	2,898	(41,104)	16,090	335,372	(15,724)	4,415	(29,429)	334,372	1,832,880
14	-	-	-	-	(150,000)	-	-	-	(150,000)	-	-	-	-	(150,000)	-	-	-	(150,000)	(600,000)
15	(100,000)	-	(100,000)	-	(100,000)	-	(100,000)	-	-	-	-	(100,000)	-	-	-	(100,000)	-	-	(600,000)
Total Litigation and Restructuring Costs	(100,000)	-	(100,000)	-	(250,000)	-	(100,000)	-	(150,000)	-	-	(100,000)	-	(150,000)	-	(100,000)	-	(150,000)	(1,200,000)
16	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(50,000)
Total Intercompany Loan	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(50,000)
Net Cash Flow	(75,726)	284,739	(102,736)	(13,206)	214,611	(5,147)	(80,415)	(49,288)	358,299	(5,141)	2,898	(141,104)	16,090	185,372	(15,724)	(95,585)	(29,429)	134,372	582,880
17	1,301,832	1,226,106	1,510,845	1,408,109	1,394,903	1,609,513	1,604,366	1,523,951	1,474,663	1,832,962	1,827,822	1,830,720	1,689,616	1,705,706	1,891,078	1,875,354	1,779,769	1,750,341	1,301,832
Ending Cash	1,226,106	1,510,845	1,408,109	1,394,903	1,609,513	1,604,366	1,523,951	1,474,663	1,832,962	1,827,822	1,830,720	1,689,616	1,705,706	1,891,078	1,875,354	1,779,769	1,750,341	1,884,712	1,884,712

Notes

General Receipts and disbursements denominated in U.S. Dollars have been converted into Canadian Dollars using an exchange rate of CD\$1.35 = US\$1.00.

Projected disbursements include GST and HST charged for purchases of goods and services.

EGR is closed for statutory holidays on May 22, 2023, July 03, 2023, August 07, 2023 and September 04, 2023.

1 Receipts from sales are estimated based on historical average monthly sales, collected weekly.

2 The projected tax refunds are estimated based on input tax credits claimed on GST and HST paid to vendors.

3 Receipts from interest income earned on deposits.

4 These projected disbursements represent payments to suppliers of precious metals such as gold, silver, platinum and palladium bullion in the form of bars. The Company also purchases unrefined bars and scrap gold for refining.

5 These projected disbursements include payroll costs for all salaried and hourly employees and expense reimbursements. The forecast amounts are based on historic run rates. Hourly employees are paid monthly, and salaried employees are paid twice a month. Payroll disbursements include all employee source deductions, employee and employer portions of CPP and EI, and other payroll-related taxes.

6 These projected disbursements include payments to EGR's advisors for corporate matters.

7 These projected disbursements include payments related to office supplies, repair and maintenance, telephone and networking, bank charges, travel, software and utilities.

8 These projected disbursements include premium payments for general, property and liability insurance, employee benefits, life insurance, and car insurance.

9 These projected disbursements include rent payments to Farag Properties Inc., a related party.

10 These projected disbursements relate to the various advertising and promotional initiatives.

11 These projected disbursements represent vehicle lease and other vehicle-related expenses.

12 These projected disbursements represent freight expenses to transport inventory for refining or for delivery to customers.

13 These projected disbursements represent corporate income tax instalments.

14 These projected disbursements include payments to legal advisors for litigation matters.

15 These projected disbursements include payments to EGR's legal advisor for specialist restructuring advice and the fees and costs of the Monitor and its counsel.

16 These projected disbursements include repayments to related parties for working capital purposes.

17 The opening cash balance reflects the bank balance and cash on hand balance at the start of the cash flow forecast.



June 6, 2023

Deloitte Restructuring Inc.
Bay Adelaide East
8 Adelaide Street West
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Toronto, Ontario M5H 0A9
Canada

Attention: Phil Reynolds

Dear Sirs:

**Re: Proceedings under the *Companies' Creditors Arrangement Act* ("CCAA")
Responsibilities/Obligations and Disclosure with Respect to Cash Flow Projections**

In connection with the CCAA proceedings in respect of Express Gold Refining Ltd. ("**EGR**"), the management of EGR ("**Management**") has prepared the attached Cash Flow Statement and the assumptions on which the Cash Flow Statement is based.

EGR confirms that:

1. The Cash Flow Statement and the underlying assumptions are the responsibility of EGR;
2. All material information relevant to the Cash Flow Statement and to the underlying assumptions has been made available to Deloitte Restructuring Inc., in its capacity as Monitor of EGR;
3. Management has taken all actions that it considers necessary to ensure:
 - a. That the individual assumptions underlying the Cash Flow Statement are appropriate in the circumstances;
 - b. That the individual assumptions underlying the Cash Flow Statement, taken as a whole, are appropriate in the circumstances; and



- c. That all relevant assumptions have been properly presented in the Cash Flow Statement or in the notes accompanying the Cash Flow Statement.

4. Management understands and agrees that the determination of what constitutes a material adverse change in the projected cash flow or financial circumstances, for the purposes of our monitoring the on-going activities of EGR, is ultimately at your sole discretion, notwithstanding that Management may disagree with such determination;

5. Management understands its duties and obligations under the CCAA and that a breach of these duties and obligations could make EGR's Management liable to fines and imprisonment in certain circumstances; and

6. The Cash Flow Statement and assumptions have been reviewed and approved by the EGR's board of directors or Management has been duly authorized by EGR's board of directors to prepare and approve the cash flow assumptions.

Yours truly,

Atef Salama
Vice President

**IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c C-36 AS AMENDED AND IN THE
MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT WITH RESPECT TO EXPRESS GOLD REFINING LTD.**

ONTARIO

**SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

PROCEEDING COMMENCED AT TORONTO

FOURTEENTH REPORT OF THE MONITOR

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