

KMC Mining Corporation

Opportunity to acquire a leading ultra-class mining fleet

Sales and Investment Solicitation Process

- ▶ On January 10, 2025, KMC Mining Corporation (“KMC”) was granted an Order of the Alberta Court of King’s Bench (the “Court”) as amended and restated from time to time (the “Initial Order”) under the provisions of the *Companies Creditors Arrangement Act*. R.S.C. 1985, c. C-36 (“CCAA”). The Initial Order appointed FTI Consulting Canada Inc. (“FTI”) as the Monitor of KMC (the “Monitor”).
- ▶ KMC, with the assistance of Ernst & Young Orenda Corporate Finance Inc., and Ernst & Young Corporate Finance (Canada) Inc. (“EY” or the “Sales Agent”) and the supervision of the Monitor, intends to offer all of its assets and business for sale pursuant to the terms of the Court approved order approving the sales and investment solicitation process (“SISP”).

Fleet Highlights



120+

Pieces of Heavy Fleet Equipment (Owned and Leased)



~110

Pieces of Maintenance Support Equipment



1

Behind the Fence Maintenance Facility



~\$16 million

NBV of Inventory and Capital Spares

- ▶ One of the largest and most diverse ultra-class fleets in Canada with over 120 heavy haul trucks, shovels, dozers, and other heavy mining equipment - currently located near Fort McMurray, AB
- ▶ Attractive to global buyers, much of KMC’s equipment is import-ready, meeting stringent emission standards required for specific country regulations, ensuring seamless integration into operations
- ▶ Most of the fleet is mine-ready and can be deployed immediately, offering a practical solution for companies facing long lead times on new equipment
- ▶ Many of its ultra-class trucks were purchased in the past 2 years. The remaining operational equipment has been maintained through periodic preventative maintenance and rebuilds
- ▶ KMC has certain pieces of heavy equipment working under active contracts that may be assignable
- ▶ KMC also has significant tax attributes and holds the rights to complete the truck/shovel mining and earthworks at the Northern Lights Project



Asset Overview

Asset Class	# of Units
Komatsu 930E	32
Komatsu 830E	4
CAT 793D	16
CAT 777D/F	9
Komatsu HD1500-5	8
Shovels (summarized below)	6
Dozer - D11T	6
Dozer - D9T	1
Dozer - D375-8	3
Dozer - D8T	3
Hydraulic Excavators	10
Motor Graders (24M – 5, 16H – 1)	6
Other Equipment (skid steers, forklifts, tire manipulators)	15
Maintenance Support Equipment (light vehicles, fuel lube trucks, picker trucks, steam trucks, etc.)	~110



Inventory & Capital Spares



~\$16 million
Net Book Value

Inventory includes capital spares, rebuilt and core components along with parts and other related mining equipment items.

Shovel critical components include spare backwall/clams, undercarriage pieces, engines, cylinders, and final drives.

Shovels



Komatsu PC-8000

- **SMU Hours:** 53,000-89,000
- **Frame Hours:** 39,000-59,000

O&K RH-340 (now CAT 6060)

- **SMU Hours:** 35,000
- **Frame Hours:** 21,500

The Company also has a Demag/Komatsu H685, O&K RH-400 (now CAT 6090), and O&K RH-200 (now CAT 6040).

930 Fleet

Fleet 1: 930E-5 Trucks (2023)

- **SMU Hours:** 5,000 – 10,000
- **Key Benefit:** Near-new condition, extended lifespan, autonomous capable, Tier IV engines

Fleet 2: 930E-4 Trucks (2017)

- **SMU Hours:** 28,000 – 33,000
- **Frame Hours:** 19,000 – 23,000
- **Key Benefit:** Reliable performance, solid mid-range option, Tier II engines

Fleet 3: 930E-4 Trucks (2012)

- **SMU Hours:** 35,000 – 55,000
- **Frame Hours:** 23,000 – 40,000

Fleet 4: 930E-4 Trucks (2007, 2009)

- **SMU Hours:** 57,000 – 81,000
- **Frame Hours:** 41,000 – 56,000

Fleet 5: 930E-3 Trucks (2005)

- **SMU Hours:** 81,000 – 99,000
- **Frame Hours:** 57,000 – 67,000



793 Fleet



Fleet 1: 793D (2006 – 2008)

- **SMU Hours:** 55,000-85,000
- **Frame Hours:** 40,000-59,000

24-Graders

24M Fleet (2007 – 2011)

- **SMU Hours:** 47,000-70,000
- **Frame Hours:** 36,000-53,000



Process and Key Milestones in the SISP



- ▶ Pursuant to the SISP, the Company requires Qualified Phase I Bids by February 28, 2025.
- ▶ Potential Bidders are invited to submit an indicative bid describing the terms and conditions of the proposed transaction (as further described in the SISP) including:
 - Assets to be acquired (individual, fleets of assets, or *en bloc*);
 - Purchase price in CAD or USD;
 - Effective date of the proposed transaction;
 - Structure / financing of proposed transaction;
 - Conditions precedent and approvals required for a binding offer; and
 - Further diligence required to submit a binding offer.
- ▶ The Sales Agent, in consultation with KMC and the Monitor will assess the Phase I Bids to determine the Qualified Phase II Bidders. Those parties will then be given access to confirmatory diligence materials and physical equipment inspections.

Key SISP Milestone	Deadline
Qualified Phase I Bid Deadline	February 28, 2025
Qualified Phase II Bid Deadline - Qualified Bidders to provide final 'binding bids'	March 28, 2025
Court Approval / Closing Date	April, 2025

Contact

Prospective purchasers should direct all inquiries to the Sales Agent.

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Ernst & Young Orenda Corporate Finance Inc.
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