

In re Trevali Mining Corporation Securities Litigation
CCAA Proceedings, Supreme Court of BC at Vancouver No. S-226670
Class Action Claim, Supreme Court of BC at Vancouver No. S-228113

SETTLEMENT PLAN OF ALLOCATION

PART I – RECITALS:

- A. **WHEREAS** on August 19, 2022, Trevali Mining Corporation (“**Trevali**”) obtained an Initial Order of the Supreme Court of British Columbia (“**Court**”) under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, C. C-36 (“**CCAA**”) and commenced a proceeding under the *CCAA* (“**CCAA Proceedings**”);
- B. **AND WHEREAS** on October 7, 2022, Michael Demmer, Rodney Brunk, Tim Kempter and William Williamson (“**Ad Hoc Committee of Shareholders**”) commenced the proceeding styled *Demmer et al v Trevali Mining Corporation et al*, Supreme Court of British Columbia at Vancouver Registry, No. 228113 (“**Class Action Claim**”);
- C. **AND WHEREAS** by way of the Court’s Shareholder Representation Order dated March 29, 2023, the Ad Hoc Committee of Shareholders was appointed as Representative Shareholders and KND Complex Litigation was appointed Representative Counsel to a class of **Securities Claimants**, as defined in the Court’s Shareholder Representation Order, and at **Schedule “A”** to this Plan of Allocation;
- D. **AND WHEREAS** pursuant to the Court’s Claims Process Order dated March 29, 2023, the Ad Hoc Committee of Shareholders in its capacity as Representative Shareholders filed proofs of claim with respect to the Securities Claimants’ claims (“**Shareholders Claim**”);
- E. **AND WHEREAS** by way of an agreement dated _____, 2025 (“**Settlement Agreement**”), the parties have reached a proposed settlement with respect to the Class Action Claim and the Shareholders Claim on behalf of the Securities Claimants (“**Settlement**”);
- F. **AND WHEREAS** subject to the approval of the Court, which will be sought in due course, the net proceeds of the Settlement after the deduction of the Court-approved legal fees, expenses, taxes and honorariums would be available for distribution to the Securities Claimants who submit valid claims in accordance with the Court-approved Claim Process;
- G. **AND WHEREAS** the goal of this Plan of Allocation is to facilitate an efficient, just and fair allocation and distribution of the Settlement Distribution Fund;
- H. **NOW THEREFORE**, subject to the approval of the Court, which will be sought in due course, it is hereby determined that the Settlement Distribution Fund shall be allocated and distributed in accordance with the terms of this Plan of Allocation, as follows.

PART II – DEFINITIONS:

1. For the purposes of this Plan of Allocation, the definitions set out in the Settlement Agreement apply to and are incorporated into this Plan of Allocation and, in addition to the terms defined in the Recitals section of this Plan of Allocation, the following definitions apply:
 - (a) “**Allocation System**” means the method of determining the Compensable Loss assigned to a claim in order to determine the amount of compensation to be awarded for that claim, taking into account risk adjustments to account for the litigation and liability risks for the seven (7) different categories of Eligible Securities.
 - (b) “**Claimant**” means any person or entity who submits a Claim Form, regardless of whether it is a valid Claim Form which is accepted by the Claims Administrator or not.
 - (c) “**Claim Form**” means a written claim in the prescribed form seeking compensation from the Settlement Distribution Fund.
 - (d) “**Claim Process**” means the Court-approved process to submit a Claim Form seeking compensation from the Settlement Distribution Fund.
 - (e) “**Claims Administrator**” means the firm to be appointed by the Court to administer the Claim Process.
 - (f) “**Claims Bar Date**” means the date to be determined by the Court by which Claim Forms must be submitted in order for it to be considered a valid Claim Form.
 - (g) “**Claims Process Escrow Account**” has the meaning attributed to it in paragraph 37 below.
 - (h) “**Class Counsel**” means KND Complex Litigation.
 - (i) “**Compensable Loss**” is the sum of an Eligible Claimant’s recoverable investment loss after applying the risk adjustments identified herein to the Eligible Claimant’s Gross Loss.
 - (j) “**Eligible Claimants**,” each being an “**Eligible Claimant**,” means the Securities Claimants who submit a valid Claim Form, or on whose behalf a valid Claim Form is submitted by a person who is authorized to submit the Claim Form, in accordance with the Court-approved Claim Process, but specifically excluding the Excluded Persons.
 - (k) “**Eligible Securities**” means the securities of Trevali held by an Eligible Claimant, and it compasses the following seven (7) categories:

- (i) Securities of Trevali purchased prior to October 9, 2020, and held as of the close of trading on the TSX on April 14, 2022, and which were sold on or before August 15, 2022;
 - (ii) Securities of Trevali purchased prior to October 9, 2020, and were held as of the close of trading on the TSX on August 15, 2022 or later;
 - (iii) Securities of Trevali purchased pursuant to the Prospectus at the effective price of \$1.85 (after giving effect to the reverse securities split, which was effected on December 3, 2021), and held as of the close of trading on the TSX on April 14, 2022, and which were sold on or before August 15, 2022;
 - (iv) Securities of Trevali purchased pursuant to the Prospectus at the effective price of \$1.85 (after giving effect to the reverse securities split, which was effected on December 3, 2021), and held as of the close of trading on the TSX on August 15, 2022 or later;
 - (v) Securities of Trevali purchased in the secondary market between October 9, 2020 and April 14, 2022, both dates inclusive, and held as of the close of trading on the TSX on April 14, 2022, and which were sold on or before August 15, 2022;
 - (vi) Securities of Trevali purchased in the secondary market between October 9, 2020 and April 14, 2022, both dates inclusive, held as of the close of trading on the TSX on August 15, 2022 or later; and
 - (vii) Securities of Trevali purchased in the secondary market between April 18, 2022 and August 15, 2022, both dates inclusive, and held as of the close of trading on the TSX on August 15, 2022 or later.
- (l) **“Escrow Account”** has the meaning ascribed in the Settlement Agreement.
 - (m) **“Excluded Persons”** are the persons and entities identified in **Schedule “A”**.
 - (n) **“Gross Loss”** means an Eligible Claimant’s gross investment loss to be calculated based on the methodology provided herein.
 - (o) **“Plaintiffs’ Compensable Loss”** means for Michael Demmer \$5,803.50, for Rodney Brunk \$21,858.35, for Tim Kempter \$11,200, and for William Williamson \$175.
 - (p) **“Prospectus”** means Trevali’s Prospectus Supplement dated November 25, 2020, to a Short Form Prospectus dated November 19, 2020.
 - (q) **“Purchase Price”** means the average price per security at which a Securities Claimant purchased or otherwise acquired their Eligible Securities (after giving effect to the reverse securities split, which was effected on December 3, 2021, if applicable).

- (r) “**Securities Claimants**,” each being a “**Securities Claimant**,” has the meaning attributed to this term in **Schedule “A”**, but specifically excluding the Excluded Persons.
- (s) “**Selling Price**” means the average price per security at which a Securities Claimant sold or otherwise disposed of their Eligible Securities.
- (t) “**Settlement Distribution Fund**” means the net settlement fund available for allocation and distribution after payment of legal fees, expenses, taxes and honorariums to be approved by the Court.
- (u) “**Trevali**” means Trevali Mining Corporation.
- (v) “**TSX**” means the Toronto Stock Exchange.

PART III – GENERAL:

- 2. The Claims Administrator shall distribute the Settlement Distribution Fund in accordance with the terms of this Plan of Allocation.
- 3. The goal of this Plan of Allocation is to distribute the Settlement Distribution Fund among Securities Claimants who submit valid and timely Claim Forms.
- 4. In the event of circumstances that may not be specifically addressed herein, the Claims Administrator shall address the situation bearing in mind the spirit and goal of this Plan of Allocation.
- 5. Class Counsel and the Claims Administrator may apply to the Court for guidance and directions as needed to give effect to this Plan of Allocation.
- 6. All dollar figures indicated herein are in Canadian dollars.

PART IV – COMPLETION AND SUBMISSION OF CLAIM FORMS:

- 7. Other than as specified herein, any person who wishes to claim compensation from the Settlement Distribution Fund must complete and submit a Claim Form by the Claims Bar Date, following which the claim shall be disallowed and it shall be extinguished and forever barred. Notwithstanding this clause, the Claims Administrator may in its discretion allow an otherwise-valid late claim without further order of the Court.
- 8. A Claim Form may be completed and submitted by an Eligible Claimant, or a person who is authorized to complete and submit the Claim Form on behalf of an Eligible Claimant.
- 9. If a Claim Form is completed and submitted by a representative of an Eligible Claimant, the person completing and submitting the Claim Form shall certify that he, she or it is authorized to do so on behalf of the Eligible Claimant.

PART V – PROCESSING CLAIM FORMS:

10. The Claims Administrator shall develop and make available an electronic and automated process to facilitate the completion, submission and processing of the Claim Forms. That process will be designed and structured to receive each Eligible Claimant's information from them, including the particulars of their transactions in the Eligible Securities, and determine their eligibility and, if so, their Compensable Loss, in accordance with the terms of this Plan of Allocation.
11. Each person submitting a Claim Form shall certify that:
 - (a) He, she or it, or the person on whose behalf the Claim Form is being submitted, is an Eligible Claimant;
 - (b) He, she or it, or the person on whose behalf the Claim Form is being submitted, is not an Excluded Person; and
 - (c) He, she or it is providing information that is true and correct.
12. The Claim Process is intended to be expeditious, cost effective and "user friendly" and to minimize the burden on Eligible Claimants. The Claims Administrator shall, in the absence of reasonable grounds to the contrary, assume an Eligible Claimant to be acting honestly and in good faith.
13. The Claim Process is also intended to prevent fraud and abuse. If, after reviewing any Claim Form, the Claims Administrator believes that the claim contains unintentional errors which would materially exaggerate the Compensable Loss to be awarded to the Claimant, then the Claims Administrator may disallow the claim in its entirety or make such adjustments so that an appropriate Compensable Loss is awarded to the Eligible Claimant. If the Claims Administrator believes that the claim is fraudulent or contains intentional errors which would materially exaggerate the Compensable Loss to be awarded to the Eligible Claimant, then the Claims Administrator shall disallow the claim in its entirety and the Claimant shall be barred from subsequent claims arising from any settlement or judgment in this class proceeding. The Claims Administrator shall conduct test audits of the Claim Forms, meaning that it shall test random samples of the Claim Forms, to be received from Eligible Claimants, in order to verify the accuracy of the Claim Forms.

PART VI – IRREGULAR CLAIMS OR CLAIM FORMS:

14. Where a Claim Form contains minor omissions or errors, the Claims Administrator may in its discretion correct such omissions or errors if the information necessary to correct the error or omission is readily available to the Claims Administrator.
15. If the Claims Administrator identifies a Claim Form that is materially untrue or inaccurate, the Claims Administrator may in its discretion disallow the claim in its entirety.
16. Where the Claims Administrator disallows a claim in its entirety, the Claims Administrator shall send to the Claimant at the address provided by the Claimant or the Claimant's last

known email or postal address, a notice advising the Claimant that he, she or it may request the Claims Administrator to reconsider its decision. For greater certainty, an Eligible Claimant is not entitled to a notice or a review where a claim is allowed but the Eligible Claimant disputes the determination of Compensable Loss or his, her or its individual compensation.

17. Any request for reconsideration must be received by the Claims Administrator within 21 calendar days of the date of the notice advising of the disallowance. If no request is received within this time period, the Claimant shall be deemed to have accepted the Claims Administrator's determination and the determination shall be final and not subject to further review by any court or other tribunal.
18. Where a Claimant files a request for reconsideration with the Claims Administrator, the Claims Administrator shall advise Class Counsel of the request and conduct an administrative review of the Claimant's complaint.
19. Following its determination in an administrative review, the Claims Administrator shall advise the Claimant of its determination. In the event the Claims Administrator reverses a disallowance, the Claims Administrator shall send the Eligible Claimant at the Eligible Claimant's last known email or postal address, a notice specifying the revision to the Claims Administrator's disallowance.
20. The determination of the Claims Administrator in an administrative review is final and is not subject to further review by any court or other tribunal.

PART VII – ALLOCATION SYSTEM:

A. GENERAL

21. Each Eligible Claimant's Compensable Loss shall be determined in accordance with this section of the Plan of Allocation, unless otherwise specified herein.
22. The Plaintiffs' Compensable Losses have been calculated by Class Counsel in accordance with this section.
23. Each Eligible Claimant's Compensable Loss shall be determined through the following two-step process:
 - (a) First, the Eligible Claimant's Gross Loss shall be determined; and
 - (b) Second, the Eligible Claimant's Gross Loss shall be multiplied by the applicable risk adjustments prescribed herein to calculate each Eligible Claimant's Compensable Loss.

COMPENSABLE LOSS = Gross Loss X Applicable Risk Adjustment

B. CALCULATION OF AN ELIGIBLE CLAIMANT'S GROSS LOSS:

24. In calculating the Eligible Claimant's Gross Loss, with respect to the Eligible Securities that were purchased on or prior to December 2, 2021, the number of the purchased securities shall be divided by 10, and the price paid for the securities shall be multiplied by 10 in order to give effect to the reverse split of the securities of Trevali that was effected on December 3, 2021. For example, if an Eligible Claimant purchased 10 securities at a price of \$0.185 per securities, the Eligible Claimant shall be deemed to have purchased 1 security at a price of \$1.85.
25. An Eligible Claimant's Gross Loss with respect to each category of the Eligible Securities shall be calculated as follows.
26. **CATEGORY 1: Securities of Trevali purchased prior to October 9, 2020, and held as of the close of trading on the TSX on April 14, 2022, and which were sold on or before August 15, 2022:**
- Number of Eligible Securities X \$0.69
27. **CATEGORY 2: Securities of Trevali purchased prior to October 9, 2020, and were held as of the close of trading on the TSX on August 15, 2022 or later:**
- Number of Eligible Securities X \$0.93
28. **CATEGORY 3: Securities of Trevali purchased pursuant to the Prospectus at the effective price of \$1.85 (after giving effect to the reverse securities split, which was effected on December 3, 2021), and held as of the close of trading on the TSX on April 14, 2022, and which were sold on or before August 15, 2022:**
- The lesser amount of:**
- Number of Eligible Securities X (\$1.85 – Selling Price)
- and
- Number of Eligible Securities X (\$1.85 - \$1.20)
29. **CATEGORY 4: Securities of Trevali purchased pursuant to the Prospectus at the effective price of \$1.85 (after giving effect to the reverse securities split, which was effected on December 3, 2021), and held as of the close of trading on the TSX on August 15, 2022 or later:**
- The lesser amount of:**
- (Number of Eligible Securities X (\$1.85 - \$1.20)) + (Number of Eligible Securities X (\$0.45 – Selling Price))
- and
- (Number of Eligible Securities X (\$1.85 - \$1.20)) + (Number of Eligible Securities X (\$0.45 – \$0.22))

30. **CATEGORY 5: Securities of Trevali purchased in the secondary market between October 9, 2020 and April 14, 2022, both dates inclusive, and held as of the close of trading on the TSX on April 14, 2022, and which were sold on or before August 15, 2022:**

The lesser amount of:

Number of Eligible Securities X (Purchase Price - Selling Price)

and

Number of Eligible Securities X (Purchase Price - \$1.20)

31. **CATEGORY 6: Securities of Trevali purchased in the secondary market between October 9, 2020 and April 14, 2022, both dates inclusive, held as of the close of trading on the TSX on August 15, 2022 or later:**

The lesser amount of:

(Number of Eligible Securities X (Purchase Price - \$1.20)) + (Number of Eligible Securities X (\$0.45 – Selling Price))

and

(Number of Eligible Securities X (Purchase Price - \$1.20)) + (Number of Eligible Securities X (\$0.45 – \$0.22))

32. **CATEGORY 7: Securities of Trevali purchased in the secondary market between April 18, 2022 and August 15, 2022, both dates inclusive, and held as of the close of trading on the TSX on August 15, 2022 or later**

The lesser amount of:

Number of Eligible Securities X (Purchase Price - Selling Price)

and

Number of Eligible Securities X (Purchase Price - \$0.22)

C. RISK ADJUSTMENTS

33. The following risk adjustments shall apply to each of the categories of the Eligible Securities.
34. **CATEGORIES 1 and 2: 10%.** For example, if an Eligible Claimant's Gross Loss for Eligible Securities in Category 1 is \$1,000, the Eligible Claimant's Compensable Loss shall be \$1,000 X 10% = \$100.

35. **CATEGORIES 3 and 4: 20%.** For example, if an Eligible Claimant's Gross Loss for Eligible Securities in Category 3 is \$1,000, the Eligible Claimant's Compensable Loss shall be $\$1,000 \times 20\% = \200 .
36. **CATEGORIES 5, 6 and 7: 35%.** For example, if an Eligible Claimant's Gross Loss for Eligible Securities in Category 5 is \$1,000, the Eligible Claimant's Compensable Loss shall be $\$1,000 \times 35\% = \350 .

PART VIII – DISTRIBUTION OF THE SETTLEMENT DISTRIBUTION FUND:

37. Class Counsel shall distribute the Plaintiff's Compensable Losses to the Plaintiffs as applicable from the Escrow Account directly. After deducting such fees and disbursements as may be authorized by the Court from the Escrow Account, Class Counsel shall transfer the remaining balance in the Escrow Account to an account designated by the Claims Administrator to be the Claims Process Escrow Account.
38. After the Eligible Claimants' Compensable Losses are determined, the Claims Administrator shall make payments to such Claimants from the Claims Process Escrow Account on a prorated basis, subject to the following terms:
- (a) Payments will be made in Canadian currency.
 - (b) The Claims Administrator shall not make payments to Eligible Claimants whose allocation is less than \$25.00. Such amount shall instead be allocated *pro rata* to the other Eligible Claimants.
 - (c) The Claims Administrator shall make payment to an Eligible Claimant by either bank transfer or by cheque to the Eligible Claimant at the address provided by the Eligible Claimant or the last known postal address for the Eligible Claimant. If, for any reason, an Eligible Claimant does not cash a cheque within 6 (six) months after the date of the cheque, the Eligible Claimant shall forfeit the right to compensation.

PART IX – REMAINING AMOUNTS IN THE CLAIMS PROCESS ESCROW ACCOUNT:

39. If the Claims Process Escrow Account is in a positive balance (whether by reason of tax refunds, un-cashed cheques or otherwise) after one hundred and eighty (180) days from the date of distribution of the Settlement Distribution Fund, the Claims Administrator shall, if feasible, allocate such balance among Eligible Claimants with valid and approved claims with allocations exceeding \$25.00 in an equitable and economic fashion.

SCHEDULE “A”

DEFINITION OF “SECURITIES CLAIMANTS”

The term “**Securities Claimants**” is defined as follows:

All persons and entities, wherever they may reside or may be domiciled, who purchased or otherwise acquired the common shares (or their equivalent) of Trevali in the primary market and/or in the secondary market during the Class Period, and held some or all of such common shares as of the close of trading on the TSX on April 14, 2022 and/or August 15, 2022, except the Excluded Persons.

The term “**Class Period**” is defined as follows:

The period from October 9, 2020 through to August 15, 2022, both dates inclusive.

The term “**Excluded Persons**” means the following persons and entities:

- a) Trevali and its current or former directors, officers, subsidiaries, partners, affiliates, legal representatives, predecessors, successors and assigns;
- b) Ricus Grimbeek, Brendan Creaney, Jill Gardiner, Russell Ball, Aline Cote, Nick Popovic, Jeane Hull, Dan Isserow and Richard Williams (collectively, “D&O Defendants”);
- c) Glencore plc, Glencore International AG, Glencore AG and Glencore Canada Corporation (collectively, “Glencore Entities”), and their directors, officers, subsidiaries, partners, affiliates, legal representatives, predecessors, successors and assigns; and
- d) any judge of a court who has heard or will hear any motion, application or appeal in respect of the Class Proceeding.