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Proposed Counsel to the Debtors and Debtors in Possession

UNITED STATES BANKRUPTCY COURT

DISTRICT OF NEVADA

In re:

NEVADA COPPER, INC.,¹

Debtor.

Joint Administration Requested

Case No. 24-50566
Chapter 11

Hearing Date: *OST REQUESTED*
Hearing Time: *OST REQUESTED*

**DEBTORS' MOTION FOR ENTRY
OF INTERIM AND FINAL ORDERS (I) AUTHORIZING THE DEBTORS TO
(A) CONTINUE THEIR PREPETITION INSURANCE POLICIES, (B) CONTINUE
THEIR PREPETITION SURETY BOND PROGRAM, AND (C) ENTER INTO NEW
PREMIUM FINANCING AGREEMENTS AND (II) GRANTING RELATED RELIEF**

Nevada Copper, Inc., and its affiliates that are debtors and debtors in possession (collectively, the “*Debtors*”) in the above-captioned chapter 11 cases (the “*Chapter 11 Cases*”), respectfully represent in support of this motion (the “*Motion*”) as follows:

¹ The relief requested herein is sought for each of the following Debtors, and joint administration has been requested. The Debtors in these chapter 11 cases and the last four digits of their registration numbers in the jurisdiction in which they are organized are: Nevada Copper, Inc. (1157) (Nevada); Nevada Copper Corp. (5323) (British Columbia); 0607792 B.C. Ltd. (2524) (British Columbia); Lion Iron Corp. (2904) (Nevada); NC Farms LLC (0264) (Nevada); and NC Ditch Company LLC (4396) (Nevada).

Relief Requested

1. The Debtors request entry of an order in the form attached hereto as **Exhibit 1** (the “***Interim Order***”) and **Exhibit 2** (the “***Final Order***” and together with the Interim Order, the “***Proposed Orders***”), (i) authorizing, but not directing, the Debtors to (a) continue their existing insurance policies and satisfy payment obligations related thereto, (b) continue and renew their surety bond program on an uninterrupted basis and, (c) revise, extend, renew, supplement, replace or enter into new premium financing agreements as needed, and (ii) granting related relief.

MEMORANDUM OF POINTS AND AUTHORITIES

Jurisdiction and Venue

2. The Court has jurisdiction to consider this matter pursuant to 28 U.S.C. §§ 157 and 1334. This matter is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper before the Court pursuant to 28 U.S.C. §§ 1408 and 1409. The bases for the relief requested herein are sections 105(a), 363, and 364(c) of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (the “***Bankruptcy Code***”), and Rules 6003 and 6004 of the Federal Rules of Bankruptcy Procedure (the “***Bankruptcy Rules***”).

3. Pursuant to Rule 9014.2 of the *Local Rules of Bankruptcy Practice for the United States Bankruptcy Court of the District of Nevada* (the “***Local Rules***”), the Debtors consent to the Court’s entry of a final order in connection with this Motion to the extent that it is later determined that, absent consent of the parties, the Court cannot enter final orders or judgments consistent with Article III of the United States Constitution.

Background

4. On the date hereof (the “***Petition Date***”), each of the Debtors filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code with the Court and contemporaneously herewith have requested joint administration of the Chapter 11 Cases for procedural purposes only, pursuant to Bankruptcy Rule 1015(b). The Debtors continue to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the

1 Bankruptcy Code. No request for the appointment of a trustee or examiner has been made in these
2 Chapter 11 Cases, and no official committees have been appointed or designated.

3 5. The Debtors have been in the business of mining copper, and other minerals, and
4 operating a processing plant that refines copper ore into copper concentrate, with the bulk of the
5 Debtors' operations focused on their Pumpkin Hollow project (the "**Project**"), which is located
6 outside of Yerington, Nevada. The Project, which contains substantial mineral reserves and
7 resources, including not only copper, but gold, silver, and iron magnetite, consists of an
8 underground mine and processing facility, together with an open-pit project that is in the pre-
9 feasibility stage of development. The Debtors, in the period leading up to the commencement of
10 the Chapter 11 Cases operated under significant liquidity constraints. In an effort to conserve
11 liquidity, the Debtors have suspended mining operations and the operation of their processing
12 plant, as they pursue a sale of substantially all of their assets.

13 6. Additional facts relating to the Debtors' business and capital structure, and the
14 commencement of these Chapter 11 Cases, are set forth in the *Omnibus Declaration of Gregory J.*
15 *Martin in Support of the Debtors' Chapter 11 Petitions and First Day Motions* (the "**First Day**
16 **Declaration**"), which was filed contemporaneously with this Motion and is incorporated herein by
17 reference.

18 **The Debtors' Insurance Program & Surety Bonds**

19 7. In the ordinary course of their business, the Debtors maintain insurance policies
20 (each, an "**Insurance Policy**") provided by various carriers (collectively, the "**Insurance**
21 **Carriers**") to manage risk. From time to time, the Debtors finance the payment of insurance
22 premiums pursuant to agreements ("**Premium Financing Agreements**") with an insurance finance
23 provider. In addition, the Debtors use surety bonds, as described below, to secure the Debtors'
24 payment or performance of certain obligations (such program, the "**Surety Program**"). The
25 Insurance Policies, the Surety Bonds, and the Premium Financing Agreements, described in further
26 detail below, are important tools for managing risk in the Debtors' business, both to protect the
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Debtors' assets, and to provide counterparties with the assurance they need to do business with the Debtors.

I. Insurance Policies

8. The Debtors maintain the Insurance Policies in amounts and with types of coverage necessary to meet their business needs and as necessary to comply with applicable law. The Insurance Policies provide coverage for, among other things, workers' compensation, property, general commercial liability, directors and officers liability, umbrella liability, and excess liability. A detailed list of Insurance Policies is attached as **Exhibit 3**.

9. The Debtors pay the Insurance Carriers premiums (the "***Insurance Premiums***") based upon rates established and billed by the Insurance Carriers, with the aggregate amount for the Insurance Premiums totaling approximately \$2.85 million annually. Insurance Premiums typically are required to be paid in a lump sum at the beginning of an applicable period, other than workers' compensation premiums², which are paid on a monthly basis. In addition, depending upon the type of claim and insurance policy involved, the Debtors may also be required to pay various deductibles and retention amounts (collectively, the "***Insurance Deductibles***"). The Insurance Premiums also may include a payment to the Debtors' insurance broker, Marsh Canada Limited, as compensation for identifying and negotiating the appropriate Insurance Policy. As of the Petition Date, the Debtors estimate that approximately \$857,000 has accrued but remains unpaid on account of the Insurance Obligations.

10. All of the Insurance Policies are essential to managing the risks borne by the Debtors' estates and are an important component of sound management and the ongoing operation of the Debtors' business. Continuation of the Insurance Policies, payment of the Insurance

² Payment of amounts owing to maintain the Debtors' workers' compensation insurance policies is addressed in the Debtors' Motion for Entry of an Order Authorizing the Debtors to (i) Pay Prepetition Employee Wages, Salaries, and Other Compensation, (ii) Reimburse Prepetition Business Expenses, (iii) Continue Prepetition Employee Benefits Programs, (iv) Make Payments for which Prepetition Payroll Deductions have been Withheld and Pay Certain Employment-Related Taxes, (v) Pay Amounts that were Awarded Under the Debtors' 2023 Short Term Incentive Program, and (vi) Pay all costs and Expenses Incident to the Foregoing, filed contemporaneously herewith.

Premiums, and the entry into new insurance policies (collectively, with all practices, policies, and Premium Financing Agreements, the “**Insurance Program**”) helps preserve the value of the Debtors’ business and operations for the benefit of all stakeholders by protecting against losses. Accordingly, the Debtors request authority, but not direction, to maintain their existing Insurance Policies by (i) paying the obligations owed thereunder (including any Insurance Deductibles) as they become due in the ordinary course of their business, including for claims that arose prior to the Petition Date, and (ii) entering into new insurance policies in the ordinary course of business, without further Court order.

II. The Surety Bond Program

11. The Debtors’ Surety Bonds are provided by Trisura Insurance Company (the “**Surety**”) and have been issued in favor of: (i) Sierra Pacific Power Company d/b/a NV Energy in connection with the High Voltage Distribution Agreement, dated January 7, 2019, as amended on February 21, 2019 (the “**NV Energy Bond**”); and (ii) the Nevada Division of Environmental Protection to secure future mine reclamation requirements (the “**Reclamation Bond**” and, together with the NV Energy Bond, the “**Surety Bonds**”).³ Additional information regarding the Surety Bonds is provided in the schedule attached as **Exhibit 4** to this Motion.

12. The NV Energy Bond and the Reclamation Bond expire on June 25, 2024. The Surety Bonds generally are renewed on an annual basis, and the Debtors pay an annual premium (the “**Surety Premiums**”) to the Surety in connection therewith, which historically has been approximately \$321,000 in the aggregate. Based on ongoing communication with their regulator, the Debtors anticipate that they may be required to increase the amount of the Reclamation Bond in the near term, during the pendency of these cases. The failure of the Debtors to maintain the Surety Bonds (or replace them) could result in the beneficiaries calling on the Surety Bonds, and

³ Although not a part of the relief requested herein, the Debtors note that Nevada Copper Inc. also has a cash “bond” of \$25,370.00 that has been deposited with the United States Department of the Interior Bureau of Land Management in connection with reclamation of exploration work in areas located on public land for which the Debtors hold mining claims.

1 also may allow the beneficiaries to terminate their agreements with the Debtors, or in the case of
2 the Reclamation Bond, cause the Debtors to cease being in compliance with applicable law.

3 13. In the event that a Surety Bond were to be called, the Debtors' obligation to
4 reimburse the surety is secured by a fourth lien on substantially all of the property of Nevada
5 Copper Corporation, the ultimate parent of each of the Debtors. In addition, if a Surety Bond were
6 called, it is expected that the Surety would seek, under applicable surety law, to exercise its
7 subrogation rights against NCI, and those subrogation claims could be secured to the extent the
8 underlying claims could give rise to mechanic's liens.

9 14. As of the Petition Date, the Debtors do not believe that they owe any amounts to
10 the Surety on account of Surety Premiums. Out of an abundance of caution, however, the Debtors
11 seek authority, but not direction, to pay the Surety Premiums and to renew or, with the reasonable
12 consent of the Required DIP Lenders, acquire additional bonding capacity (as needed) in the
13 ordinary course of their business, including by increasing the amount of the Reclamation Bond
14 and entering into agreements necessary to maintain and extend their Surety Bonds and the Surety
15 Program.

16 **III. The Debtors' Premium Financing Arrangements**

17 15. In order to spread the economic impact of lump-sum annual insurance premiums
18 throughout the year, Nevada Copper Inc. and Nevada Copper Corp., respectively, enter into
19 Premium Financing Agreements in the ordinary course of their business with First Insurance
20 Funding (a division of Lake Forest Bank & Trust Company) ("**First Insurance**"). Pursuant to the
21 Premium Financing Agreements with First Insurance, a portion of the Insurance Premiums for the
22 Insurance Policies providing property, general commercial liability and umbrella liability is
23 financed by Nevada Copper Inc. or Nevada Copper Corp., respectively. To finance its property
24 insurance, Nevada Copper Inc. agreed to pay First Insurance eight monthly installments of
25 \$129,382.00, reflecting the amount of financed Insurance Premiums plus total finance charges of
26 \$39,704.50 (which imputes to a 10.53% annual interest rate). Nevada Copper Corp. agreed to
27 finance policies for general commercial liability and umbrella liability by agreeing to pay First
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Insurance eight monthly installments of \$52,338.77, reflecting the amount of financed Insurance Premiums plus total finance charges of \$16,061.64 (which imputes to a 10.53% annual interest rate). The foregoing First Insurance policy payment obligations are collectively referred to herein as the “**Premium Financing Agreements Obligations**,” and such obligations, together with the Insurance Premiums, Insurance Deductibles, and other costs of obtaining insurance, are referred to as the “**Insurance Obligations**.” The last of the monthly payments was made in early May 2024. As of the Petition Date, the Debtors estimate that approximately \$857,000 remains unpaid under the Premium Financing Agreements.

Basis for Relief

I. The Court Should Authorize, but Not Direct, the Debtors to Continue, in their Sole Discretion, their Insurance Program, Surety Program, and Premium Financing Agreements.

A. *A Continuation of the Insurance Policies Is Required by the Bankruptcy Code, Law and the UST Guidelines.*

16. Continuing to maintain adequate insurance coverage not only is a sound exercise of the Debtors’ business judgment, but it is required by the Bankruptcy Code, other applicable law, and the *United States Trustee Chapter 11 Operating and Reporting Guidelines for Debtors in Possession* applicable for this region (the “**UST Guidelines**”). Section 1112(b)(4)(C) of the Bankruptcy Code provides that “failure to maintain appropriate insurance that poses a risk to the estate or to the public” is “cause” for mandatory conversion or dismissal of a chapter 11 case, and the section 6 of the UST Guidelines require that debtors provide “proof of appropriate insurance coverage.” Moreover, in certain cases the coverage provided by the Insurance Policies may be required by applicable law. *See, e.g., Nev. Rev. Stat. § 616D.200* (providing penalties for employers that fail to obtain workers compensation insurance).

17. To abide by the various bankruptcy and state law requirements, it is essential that the Debtors have the ability to maintain the Insurance Policies. Accordingly, just cause exists for the Court to authorize the Debtors to pay all prepetition and postpetition Insurance Obligations,

and supplement, amend, extend, renew, or replace their Insurance Policies as they deem necessary, without further order of the Court.

B. The Bankruptcy Code Provides Multiple Bases that Permit the Debtors to (i) Continue their Insurance Policies and Surety Program and (ii) Pay All Obligations in Respect Thereof.

18. The relief requested herein is authorized under the Court’s general equitable powers, which are codified in section 105(a) of the Bankruptcy Code. Under section 105(a), the Court “may issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of [the Bankruptcy Code].” 11 U.S.C. § 105(a). The purpose of section 105(a) is “to assure the bankruptcy courts [sic] power to take whatever action is appropriate or necessary in aid of the exercise of their jurisdiction.” 2 Collier on Bankruptcy ¶ 105.01, at 105-5 (16th ed. 2024). Section 105(a) of the Bankruptcy Code provides bankruptcy courts with broad equitable power under the “necessity of payment” doctrine to authorize payment of debtors’ prepetition obligations where, as here, such payment is necessary to maximize the value of the debtors’ estates. *See Czyzewski v. Jevic Holding Corp.*, 580 U.S. 451, 468 (2017) (noting that bankruptcy courts have authorized the payment of prepetition claims where “the distributions at issue would enable a successful reorganization and make even the disfavored creditors better off”) (internal quotation omitted); *Mich. Bureau of Workers’ Disability Comp. v. Chateaugay Corp. (In re Chateaugay Corp.)*, 80 B.R. 279, 287 (S.D.N.Y. 1987) (affirming a bankruptcy court order authorizing the debtor to pay various pre-bankruptcy claims including workers’ compensation claims and premiums); *In re Adams Apple, Inc.*, 829 F.2d 1484, 1490 (9th Cir. 1987) (noting in *dicta*, that courts have permitted the unequal treatment, including post-petition payment, of prepetition debts in such contexts as: “(i) prepetition wages to key employees; (ii) hospital malpractice premiums incurred prior to filing; (iii) debts to providers of unique and irreplaceable supplies; and (iv) peripheral benefits under labor contracts,” because rehabilitation of debtors “may supersede the policy of equal treatment”); *see also In re Pettit Oil Co.*, Case No. 13-47285, 2015 WL 6684225 at *8 (Bankr. W.D. Wash. Oct. 22, 2015) (interpreting *Adams Apple* as an acknowledgement that it is “permissible to treat prepetition debts unequally when necessary for

1 rehabilitation”). *But see In re B&W Enters., Inc.*, 713 F.2d 534 (9th Cir. 1983) (discussing
2 “Necessity of Payment Rule” as originating in railroad reorganization context and declining to
3 apply it for purposes of retroactive approval of certain vendor payments by trucking company prior
4 to conversion of its chapter 11 case to a chapter 7 case).

5 19. The Court also may authorize the relief requested herein under section 363(b) of
6 the Bankruptcy Code. Section 363(b)(1) provides that “[t]he trustee, after notice and a hearing,
7 may use, sell, or lease, other than in the ordinary course of business, property of the estate.”
8 Accordingly, under section 363, a court may authorize a debtor to pay certain prepetition claims.
9 *See In re Murray Metallurgic Coal Holdings, LLC*, 613 B.R. 442, 450 (Bankr. S.D. Ohio 2020)
10 (“there can be little doubt that [section 363(b)] also provides a mechanism for debtors to obtain
11 court authority to pay prepetition claims before confirmation if a sound business purpose supports
12 the payment.”) To obtain relief under section 363(b) of the Bankruptcy Code, “the debtor must
13 articulate some business justification, other than the mere appeasement of major creditors.” *In re*
14 *Ionosphere Clubs*, 98 B.R. 174, 175 (Bankr. S.D.N.Y. 1989). The Debtors’ request to pay
15 prepetition amounts related to the Insurance Program and Surety Premiums easily meets that
16 standard, because the failure to do so could have a material adverse impact on the Debtors’
17 businesses and efforts to maximize estate value.

18 20. With respect to postpetition obligations, maintenance of the Insurance Program and
19 Surety Program is within the ordinary course of business and may be continued, without a notice
20 or a hearing, under section 363(c)(1). Section 363(c)(1) allows a debtor in possession to “enter
21 into transactions” and “use property of the estate” in the “ordinary course of business” without
22 court order. The maintenance of the Insurance Program and Surety Program, and payment of
23 related postpetition obligations, would be a continuation of the Debtors’ prepetition ordinary
24 course practices. As such, the continuation, maintenance, and renewal of the Insurance Program
25 and Surety Program may be carried out without further court approval.

26 21. Finally, authority for payments of prepetition obligations also may be found in
27 sections 1107(a) and 1108 of the Bankruptcy Code, which vest debtors in possession with authority
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1 to continue operating their business. At times, the need to continue operating their businesses and
2 the concomitant fiduciary duty to maximize estate value, only may be met through the pre-plan
3 payment of certain unsecured claims. *See In re CoServ, L.L.C.*, 273 B.R. 487, 497 (Bankr. N.D.
4 Tex. 2002) (“There are occasions when [the debtor’s fiduciary] duty can only be fulfilled by the
5 preplan satisfaction of a prepetition claim.”).

6 22. The nature of the Debtors’ business and the extent of their operations make it
7 essential for the Debtors to maintain their Insurance Program and Surety Program on an ongoing
8 and uninterrupted basis. To the extent related payments fall outside of the ordinary course of
9 business, they nonetheless should be authorized, as such payments are required for the Debtors to
10 fulfill their fiduciary duties. *See In re CoServ, L.L.C.*, 273 B.R. at 497. The nonpayment of any
11 premiums, deductibles, self-insured retention amounts, or related fees under the Insurance Policies
12 or Surety Bonds could result in one or more of the Insurance Carriers or the Surety terminating,
13 declining to renew, or refusing to enter into new insurance agreements or surety bonds with the
14 Debtors in the future.

15 23. A termination or lapse of insurance or surety bond coverage could have a negative
16 impact on the value of the Debtors’ estates. The failure of the Debtors to maintain adequate
17 insurance coverage could expose the Debtors to losses or liabilities arising from various casualty
18 events and could cause the Debtors to not be in compliance with the requirements of the
19 Bankruptcy Code, the UST Guidelines and other applicable law. Moreover, the failure of the
20 Debtors to provide, maintain, or timely replace Surety Bonds may give critical counterparties the
21 right to terminate their contacts or take other action against the estate.

22 24. In sum, the Debtors submit that the Debtors must make all payments with respect
23 to the Insurance Program and Surety Premiums as they become due to prevent serious harm to the
24 Debtors’ estates. For the reasons described above, the use of estate funds for such purposes is
25 permitted by the Bankruptcy Code and should be authorized by the Court.
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C. *To the Extent the Surety Program and Premium Financing Agreements are Deemed an Extension of Secured Credit, the Court Should Authorize the Debtors to Continue the Programs Pursuant to Section 364 of the Bankruptcy Code, as in the Best Interests of the Estate.*

25. To the extent the Surety Program and the Premium Financing Agreements are deemed an extension of secured credit, the Debtors also request authority to continue those programs pursuant to section 364 of the Bankruptcy Code, including with respect to posting collateral, as determined in the Debtors' reasonable business judgment and with the reasonable consent of the Required DIP Lenders. Security interests created by premium financing agreements have been recognized as creating secured claims in bankruptcy to the extent of the amount of unearned premiums financed pursuant to such agreements and, by extension, entry into purchase finance agreements constitutes the incurrence of secured credit. *See TIFCO, Inc. v. U.S. Repeating Arms Co. (In re U.S. Repeating Arms Co.)*, 67 B.R. 990, 994–95 (Bankr. D. Conn. 1986); *Drabkin v. A.I. Credit Corp. (In re Auto-Train Corp.)*, 9 B.R. 159, 164–66 (Bankr. D.D.C. 1981).

26. Section 364(c) authorizes a debtor in possession (after notice and a hearing) to obtain debt secured by a lien on property of the estate, if the debtor has been unable to obtain unsecured credit and such credit is in the best interests of the estate. *See* 11. U.S.C. § 364(c). Pursuant to section 364 of the Bankruptcy Code, a debtor may, in the exercise of its business judgment, incur secured or unsecured debt if the borrowing is in the best interests of the estate. *See In re Aqua Assocs.*, 123 B.R. 192, 195–96 (Bankr. E.D. Penn. 1991); *In re Ames Dept. Stores*, 115 B.R. 34, 38 (Bankr. S.D.N.Y. 1990) (stating that with respect to postpetition credit, courts “permit debtors-in-possession to exercise their basic business judgment consistent with their fiduciary duties”); *In re Simasko Prod. Co.*, 47 B.R. 444, 448–49 (Bankr. D. Colo. 1985) (authorizing interim financing agreement where debtor's best business judgment indicated that financing was necessary and reasonable for benefit of estate).

27. The maintenance, replacement, and extension of the Premium Financing Agreements is only possible in compliance with market terms that require a grant of security. Under the Premium Financing Agreements, First Insurance maintains a security interest in the financed policies including any returned and unearned premiums, which is the prevailing practice

1 in the premium financing business. In light of the prevailing market practice and the Debtors'
2 current financial circumstances, it is highly unlikely that the Debtors would obtain financing for
3 their insurance premiums on more favorable terms. Continued financing under the Premium
4 Financing Agreements is required for the Debtors to operate their businesses and it is authorized
5 by section 364 of the Bankruptcy Code. *See, e.g., In re Budget Grp., Inc.*, Case No. 02-12152
6 (MFW) (Jointly Administered), Ref. Docket No. 30 (Bankr. D. Del. Aug. 1, 2002) (authorizing
7 funding of acquisition of property on a secured basis where acquired property was necessary to
8 maintain operations and debtor could not obtain such funding on an unsecured basis).

9 28. It is also in the best interests of the estate to continue the Premium Financing
10 Agreements in the ordinary course of business. As holders of secured claims, if the Debtors are
11 not permitted to continue making payments under the Premium Financing Agreements, the lenders
12 could seek relief from the automatic stay to cancel the respective Insurance Policies in accordance
13 with the terms of the respective Premium Financing Agreement or to seek adequate protection of
14 their respective investment. *See Universal Motor Express*, 72 B.R. 208, 211 (Bankr. W.D.N.C.
15 1987) (recognizing that a default under the financing arrangement and the resulting decline in
16 value of the unearned premiums justified relief from the automatic stay). The Debtors then would
17 be required to obtain replacement insurance on an expedited basis and at significant cost to the
18 estates. If the Debtors are required to obtain replacement insurance and to pay a lump-sum
19 premium for such insurance in advance, this payment may be the same or greater than what the
20 Debtors currently pay to the lenders under the Premium Financing Agreements. Even if the lenders
21 are not permitted to terminate the Insurance Policies, any interruption of payments could severely
22 and adversely affect the Debtors' ability to finance premiums for future policies, as needed. The
23 practical solution is to continue making payments under the Premium Financing Agreements.

24 29. The Debtors would face similar challenges in replacing the Surety Bonds, which
25 are critical to the continued operation of their businesses. Accordingly, it is also in the best
26 interests of the estate to continue the Premium Financing Agreements in the ordinary course of
27 business.

1 30. For the reasons described above, in the Debtors' business judgment, entering into
2 and performing the Premium Financing Agreements and maintaining the Surety Program is in the
3 Debtors' best interest because it is necessary to ensure the uninterrupted provision of insurance
4 services and in the case of the Premium Financing Agreements provides a cost-effective source of
5 financing for insurance, one of the Debtors' most essential business needs. The Debtors, therefore,
6 seek authority, but not direction, to continue their Premium Financing Agreements and Surety
7 Program in the ordinary course of business.

8 **II. The Court Should Authorize the Banks to Honor and Process the Debtors' Payments**
9 **on Account of the Insurance Program and Surety Premiums.**

10 31. The Debtors hereby seek authority for financial institutions (the "*Account Banks*")
11 to continue to honor and process the Debtors payments on account of the Insurance Program and
12 Surety Premiums. As a result of the commencement of these Chapter 11 Cases, and absent an
13 order of the Court providing otherwise, the Debtors' checks and electronic fund transfers on
14 account of their Insurance Program and Surety Premiums may be dishonored or rejected by
15 financial institutions. Under the Debtors' cash management system, the Debtors can readily
16 identify checks or transfers as relating directly to payment of such expenses, and, therefore, believe
17 that prepetition checks and transfers other than those for the Insurance Program and Surety
18 Premiums will not be honored inadvertently if the authorization requested herein is not granted.
19 The Debtors submit that any Account Bank should be authorized to rely on the representations of
20 the Debtors with respect to any check drawn or transfer request.

21 **Reservation of Rights**

22 32. Nothing contained herein is or should be construed as: (i) an admission as to the
23 validity of any claim against the Debtors; (ii) a waiver of the Debtors' rights to dispute any claim
24 on any grounds; (iii) a promise or requirement to pay any claim; (iv) an admission that any
25 particular claim is of a type specified or defined hereunder; (v) a request to assume any executory
26 contract or unexpired lease; or (vi) a waiver of the Debtors' rights under the Bankruptcy Code or
27 any other applicable law. The authorization to pay amounts on account of the Insurance Program
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1 should not affect the Debtors' rights to contest the amount or validity of such obligations. If the
 2 Court authorizes the payments described herein, such payments should not be deemed to constitute
 3 a postpetition assumption or adoption of the programs, policies or agreements as executory
 4 contracts and the authorization to pay amounts on account of the Insurance Obligations and Surety
 5 Premiums should not affect the Debtors' right to contest the amount or validity of such obligations.

6 **Satisfaction of Bankruptcy Rule 6003(b)**

7 33. The relief requested herein is immediately necessary for the Debtors to continue to
 8 operate in a manner that maximizes estate value. Failure to provide such relief could compromise
 9 the Debtors' ability to comply with applicable law, put the Debtors' estates at risk, and hamper the
 10 Debtors' operations. Accordingly, to the extent that Bankruptcy Rule 6003 is applicable to the
 11 relief requested,⁴ the Debtors submit that the relief requested in this Motion is necessary to avoid
 12 immediate and irreparable harm.

13 **Request for Waiver of Bankruptcy Rules 6004(a) and 6004(h)**

14 34. Pursuant to Bankruptcy Rule 6004(h), "[a]n order authorizing the use, sale, or lease
 15 of property other than cash collateral is stayed until the expiration of 14 days after entry of the
 16 order, unless the court orders otherwise." Fed. R. Bankr. P. 6004(h). As set forth throughout this
 17 Motion, any delay in paying the Insurance Obligations or Surety Premiums would be detrimental
 18 to the Debtors, their estates and their creditors, as the Debtors' ability to manage and run their
 19 business requires that the Debtors remain current with such obligations. For this reason and those
 20 set forth above, the Debtors submit that ample cause exists to justify a waiver of the 14-day stay
 21 imposed by Bankruptcy Rule 6004(h), to the extent applicable to the Proposed Orders.

22 35. To implement the relief requested in this Motion immediately, the Debtors also
 23 respectfully request a waiver of the 21-day advance notice requirements of Bankruptcy Rule
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 26 4 Bankruptcy Rule 6003 provides that "[e]xcept to the extent that relief is necessary to avoid immediate and
 27 irreparable harm, the court shall not, within 21 days after the filing of the petition, grant relief regarding . . . a
 28 motion to use, sell, lease, or otherwise incur an obligation regarding property of the estate" Fed. R. Bankr.
 P. 6003.

2002(a)(2) as made applicable in Bankruptcy Rule 6004(a), for cause shown, to the extent applicable to the Interim Order.

Notice

36. Notice of this Motion will be provided to: (i) the Office of the United States Trustee for Region 17; (ii) the 20 largest unsecured creditors of each of the Debtors; (iii) the Internal Revenue Service; (iv) the Office of the United States Attorney for District of Nevada; (v) counsel to the DIP Lenders, (a) Akin Gump Strauss Hauer & Feld LLP, One Bryant Park, New York, NY 10036, Attn: Brad Kahn; 2001 K St. NW, Washington, D.C. 20006, Attn: Kate Doorley; and (b) Shea Larsen PC, 1731 Village Center Circle, Suite 150, Las Vegas, NV 89134, Attn: James Patrick Shea and Bart Larsen; (vi) Milbank LLP, as counsel to KfW IPEX-Bank GmbH as administrative agent under the Debtors' prepetition credit agreement, 55 Hudson Yards, New York, NY 10001, Attn: Tyson Lomazow; (vii) Bennett Jones LLP, as counsel to Mercuria Investments US, Inc., 3400 One First Canadian Place, P.O. Box 130, Toronto, Ontario M5X 1A4, Canada, Attn: Simon Grant; (viii) White & Case LLP, as counsel to Concord Resources Limited as buyer under the Debtors' prepetition advance payment agreement, 1221 6th Avenue, New York, NY 10020, Attn: Philip Abelson; (ix) Davis, Graham & Stubbs LLP, as counsel to Triple Flag Mining Finance Bermuda Ltd. as purchaser under the Debtors' prepetition purchase and sale agreement, 1550 17th Street, Suite 500, Denver, CO 80202, Attn: Kyler Burgi; (x) Cleary Gottlieb Steen & Hamilton LLP, as counsel to Pala Investments Limited as prepetition lender, 2 London Wall Place, London, EC2Y 5AU, United Kingdom, Attn: Solomon J. Noh; One Liberty Plaza, New York, NY 10006, Attn: Lisa M. Schweitzer; (xi) Kelley Drye & Warren, LLP, as counsel to the DIP Agent, 3 World Trade Center, 175 Greenwich Street, New York, NY 10007, Attn: James S. Carr, Esq.; and (xii) any party that is required to receive or has requested notice pursuant to Bankruptcy Rule 2002 or Local Rule 2002. The Debtors respectfully submit that, in light of the nature of the relief requested, no other or further notice need be given.

[Remainder of page intentionally left blank.]

1 WHEREFORE, the Debtors respectfully request that the Court grant the relief requested
2 herein and such other and further relief as is just and proper.

3 Dated this 10th day of June, 2024.

4 McDONALD CARANO LLP

5 /s/ Ryan J. Works

Ryan J. Works (NSBN 9224)

6 Amanda M. Perach (NSBN 12399)

2300 West Sahara Avenue, Suite 1200

7 Las Vegas, Nevada 89102

8 ALLEN OVERY SHEARMAN STERLING US LLP

Fredric Sosnick (NYSBN 2472488) (*pro hac* pending)

9 Sara Coelho (NYSBN 4530267) (*pro hac* pending)

599 Lexington Avenue

10 New York, New York 10022

11 *Proposed Counsel to the Debtors and*
12 *Debtors in Possession*

EXHIBIT 1

Interim Order

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**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEVADA**

In re:

NEVADA COPPER, INC.,¹

Debtor.

Joint Administration Requested

Case No. 24-50566

Chapter 11

Hearing Date:

Hearing Time:

**INTERIM ORDER (I) AUTHORIZING THE DEBTORS TO (A) CONTINUE
THEIR PREPETITION INSURANCE POLICIES, (B) CONTINUE THEIR
PREPETITION SURETY BOND PROGRAM AND (C) ENTER INTO NEW
PREMIUM FINANCING AGREEMENTS AND (II) GRANTING RELATED RELIEF**

Upon the motion (the “*Motion*”)² of the Debtors for entry of an interim order (this “*Interim Order*”), pursuant to sections 105(a), 363, and 364(c) of the Bankruptcy Code and Bankruptcy Rules 6003 and 6004, (i) authorizing, but not directing, the Debtors to (a) continue their existing insurance policies and satisfy payment obligations related thereto, (b) pay Surety Premiums and continue and renew their surety bond program on an uninterrupted basis, (c) revise, extend, renew, supplement, replace or enter into new premium financing agreements as needed, and (ii) granting related relief; and upon the First Day Declaration; and it appearing that this Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334; and it appearing that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(A) and that this Court may enter a final order consistent with Article III of the United States Constitution; and, under the circumstances, proper and adequate notice of the Motion and the hearing thereon having been given; and it appearing that no other or further notice being necessary; and this Court having reviewed the Motion and having heard the statements in support of the relief requested therein at a hearing before this Court; and it appearing that the legal and factual bases set forth in the Motion establish just cause for the

¹ The Debtors in these chapter 11 cases and the last four digits of their registration numbers in the jurisdiction in which they are organized are: Nevada Copper, Inc. (1157) (Nevada); Nevada Copper Corp. (5323) (British Columbia); 0607792 B.C. Ltd. (2524) (British Columbia); Lion Iron Corp. (2904) (Nevada); NC Farms LLC (0264) (Nevada); and NC Ditch Company LLC (4396) (Nevada).

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Motion.

1 relief granted herein; and this Court having determined that the relief sought in the Motion is in
2 the best interests of the Debtors, their estates, their creditors, and other parties in interest; and after
3 due deliberation and sufficient cause appearing therefor;

4 IT IS HEREBY ORDERED THAT:

5 1. The Motion is GRANTED as set forth herein.

6 2. The Debtors are authorized, but not directed, to pay (i) all premiums, claims,
7 deductibles, excess, retrospective adjustments, administrative fees, and all other obligations arising
8 under or in relation to the Insurance Policies and Insurance Program, including any self-insured
9 retention amounts (the “**Insurance Obligations**”) and (ii) all premiums, and any related
10 miscellaneous fees or other costs associated therewith, for the Debtors’ surety bonds (the “**Surety**
11 **Premiums**”), in each case, as they deem appropriate in the ordinary course of business without
12 further application to this Court, including making all payments, and honoring and satisfying all
13 obligations, whether relating to the period prior or subsequent to the Petition Date; *provided*,
14 *however*, that the Debtors shall not be authorized to pay in excess of \$315,000.00 on account of
15 such obligations that have accrued but that remain unpaid as of the Petition Date, absent further
16 order of this Court.

17 3. The Debtors are authorized and empowered, but not directed, to continue their
18 Insurance Program without interruption, on the same basis and in accordance with the same
19 practices and procedures as were in effect prior to the Petition Date. The Debtors are authorized,
20 but not directed, to renew, amend, supplement, extend, terminate, replace, increase, decrease, or
21 enter into new insurance coverage and change insurance carriers in the ordinary course of business.

22 4. The Debtors are authorized, but not directed, to continue their Surety Program
23 without interruption, including renewing Surety Bonds or, with the prior written consent of the
24 Required DIP Lenders, obtaining new Surety Bonds, obtaining additional surety coverage, or
25 changing carriers in connection with the Surety Program in the ordinary course of business.

26 5. The Debtors are authorized, but not directed, subject to the reasonable consent of
27 the Required DIP Lenders, to renew, amend, supplement, extend, terminate, replace, increase,
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1 decrease, or enter into new insurance premium financing agreements in the ordinary course of
2 business.

3 6. The Debtors shall notify the Required DIP Lenders, the United States Trustee for
4 Region 17, and any statutory committee appointed in these Chapter 11 Cases as soon as reasonably
5 practicable, but not later than five (5) business days prior to the Debtors choosing to renew, amend,
6 supplement, extend, terminate, replace, increase, decrease or enter into new insurance premium
7 financing agreements or obtain additional surety or insurance coverage or change insurance or
8 surety carriers.

9 7. The Debtors are not authorized by this Interim Order, absent the reasonable consent
10 of the Required DIP Lenders, to take any action with respect to a Surety Bond that would have the
11 effect of transforming a Surety Bond obligation into a postpetition or secured obligation in each
12 case that is senior to any liens or claims granted in connection with any Financing Order(s) (as
13 defined below). To the extent the Required DIP Lenders consent to any such action, such relief
14 may be sought by a separate motion which may be heard on an expedited basis.

15 8. Nothing in the Motion or this Interim Order, nor the Debtors' payment of claims
16 pursuant to this Interim Order, shall be deemed or construed as: (i) an admission as to the validity
17 of any claim against the Debtors; (ii) a waiver of the Debtors' rights to dispute any claim on any
18 grounds; (iii) a promise to pay any claim; or (iv) an implication or admission that any particular
19 claim is an Insurance Obligation or Surety Obligation.

20 9. All banks and other financial institutions are authorized to receive, process, honor,
21 and pay all checks presented for payment of, and to honor all fund transfer requests made by the
22 Debtors related to the Insurance Program and Surety Bonds, regardless of whether the checks were
23 presented or fund transfer requests were submitted before or after the Petition Date; *provided that*
24 funds are available in the Debtors' accounts to cover the checks and fund transfers. Banks and
25 other financial institutions may rely on the representations of the Debtors with respect to whether
26 any check, item or other payment order drawn or issued by the Debtors prior to the Petition Date
27 should be honored pursuant to this or any other order of this Court, and such bank or financial
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1 institution shall not have any liability to any party for relying on such representations by the
2 Debtors as provided for herein.

3 10. The Debtors are authorized to issue postpetition checks or to effect postpetition
4 fund transfer requests in replacement of any checks or fund transfer requests in respect of the
5 Insurance Program or Surety Bonds that are or have been dishonored or rejected as a consequence
6 of the commencement of the Chapter 11 Cases, and take all other steps reasonably necessary to
7 implement and effectuate the relief sought in the Motion.

8 11. Notwithstanding anything to the contrary in this Interim Order, any payment made
9 or to be made hereunder, and any authorization herein, shall be subject to the requirements (if any)
10 imposed on the debtors under any order(s) of this Court approving a postpetition debtor in
11 possession financing facility and/or the use of cash collateral (any such order, a “**Financing**
12 **Order**”), including any documentation with respect to such financing and any budget in connection
13 with such Financing Order. In the event of any conflict between the terms of this Interim Order
14 and a Financing Order, the terms of the applicable Financing Order shall control (solely to the
15 extent of such conflict). Nothing in this Interim Order authorizes the Debtors to accelerate any
16 payments not otherwise due prior to the date of the Final Hearing.

17 12. The final hearing (the “**Final Hearing**”) on the Motion shall be held on _____,
18 2024, at __:___.m. (Prevailing Pacific Time). Any party in interest objecting to the relief sought
19 at the Final Hearing or in the Final Order shall file and serve a written objection, which objection
20 shall be served upon: (i) proposed counsel for the Debtors, (a) Allen Overy Shearman Sterling US
21 LLP, 599 Lexington Avenue, New York, NY 10022, Attn: Fredric Sosnick and Sara Coelho; (b)
22 McDonald Carano LLP, 2300 West Sahara Avenue, Suite 1200, Las Vegas, Nevada 89102, Attn:
23 Ryan J. Works; and (c) Torys LLP, 79 Wellington St. W., 30th Floor, Box 270, TD South Tower
24 Toronto, Ontario M5K 1N2 Canada, Attn: Tony DeMarinis, Mike Noel, Hanna Singer and
25 Jeremy Opolsky; (ii) the Office of the United States Trustee for Region 17, C. Clifton Young
26 Federal Building, 300 Booth Street, Room 3009, Reno, Nevada 85909; (iii) counsel to the DIP
27 Lenders, (a) Akin Gump Strauss Hauer & Feld LLP, One Bryant Park, New York, NY 10036,
28

Attn: Brad Kahn; 2001 K St. NW, Washington, D.C. 20006, Attn: Kate Doorley; and (b) Shea Larsen PC, 1731 Village Center Circle, Suite 150, Las Vegas, NV 89134, Attn: James Patrick Shea and Bart Larsen; (iv) Milbank LLP, as counsel to KfW IPEX-Bank GmbH as administrative agent under the Debtors' prepetition credit agreement, 55 Hudson Yards, New York, NY 10001, Attn: Tyson Lomazow; (v) Bennett Jones LLP, as counsel to Mercuria Investments US, Inc., 3400 One First Canadian Place, P.O. Box 130, Toronto, Ontario M5X 1A4, Canada, Attn: Simon Grant; (vi) White & Case LLP, as counsel to Concord Resources Limited as buyer under the Debtors' prepetition advance payment agreement, 1221 6th Avenue, New York, NY 10020, Attn: Philip Abelson; (vii) Davis, Graham & Stubbs LLP, as counsel to Triple Flag Mining Finance Bermuda Ltd. as purchaser under the Debtors' prepetition purchase and sale agreement; 1550 17th Street, Suite 500, Denver, CO 80202, Attn: Kyler Burgi; (viii) Cleary Gottlieb Steen & Hamilton LLP, as counsel to Pala Investments Limited as prepetition lender, 2 London Wall Place, London, EC2Y 5AU, United Kingdom, Attn: Solomon J. Noh; One Liberty Plaza, New York, NY 10006, Attn: Lisa M. Schweitzer; (ix) Kelley Drye & Warren, LLP, as counsel to the DIP Agent, 3 World Trade Center, 175 Greenwich Street, New York, NY 10007, Attn: James S. Carr, Esq.; and (x) counsel to any statutory committee appointed in these Chapter 11 Cases, in each case so as to be received no later than _____, 2024, at 11:59 p.m. (Prevailing Pacific Time). If no objections to the entry of the Final Order are timely filed, this Court may enter the Final Order without further notice or a hearing.

13. All time periods set forth in this Order shall be calculated in accordance with Bankruptcy Rule 9006(a).

14. The requirements set forth in Bankruptcy Rule 6003(b) are satisfied by the contents of the Motion.

15. Notice of the Motion, as provided therein, is deemed good and sufficient and the requirements of Bankruptcy Rule 6004(a) are satisfied by such notice.

16. Notwithstanding Bankruptcy Rule 6004(h), the terms and provisions of this Interim Order shall be immediately effective and enforceable upon its entry.

1 17. Notwithstanding any provision in the Federal Rules of Bankruptcy Procedure to the
2 contrary, the Debtors are not subject to any stay in the implementation, enforcement, or realization
3 of the relief granted in this Interim Order, and the Debtors may, in their discretion and without
4 further delay, take any action and perform any act necessary to implement the relief granted in this
5 Interim Order.

6 18. This Court shall retain jurisdiction over any and all matters arising from or related
7 to the interpretation or implementation of this Interim Order.

8 **IT IS SO ORDERED.**

In accordance with LR 9021, counsel submitting this **INTERIM ORDER (I) AUTHORIZING THE DEBTORS TO (A) CONTINUE THEIR PREPETITION INSURANCE POLICIES, (B) CONTINUE THEIR PREPETITION SURETY BOND PROGRAM AND (C) ENTER INTO NEW PREMIUM FINANCING AGREEMENTS AND (II) GRANTING RELATED RELIEF** certifies that the order accurately reflects the court's ruling and that (check one):

☐ The Court has waived the requirement set forth in LR 9021(b)(1).

☐ No party appeared at the hearing or filed an objection to the motion.

☐ I have delivered a copy of this proposed order to all counsel who appeared at the hearing, and any unrepresented parties who appeared at the hearing, and each has approved or disapproved the order, or failed to respond, as indicated below [list each party and whether the party has approved, disapproved, or failed to respond to the document].

☐ I certify that this is a case under Chapter 7 or 13, that I have served a copy of this order with the motion pursuant to LR 9014(g), and that no party has objected to the form or content of the order.

Prepared and submitted by:

McDONALD CARANO LLP

Ryan J. Works (NSBN 9224)
Amanda M. Perach (NSBN 12399)
2300 West Sahara Avenue, Suite 1200
Las Vegas, Nevada 89102

ALLEN OVERY SHEARMAN STERLING US LLP
Fredric Sosnick (NYSBN 2472488) (*pro hac* pending)
Sara Coelho (NYSBN 4530267) (*pro hac* pending)
599 Lexington Avenue
New York, New York 10022

Proposed Counsel to the Debtors and Debtors in Possession

EXHIBIT 2

Final Order

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**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEVADA**

In re:

NEVADA COPPER, INC.,¹

Debtor.

Joint Administration Requested

Case No.: 24-50566
Chapter 11

Hearing Date:
Hearing Time:

**FINAL ORDER (I) AUTHORIZING THE DEBTORS TO (A) CONTINUE
THEIR PREPETITION INSURANCE POLICIES, (B) CONTINUE THEIR
PREPETITION SURETY BOND PROGRAM AND (C) ENTER INTO NEW
PREMIUM FINANCING AGREEMENTS AND (II) GRANTING RELATED RELIEF**

Upon the motion (the “*Motion*”)² of the Debtors for entry of an order (this “*Final Order*”), pursuant to sections 105(a), 363, and 364(c) of the Bankruptcy Code and Bankruptcy Rules 6003 and 6004, (i) authorizing, but not directing, the Debtors to (a) continue their existing insurance policies and satisfy payment obligations related thereto, (b) pay Surety Premiums and continue and renew their surety bond program on an uninterrupted basis, (c) revise, extend, renew, supplement, replace or enter into new premium financing agreements as needed, and (ii) granting related relief; and upon the First Day Declaration; and it appearing that this Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334; and it appearing that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(A) and that this Court may enter a final order

¹ The Debtors in these chapter 11 cases and the last four digits of their registration numbers in the jurisdiction in which they are organized are: Nevada Copper, Inc. (1157) (Nevada); Nevada Copper Corp. (5323) (British Columbia); 0607792 B.C. Ltd. (2524) (British Columbia); Lion Iron Corp. (2904) (Nevada); NC Farms LLC (0264) (Nevada); and NC Ditch Company LLC (4396) (Nevada).

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Motion.

consistent with Article III of the United States Constitution; and proper and adequate notice of the Motion and the hearing thereon having been given; and it appearing that no other or further notice being necessary; and this Court having reviewed the Motion and having heard the statements in support of the relief requested therein at a hearing before this Court; and it appearing that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and this Court having determined that the relief sought in the Motion is in the best interests of the Debtors, their estates, their creditors, and other parties in interest; and after due deliberation and sufficient cause appearing therefor;

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED as set forth herein.
2. The Debtors are authorized, but not directed, to pay (i) all premiums, claims, deductibles, excess, retrospective adjustments, administrative fees, and all other obligations arising under or in relation to the Insurance Policies and Insurance Program, including any self-insured retention amounts (the “**Insurance Obligations**”) and (ii) all premiums, and any related miscellaneous fees or other costs associated therewith, for the Debtors’ surety bonds (the “**Surety Premiums**”), in each case, as they deem appropriate in the ordinary course of business without further application to this Court, including making all payments, and honoring and satisfying all obligations, whether relating to the period prior or subsequent to the Petition Date; *provided, however*, that the Debtors shall not be authorized to pay in excess of \$315,000.00 on account of such obligations that have accrued but that remain unpaid as of the Petition Date, absent further order of this Court.
3. The Debtors are authorized and empowered, but not directed, to continue their Insurance Program without interruption, on the same basis and in accordance with the same practices and procedures as were in effect prior to the Petition Date. The Debtors are authorized, but not directed, to renew, amend, supplement, extend, terminate, replace, increase, decrease, or enter into new insurance coverage and change insurance carriers in the ordinary course of business.

1 4. The Debtors are authorized, but not directed, to continue their Surety Program
2 without interruption, including renewing Surety Bonds or, with the prior written consent of the
3 Required DIP Lenders, obtaining new Surety Bonds, obtaining additional surety coverage, or
4 changing carriers in connection with the Surety Program in the ordinary course of business.

5 5. The Debtors are authorized, but not directed, subject to the reasonable consent of
6 the Required DIP Lenders, to renew, amend, supplement, extend, terminate, replace, increase,
7 decrease, or enter into new insurance premium financing agreements in the ordinary course of
8 business.

9 6. The Debtors shall notify the Required DIP Lenders, the United States Trustee for
10 Region 17, and any statutory committee appointed in these Chapter 11 Cases as soon as reasonably
11 practicable, but not later than five (5) business days prior to the Debtors choosing to renew, amend,
12 supplement, extend, terminate, replace, increase, decrease or enter into new insurance premium
13 financing agreements or obtain additional surety or insurance coverage or change insurance or
14 surety carriers.

15 7. The Debtors are not authorized by this Final Order, absent the reasonable consent
16 of the Required DIP Lenders, to take any action with respect to a Surety Bond that would have the
17 effect of transforming a Surety Bond obligation into a postpetition or secured obligation in each
18 case that is senior to any liens or claims granted in connection with any Financing Order(s) (as
19 defined below). To the extent the Required DIP Lenders consent to any such action, such relief
20 may be sought by a separate motion which may be heard on an expedited basis.

21 8. Nothing in the Motion or this Final Order, nor the Debtors' payment of claims
22 pursuant to this Final Order, shall be deemed or construed as: (i) an admission as to the validity
23 of any claim against the Debtors; (ii) a waiver of the Debtors' rights to dispute any claim on any
24 grounds; (iii) a promise to pay any claim; or (iv) an implication or admission that any particular
25 claim is an Insurance Obligation or Surety Obligation.

26 9. All banks and other financial institutions are authorized to receive, process, honor,
27 and pay all checks presented for payment of, and to honor all fund transfer requests made by the
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Debtors related to the Insurance Program and Surety Bonds, regardless of whether the checks were presented or fund transfer requests were submitted before or after the Petition Date; *provided* that funds are available in the Debtors' accounts to cover the checks and fund transfers. Banks and other financial institutions may rely on the representations of the Debtors with respect to whether any check, item or other payment order drawn or issued by the Debtors prior to the Petition Date should be honored pursuant to this or any other order of this Court, and such bank or financial institution shall not have any liability to any party for relying on such representations by the Debtors as provided for herein.

10. The Debtors are authorized, but not directed, to issue postpetition checks or to effect postpetition fund transfer requests in replacement of any checks or fund transfer requests in respect of the Insurance Program or Surety Bonds that are or have been dishonored or rejected as a consequence of the commencement of the Chapter 11 Cases, and take all other steps reasonably necessary to implement and effectuate the relief sought in the Motion.

11. Notwithstanding anything to the contrary in this Final Order, any payment made or to be made hereunder, and any authorization herein, shall be subject to the requirements (if any) imposed on the debtors under any order(s) of this Court approving a postpetition debtor in possession financing facility and/or the use of cash collateral (any such order, a "***Financing Order***"), including any documentation with respect to such financing and any budget in connection with such Financing Order. In the event of any conflict between the terms of this Final Order and a Financing Order, the terms of the applicable Financing Order shall control (solely to the extent of such conflict).

12. All time periods set forth in this Order shall be calculated in accordance with Bankruptcy Rule 9006(a).

13. Notwithstanding Bankruptcy Rule 6004(h), the terms and provisions of this Final Order shall be immediately effective and enforceable upon its entry.

14. Notwithstanding any provision in the Federal Rules of Bankruptcy Procedure to the contrary, the Debtors are not subject to any stay in the implementation, enforcement, or realization

1 of the relief granted in this Final Order, and the Debtors may, in their discretion and without further
2 delay, take any action and perform any act necessary to implement the relief granted in this Final
3 Order.

4 15. This Court shall retain jurisdiction over any and all matters arising from or related
5 to the interpretation or implementation of this Final Order.

6 **IT IS SO ORDERED.**

In accordance with LR 9021, counsel submitting this **INTERIM FINAL ORDER (I) AUTHORIZING THE DEBTORS TO (A) CONTINUE THEIR PREPETITION INSURANCE POLICIES, (B) CONTINUE THEIR PREPETITION SURETY BOND PROGRAM AND (C) ENTER INTO NEW PREMIUM FINANCING AGREEMENTS AND (II) GRANTING RELATED RELIEF** certifies that the order accurately reflects the court's ruling and that (check one):

☐ The Court has waived the requirement set forth in LR 9021(b)(1).

☐ No party appeared at the hearing or filed an objection to the motion.

☐ I have delivered a copy of this proposed order to all counsel who appeared at the hearing, and any unrepresented parties who appeared at the hearing, and each has approved or disapproved the order, or failed to respond, as indicated below [list each party and whether the party has approved, disapproved, or failed to respond to the document].

☐ I certify that this is a case under Chapter 7 or 13, that I have served a copy of this order with the motion pursuant to LR 9014(g), and that no party has objected to the form or content of the order.

Prepared and submitted by:

McDONALD CARANO LLP

Ryan J. Works (NSBN 9224)
Amanda M. Perach (NSBN 12399)
2300 West Sahara Avenue, Suite 1200
Las Vegas, Nevada 89102

ALLEN OVERY SHEARMAN STERLING US LLP
Fredric Sosnick (NYSBN 2472488) (*pro hac* pending)
Sara Coelho (NYSBN 4530267) (*pro hac* pending)
599 Lexington Avenue
New York, New York 10022

Proposed Counsel to the Debtors and Debtors in Possession

EXHIBIT 3

Insurance Policies

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Coverage	Carrier	Policy Number	Effective Date	End Date	Annual Premium
Umbrella Liability	Chubb Insurance Company of Canada	(24)76444674	2/4/2024	2/4/2025	\$100,833
Excess Liability: 1st \$10mm	Berkshire Hathaway Specialty Insurance Company	43-XSF-309690-05	2/4/2024	2/4/2025	\$229,485.00
Excess Liability: 2nd \$5mm	Lloyds of London – Marsh Canada Limited – Apollo + QBE Fac.	B0509BOWCN2451226	2/4/2024	2/4/2025	\$115,000.00
Excess Liability: 3rd \$5mm	Chubb Insurance Company of Canada	76439974	2/4/2024	2/4/2025	\$65,000.00
Commercial General Liability	Chubb Insurance Company of Canada	36081598	2/4/2024	2/4/2025	\$193,100.00
Property Liability	Lloyds of London - Marsh Canada Limited - Hardy Consort	B0509BOWPI2450340 / B0509BOWPI2450080	2/4/2024	2/4/2025	\$278,066.00
Property Liability	Lloyds of London - Marsh Canada Limited - IMIU	B0509BOWPI2450342 / B0509BOWPI2450080	2/4/2024	2/4/2025	\$137,433.00
Property Liability	The Economical Insurance Group	40320035/ MP24-0003	2/4/2024	2/4/2025	\$158,194.00
Property Liability	Swiss Reinsurance America Corp	MNG 0000147-05	2/4/2024	2/4/2025	\$148,514.00
Property Liability	Starr Indemnity & Liability Co	G24SIRO1430MCA / G24SIRO1430UUS	2/4/2024	2/4/2025	\$103,500.00
Property Liability	AIG Specialty Insurance Co	086683360 / MP24-0003	2/4/2024	2/4/2025	\$230,946.00
Property Liability	Lloyds of London - Marsh Canada Limited - Inigo	B0509BOWPI2450386 / B0509BOWPI2450080	2/4/2024	2/4/2025	\$36,250.00
Property Liability	Lloyds of London - Marsh Canada Limited - Aspen	B0509BOWPI2450339 / B0509BOWPI2450080	2/4/2024	2/4/2025	\$71,250.00
Property Liability	Munich Reinsurance America- Marsh Canada Limited	B0509BOWPI2450336 / B0509BOWPI2450080	2/4/2024	2/4/2025	\$219,000.00
Property Liability	Lloyds of London - Marsh Canada Limited - Canopus Amlin	B0509BOWPI2450341 / B0509BOWPI2450080	2/4/2024	2/4/2025	\$148,157.00

Coverage	Carrier	Policy Number	Effective Date	End Date	Annual Premium
Business Auto Liability	Redwood Fire and Casualty Insurance Company	01 APM 043775 – 01	2/12/2024	2/12/2025	\$20,010.00
Commercial Auto	LP Insurance Service	00502203	3/8/2024	3/8/2025	\$2,737.00
Excess Automobile Liability	General Star Indemnity Company	IXG678559	2/12/2024	2/12/2025	\$20,000.00
Marine Cargo	Continental Casualty Company	MAR19/0057	2/4/2024	2/4/2025	\$25,000.00
Directors & Officers Liability	Chubb Insurance Company of Canada	82642578	4/11/2024	4/11/2025	\$65,000.00
Directors & Officers Liability	Zurich Insurance Company Ltd	8622626	4/11/2024	4/11/2025	\$65,000.00
Directors & Officers Liability	Great American Insurance Group (GAIG)	CDX2412735	4/11/2024	4/11/2025	\$91,000.00
Directors & Officers Liability	Banyan Risk Services Ltd.	201-XDO-1292-101	4/11/2024	4/11/2025	\$50,000.00
Directors & Officers Liability	Markel Canada Limited	PFR723081-03	4/11/2024	4/11/2025	\$35,000.00
Directors & Officers Liability	Allied World Specialty Insurance Company	0313-3554	4/11/2024	4/11/2025	\$27,500.00
Directors & Officers Liability	Allied World Specialty Insurance Company (AWAC)	0313-3554	4/11/2024	4/11/2025	\$12,000.00
Directors & Officers Liability	Intact Insurance Company	5D5500438	4/11/2024	4/11/2025	\$18,000.00
Directors & Officers Liability	Zurich Insurance Company Ltd	8617331-04	4/11/2024	4/11/2025	\$16,000.00
Directors & Officers Liability	CNA Canada	MEX665433758	4/11/2024	4/11/2025	\$14,625.00
Worker's Compensation	WorkSafe BC	952875	1/1/2024	1/1/2025	\$600.00
Worker's Compensation	Berkley Industrial Comp and Carolina Casualty Insurance Company	BIN646185619	1/1/2024	1/1/2025	\$170,000.00

EXHIBIT 4

Surety Bonds

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Bond Number	Obligee	Obligation Secured	Bond Amount	Premium
TMS1000236	Nevada Division of Environmental Protection (Reclamation)	Pumpkin Hollow Permit Number 0288 Reclamation NRS519A.010 to 519.280 and NAC 519.010 to 519	\$7,024,449.00	\$193,172.00
TMS1000237	Sierra Pacific Power Company d/b/a NV Energy	High Voltage Distribution Agreement, dated January 7, 2019, as amended on February 21, 2019	\$6,367,111.00	\$127,334.00