

No. S091670  
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

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

- AND -

IN THE MATTER OF THE *CANADA BUSINESS CORPORATIONS ACT*,  
R.S.C. 1985 c. C-44

- AND -

IN THE MATTER OF THE BRITISH COLUMBIA *BUSINESS CORPORATIONS ACT*,  
S.B.C. 2002, c. 57

- AND -

IN THE MATTER OF  
REDCORP VENTURES LTD. and REDFERN RESOURCES LTD.

**APPROVAL AND VESTING ORDER**

BEFORE THE HONOURABLE MR.  
JUSTICE BURNYEAT

SEPTEMBER 22, 2010

THE APPLICATION of Alvarez & Marsal Canada Inc. (formerly McIntosh & Morawetz Inc.), an affiliate of Alvarez & Marsal Canada ULC, the Court-appointed Interim Receiver and Receiver (the "**Receiver**") of the assets, undertakings and properties of the Petitioner Redfern Resources Ltd. (the "**Debtor**") and Abakhan & Associates Inc., the trustee in bankruptcy of the Debtor (the "**Trustee**"), for an Order approving the sale transaction (the "**Transaction**") contemplated by an Asset Purchase Agreement made as of January 20, 2010 and amended, restated and reinstated as of September 1, 2010 (the "**Sale Agreement**") between the Receiver, the Trustee, and Chieftain Metals Inc. (formerly 2224004 Ontario Inc.) (the "**Purchaser**") and appended to the Fourth Report of the Receiver dated September 14, 2010 (the "**Report**") and vesting in the Purchaser all of the Debtor's right, title and interest in and to the assets described in the Sale Agreement (the "**Purchased Assets**") coming on for hearing this day at the Courthouse, 800 Smithe Street, Vancouver, British Columbia.

AND ON READING the Notice of Application of the Receiver dated September 13, 2010, the Fourth Report, the Notice of Application of the Trustee dated September 17, 2010, the Affidavit #1 of Jonathan L. Williams sworn September 17, 2010, and the Affidavit of Philip McCourt sworn September 17, 2010 AND ON HEARING H. Lance Williams, Counsel for the Receiver, Jonathan L. Williams, Counsel for the Trustee and other counsel as listed on Schedule "A" hereto:

1. THIS COURT ORDERS AND DECLARES that the Transaction is hereby approved, and that the Sale Agreement is commercially reasonable. The execution of the Sale Agreement by the Receiver and the Trustee is hereby authorized and approved, and the Receiver and the Trustee are hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser.
2. THIS COURT ORDERS AND DECLARES that upon delivery of a letter from Davis LLP, solicitors for the Receiver, authorizing registration and use of this Order and upon registration of a certified copy of this Order in the Chief Gold Commissioner's Office, and the Prince Rupert Land Title Office, all of the Debtor's right, title and interest in and to the Purchased Assets described in the Sale Agreement and listed on Schedule "B" hereto shall vest absolutely in the Purchaser Chieftain Metals Inc. of 2, Bloor St. West, Suite 3400, Toronto, Ontario M4W 3G2, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise and whether at law or in equity (collectively, the "**Claims**") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by Orders granted in these proceedings, including the Orders of the Honourable Chief Justice granted March 4, 2009 and May 29, 2009 (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* of British Columbia or any other personal property registry system and (iii) those Claims listed on Schedule "C" hereto (all of which are collectively referred to as the "**Encumbrances**", which term shall not include the permitted encumbrances, easements and restrictive covenants listed on Schedule "D") and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.
3. THIS COURT DECLARES that it has been proven to the satisfaction of the Court on investigation that the Purchaser will hold a good safe holding and marketable title in and to the Lands described in Schedule "E" hereto upon registration of this Order in the Prince Rupert Land Title Office and the Court directs the Registrar of the Prince Rupert Land Title Office to register indefeasible title in favour of the Purchaser in the said Lands.

4. THIS COURT ORDERS that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and from and after the closing of the Transaction all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.
5. THIS COURT ORDERS that, pursuant to Section 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act* or Section 18(1)(o) of the *Personal Information Protection Act* of British Columbia, the Receiver is authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Debtor's records pertaining to the Debtor's past and current employees. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Debtor.
6. THIS COURT ORDERS that, subject to the terms of the Sale Agreement, vacant possession of the Purchased Assets, including any real property, shall be delivered by the Receiver and the Trustee, as applicable, to the Purchaser at 12:00 noon on the Closing Date (as defined in the Sale Agreement), and subject to the permitted encumbrances as set out in the Sale Agreement and listed on Schedule "D".
7. THIS COURT ORDERS that the Receiver shall be at liberty to agree to extend the Closing Date for a further two (2) week period, without the necessity of a further Order of this Court.
8. THIS COURT ORDERS that, notwithstanding:
  - (a) the pendency of these proceedings; and
  - (b) the bankruptcy of the Debtor;the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on the Trustee and shall not be void or voidable by creditors of the Debtor, nor shall it constitute nor be deemed to be a settlement, fraudulent preference, assignment, fraudulent conveyance or other reviewable transaction under the *Bankruptcy and Insolvency Act* or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.
9. THIS COURT ORDERS that nothing in this Order shall exempt or relieve the Purchaser from giving any notices or obtaining any consents or approvals required under any enactment of the Province of British Columbia or under any agreement, licence, permit, approval, certificate or other instrument issued under the authority of an enactment of the

Province of British Columbia in connection with any transfer or assignment of any of the Purchased Assets as contemplated in the Sale Agreement or this Order or makes a Purchased Asset transferable or assignable if such Purchased Asset is not, by virtue of an enactment of the Province of British Columbia, transferable or assignable. Notwithstanding any other provision of this Order, the vesting in the Purchaser of the Debtor's right, title, and interest in and to the Purchased Assets that requires any such consent or approval is not effective until such consent or approval is obtained. Nothing in this Order dispenses with the requirements of the holder of an agreement, licence, permit, approval, certificate or other instrument issued under the authority of an enactment of the Province of British Columbia to provide or maintain security.

10. THIS COURT ORDERS that, further to paragraph 4, the cash net sale proceeds shall be received and disbursed through the trust account of the firm of Davis LLP, solicitors for the Receiver, and the Chieftain Securities (as defined in the Sale Agreement) shall be issued and distributed, as follows:

- (a) the sum of \$150,000.00 in cash is to be disbursed to the Trustee;
- (b) the sum of \$4,842,000.00 in cash is to be disbursed, and the Chieftain Securities, are to be issued and distributed to the Construction Lien Claimants (as defined in the Sale Agreement), in complete and final satisfaction of their respective builders' liens registered against the Purchased Assets, as follows:
  - (i) as to lien claimed by Procon Mining and Tunnelling Ltd. ("Procon"), \$1,814,250 in cash and 396,774 Chieftain Securities, to Procon or as it may direct in writing;
  - (ii) as to lien claimed by Arctic Const. Inc. ("Arctic"), \$1,947,000 in cash and 425,806 Chieftain Securities, to Arctic or as it may direct in writing;
  - (iii) as to lien claimed by Canron Western Constructors Ltd. ("Canron"), \$663,750 in cash and 145,161 Chieftain Securities, to Canron or as it may direct in writing;
  - (iv) as to lien claimed by Aecom Canada Ltd., \$300,000.00 in cash;
  - (v) as to lien claimed by Sanitherm Inc., \$95,000.00 in cash; and
  - (vi) as to lien claimed by Klohn Crippen Berger Ltd., \$22,000.00 in cash.
- (c) the sum of \$7,425,000.00 in cash and 241,935 Chieftain Securities is to be disbursed to CIBC Mellon Trust Company in partial satisfaction of the security held by the Noteholders (as defined in the Report) in respect of the assets being administered by the Receiver.

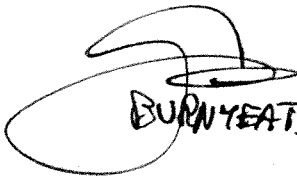
11. THIS COURT ORDERS that any transfers, assignments, or other conveyances in respect of the Purchased Assets to be registered at any Land Title Office, or any other

government agency, shall be deemed to be validly executed if signed in the following manner:

Alvarez & Marsal Canada Inc., in its capacity as Interim Receiver and Receiver of Redfern Resources Ltd., and not in its personal capacity.

Per: \_\_\_\_\_

12. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body, wherever located, to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.
13. THIS COURT ORDERS that the Receiver, the Trustee, or any other party, have liberty to apply for such further or other directions or relief as may be necessary or desirable to give effect to this Order.
14. THIS COURT ORDERS that endorsement of this Order by counsel appearing on this application, other than counsel for the Receiver and the Trustee, is hereby dispensed with.




BURNYEAT, J.

BY THE COURT




~~D/~~ DISTRICT REGISTRAR

APPROVED AS TO FORM:



Counsel for Alvarez & Marsal Canada Inc.  
(formerly McIntosh & Morawetz Inc.), an  
affiliate of Alvarez & Marsal Canada ULC,  
the Court-appointed Interim Receiver and  
Receiver of the Petitioners

CA  
FORM



Counsel for Abakhan & Associates Inc.,  
Trustee in bankruptcy of Redfern Resources Ltd.

**Schedule "A"**

**List of Counsel**

<b>COUNSEL APPEARING</b>	<b>REPRESENTING</b>
H. Lance Williams	Alvarez & Marsal Canada Inc. (formerly McIntosh & Morawetz Inc.), an affiliate of Alvarez & Marsal Canada ULC, the Court-appointed Interim Receiver and Receiver of Redfern Resources Ltd.
Jonathan L. Williams	Abakhan & Associates, Inc., Trustee in Bankruptcy of Redfern Resources Ltd.
John Sandrelli	Procon Mining and Tunnelling Ltd.
William Skelley	Chieftain Metals Inc.
David Mckenzie	Arctic Const. Ltd.
Salim Hirji	Sanitherm Inc.

**Schedule "B"**

**Purchased Assets**

**Mineral Titles**

513806  
513807  
513809  
513812  
513813  
513814  
513815  
513818  
513819  
513820  
513821  
513828  
590422

**Books and Records**

all of the corporate books and records, files, digital and electronic information, software licences (and without restricting the generality of the foregoing, any GEMCOM, Mapinfo and AutoCad licences held in the name of Redcorp Ventures Inc. which were used almost exclusively for the Debtor's data management), maps, reports and sundry data in the possession of the Receiver, including located at a Burnaby storage depot leased by the Receiver pertaining to the Assets.

**Peripheral Assets**

- (a) any assay sample rejects and pulps held by laboratories (including Eco-Tech, G&T Metallurgical in Prince Rupert, and ALS Chemex in North Vancouver and IME Laboratories in Kelowna) and provided to or in the possession of the Receiver at the Closing Time;
- (b) any drillcore samples of the Debtor in the possession of the Receiver at the Closing Time, including drill samples located at the offices of Redcorp Ventures Inc. in Vancouver and at a Burnaby storage depot leased by the Receiver; and
- (c) a Sanitherm water treatment plant located at Savona, BC, inclusive of building enclosure.

### **Licences and Permits**

any and all right, title and interest of the Debtor in the licences and permits with Governmental Authorities referred to in section 2.8 of the Sale Agreement, the Environmental Assessment Certificate referred to in the Sale Agreement, and any other licences and permits relating to the Assets that are identified by the Purchaser prior to the Closing but to be assigned post Closing in accordance with sections 2.8 and 6.4 of the Sale Agreement.

### **Real Property**

Parcel Identifier No. 015-661-946  
District Lot 5687, Cassiar District

Parcel Identifier No. 015-661-938  
District Lot 5686, Cassiar District

Parcel Identifier No. 015-661-920  
District Lot 4233, Cassiar District

Parcel Identifier No. 015-661-954  
District Lot 6302, Cassiar District

### **Mineral Claims**

<b><u>Property Area</u></b>	<b><u>Record Number</u></b>	<b><u>Area (ha.)</u></b>	<b><u>PID Number</u></b>	<b><u>Title Number</u></b>
<b>Tulsequah Crown Grants</b>				
River Fraction	5669	7.99	012-659-002	TF9554
Tulsequah Bonanza	5668	20.90	015-604-764	TF9555
Tulsequah Bald Eagle	5676	14.16	015-604-845	TF9556
Tulsequah Chief	5670	20.90	015-604-802	TF9557
Tulsequah Elva Fr.	5679	9.70	015-604-853	TF9558
<b>Big Bull Crown Grants</b>				
Big Bull	6303	20.65	015-623-556	TF9548
Bull No. 1	6304	16.95	015-623-611	TF9549



<u>Property Area</u>	<u>Record Number</u>	<u>Area (ha.)</u>	<u>PID Number</u>	<u>Title Number</u>
Bull No. 5	6306	14.57	015-623-751	TF9550
Bull No. 6	6305	17.22	015-623-700	TF9551
Hugh	6308	20.71	015-623-947	TF9552
Jean	6307	17.02	015-623-858	TF9553
<b>Banker Crown Grants</b>				
Vega No. 1	6155	20.90	014-496-330	TF10235
Vega No. 2	6156	17.62	014-496-348	TF10236
Vega No. 3	6157	18.97	014-496-356	TF10237
Vega No. 4	6158	19.85	014-496-364	TF10238
Vega No. 5	6159	14.94	014-496-381	TF10239
Janet W. No. 1	6160	18.95	014-496-399	TF10240
Janet W. No. 2	6161	18.75	014-496-402	TF10241
Janet W No. 3	6162	16.60	014-496-411	TF10242
Janet W No. 4	6163	20.76	014-496-437	TF10243
Janet W No. 5	6164	18.20	014-496-445	TF10244
Janet W No. 6	6165	19.02	014-496-453	TF10245
Janet W No. 7	6166	18.78	014-496-461	TF10246
Janet W. No. 8	6167	17.98	014-496-488	TF10247
Joker	6169	16.60	014-496-496	TF10248

**Schedule "C"**

**Claims to be deleted/expunged from title to Purchased Assets**

- (1) Ministry of Energy Mines and Petroleum Resources, Mineral Titles Registrations:
- (a) Claim of Builders Lien in favour of Arctic Const. Ltd. registered on February 23, 2009 under No. 4265304;
  - (b) Claim of Builders Lien in favour of Klohn Crippen Berger Ltd. registered on March 11, 2009 under No. 4268580;
  - (c) Claim of Builders Lien in favour of Canron Western Constructors Ltd. registered on March 23, 2009 under No. 4270626;
  - (d) Claim of Builders Lien in favour of Sanitherm Inc. registered on March 25, 2009 under No. 4270943;
  - (e) Claim of Builders Lien in favour of Arctic Const. Ltd. registered on April 3, 2009 under No. 4272961;
  - (f) Notice of Charge on Mineral Claims in favour of CIBC Mellon Trust Company registered on April 22, 2009 under No. 4277188;
  - (g) Claim of Builders Lien in favour of Aecom Canada Ltd. registered on May 26, 2009 under No. 4284452;
  - (h) Claim of Builders Lien in favour of Procon Mining and Tunnelling Ltd. registered on May 28, 2009 under No. 4284934;
  - (i) Certificate of Pending Litigation in favour of Arctic Const. Ltd. registered on February 19, 2010 under No. 4471478;
  - (j) Certificate of Pending Litigation in favour of Canron Western Constructors Ltd. registered on March 19, 2010 under No. 4531814;
  - (k) Certificate of Pending Litigation in favour of AECOM Canada Ltd. registered on May 19, 2010 under No. 4643471;
  - (l) Certificate of Pending Litigation in favour of Procon Mining and Tunnelling Ltd. registered on May 25, 2010 under No. 4651551.
- (2) Land Title Office Registrations:
- (a) Claim of Builders Lien in favour of Arctic Const. Ltd. registered on February 23, 2009, under No. BB1051664;

- (b) Claim of Builders Lien in favour of Arctic Const. Ltd. registered on March 5, 2009, under No. BB0924553;
- (c) Claim of Builders Lien in favour of Klohn Crippen Berger Ltd. registered on March 11, 2009, under No. BB1055659;
- (d) Claim of Builders Lien in favour of Canron Western Constructors Ltd. registered on March 23, 2009 under No. BB927229;
- (e) Claim of Builders Lien in favour of Sanitherm Inc. registered on March 27, 2009 under No. BB928616;
- (f) Claim of Builders Lien in favour of Arctic Const. Ltd. registered on April 3, 2009 under No. BB931697;
- (g) Claim of Builders Lien in favour of Aecom Canada Ltd. registered on May 25, 2009 under No. BB777612;
- (h) Claim of Builders Lien in favour of Procon Mining and Tunnelling Ltd. registered on May 27, 2009 under No. BB778559;
- (i) Claim of Builders Lien in favour of Matthews Equipment Limited registered on July 7, 2009 under No. BB1085274;
- (j) Certificate of Pending Litigation in favour of Canron Western Constructors Ltd. registered on March 19, 2010 under No. BB1456796;
- (k) Certificate of Pending Litigation in favour of Sanitherm, Inc. registered on March 23, 2010 under No. BB1457738;
- (l) Certificate of Pending Litigation in favour of Arctic Const. Ltd. registered on March 24, 2010 under No. BB1458182;
- (m) Certificate of Pending Litigation in favour of Aecom Canada Ltd. registered on May 20, 2010 under No. BB1271383;
- (n) Certificate of Pending Litigation in favour of Procon Mining and Tunnelling Ltd. registered on May 25, 2010 under No. BB1272341

**Schedule "D"**

**Permitted Encumbrances, Easements and Restrictive Covenants**  
**Purchased Assets**

None.

**Schedule "E"**

**Lands**

**Prince Rupert Land Title Office**

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Janet W No. 7	6166	18.78	014-496-461	TF10246
Janet W. No. 8	6167	17.98	014-496-488	TF10247
Joker	6169	16.60	014-496-496	TF10248

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LTD.

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**APPROVAL AND VESTING ORDER**

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DAVIS LLP  
Barristers & Solicitors  
2800 Park Place  
666 Burrard Street  
Vancouver, BC V6C 2Z7

Tel. No. 604.687.9444  
Fax No. 604.687.1612

File No. 76334-00001

LZW/bdw

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