

CANADA

SUPERIOR COURT
COMMERCIAL DIVISION

PROVINCE OF QUEBEC
DISTRICT OF MONTREAL

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

N°: 500-11-040900-116

KITCO METALS INC.

Petitioner

and

RICHTER ADVISORY GROUP INC.

Monitor

ORDER FOR A NINTH EXTENSION OF THE INITIAL ORDER

CONSIDERING:

- [1] Kitco Metals Inc.'s (the "**Petitioner**" or "**Kitco**") Motion for a Ninth Extension of the Initial Order, pursuant to section 11.02 of the Companies' Creditors Arrangement Act R.S.C. 1985, c. C-36 ("**CCAA**") (the "**Motion**"), the affidavit of Denis Majeau filed in support thereof, the Twenty-Fifth Report of the Monitor, the submissions of counsel present at the hearing and the testimony of the Monitor;
- [2] that the Stay Period, as defined in the Initial Order, expires on June 18, 2015;
- [3] that Kitco begs the Court to grant a one-year extension of the Stay Period, until May 31, 2016, for reasons which are specific to this case and somewhat uncommon;
- [4] that at the inception of the present CCAA proceedings, and on each hearing for the extension of the Initial Order, issues regarding the compatibility of the current proceedings with the purpose and underlying principles of the CCAA have been raised by the parties and by the Court;
- [5] that the costs of the current restructuring amount to approximately \$ 1.6 M per year;¹
- [6] that for instance, these costs have a significant impact on Kitco's cash flow situation:

*21. Moreover, as appears from the cash flow projections included with the Monitor's Twenty Fifth Report, Kitco's cash flow situation is stable and, when excluding the cost of restructuring and the non-reimbursement of sales taxes by the ARQ, Kitco's operations would be cash flow positive for the extension period sought herein.*²

[Emphasis added]

¹ Testimony and Monitor's Twenty-Fifth Report, Exhibit 2.

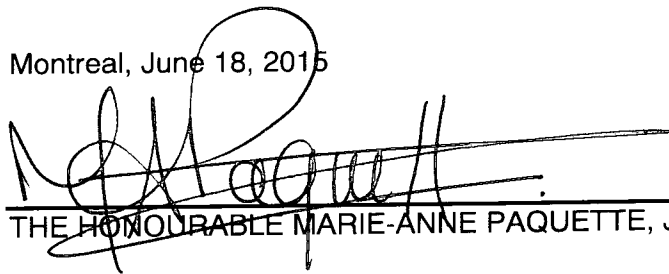
² Kitco's Motion for a ninth extension of the initial order.

- [7] that the legal debate on Kitco's Set-Off Motion (seq. 63) will proceed on December 8, 9 and 10, 2015;
- [8] that in the circumstances, the Court deems it sound to grant the extension for the period sought;
- [9] however that given the circumstances, the parties should be informed that the opportunity of continuing the present CCAA proceedings, in view of the underlying purpose and principles of the CCAA shall be debated, if need be, if further extensions are sought;

WHEREFORE, THE COURT:

- [10] **GRANTS** the Motion;
- [11] **DECLARES** that the notices given of the presentation of the Motion are adequate and sufficient;
- [12] **EXTENDS** the Stay Period, as defined in the Initial Order, up to and including May 31, 2016;
- [13] **DECLARES** that the Initial Order shall remain otherwise unchanged;
- [14] **ORDERS** the provisional execution of this Order notwithstanding any appeal without the need to furnish any security;
- [15] **INFORMS** the parties that if further extensions are sought, the opportunity of continuing the present CCAA proceedings, in view of the underlying purpose and principles of the CCAA, shall be argued and that they should be ready to proceed to such a debate, if need be, on the date when such extension would be sought;
- [16] **THE WHOLE** without costs.

Montreal, June 18, 2015

A handwritten signature in black ink, appearing to read 'Marie-Anne Paquette', is written over a horizontal line.

THE HONOURABLE MARIE-ANNE PAQUETTE, J.S.C.