

**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 OF
LYDIAN INTERNATIONAL LIMITED, LYDIAN CANADA VENTURES CORPORATION
AND LYDIAN U.K. CORPORATION LIMITED**

Applicants

**MOTION RECORD
(Re: Plan Meeting Order)
(Returnable June 18, 2020)**

REDACTED VERSION

June 15, 2020

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**MOTION RECORD
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TAB 1

**ONTARIO
SUPERIOR COURT OF JUSTICE
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AND LYDIAN U.K. CORPORATION LIMITED**

Applicants

**NOTICE OF MOTION
(Re: Meeting of the Affected Creditors)
(Returnable June 18, 2020)**

Lydian International Limited ("**Lydian International**"), Lydian Canada Ventures Corporation and Lydian U.K. Corporation Limited (collectively, the "**Applicants**") will make a motion to Chief Justice Morawetz on June 18, 2020 at 12:00 noon via videoconference due to the COVID-19 crisis.

PROPOSED METHOD OF HEARING:

This motion is to be heard orally or in any other suitable manner to be decided by the presiding judge.

THE MOTION IS FOR:

1. An Order, substantially in the form of the draft order attached at Tab 4 of this Motion Record (the "**Meeting Order**");
 - a) accepting the filing of a plan of arrangement of the Applicants under the *Companies' Creditors Arrangement Act* (Canada) (the "**CCAA**") and the *Business Corporations Act* (British Columbia) (the "**BCBCA**") dated June 15, 2020 (the "**Plan**") with the Court;

- b) approving, pursuant to section 22 of the CCAA, the classification of creditors as set out in the Plan for the purposes of the Meeting (defined below) and voting on the Plan;
- c) authorizing and directing the Applicants to call, hold and conduct a meeting of its Affected Creditors (as defined in the Plan) to vote on the Plan (the “**Meeting**”);
- d) authorizing notice of the Meeting to be effected through service of the Meeting Order (when issued) on all Affected Creditors;
- e) approving the procedures to be followed at the Meeting, including voting procedures;
- f) setting a date for the hearing of the Applicants’ motion for the Sanction and Implementation Order (the “**Sanction Hearing**”);
- g) sealing the unredacted Affidavit of Edward A. Sellers sworn June 15, 2020 (the “**Sellers Meeting Affidavit**”) and the unredacted Affidavit of Mark Caiger sworn June 11, 2020 (the “**Caiger Affidavit**”); and
- h) approving the Monitor’s activities to date, as set out in the Monitor’s Fifth Report to the Court, to be filed (the “**Fifth Report**”).

THE GROUNDS FOR THE MOTION ARE:

Capitalized Terms

1. Capitalized terms not expressly defined herein have the meanings ascribed to them in the Sellers Meeting Affidavit. All references to currency are references to United States dollars;

Overview

2. The Applicants are part of a corporate group ultimately owned by Lydian International. The Applicants’ business consists of the exploration and development of the Amulsar gold mine located in south-central Armenia, which is operated by Lydian Armenia;

3. Due to a confluence of factors, including the adverse effects of ongoing illegal blockades at the Amulsar mine, the Applicants sought and received the Initial Order granting them protection under the CCAA on December 23, 2019. Alvarez & Marsal Canada Inc. was appointed as the Monitor;
4. The Applicants sought and obtained recognition of the CCAA Proceedings by the Royal Court of Jersey in February 2020;
5. The Initial Order granted a stay of proceedings in respect of the Applicants and the Non-Applicant Stay Parties until January 2, 2020, which was subsequently extended on five occasions and now expires on June 30, 2020;

The Applicants' Responses to their Financial and Operational Challenges

6. The Applicants have used their best efforts to resolve the factors that led to their insolvency, including engaging in negotiations with the GOA and commencing legal proceedings in Armenia to remove the illegal blockages, but these efforts have not resulted in the Applicants re-gaining access to the Amulsar site;
7. The Applicants retained BMO to canvas the market for potential refinancing or sale opportunities with respect to the Lydian Group's mining assets, but these efforts have not yet resulted in a transaction capable of satisfying the claims of the Lydian Groups' secured lenders;
8. BMO also ran a process to solicit third-party financing of a proposed Treaty Arbitration against the GOA but, on the advice of the Senior Lenders, these efforts have not been advanced since January 2020;

The Applicants' Current Circumstances

9. In April 2020, the Senior Lenders imposed, as a condition of further advances under the DIP Agreement that was approved by this Court in March 2020, the requirement that the Applicants pursue the completion of a restructuring in these proceedings, with a view to distributing the shares of Lydian Canada to or for the benefit of the Applicants' secured lenders (the "**Exit Plan**"), or face enforcement steps;

10. In early May 2020, this Court issued orders lifting the stay of proceedings to enable two of the Applicants' Equipment Financiers, CAT and ING, to take enforcement steps with respect to their equipment at the Amulsar site;
11. The Lydian Group's directors' and officers' insurance coverage, which has been extended on a month-to-month basis since December 31, 2019, is set to expire on June 30, 2020 and cannot be extended any further;
12. The Lydian Group owes its secured lenders more than \$406.8 million;
13. The Senior Lenders are no longer willing to support the Applicants' efforts to preserve and protect the Amulsar mine;
14. The Applicants have no alternative sources of financing and no independently generated revenue;
15. The Applicants' options going forward are limited to: (a) facing enforcement steps from the Senior Lenders; (b) filing alternative bankruptcy, administration, or liquidation proceedings across multiple jurisdictions; or (c) implementing the Exit Plan through the Plan;
16. The Applicants believe that the implementation of the Plan is their best option, as it permits an orderly transition, minimizes collateral impacts on Lydian Armenia and other stakeholders, and provides for the orderly wind down of the proceedings before this Court and the Royal Court of Jersey;
17. The Senior Lenders are prepared to fund the additional costs associated with the implementation of the Plan;

The Plan

18. The purpose of the Plan is to:
 - a) implement a corporate and financial restructuring of the Applicants;

- b) minimize adverse tax consequences by assigning or settling intercompany debts owing to the Applicants prior to the Effective Time;
 - c) provide for the equivalent of an assignment of substantially all of the assets of Lydian Jersey to SL Newco by amalgamating Lydian Canada with SL Newco;
 - d) provide for a corresponding orderly wind up, and financing of such wind up, of Lydian Jersey and an orderly disposition or winding up, and financing thereof, of the affairs of certain subsidiaries of Lydian Jersey;
 - e) permit Restructured Lydian and its shareholders/stakeholders to determine the manner and timing of pursuing any strategy post the Plan Implementation Date;
 - f) permit Lydian Canada and Lydian UK to exit CCAA Proceedings on the Plan Implementation Date; and
 - g) permit Lydian Jersey to exit CCAA Proceedings upon the earlier of (i) completion of (a) to (d) above, or (ii) an Order of the Court terminating the CCAA Proceedings;
19. The Plan provides for a Plan Implementation Date of June 29, 2020;
20. The steps, conditions and terms of the Plan are outlined in the Sellers Meeting Affidavit;
21. Only the Senior Lenders (as Affected Creditors) are eligible to participate and vote in the Plan;
22. The Applicants' unsecured creditors and equity claimants are unaffected by the Plan and ineligible to vote;
23. The Plan, while finalized in principle, remains subject to certain limited modifications and additions, all of which will be made in accordance with the Meeting Order and provided to the Affected Creditors prior to the Meeting;

The Meeting Order

24. The proposed Meeting Order establishes procedures for the calling and conduct of the Meeting to approve the Plan that are reasonable, appropriate and efficient in the circumstances, and provides for, among other things:
- a) the acceptance of the plan for the purposes of filing and calling the Meeting on June 19, 2020 to seek approval of the Plan;
 - b) the effecting of notice of the Meeting through service of the Meeting Order (when issued) on all Affected Creditors;
 - c) the process to modify or amend the Plan;
 - d) the classification of Affected Creditors into one class for the purposes of voting, and the process for dealing with Disputed Claims;
 - e) the procedures for conduct and voting at the Meeting; and
 - f) the scheduling of the application for the Sanction Order for June 29, 2020, or such other date thereafter subject to the Court's availability, in the event the Plan is approved at the Meeting.
25. The Applicants also intend to issue a press release notifying of the filing of the Plan and scheduling the Meeting and Sanction Hearing;
26. Pursuant to the Plan, if the Plan is approved, an application will be made before this Court for a Sanction Hearing;

Sealing

27. The Applicants are seeking to seal the Sellers Meeting Affidavit and the Caiger Affidavit because they contain commercially sensitive information that, if disclosed, could impact future refinancing and sales efforts;

Approving the Monitor's Activities

28. The Monitor has undertaken various activities pursuant to its mandate in these CCAA proceedings. The Applicants seek to have the activities detailed in the Fifth Report approved by this Court;

Other Grounds

29. The provisions of the CCAA, including sections 5, 11 and 22 thereof;
30. The provisions of the BCBCA, including s. 271 thereof;
31. The provisions of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, including r. 2.03, 3.02 and 37 thereof;
32. The provision of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, including s. 137(2) thereof; and
33. Such further and other grounds as counsel may advise and this Court may permit.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the motion:

34. the Sellers Meeting Affidavit;
35. the Caiger Affidavit;
36. the Fifth Report of the Monitor, to be filed; and
37. Such further and other materials and evidence as counsel may advise and this Honourable Court may permit.

June 15, 2020

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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 OF
LYDIAN INTERNATIONAL LIMITED, LYDIAN CANADA VENTURES CORPORATION AND
LYDIAN U.K. CORPORATION LIMITED

Court File No.: CV-19-00633392-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

**NOTICE OF MOTION
(Returnable June 18, 2020)**

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TAB 2

TAB 3

Court File No. 19-00633392-00CL

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SUPERIOR COURT OF JUSTICE
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Applicants

**AFFIDAVIT OF MARK CAIGER
(Sworn June 11, 2020)**

I, Mark Caiger, of the City of Toronto, in the Province of Ontario, MAKE OATH AND SAY:

1. I am a Managing Director, Mergers and Acquisitions at BMO Nesbitt Burns Inc. ("**BMO**") and have been working at BMO for 20 years.
2. As described in further detail below, BMO has acted as financial advisor to Lydian International Limited ("**Lydian International**") since 2018, in connection with efforts to canvas potential refinancing or sale options and carry out a sale and investment solicitation process ("**SISP**"). Further background information regarding BMO's involvement in the SISP and Treaty Arbitration financing solicitation process can be found in the affidavits of Edward A. Sellers sworn December 22, 2019 (the "**Initial Affidavit**") and January 20, 2020 (the "**Comeback Affidavit**"), and is provided below. Capitalized terms not otherwise defined herein are defined in the Comeback Affidavit.

BMO's Involvement in the SISP

3. In April 2018, Lydian International retained BMO to canvas potential refinancing or sale options and carry out the SISP. In the early phase of the SISP, BMO marketed the Lydian Group's mining assets, including various environmental permits held by the Lydian Group (the "**Mining Assets**").
4. As part of the 2018 process, which carried forward into early 2019, BMO created a "teaser package" containing information about the sale opportunity and the Lydian Group's business for circulation to interested parties. BMO provided a copy of the teaser package to 40

parties, including 18 potential strategic counterparties and 22 potential financial counterparties. Of those parties, 9 signed non-disclosure agreements (“NDAs”) and were provided access to a virtual data room (“VDR”) containing financial and operational information. Of the parties who signed NDAs, 5 conducted site visits and 2 submitted non-binding expressions of interest.

5. This process carried forward through to early 2019 and generated potential interest from several parties; however, the continuing illegal blockades and the conduct of the GOA prevented any offers that could be executed upon.

6. In May 2019, following a meeting between the Company, its secured lenders Orion Co IV (ED) Limited, a division of Orion Capital Management, Resource Capital Fund VI L.P. and Osisko Bermuda Limited (collectively, the “Senior Lenders”) and BMO, BMO began preparations to commence another round of the SISP. BMO’s activities over the summer of 2019 included: assisting the Company in updating the VDR, liaising with the Company during the development of its revised National Instrument 43-101 Technical Report (which was commissioned to address, in part, the full impact of the blockade on construction, and the resulting delay in the ramp up to full production at Amulsar), and planning for the Company’s intention to hold investor meetings and raise capital at the Denver Gold Forum in mid-September 2019.

7. In October 2019, based on the GOA’s statements that they would support the reopening of the Amulsar Project, BMO was directed by the Company to begin the next round of the SISP. During this second round of the SISP, BMO contacted 32 potential counterparties, including 31 potential strategic counterparties (16 of which were also contacted in 2018) and 1 potential financial counterparty. Two of the counterparties executed NDAs and were granted access to the VDR. [REDACTED] Despite a broad canvass, limited interest surfaced in a transaction, and several parties expressed concerns regarding the ongoing blockades and situation in Armenia. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

8. BMO and the Company continued to engage with the other potential purchaser who came forward during the second round of the SISP. Subsequent to the commencement of the

CCAA Proceedings, discussions continued between this potential purchaser and one of the Company's secured lenders to determine if a transaction could be implemented, with the support of the Applicants' stakeholders. Those discussions took place over the holiday period in 2019. BMO continued those discussions through the spring of 2020. In early May 2020, it was determined unanimously by the Senior Lenders that a transaction with this potential purchaser would not be possible.

9. In early March 2020, a party who was previously involved in the SISP approached the Applicants and BMO with renewed interest in a transaction through a related company. BMO granted this party access to the VDR following the execution of an NDA. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

BMO's Involvement in the Treaty Arbitration Financing Process

11. As outlined in the Initial Affidavit, in October 2019, the Lydian Group, with the assistance of BMO, commenced a process to solicit interest in financing international investment arbitration proceedings against the GOA pursuant to bilateral investment treaties, on the basis that the GOA's actions and inactions have seriously undermined the value of the Lydian Group's investment in the Amulsar Project (the "**Treaty Arbitration**").

12. As part of this process, in October 2019, BMO contacted 21 potential counterparties to determine their interest in financing the Treaty Arbitration, including established litigation and arbitration financiers with substantial funds under their management. Of the 21 parties contacted, BMO sent Common Interest Privilege and Confidentiality Agreements ("**CIPAs**") to 15 parties for execution, along with teaser packages based on publicly available documents outlining the situational developments at Amulsar from the time the blockades commenced.

13. BMO also contacted 3 existing shareholders of the Company who had expressed a potential interest in financing the Treaty Arbitration, and provided them with CIPAs and a copy of the teaser package. Following the commencement of the CCAA Proceedings, BMO was in contact with 3 additional parties based on inbound inquiries received by the Monitor and the Company. One of those parties was provided with a CIPA and a copy of the teaser package.

14. Ten parties, including 2 of the Company's shareholders, executed CIPAs and were provided with access to a VDR containing a selected set of arbitration-related documentation.

[REDACTED]

[REDACTED] None of these expressions of interest were put forward by shareholders of the Company.

15. On the basis of input received from the Senior Lenders, and in accordance with the terms of the DIP Agreement, since January 23, 2020, the Applicants and BMO have not taken any material steps to advance the SISP process relating to litigation financing. None of the [REDACTED] expressions of interest received was ultimately developed into a firm proposal for the financing of the Treaty Arbitration.

Overlap in the SISP Procedures

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

17. Despite the extensive efforts described above in connection with the SISP, the Applicants and BMO have not been able to negotiate a transaction involving the sale of the Mining Assets and will not be in a position to do so before the expiration of the stay of proceedings on June 30, 2020. Given the solicitation process for the financing of the Treaty Arbitration was put on hold at the request of the Senior Lenders, the Applicants and BMO will not be in a position to

negotiate a financing of the Treaty Arbitration before the expiration of the stay of proceedings on June 30, 2020.

I confirm that while connected via video conference technology, Mark Caiger showed me the front and back of his government-issued photo identity document and that I am reasonably satisfied it is the same person and the document is current and valid. I confirm that I have reviewed each page of this affidavit with Mark Caiger and verify that the pages are identical.

Sworn before me by video conference from the City of Toronto, Ontario to the City of Toronto, Ontario, on June 11, 2020.

DocuSigned by:
Sanja Sopic
E820930A2731482...

Commissioner for Taking Affidavits

DocuSigned by:
Mark Caiger
2397CE28C868434...

Mark Caiger

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 OF LYDIAN INTERNATIONAL LIMITED, LYDIAN CANADA VENTURES CORPORATION AND LYDIAN U.K. CORPORATION LIMITED

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**AFFIDAVIT OF MARK CAIGER
Sworn June 11, 2020**

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Lawyers for the Applicants

TAB 4

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THE HONOURABLE) THURSDAY, THE 18TH
)
CHIEF JUSTICE MORAWETZ) DAY OF JUNE, 2020

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 OF
LYDIAN INTERNATIONAL LIMITED, LYDIAN CANADA VENTURES CORPORATION,
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Applicants

ORDER

(Re: Meeting of the Affected Creditors)

THIS MOTION, made by the Applicants, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA") for an Order (the "**Meeting Order**"):

- a) accepting the filing of a plan of arrangement of the Applicants under the CCAA and *Business Corporations Act*, S.B.C. 2002, c. 57 (British Columbia) dated June 15, 2020 (the "**Plan**") with the Court;
- b) approving, pursuant to section 22 of the CCAA, the classification of creditors as set out in the Plan for the purposes of the Meeting (as defined below) and voting on the Plan;
- c) authorizing and directing the Applicants to call, hold and conduct a meeting of its Affected Creditors to vote on the Plan (the "**Meeting**"); and

- d) authorizing notice of the Meeting to be effected by the Applicants serving a copy of this Meeting Order (when issued) on all Affected Creditors;

proceeded by way of videoconference due to the COVID-19 crisis on this day.

ON READING the affidavit of Edward A. Sellers sworn June 15, 2020 and the exhibits thereto (the “**Sellers Meeting Affidavit**”), the affidavit of Mark Caiger sworn June 11, 2020 (the “**BMO Affidavit**”), the Fifth Report of Alvarez & Marsal Canada Inc. in its capacity as Monitor of the Applicants (the “**Monitor**”) dated June ●, 2020 (the “**Fifth Report**”), and on hearing the submissions of counsel for the Applicants, the Monitor, the Affected Creditors and those other parties listed on the counsel slip, no one else appearing although duly served as appears from the Affidavit of Service of ● sworn June ●, 2020, to be filed;

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and supporting materials be and is hereby abridged such that this Motion is properly returnable today and service thereof upon any interested party other than the parties on the service list is hereby dispensed with.
2. **THIS COURT ORDERS** that all capitalized terms in this Meeting Order, unless otherwise defined herein, have the meaning ascribed to them in the Plan.

PLAN OF COMPROMISE AND ARRANGEMENT

3. **THIS COURT ORDERS** that the Plan, substantially in the form attached hereto as Schedule “A”, is hereby accepted for filing, and the Applicants are hereby authorized to seek approval of the Plan from the Affected Creditors in the manner set forth herein.
4. **THIS COURT ORDERS** that the Applicants, subject to the provisions of the Plan and with the approval of the Monitor, be and are hereby authorized to make and to file a modification or restatement of, or amendment or supplement to, the Plan (each a “**Plan Modification**”) prior to or at the Meeting, in which case any such Plan Modification shall, for all purposes, be and be deemed to form part of and be incorporated into the Plan. The Monitor shall disclose and make available all Plan Modifications at the Meeting.

FORM OF PLAN RESOLUTION

5. **THIS COURT ORDERS** that the form of resolution substantially in the form attached hereto as Schedule “B” (the “**Plan Resolution**”) is hereby approved and the Applicants, with the consent of the Monitor, are authorized to make such changes to such Plan Resolution as they consider necessary or desirable to conform the content thereof to the terms of the Plan or this Meeting Order.

CLASSIFICATION OF CREDITORS

6. **THIS COURT ORDERS** that for the purposes of considering and voting on the Plan, there shall be one class of creditors, being the Affected Creditors holding all Affected Claims.

NOTICE OF THE AFFECTED CREDITORS MEETING

7. **THIS COURT ORDERS** that, notwithstanding anything to the contrary found in any of Applicants’ constating documents, service by email of a copy of this Meeting Order on counsel to all Affected Creditors shall constitute good and sufficient service of this Meeting Order, the Plan and the Sanction Motion (as defined below), and good and sufficient notice of the Meeting on all Persons who may be entitled to receive notice thereof in these proceedings or who may wish to be present in at the Meeting or who may wish to appear in these proceedings, and no other form of notice or service need be made on such Persons.

CONDUCT OF THE MEETING

8. **THIS COURT ORDERS** that the Applicants are hereby authorized to call, hold and conduct a live videoconference meeting of the Affected Creditors on June 19, 2020, at 10:00 a.m. (Toronto time) for the purpose of considering, and if deemed advisable by the Affected Creditors, voting in favour of, with or without variation, the Plan Resolution to approve the Plan.

9. **THIS COURT ORDERS** that a representative of the Monitor, designated by the Monitor, shall preside as the chair of the Meeting (the “**Chair**”) and, subject to any further Order of this Court, shall decide all matters relating to the conduct of the Meeting.

10. **THIS COURT ORDERS** that the Chair is authorized to adjourn the Meeting on one or more occasions to such time(s), date(s) and place(s) as the Chair deems necessary or desirable (without the need to first convene the Meeting for the purpose of adjournment). Notice of such

adjourned date shall be posted on the website maintained by the Monitor and there shall be no requirement to provide any other notice.

11. **THIS COURT ORDERS** that the only Persons entitled to attend the Meeting shall be the Applicants and their respective directors, the Monitor, BMO Nesbitt Burns Inc., the Affected Creditors and their respective legal counsel. Any other Person may be admitted to the Meeting by the Chair or the Applicants.

12. **THIS COURT ORDERS** that the quorum required at the Meeting shall be two Affected Creditors holding an Affected Claim present at the Meeting in person via live videoconference. If the requisite quorum is not present at the Meeting, then the Meeting shall be adjourned by the Chair to such time, date and place as the Chair deems necessary or desirable.

VOTING PROCEDURE AT THE MEETING

13. **THIS COURT ORDERS** that the Chair shall direct a vote with respect to the Plan Resolution to approve the Plan and containing such other related provisions as the Chair or Monitor considers appropriate.

14. **THIS COURT ORDERS** that if any matter other than those referred to in paragraph 13 arises at the Meeting and requires a vote, such vote shall be conducted in the manner decided by the Chair, and (i) if the Chair decides to conduct such vote by way of show of hands, the vote shall be decided by a majority of the votes given on a show of hands, and (ii) if the Chair decides to conduct such vote by written or digital ballot, the vote shall be decided by a majority in number of Affected Creditors holding Affected Claims and representing a two-thirds majority in value of the Affected Claims present in person via live videoconference and voting at the Meeting (the “**Required Majority**”).

15. **THIS COURT ORDERS** that, notwithstanding the terms of the Credit Agreement and Stream Agreement, for the purpose of voting at the Meeting, each Affected Creditor shall be entitled to one vote equal to the aggregate dollar value of its Affected Claim, and for such purpose, each Affected Creditor’s Affected Claim is as follows:

Affected Creditor	Affected Claim
Orion Co IV (ED) Limited	[\$●]
Resource Capital Fund VI L.P.	[\$●]
Osisko Bermuda Limited	[\$●]

16. **THIS COURT ORDERS** that each Affected Creditor shall constitute one vote in number for the purpose of determining the Required Majority, regardless of whether the Affected Creditor holds Affected Claims beneficially through a securities account with a depository participant or other securities intermediary.

DISPUTED CLAIMS

17. **THIS COURT ORDERS** that if the Applicants, the Monitor or any Affected Creditor disputes the quantum or validity of an Affected Creditor's Affected Claim (a "**Disputed Claim**"), the holder of the Disputed Claim is nevertheless entitled to one vote equal to the aggregate dollar value of its Affected Claim, without prejudice to the determination of the dollar value of such Disputed Claim for the purposes of this Meeting Order and any distribution.

18. **THIS COURT ORDERS** that the Monitor shall keep a separate record of votes cast by each holder of a Disputed Claim and shall report to the Court with respect thereto at the Sanction Motion.

APPROVAL OF THE PLAN

19. **THIS COURT ORDERS** that to be approved, the Plan must receive an affirmative vote by the Required Majority.

20. **THIS COURT ORDERS** that following the votes at the Meeting, the Monitor shall tally the votes and determine whether the Plan has been approved by the Required Majority.

21. **THIS COURT ORDERS** that the results of and all votes provided the Meeting shall be binding on all Affected Creditors, whether or not any such Affected Creditor is present or voting at the Meeting.

SANCTION HEARING AND ORDER

22. **THIS COURT ORDERS** that the Monitor shall file a report to this Court by no later than June 22, 2020, with respect to the results of the vote, including (i) whether the Plan was approved by the Required Majority and (ii) the separate tabulation for Disputed Claims required by paragraph 18 herein.

23. **THIS COURT ORDERS** that an electronic copy of the Monitor's report described in paragraph 22 hereto and the Plan, including any Plan Modifications, shall be posted on the Monitor's website prior to the hearing of the motion seeking the Sanction and Implementation Order (the "**Sanction Motion**").

24. **THIS COURT ORDERS** that in the event the Plan has been approved by the Required Majority, the Applicants may bring the Sanction Motion before this Court on June 29, 2020, or such later date as the Applicants may advise the service list in these proceedings, provided that such later date shall be acceptable to the Applicants and the Monitor.

25. **THIS COURT ORDERS** that service of this Meeting Order by the Applicants to the parties on the service list shall constitute good and sufficient service and notice of the Sanction Motion.

26. **THIS COURT ORDERS** that any Person intending to oppose the Sanction Motion shall (i) file or have filed with the Court a Notice of Appearance and serve such Notice of Appearance on the service list at least four business days before the date set for the Sanction Motion; and (ii) serve on the service list a notice setting out the basis for such opposition and a copy of the materials to be used to oppose the Sanction Motion that are available at least two business days before the date set the Sanction Motion, or such shorter time as the Court, by Order, may allow.

27. **THIS COURT ORDERS** that in the event that the Sanction Motion is adjourned, only those Persons appearing on the service list as of the date of service shall be served with notice of the adjourned date.

28. **THIS COURT ORDERS** that subject to any further Order of the Court, in the event of any conflict, inconsistency, ambiguity or difference between the provisions of the Plan and this Meeting Order, the terms, conditions and provisions of the Plan shall govern and be paramount, and any such provision of this Meeting Order shall be deemed to be amended to the extent necessary to eliminate any such conflict, inconsistency, ambiguity or difference.

MONITOR'S ROLE

29. **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights and obligations under the CCAA and the Initial Order of this Court dated December 23, 2019 (the

“Initial Order”) and the Amended and Restated Initial Order of this Court dated January 23, 2020 (the “Amended and Restated Initial Order”) is hereby directed and empowered to take such other actions and fulfill such other roles as are authorized by this Meeting Order.

30. **THIS COURT ORDERS** that: (i) in carrying out the terms of this Meeting Order, the Monitor shall have all the protections given to it by the CCAA, the Initial Order, the Amended and Restated Initial Order or as an officer of the Court, including the stay of proceedings in its favour; (ii) the Monitor shall incur no liability or obligation as a result of carrying out the provisions of this Meeting Order, save and except for any gross negligence or wilful misconduct on its part; (iii) the Monitor shall be entitled to rely on the books and records of the Applicants and any information provided by the Applicants and any information acquired by the Monitor as a result of carrying out its duties under this Order without independent investigation; and (iv) the Monitor shall not be liable for any claims or damages resulting from any errors or omissions in such books, records or information.

MONITOR’S ACTIVITIES

31. **THIS COURT ORDERS** that the Monitor’s activities, as set out in the Fifth Report, be and hereby are approved; provided, however, that only the Monitor, with respect to its own personal liability, shall be entitled to rely upon or use in any way such approval.

SEALING

32. **THIS COURT ORDERS** that the unredacted Sellers Meeting Affidavit and the unredacted BMO Affidavit are hereby sealed pending further order of the Court.

GENERAL

33. **THIS COURT ORDERS** the Monitor shall use reasonable discretion as to the adequacy of compliance with respect to the manner in which any forms hereunder are completed and executed and the time in which they are submitted and may waive strict compliance with the requirements of this Meeting Order including with respect to the completion, execution and time of delivery of required forms.

34. **THIS COURT ORDERS** that the Applicants or the Monitor may from time to time apply to this Court for advice and directions in connection with, *inter alia*, the discharge of powers and duties hereunder.

35. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, Armenia, the Bailiwick of Jersey, the United Kingdom, or the United States to give effect to this Order and to assist the Applicants, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicants 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 Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

Schedule "A"

THE PLAN

Schedule "B"

FORM OF PLAN RESOLUTION

BE IT RESOLVED THAT:

1. The Plan of Arrangement of Lydian International Limited, Lydian Canada Ventures Corporation, and Lydian U.K. Corporation Limited (the "**Applicants**") pursuant to the *Companies' Creditors Arrangement Act* (Canada) and *Business Corporations Act* (British Columbia) dated June 15, 2020 (the "**Plan**"), which Plan has been presented to this meeting (as such Plan may be amended, restated, supplemented and/or modified as provided for in the Plan), be and it is hereby accepted, approved, agreed to and authorized; and
2. Any one director or officer of each of the Applicants be and is hereby authorized and directed, subject to Court approval of the Plan, for and on behalf of the Applicants (whether under its respective corporate seal or otherwise), to execute and deliver, or cause to be executed and delivered, any and all documents and instruments and to take or cause to be taken such other actions as he or she may deem necessary or desirable to implement this resolution and the matters authorized hereby, including the transactions required by the Plan, such determination to be conclusively evidenced by the execution and delivery of such documents or other instruments or the taking of any such actions.

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

**ORDER
(Re: Meeting of the Affected Creditors)**

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Lawyers for the Applicants

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 OF
LYDIAN INTERNATIONAL LIMITED, LYDIAN CANADA VENTURES CORPORATION AND
LYDIAN U.K. CORPORATION LIMITED

Court File No.: CV-19-00633392-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST
Proceeding commenced at Toronto

MOTION RECORD
(Re: Plan Meeting Order)
(Returnable June 18, 2020)

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