

**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. 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.**

**FOURTH REPORT OF THE RECEIVER  
ALVAREZ & MARSAL CANADA INC.  
(FORMERLY MCINTOSH & MORAWETZ INC.)**

**INTRODUCTION**

1. This report (the **"Fourth Report"**) is filed by Alvarez & Marsal Canada Inc., formerly McIntosh & Morawetz Inc. (**"M&M"**), in its capacity as Court-appointed Interim Receiver and Receiver (in such capacities, the **"Receiver"**) of certain assets, undertakings and properties of Redcorp Ventures Ltd. (**"Redcorp"**) and Redfern Resources Ltd. (**"Redfern"**) (collectively, the **"Petitioners"** or the **"Companies"**).
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2. Pursuant to an order of the Supreme Court of British Columbia (the “**Court**”) dated May 29, 2009 (the “**Appointment Order**”), M&M was appointed Receiver, without security, of the Petitioners’ current and future personal assets, undertakings and properties, including all proceeds thereof, including, without limitations, all cash, money, goods, equipment, inventory, books and records, securities, choses in action, instruments, document of title, accounts, receivables, intangibles, certain mineral claims as administered by the Ministry of Energy, Mines and Petroleum Resources and certain royalty or other interests arising from oil and gas properties (collectively, the “**Property**”).
3. Pursuant to the Appointment Order, the appointment of the Receiver does not extend to nor does the Property include any interest of the Companies in:
  - (a) any real property or land interests, including without limitation any interests held in accordance with titles issued in accordance with the *Land Title Act of British Columbia*, including the real property constituting the mine site known as the Tulsequah Project;
  - (b) certain Asset Backed Commercial Paper (“**ABCP**”) secured in favour of HSBC Bank Canada (“**HSBC**”) as described in paragraph 1 of the Order granted by this Honourable Court on April 6, 2009, save and except for any interest receivable owing in respect of the predecessor notes to the ABCP for the period prior to the Receiver’s appointment;

- (c) amounts held by CIBC Mellon Trust Company in an interest escrow account and payable to the Note Holders (as later defined) in accordance with paragraphs 6(d) and 10(a) of the Initial Order granted on March 4, 2009; and
  - (d) any amounts deposited at HSBC and Royal Bank of Canada (“RBC”) or elsewhere by Redfern and secured in favour of parties in accordance with certain Safekeeping Agreements under the *Mines Act* and Standby Letters of Credit issued under the *Fisheries Act*.
4. On June 29, 2009, the Companies were assigned into bankruptcy and Abakhan & Associates Inc. (the “Trustee”) was appointed as Trustee in Bankruptcy of the estates of each of Redcorp and Redfern. The appointment of the Trustee was affirmed at the first meetings of creditors in the bankruptcies held on July 20, 2009.
5. The Receiver has previously filed three reports, as well as a supplement to its Third Report, with this Honourable Court, as follows:

**(a) The Receiver’s First Report to Court**

The First Report to Court dated June 23, 2009 (the “First Report”) was filed in support of the Receiver’s motion that sought, *inter alia*, an order from this Honourable Court that authorized and directed the Receiver to make an interim distribution of \$20 million to CIBC Mellon Trust Company as Note Trustee (the “Note Trustee”), for holders of the 13% senior secured redeemable series D Notes (the “Secured Notes”) in partial repayment of the Secured Notes.

On June 26, 2009, this Court granted an order that approved the First Report and granted the relief sought therein.

**(b) The Receiver's Second Report to Court**

The Second Report to Court dated August 11, 2009 (the "**Second Report**") was filed in support of:

- (i) the Receiver's motion that sought, *inter alia*, an order from this Court releasing and discharging the Administration Charge of \$1 million provided in the Appointment Order, and approving a summary Court approval process to obtain vesting orders as required; and
- (ii) the motion of the former Directors and Officers of the Companies seeking an order from this Court approving the Directors and Officers claims procedure (the "**D&O Claims Procedure**").

On August 20, 2009, this Court granted orders that:

- (i) approved the Second Report and granted the relief sought therein;
- (ii) approved the D&O Claims Procedure; and
- (iii) approved a summary Court approval process to obtain vesting orders as required.

**(c) The Receiver's Third Report to Court and the Supplemental Report Thereto**

The Third Report to Court dated October 20, 2009 (the "**Third Report**") was filed in support of the Receiver's motion that sought orders from this Court, *inter alia*:

- (i) approving the Proposed Sale Transactions (as defined therein) and vesting right, title and interest in the applicable assets free and clear of all liens, security interests and other encumbrances to the respective purchasers;
- (ii) partially releasing and discharging the Directors' Charge provided in the Appointment Order from \$5 million to \$915,000;



- (iii) authorizing and directing the Receiver to pay \$1,202,056.77, representing interest received on Redcorp's former ABCP investments, to the Trustee of Redcorp; and
- (iv) authorizing and directing the Receiver to make a second interim distribution of \$5.5 million to the Note Trustee for holders of the Secured Notes (the "**Note Holders**") in partial repayment of the Secured Notes.

In a supplement to the Third Report dated October 21, 2009 (the "**Supplemental Third Report**") the Receiver sought this Court's approval of the sale of the Modular Camp (as defined in the Supplemental Third Report) and an associated vesting order, as well as authorization to file a Stipulation with the U.S. Court, as Foreign Representative in the Companies' Chapter 15 Proceedings, that the Chapter 15 stay of proceedings be waived for the purposes of that specific sale transaction.

On October 23, 2009, this Court granted four orders which collectively granted the relief sought in the Third Report and the Supplemental Third Report.

A copy of the prior reports of the Receiver and the prior orders of this Honourable Court can be found at the Receiver's website at [www.alvarezandmarsal.com/redcorpandredfern](http://www.alvarezandmarsal.com/redcorpandredfern).

- 6. On application by the Receiver, without a hearing and by consent, on January 12, 2010, this Honourable Court granted an order authorizing the Receiver to make a third interim distribution in the amount of \$1.5 million to the Note Trustee for the Note Holders in partial repayment of the Secured Notes.
- 7. On application by the Receiver, without a hearing, on July 22, 2010, this Honourable Court granted an order (the "**Koppers Ball Mill Order**"), *inter alia*, approving the sale

of certain assets ("**Koppers Ball Mill Assets**") by the Receiver and the Trustee to Mine Source Inc., vesting title to the Koppers Ball Mill Assets in the nominee of Mine Source Inc. free and clear of all Encumbrances (as defined in the Koppers Ball Mill Order), and directing the distribution of the proceeds to certain parties in payment of storage arrears, 40% of the net balance to the Trustee and the remainder to the Receiver to be held pending further order. The Receiver successfully obtained an order from the Honourable Karen A. Overstreet of the United States Bankruptcy Court, Western District of Washington, pursuant to Chapter 15 of the United States Bankruptcy Code on July 27, 2010, recognizing the terms of the Koppers Ball Mill Order and vesting the Koppers Ball Mill Assets held in the United States in the name of the purchaser.

8. This report (the "**Fourth Report**") is filed in support of the Receiver's motion, jointly with a motion by the Trustee, seeking, *inter alia*, orders from this Honourable Court:
  - (a) approving the sale process for the Assets (as hereinafter defined) (the "**Sale Process**") and the sale transaction for the Assets (the "**Proposed Sale Transaction**") contemplated by an asset purchase agreement dated January 20, 2010, as amended, restated and reinstated (the "**APA**");
  - (b) vesting in Chieftain Metals Inc. (the "**Purchaser**") all right, title and interest in the Assets free and clear of all liens, security interests and other encumbrances, other than Permitted Encumbrances (as defined in the APA), directing the Prince Rupert Land Title Office to transfer the fee simple interest to the Real Estate (as defined in the APA) and the undersurface rights in respect of the Mineral Claims (as defined in the APA) to the Purchaser, and authorizing and directing the Receiver, together with the Purchaser, to register a notice of the transfer of the

mineral titles online claims (as defined in the APA) (“**MTOs**”) under the *Mineral Tenure Act*;

- (c) authorizing and directing the Receiver to pay to the Trustee of Redcorp \$401,000 held in the Receiver’s trust bank accounts, representing interest received on Redcorp’s former ABCP investments;
- (d) authorizing and directing the Receiver’s legal counsel, Davis LLP (“**Davis**”), to pay to the Trustee of Redfern \$150,341.27 (less \$12,500 to be remitted to the Receiver on account of its fees and disbursements (including legal fees)) held in the trust bank accounts of Davis, representing the net proceeds from the sale of Redfern’s former oil and gas interests;
- (e) releasing and discharging the Directors’ Charge;
- (f) authorizing and directing the Receiver to make fourth and fifth interim distributions of \$850,000 and \$7.425 million, respectively, to the Note Trustee for the Note Holders in partial repayment of the Secured Notes, where the fifth interim distribution of \$7.425 million is only authorized and directed to be made following the Closing of the Proposed Sale Transaction as described herein; and
- (g) approving the activities of the Receiver from October 20, 2009 (the date of the Third Report) to the date of this Fourth Report.

## **BACKGROUND**

9. Redcorp’s principal business was the acquisition, exploration and development of mineral properties, with its primary asset being a 100% interest in the Tulsequah Project located 100 km south of Atlin, British Columbia. The Tulsequah Project is a mine that was being developed for the production of gold, silver, copper, lead, and zinc. Redcorp’s

primary exploration and development activities were carried on through its wholly-owned subsidiary, Redfern. Redfern is the registered holder of 38 mineral rights in the Tulsequah Project comprised of 25 Crown granted mineral claims (the “**Mineral Claims**”) and 13 MTOs. Redfern also owns the mining equipment assets of the Companies.

## **THE SALE PROCESS**

10. The Receiver and Trustee have entered into the APA for the sale, subject to the approval of this Honourable Court, of the Mineral Claims, the MTOs, the fee simple land interest (surface rights only) of four district lots located on the Tulsequah Project (the “**Real Estate Claims**”), any assay sample rejects and pulps or drillcore samples in the control or possession of the Receiver or the Trustee at Closing, a Sanitherm water treatment plant currently stored in Savona, British Columbia, and the Books and Records (as defined in the APA) (collectively, the “**Assets**”). A copy of the APA is attached hereto as **Appendix “A”**.
  11. The Sale Process was carried out by the Trustee with input from the Receiver as required. A summary of the Sale Process is as follows:
    - on September 22, 2009, the Trustee distributed an email (the “**Interest Solicitation Email**”) to ten parties that had previously contacted the Trustee expressing an interest in the Tulsequah Project, which included four brokers that exposed the Tulsequah Project to their clients;
    - the Interest Solicitation Email notified recipients that September 30, 2009 was the deadline for receipt of expressions of interest in the Assets and executed Non-
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Disclosure Agreements, and that November 18, 2009 was the deadline for submitting binding offers (the “**Bid Deadline**”);

- seven parties executed Non-Disclosure Agreements, and on November 4, 2009 the Trustee provided those parties with an information package describing the Assets and the terms and conditions of sale (the “**Asset Information Package**”). A copy of the Asset Information Package is attached hereto as **Appendix “B”**. Each of the parties that received the Asset Information Package were also provided with access to a data room; and
- parties were advised that any transaction resulting from the Sale Process would be subject to the approval of this Honourable Court.

12. Also, as described in the Third Report of the Monitor in Redcorp’s CCAA proceedings, Redcorp had previously retained Paradigm Capital Inc. (“**Paradigm**”) as its financial advisor to assist in the sale or refinancing of the company. A deadline of May 7, 2009 was established for the submission of non-binding expressions of interest to Paradigm. Teaser documents were distributed to 29 target parties and five parties executed confidentiality agreements. Although, no non-binding expressions of interest were submitted by the due date of May 7, 2009, the marketplace was generally notified at that time that the Companies were seeking a refinancing or sale solution.

13. In addition to the above, as described in the Second Report, the Receiver conducted an extensive marketing program for the sale of the Companies’ equipment and inventory (subsequent to the Paradigm process), which included distributing introductory solicitation materials, “teasers”, to over 120 target companies, including approximately 80 North American mining companies, and placing advertisements in the Vancouver Sun

and Globe and Mail newspapers. Where any parties expressed interest in Redfern's mineral claims through that process, the Receiver directed them to the Trustee.

14. Six offers (the **"Offers"**) for the Assets were received by the Trustee by the Bid Deadline. The Trustee, with input from the estate Inspectors, and the Receiver, with input from the committee of Note Holders (**"Note Holders' Committee"**) worked to clarify the terms and conditions of certain of the offers.
15. On review of the Offers, both the Trustee and the Receiver agreed that none of the Offers were satisfactory and accordingly they were all declined.
16. On December 22, 2009, a revised offer was submitted by 2224004 Ontario Inc., now named Chieftain Metals Inc. (the **"Revised Offer"**), one of the original parties that submitted an Offer. No other revised Offers were received.
17. The Receiver and Trustee concluded that the Revised Offer would be pursued, and the Revised Offer was accepted on December 22, 2009. The Revised Offer was revised on January 8, 2010 to provide that it was subject to the parties executing an asset purchase agreement, which was signed on January 20, 2010.
18. Since January 20, 2010, the APA has undergone a series of amendments, restatements and reinstatements, which have culminated in the APA attached hereto as **Appendix "A"**. The APA is supported by the Note Holders' Committee and the estate Inspectors.

## **PROPOSED SALE TRANSACTION**

19. A summary of the Proposed Sale Transaction is as follows:
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- The Proposed Sale Transaction is made on an “as is, where is” basis;
- The purchase price is \$15,417,000 (the “**Purchase Price**”) and is to be paid as follows:
  - \$7.5 million to the Receiver, from which \$75,000 is to be paid by the Receiver to the Trustee of Redfern;
  - \$7,842,000 to be paid in a combination of cash and securities to certain lien claimants as follows:
    - a. Procon Mining and Tunnelling Ltd. (“Procon”), \$1,814,250 in cash and 396,774 in Chieftain Securities (as defined in the APA) to Procon or as it may direct in writing;
    - b. Arctic Const. Ltd. (“Arctic”), \$1,947,000 in cash and 425,806 in Chieftain Securities to Arctic or as it may direct in writing;
    - c. Canron Western Constructors Ltd. (“Canron”), \$663,750 in cash and 145,161 in Cheiftain Securities to Canron or as it may direct in writing;
    - d. Aecom Canada Ltd., \$300,000 in cash;
    - e. Sanitherm Inc., \$95,000 in cash; and
    - f. Klohn Crippen Berger Ltd., \$22,000 in cash; and
  - \$75,000 to be paid to the Trustee of Redfern.

The above allocation was negotiated amongst the parties to the APA taking into consideration the Mineral Claims vested in the Trustee, the lien claims asserted in the Redfern bankruptcy and the MTOs subject to the security of the Note Holders.

- In addition to the Purchase Price, the Purchaser is to also pay, in a combination of cash and Chieftain Securities, an amount equivalent to the amounts Redfern has on deposit with RBC and HSBC in respect of the following:

- (i) licenses from Fisheries and Oceans Canada (the “**Licenses**”) to undertake works affecting fish habitat, as security for performing its obligations under which Redfern deposited \$500,000 with RBC as security for the issuance of standby letters of credit in favour of Fisheries and Oceans Canada; and
- (ii) reclamation permits issued pursuant to the *Mines Act* (British Columbia) (the “**Permits**”) requiring Redfern to perform certain reclamation obligations, as security for performing its obligations under which Redfern deposited \$1.7 million with HSBC pursuant to safekeeping agreements as security for the issuance of letters of credit in favour of the Province of British Columbia.

20. Following Closing, the Receiver is to grant its consent to transfer the Licenses and Permits. The Purchaser is to assume obligations and liabilities arising from and after Closing under the Licences and Permits, as well as land taxes relating to the Assets (the “**Assumed Obligations**”).

21. Closing of the Proposed Sale Transaction is to take place at 10:00 am Pacific daylight savings time on the 15<sup>th</sup> business day after this Honourable Court, should it decide to do so, grants an approval and vesting order in respect of the Proposed Sale Transaction, and on the assumption by the Purchaser of the Assumed Obligations, or such other date as agreed to by the parties to the APA.

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## **ABCP INTEREST PAYMENT**

22. As described in the Third Report, following its appointment, the Receiver arranged for an interest payment of approximately \$1.2 million on the ABCP investment formerly held by Redcorp (the **“ABCP Interest Payment”**) to be deposited into the Receiver’s trust bank accounts.
23. It was the view of legal counsel for the Trustee that the ABCP Interest Payment was properly an asset which vested in the Trustee. That position was not disputed by the Receiver’s legal counsel or by legal counsel to the Note Holders’ Committee.
24. On October 23, 2009, this Honourable Court granted an order authorizing and directing the Receiver to pay the ABCP Interest Payment to the Trustee for the estate of Redcorp.
25. On January 15, 2010 an additional interest payment on the ABCP investment formerly held by Redcorp in the amount of \$401,000 (the **“Additional ABCP Interest Payment”**) was deposited into the Receiver’s trust bank account by HSBC. As was the case with the ABCP Interest Payment, the Trustee has asserted that the Additional ABCP Interest Payment is properly an asset vested in the Trustee. This position is not disputed by the Receiver nor the Note Holders’ Committee. Accordingly, the Receiver seeks an order directing it to remit the Additional ABCP Interest Payment to the Trustee for the estate of Redcorp.

## **OIL AND GAS INTERESTS**

26. Pursuant to an Asset Sale Agreement dated December 1, 2009 (the **“Oil & Gas APA”**), the Receiver sold certain oil and gas interests (the **“Oil & Gas Assets”**) owned by
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Redfern to Alston Ventures Inc. The Oil & Gas Assets are located entirely in the Province of Alberta. The gross consideration received by the Receiver from the sale of the Oil & Gas Assets totalled \$162,500.00. The net consideration, after adjustments pursuant to the Oil & Gas APA totalled \$150,341.27 (the “**Net Consideration**”). The Net Consideration is currently held in trust by the Receiver’s counsel.

27. The gross consideration was below the threshold requiring Court-approval of the sale pursuant to paragraph 3(k) of the Appointment Order. The Oil & Gas Assets were unencumbered, and accordingly a vesting order was not required.
28. The Receiver has received a legal opinion from its counsel that the Oil & Gas Assets sold are likely interests in land, and that the Note Holders’ security interest was not registered against these assets so as to be enforceable against the Trustee. The Trustee is in agreement with this determination. Accordingly, the Receiver seeks an order directing its counsel to pay the Net Consideration to the Trustee.
29. The Receiver and Trustee have agreed that the Receiver may, subject to this Honourable Court’s approval, retain \$12,500 from the Net Consideration on account of its fees and disbursements (including legal fees) in selling the Oil & Gas Assets. Accordingly, the net amount to be paid to the Trustee is \$137,841.27.

## **RELEASE AND DISCHARGE OF THE DIRECTORS’ CHARGE**

30. On August 20, 2009, this Honourable Court granted, *inter alia*, an order approving the D&O Claims Procedure (the “**D&O Claims Procedure Order**”)<sup>1</sup>, pursuant to which any

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<sup>1</sup> Defined terms in Paragraphs 30 to 37 not otherwise defined herein are as defined in the D&O Claims Procedure Order.

party asserting a D&O Claim against a current or former Director or Officer of the Petitioners was required to deliver a D&O Proof of Claim to the Receiver by the D&O Claims Bar Date or be forever barred from asserting such D&O Claim and such D&O Claim would be forever extinguished. The D&O Claims Bar Date was established as September 23, 2009. The D&O Claims Procedure is described in the Third Report.

31. Nine D&O Claims totalling \$914,194 were filed, including one claim in the amount of \$209,417 that was filed late. Eight of these claims, totalling \$670,803 were from former employees of the Companies, and one claim, in the amount of \$243,391 was from a service provider.
32. Paragraph 28 of the Appointment Order provides, *inter alia*, that: (i) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge; and (ii) the Petitioners' directors and officers shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with the Order.
33. As the total amount of D&O Claims received of \$914,194 was significantly less than the \$5 million Directors' Charge provided in the Appointment Order, on October 23, 2009, this Honourable Court granted an order which, *inter alia*, partially released and discharged the Directors' Charge, reducing it to \$915,000.
34. The Receiver with the assistance of its counsel Davis, counsel to the Note Holders' Committee, and Bull, Housser & Tupper LLP ("**BHT**"), on behalf of the Designated

Director, reviewed each D&O Claim and determined that all claims were to be disallowed.

35. In accordance with the provisions of the D&O Claims Procedure Order, on November 6, 2009, the Receiver sent Notices of Disallowance and a D&O Dispute Package to all parties (the **"Disallowed Parties"**) who filed the disallowed D&O Claims, as well as to BH&T as counsel to the Affected Directors, The Great American Insurance Companies, the insurer, and the Trustee.
36. Two of the Disallowed Parties disputed the disallowance and, in accordance with the provisions of the D&O Claims Procedure Order, sought a determination by this Honourable Court of the validity of their respective D&O Claims. On February 1, 2010, a hearing was held and on February 19, 2010, this Honourable Court issued a judgement reaffirming the Notices of Disallowance for these two parties (the **"Disallowance Affirmation Judgments"**). The Disallowance Affirmation Judgments have not been appealed, and the time to do so has lapsed. No other Disallowed Parties disputed the disallowances. Accordingly, there are no valid claims against the Directors' Charge.
37. Based on the foregoing, the Directors' Charge is no longer necessary, and the Receiver is of the view that it is appropriate to release and discharge the Directors' Charge at this time.

## **RECEIVER'S RECEIPTS AND DISBURSEMENTS**

38. A combined summary of the Receiver's receipts and disbursements for Redcorp and Redfern from May 29, 2009 to August 31, 2010 is attached hereto as **Appendix "C"**.
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## PROPOSED FOURTH INTERIM DISTRIBUTION

39. This Honourable Court has previously approved three interim distributions totalling \$27 million to the Note Trustee, for the benefit of the Note Holders.
40. The Note Holders' Committee has requested that the Receiver seek approval to make a fourth interim distribution in the amount of \$850,000 to the Note Trustee.
41. Based on the Receiver's combined summary of receipts and disbursements and taking into consideration the proposed disbursement and hold backs itemized below, the Receiver is of the view that the proposed distribution is appropriate at this time.

	As at August 31, 2010 (in \$CDN 000's)
Cash on deposit in Receiver's trust accounts	2,007
Less ABCP Interest Payment to be remitted to Trustee	( 401)
Less proposed hold back amounts:	
Provision for future expenses (before net future realizations on non-cash assets)	( 756)
Proposed Distribution	850

42. In addition, the Note Holders' Committee has requested that the Receiver seek approval to make a fifth interim distribution of \$7.425 million, being the portion of the net proceeds from the Proposed Sale Transaction to be allocated to the Note Holders (after payment of \$75,000 to the Trustee) following and conditional on the Closing of the Proposed Sale Transaction.

43. As described in the First Report: (i) the Monitor's legal counsel in the CCAA proceedings provided a legal opinion to the Monitor that the security documents related to the Secured Notes (the "**Security**") "constitutes a valid and binding obligation of and is enforceable against the party granting same and creates a valid perfected security interest in the collateral described therein"; and (ii) the records of the Personal Property Registry record the Note Trustee as having registered its security in priority to all other registrations.
44. Further, the Receiver has obtained a legal opinion from Davis that the security interests contained in the Security have priority over any interest the Trustee may have in the MTOs, up to the amount secured by the Security (which significantly exceeds the Receiver's share of the sale proceeds under the APA).

## **THE RECEIVER'S ACTIVITIES TO DATE**

45. Since the date of the Third Report, the Receiver's activities have included, *inter alia*, the following:
- Providing periodic updates to the Note Holders' Committee on significant receivership matters;
  - Liaising with Davis regarding the D&O Claims Procedure, reviewing and discussing the D&O Claims to assess their validity, and sending Notices of Disallowance and D&O Dispute Packages to the respective claimants;
  - Continuing with efforts to market and sell the Companies' equipment and inventory as described in the Second Report, including numerous discussions and correspondence with interested parties, offerors and purchasers of certain assets as

described herein and in the Third Report and the Supplemental Third Report; coordinating the sale of Redfern's oil and gas interests, two marine barges, the Koppers Ball Mill and various other equipment and inventory assets;

- Communicating with Davis and the Receiver's U.S. legal counsel, Lane Powell, regarding lien and title matters;
- Numerous discussions and correspondence with the Purchaser, the Trustee, Davis and the Note Holders' Committee in order to finalize the APA and subsequent Amendment Agreements to extend certain conditions precedent;
- Communicating with the Note Holders' Committee and the holders of the Royalty Agreement regarding the non-renewal and transfer of the "Hawk Property" mineral claims;
- Discussions and correspondence with Davis regarding the Interim Settlement Agreement and Quitclaim Agreement related to Sandvik Mining and Construction;
- Communicating with JS Berwin LLP, the Receiver's U.K.-based legal counsel, regarding matters related to the administration proceedings commenced by Hovertrans Ltd. in the U.K.;
- Negotiating an agreement with Marcon International, Inc. to list for sale Redfern's air cushion barge; periodic discussions with Marcon and Sundial Marine Construction Repair, Inc. regarding interest from prospective purchasers in the barge;

- Assisting the Trustee in its efforts to sell Redcorp's Portuguese subsidiary by providing the Trustee and interested parties with access to related books and records in the Receiver's possession;
- Communicating with the Companies' insurance broker regarding the expiry/renewal of insurance policies and reduction of coverage on the sale of assets;
- Communicating with third-party storage providers and vendors regarding the storage and transfer of various equipment;
- Preparing T4s and coordinating the preparation of W2s for employees and former employees for the period up to their last date of employment with the Companies or to year end, as appropriate;
- Preparing and filing required GST returns and administering various other Canadian and U.S. statutory filings;
- Coordinating with the landlord to reduce the footprint of the leased office space at the Companies' head office;
- Arranging for the backup of the Companies' accounting records;
- Responding to creditor and other enquiries; and
- Maintaining the schedules of the Receiver's receipts and disbursements, and managing all banking-related matters generally.



## **SUMMARY COMMENTS AND RECOMMENDATIONS**

46. The Sale Process was carried out in a fair and reasonable manner and the Receiver is of the view that the APA maximizes the recovery in respect of the Assets and is the highest offer generated through the Sale Process.
47. The Trustee and the Note Holders have consented to the Proposed Sale Transaction.
48. In order to continue to advance these proceedings, it is appropriate to approve the Sale Process and the Proposed Sale Transaction.
49. Neither the Receiver nor the Note Holders' Committee, both with the advice of counsel, disputes the Trustee's position that the Additional ABCP Interest Payment is properly an asset that vests in the Trustee. There is no basis for the Receiver to continue to hold the Additional ABCP Interest Payment and it is appropriate to remit those funds to the Trustee.
50. Neither the Receiver nor the Note Holders' Committee, both with the advice of counsel, disputes the Trustee's position that the Net Consideration of \$150,341.27 from the sale of the Oil & Gas Assets is properly an asset that vests in the Trustee. There is no basis for the Receiver's legal counsel to continue to hold these proceeds and it is appropriate to remit those funds to the Trustee, less \$12,500 to be remitted to the Receiver on account of its fees and disbursements (including legal fees) in selling the Oil & Gas Assets.
51. The Directors' Charge is no longer necessary and it is appropriate to release and discharge the Directors' Charge at this time.

52. Following the proposed distribution(s), the Receiver will continue to hold, at a minimum, approximately \$756,000 to fund future expenses, before taking into consideration further anticipated realizations from the Companies' equipment and other assets, which are expected to be meaningful.

53. Based on the foregoing, the Receiver respectfully recommends that this Honourable Court grant orders:

- approving the Proposed Sale Transaction and the APA, and granting an order vesting in the Purchaser all right, title and interest in the Assets free and clear of all liens, security interests and other encumbrances, other than the Permitted Encumbrances, directing the Prince Rupert Land Title Office to transfer the fee simple interest to the Real Estate and the undersurface rights in respect of the Mineral Claims to the Purchaser, and authorizing and directing the Receiver together with the Purchaser to register a notice of the transfer of the MTOs under the *Mineral Tenure Act*;
  - authorizing and directing the Receiver to pay to the Trustee of Redcorp \$401,000 held in the Receiver's trust bank accounts, representing the Additional ABCP Interest Payment;
  - authorizing and directing Receiver's counsel to pay to the Trustee of Redfern \$150,341.27 held in Davis' trust bank accounts, representing the Net Consideration from the sale of the Oil & Gas Assets, less \$12,500 to be remitted to the Receiver on account of its fees and disbursements (including legal fees) in selling the Oil & Gas Assets;
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- releasing and discharging the Directors' Charge previously reduced to \$915,000;

- authorizing and directing the Receiver to make fourth and fifth interim distributions of \$850,000 and \$7.425 million, respectively, to the Note Trustee for the Note Holders in partial payment of the Secured Notes, where the fifth interim distribution of \$7.425 million is only authorized and directed to be made conditional on the Closing of the Proposed Sale Transaction as described herein;
- approving the activities of the Receiver from October 20, 2009 (the date of the Third Report) to the date of this Report; and
- granting such further and other relief as counsel may advise and this Honourable Court may permit.

All of which is respectfully submitted this 14<sup>th</sup> day of September, 2010.

**Alvarez & Marsal Canada Inc. (formerly McIntosh  
& Morawetz Inc.), solely in its capacity as  
Court-Appointed Interim Receiver and Receiver of  
Redcorp Ventures Ltd. and Redfern Resources Ltd.**



Per: Douglas R. McIntosh  
President

# **APPENDIX “A”**

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## **ASSET PURCHASE AGREEMENT**

This Agreement is made as of the 20th day of January, 2010 and amended, restated and reinstated as of the first day of September, 2010.

**BETWEEN:**

**ABAKHAN & ASSOCIATES, INC.**, as Trustee in Bankruptcy of the estate of Redfern Resources Ltd. and not in its personal capacity

(the "Trustee")

**AND:**

**ALVAREZ & MARSAL CANADA INC.** (formerly McIntosh & Morawetz Inc.), as Interim Receiver and Receiver of Redfern Resources Ltd. and not in its personal capacity

(the "Receiver")

(the Trustee and the Receiver referred to collectively as the "Vendors")

**AND:**

**CHIEFTAIN METALS INC.**, a company incorporated under the laws of the Province of Ontario

(the "Purchaser")

### **BACKGROUND**

- A. Pursuant to the Receivership Order, the Receiver was appointed as the Interim Receiver and Receiver of certain property and assets of the Company.
- B. Pursuant to the Certificate of Appointment, the Trustee was appointed as the trustee in bankruptcy of the estate of the Company.
- C. The Vendors wish to sell the Assets (as hereinafter defined) to the Purchaser, and the Purchaser wishes to purchase the Assets from the Vendors, on the terms and conditions set out in this Agreement.

## AGREEMENTS

For good and valuable consideration, the receipt and sufficiency of which each party acknowledges, the parties hereto agree as follows:

### ARTICLE 1 - DEFINITIONS AND INTERPRETATION

#### 1.1 Definitions. In this Agreement:

- (a) "Action" means British Columbia Supreme Court Action No. S091670;
- (b) "Agreement" means this Asset Purchase Agreement;
- (c) "Approval and Vesting Order" means an Order of the Court in the Action approving this Agreement and the Transaction and authorizing the Vendors to complete the Transaction and transfer the Assets and Peripheral Assets, and providing for:
  - (i) the vesting of all right, title and interest of the Vendors in and to the Assets in the Purchaser, as contemplated by this Agreement, free and clear of all Encumbrances, other than Permitted Encumbrances;
  - (ii) directing the Land Title Office to transfer the fee simple interest to the Real Estate and the undersurface rights in respect of the Mineral Claims to the Purchaser, and directing the Vendors together with the Purchaser to register a notice of the transfer of the MTOs under the *Mineral Tenure Act*;
  - (iii) the transfer to the Purchaser of the Books and Records and Peripheral Assets;
  - (iv) approving the Receiver's consent to the transfer to the Purchaser of the Licences and Permits and the transfer to the Purchaser of the benefit of the Environmental Assessment Certificate;
  - (v) the assumption by the Purchaser of the Assumed Obligations; and
  - (vi) allocation and distribution of the Purchase Price,together with such other terms and conditions as may ordinarily be contained in such an approval and vesting order and substantially in the form annexed as Schedule F to this Agreement;
- (d) "Assets" means the Real Estate, the Mineral Claims and the MTOs;

- (e) "Assumed Obligations" means the obligations and liabilities arising from and after the Closing under the Licences and Permits, and land taxes relating to the Assets;
- (f) "Books and Records" means 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 Company's data management), maps, reports and sundry data in the possession of the Vendors, including located at a Burnaby storage depot leased by the Vendors pertaining to the Assets;
- (g) "Business Day" means a day on which banks are open for business in the City of Vancouver, British Columbia, but does not include a Saturday, Sunday or other statutory holiday in the Province of British Columbia;
- (h) "Certificate of Appointment" means the Certificate by the Office of the Superintendent of Bankruptcy dated June 29, 2009 under section 49 of the *Bankruptcy and Insolvency Act* relating to the assignment and bankruptcy filed by the Company attached as Schedule E;
- (i) "Chieftain Securities" has the meaning assigned to it in section 2.6 of this Agreement.
- (j) "Closing" means the completion of the sale to and purchase by the Purchaser of the Assets and the assumption by the Purchaser of the Assumed Obligations under this Agreement;
- (k) "Closing Date" means the 15th Business Day after the Approval and Vesting Order has been granted by the Court or such other date as agreed to by the parties;
- (l) "Closing Time" means 10:00 a.m., Pacific daylight saving time, on the Closing Date or such other time on such date as the parties may agree in writing as the time at which the Closing shall take place;
- (m) "Company" means Redfern Resources Ltd.;
- (n) "Construction Lien Claimants" means, collectively, Procon Mining and Tunnelling Ltd., Arctic Const. Ltd., Canron Western Constructors Ltd., Aecom Canada Ltd., Sanitherm Inc. and Klohn Crippen Berger Ltd.;
- (o) "Contamination" means contamination as defined in Part 4 of the *Environmental Management Act* (British Columbia);
- (p) "Court" means the Supreme Court of British Columbia;

- (q) "Encumbrances" means any pledge, lien, charge, security interest, lease, sub-lease, title retention agreement, mortgage, encumbrance, option or other adverse claim of any kind or character whatsoever;
- (r) "Environment" means the air above the land, the water (including surfacewater and groundwater) in, on, adjoining and under the land and the land (including soil, sediments and lands submerged under water) as well as all animals, plants, fish and other species using or living in such areas;
- (s) "Environmental Assessment Certificate" means the Environmental Approval Certificate M02-01, issued on December 12, 2002 to Redfern Resources Ltd., as amended;
- (t) "Environmental Laws" means all statutes, laws, regulations, the common law and equity, orders, bylaws, standards, directions, policies, interpretations, rules, codes, orders, judgments, determinations, guidelines, permits or other requirements of any Government Authority, now or hereafter in force, relating in any way to the Environment, human health, occupational health and safety or transportation of dangerous goods, and including the *Canadian Environmental Protection Act, 1999* (Canada), the *Fisheries Act* (Canada), the *Transportation of Dangerous Goods Act, 1992* (Canada), the *Transport of Dangerous Goods Act* (British Columbia), the *Environmental Management Act* (British Columbia), and all rules and regulations promulgated from time to time thereunder including the *Contaminated Sites Regulation* (British Columbia);
- (u) "Environmental Liabilities" means any and all liabilities, claims, demands, obligations, causes of action, remediation, cost recovery actions, investigations, proceedings, orders, violations, damages, losses, costs, expenses, judgments, penalties, or fines asserted by any third party (including any private party or Government Authority), arising out of, or relating to the Environment or Environmental Laws, and including any cost of removing or disposing of any Hazardous Materials, any costs relating to enforcement or remedial actions, and any other costs or expenses whatsoever, related to Contamination;
- (v) "Government Authority" means any federal, provincial, regional, municipal or local government or subdivision thereof including an entity or Person exercising executive, legislative, regulatory or administrative functions of, or pertaining to, any such government or subdivision, and any board or tribunal;
- (w) "Hazardous Materials" means any hazardous product, contaminant, toxic or corrosive substance, deleterious substance, special waste, dangerous good or reportable substance that is identified or described in or defined by Environmental Laws and any other substance the storage, manufacture, disposal, treatment, generation, use, transportation, remediation, release



into or concentration in the Environment of which is prohibited, controlled, regulated or licensed by any Government Authority or under Environmental Laws;

- (x) "Intellectual Property" means any right, title, or interest of the Vendor in and to any intellectual property, included in the Books and Records;
- (y) "Land Title Office" means the Prince Rupert Land Title Office in Prince Rupert, British Columbia;
- (z) "Laws" means any statute, law, ordinance, rule or regulation, or any judgment, order or decree;
- (aa) "Licences" and "Permits" mean the licences and permits with Governmental Authorities referred to in section 2.8, the Environmental Assessment Certificate and any other licences and permits relating to the Assets that are identified by the Purchaser prior to the Closing;
- (bb) "Mineral Claims" means the Crown granted mineral claims described in Schedule A;
- (cc) "MTOs" means the mineral titles online claims described in Schedule B;
- (dd) "Peripheral Assets" means:
  - (i) any assay sample rejects and pulps held by laboratories (including Eco-Tech, G&T Metallurgical in Kamloops, and ALS Chemex in North Vancouver and IME Laboratories in Kelowna) and provided to or in the possession of the Vendors at the Closing Time;
  - (ii) any drillcore samples of the Company in the possession of the Vendors 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 Vendors; and
  - (iii) a Sanitherm water treatment plant, inclusive of building enclosure, if any, located at Sevana, BC;
- (ee) "Permitted Encumbrances" means:
  - (i) the legal notation and rights of way listed in the Schedules hereto with respect to the Assets or other minor title defects or irregularities;
  - (ii) the exceptions and reservations contained in the original Crown grant with respect to the Real Estate or contained in any other grant or disposition from the Crown and statutory exceptions and

reservations to title set forth in the *Land Title Act* (British Columbia) and *Land Act* (British Columbia);

- (iii) municipal restrictions on the Real Estate, including building, zoning and other applicable bylaws;
  - (iv) those expressly contained or provided for in the Licences and Permits assumed by the Purchaser hereunder;
  - (v) any claim of right, title or jurisdiction which may be made or established by any aboriginal peoples by virtue of their status as aboriginal peoples to or over any lands, waters or products harvested therefrom (but the inclusion of any such claim as a Permitted Encumbrance shall not be interpreted or in any way construed as an admission by either party of the existence or validity of any such claim); and
  - (vi) liens for taxes, assessments, rates, duties, charges or levies not at the time due, which relate to obligations or liabilities assumed by the Purchaser.
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- (ff) "Person" means any individual, sole proprietorship, partnership, incorporated association, incorporated syndicate, incorporated organization, trust, body, corporate or governmental authority;
  - (gg) "Prepaid Expenses" means all prepaid expenses including prepaid property taxes, utilities and waste management expenses;
  - (hh) "Purchase Price" means Cdn \$15,417,000 (Fifteen Million Four Hundred Seventeen Thousand Canadian dollars) subject to adjustment pursuant to section 2.7;
  - (ii) "Purchaser" means Chieftain Metals Inc.;
  - (jj) "Purchaser's Solicitors" means Ogilvy Renault LLP;
  - (kk) "Real Estate" means the parcels of land legally described in Schedule C and all improvements thereon;
  - (ll) "Receiver" means Alvarez & Marsal Canada Inc.;
  - (mm) "Receivership Order" means the Order of the Court granted May 29, 2009 in the Action attached as Schedule D;
  - (nn) "Transaction" means the transactions contemplated by this Agreement, including the sale of the Assets to the Purchaser and assumption by the Purchaser of the Assumed Obligations;

(oo) "Trustee" means Abakhan & Associates, Inc.

(pp) "Vendors" mean the Trustee in its capacity as trustee in bankruptcy and the Receiver in its capacity as Interim Receiver and Receiver and not in their personal capacities; and

(qq) "Vendors' Solicitors" means Davis LLP.

1.2 **Interpretation Not Affected.** The division of this Agreement into sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. Unless otherwise indicated, all references to a "section" followed by a number and/or a letter refer to the specified section of this Agreement. The terms "this Agreement", "hereof", "herein" and "hereunder" and similar expressions refer to this Agreement and not to any particular section hereof.

1.3 **Extended Meanings.** Words importing the singular include the plural and vice versa, words importing gender include all genders and words importing persons include individuals, partnerships, associations, trusts, unincorporated organizations, corporations and governmental authorities. Whenever used in this Agreement, the words "includes" and "including" and similar terms of inclusion shall not, unless expressly modified by the words "only" or "solely", be construed as terms of limitation, but rather shall mean "includes but is not limited to" and "including but not limited to", so that references to included items or matters shall be regarded as illustrative without being either characterizing or exhaustive. All references to "days" other than Business Days shall mean calendar days.

1.4 **Schedules.** The following Schedules are incorporated in and form part of this Agreement:

Schedules

- A Description of Mineral Claims
- B Description of MTOs
- C Description of the Real Estate
- D Copy of the Receivership Order
- E Copy of Certificate of Appointment
- F Draft Approval and Vesting Order

## ARTICLE 2 - SALE AND PURCHASE

2.1 **Sale and Purchase of Assets.** Subject to the terms and conditions of this Agreement each of the Vendors agrees to sell, assign and transfer to the Purchaser and the Purchaser agrees to purchase and assume from each of the Vendors, effective as of the Closing Time, all of each Vendor's right, title and interest, to the extent that each Vendor has a right, title and interest, in and to the Assets and the Books and Records and Peripheral Assets. If any portion of the Assets are omitted or excluded from the Approval and Vesting Order, the Purchaser may, at its discretion, decline to proceed with the Transaction and will be entitled to the full refund of the deposit referred to in section 2.6.

2.2 **Assignments of Licences and Permits Requiring Consent.** This Agreement and any document delivered under this Agreement shall not constitute an assignment or an attempted assignment of any of the Licences and Permits contemplated to be assigned to the Purchaser under this Agreement which is not assignable without the consent of a third party if such consent has not been obtained or if such assignment or attempted assignment will constitute a breach of such License and Permit. To the extent any required consent has not been obtained by the Closing Time, the Vendors and the Purchaser shall use reasonable commercial efforts to obtain such consent as soon as possible after the Closing and the Vendors shall take such reasonable steps, at the cost of the Purchaser, as necessary for the Purchaser to realize to the extent practicable the benefits of the Licences and Permits pending receipt of such consents. The failure to obtain any of such consents or approvals or the failure to assign any such Licences and Permits as a result of not obtaining such consents or approvals shall not relieve the Purchaser from its obligation to complete the purchase and sale of the Assets hereunder.

2.3 **"As is, Where is".**

- (a) The Purchaser acknowledges that the Vendors are selling the Assets and Peripheral Assets on a strictly "as is, where is" and "without recourse" basis as they shall exist at the Closing Time, and that the Purchaser's completion of the Transaction constitutes the Purchaser's acknowledgement that it has satisfied itself with regard to all matters relating to the physical condition of the Assets and Peripheral Assets. The Purchaser shall at its own expense conduct its own inspection and investigation of the Assets and Peripheral Assets and the Vendors are not obligated to do so. The Vendors will provide access to the Purchaser and its representative to the Assets and Peripheral Assets for the purpose of such investigations promptly after signing this Agreement. The Purchaser further acknowledges that it has entered into this Agreement on the basis that neither of the Vendors guarantees title to the Assets or the Peripheral Assets, but on the condition that the parties will obtain the Approval and Vesting Order with respect to the sale of the Assets and Peripheral Assets and the consummation of the Transaction. No representation, warranty or condition is expressed or implied as to title, Encumbrances, Environmental Liabilities, Contamination, description, fitness for purpose or use, merchantability,

assignability, condition, defect (patent or latent), collectibility, quantity or quality, acreage or area, or the validity, invalidity or enforceability of any Intellectual Property or in respect of any other matter or thing whatsoever, either express or implied, concerning the Assets and Peripheral Assets or the right of the Vendors or either of them to sell them. Without limiting the generality of the foregoing, all conditions, warranties or representations expressed or implied pursuant to any applicable statute, including the *Sale of Goods Act* (British Columbia) or other similar legislation, do not apply hereto and are hereby waived by the Purchaser. The description of the Assets and Peripheral Assets set out herein is for the purpose of identification only and no representation, warranty or condition has or will be given by the Vendors concerning completeness or the accuracy of such descriptions.

- (b) The Purchaser acknowledges that the Assets have been used for various industrial and mining purposes and that such use could have resulted in Environmental Liabilities including the presence of Contamination and/or Hazardous Materials at, on or under the Assets or such Contamination and/or Hazardous Materials potentially affecting neighbouring properties, waterbodies or other areas. The Purchaser waives any requirements for the Vendors to obtain or provide site profiles pursuant to Part 4 of the *Environmental Management Act* (British Columbia) with regard to the transfers contemplated by this Agreement. As between the Vendors and the Purchaser the Vendors shall have no responsibility for any Environmental Liabilities.
- (c) The Purchaser acknowledges and agrees that there are no representations or warranties with respect to the fitness, condition, zoning or lawful use of the Assets and Peripheral Assets or any other matter and agrees to accept the Assets and Peripheral Assets "as is, where is" and "without recourse" and subject to:
  - (i) the environmental condition of the Assets and Peripheral Assets existing on or before the Closing Date; and
  - (ii) all municipal, provincial or other governmental bylaws, restrictions and orders affecting the Assets and Peripheral Assets and the use of the Assets and Peripheral Assets in existence on the Closing Date or occurring or arising on or before the Closing Date.
- (d) The Purchaser acknowledges that the Vendors are assigning their interests, if any, in the Licences and Permits, and that the Vendors make no representations and warranties concerning the Licences and Permits, including the status or assignability of the Licences and Permits, but that the Vendors will cooperate with the Purchaser to effect assignment of the Licences and Permits as provided in section 2.2.

**2.4 Assumed Obligations.** The Purchaser shall assume as of Closing all the Assumed Obligations.

**2.5 Land Taxes and Utilities.** The Purchase Price will not be subject to adjustments and, with respect to land taxes, the Purchaser agrees to assume responsibility for these obligations and to pay them as they become due.

**2.6 Payment of the Purchase Price.** The Vendors acknowledge having received a deposit of \$285,000 by wire transfer to the Vendors' Solicitors, to be applied on account of the Purchase Price. The Purchase Price shall be paid, without any adjustments, by the Purchaser on the Closing Date all on and subject to the usual undertakings and closing procedures and escrow arrangements between the Vendors' Solicitors and the Purchaser's Solicitors applicable to transactions in British Columbia similar to those contemplated under this Agreement (a) by wire transfer of immediately available funds to the bank account nominated by the Vendors or Vendors' Solicitors or by certified solicitor's trust cheque, bank draft or certified cheque payable to or as directed by the Vendors or to the Vendors' Solicitors, in trust, as to \$12,417,000, and (b) by fully paid and non-assessable treasury shares and share purchase warrants having a subscription price in the aggregate of \$3,000,000 (the "Chieftain Securities"), registered in the name of the applicable Construction Lien Claimants, as provided in section 2.7 of this Agreement. The Purchase Price shall be paid as follows:

- (a) \$7,500,000 shall be paid to the Receiver, from which \$75,000 shall be paid by the Receiver to the Trustee, and
- (b) \$7,917,000 shall be paid in accordance with the Approval and Vesting Order as to \$7,842,000 and \$75,000 shall be paid to the Trustee.

**2.7 Allocation of Purchase Price.** The Vendors and the Purchaser agree that the Purchase Price will be allocated among the Assets and the Peripheral Assets as follows:

- (a) as to the Mineral Claims \$7,916,000;
- (b) as to the MTOs \$7,499,999;
- (c) as to the Real Estate \$1,000;
- (d) as to the Books and Records and Peripheral Assets \$1.

The portion of the Purchase Price allocated to the MTOs shall be allocated to the secured noteholders. With respect to the portion of the Purchase Price allocated to the Mineral Claims, the amount of \$7,842,000, which shall include the Chieftain Securities, shall be allocated for the purposes of this Transaction to satisfy in full the builders' lien claims of the following Construction Lien Claimants as follows:

- (e) as to the 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;

- (f) as to the lien claimed by Arctic Const. Ltd. ("Arctic"), \$1,947,000 in cash and 425,806 Chieftain Securities to Arctic or as it may direct in writing;
- (g) as to the 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;
- (h) as to lien claimed by Aecom Canada Ltd., \$300,000 in cash;
- (i) as to lien claimed by Sanitherm Inc., \$95,000 in cash; and
- (j) as to lien claimed by Klohn Crippen Berger Ltd., \$22,000 in cash.

Each of the Vendors and the Purchaser will be bound by the allocation of the Purchase Price as specified herein for purposes of determining any and all applicable taxes, prepare and file its tax returns and report the sale and purchase of the Assets and the Peripheral Assets for all tax purposes in a manner consistent with that allocation, and not take any position on any return, declaration, report or information return or statement inconsistent with that allocation. Each party will promptly notify the other party if it receives notice that any Government Authority proposes any allocation of the Purchase Price that is different from the allocation as specified herein.

**2.8 Letters of Credit.** The parties acknowledge that the Company obtained authorizations (the "Licences") from Fisheries and Oceans Canada pursuant to s.35(2) of the *Fisheries Act* to undertake works affecting fish habitat and as security for performing its obligations under those Licences the Company deposited \$500,000 with Royal Bank of Canada as security for the issuance of standby letters of credit in favour of Fisheries and Oceans Canada (the "Fisheries Letters of Credit").

The parties further acknowledge that the Company has been the holder of reclamation permits (the "Permits") issued pursuant to the *Mines Act* (British Columbia) requiring the Company to perform certain reclamation obligations, and as security for performance of those obligations under the Permits the Company deposited \$1,700,000 with Hongkong Bank of Canada pursuant to safekeeping agreements as security for the issuance of letters of credit in favour of the Province of British Columbia (the "Mines Letters of Credit").

The Receiver will as soon as is reasonably practicable after Closing grant its consent to the transfer of the Permits and Licences on the condition that the Purchaser will pay to the Vendors, in addition to the Purchase Price, those amounts as described in section 6.4.

**2.9 Taxes.** The Purchaser shall pay directly to the appropriate taxation authorities all applicable federal and provincial taxes and other fees or costs payable in connection with the purchase and sale of the Assets. Where applicable, the Purchaser shall furnish the Vendors with appropriate exemption certificates, provided that, if the exemption is not accepted by the appropriate taxation authority and taxes become payable, the Purchaser will forthwith pay such taxes, and any applicable interest and penalties.

**2.10 Additional Provisions.** The Vendors and Purchaser acknowledge and agree that:

- (a) the Vendors may receive more than one offer for the Assets; and
- (b) each offer received by the Vendors is subject to the consideration and possible approval of the Court.

**2.11 Court Approval.** The Vendors undertake to use reasonable commercial efforts to obtain the Approval and Vesting Order as soon as practicable following the satisfaction of the conditions precedent contained in section 5.1 or the waiver thereof by the Purchaser, and to provide the Purchaser with notice of the motion upon which the Approval and Vesting Order will be sought. The Vendors shall file with the Court, to be heard on or before September 24, 2010, or such other date as may be mutually agreed to in writing by the parties hereto, a motion seeking the Approval and Vesting Order and subject to no Competing Offer (as defined below) being before the Court, the Vendors will recommend that the Court approve the Transaction. The Purchaser agrees to appear at such motion to confirm its support of the same. It is acknowledged by the Purchaser that the Vendors are subject to the jurisdiction and discretion of the Court with regard to competing offers, if any, and to any further orders the Court may make regarding the Assets or the sale thereof. In that regard, the Purchaser must make its own arrangements to support the Agreement in Court. The Vendors agree that they will not accept or advance to the Court any competing offer unless it is an all cash offer at least \$1,000,000 greater than the Purchase Price herein in total cash payment plus the value of the letters of credit referred to in section 2.8 with evidence of committed financing to support this competing offer (a "Competing Offer"). Subject to the directions of the Court, the Purchaser may seek the right to match any Competing Offer and proceed with the Closing as provided herein. If the Purchaser declines to match the Competing Offer, the Vendors agree that the Purchaser will, subject to the approval of the Court, be paid a break fee of \$1,000,000 and the deposit referred to in section 2.6 will be immediately returned to the Purchaser without interest. At the initial application for approval of the Vesting Order, if there is a Competing Offer, the Vendors will advocate for the right of the Purchaser to match such offer and close this Transaction, and if the Purchaser does not match such Competing Offer and the Competing Offer results in the sale of the Assets that the Purchaser receive a break fee. Despite any other terms of this Agreement, if:

- (a) the Vendors are unable to obtain the Approval and Vesting Order; or
- (b) the Vendors are unable for any reason to complete the sale pursuant to the Approval and Vesting Order for reasons beyond the control of the Vendors; or
- (c) the Closing does not occur on or before October 15, 2010,

then the Vendors will have the right to terminate this Agreement, and upon the Vendors giving written notice to the Purchaser that they are doing so, this Agreement will be cancelled.



**2.12 Financial and Other Information.** The Purchaser acknowledges that any information, including financial information, supplied to the Purchaser by either of the Vendors or its agents or representatives, is and was supplied without any representation or warranty, and that the responsibility for verification of any such information is wholly the responsibility of the Purchaser. To the extent that any misdescription or inaccuracy does occur in any Schedule attached to this Agreement or with respect to any Asset forming part of the subject matter of this Transaction, the Purchaser acknowledges that same has been prepared and delivered on a "reasonable commercial efforts" basis by the Vendors and the Vendors will not be liable to the Purchaser for any loss, damage, cost, expense, claim, action or demand arising out of any such misdescription or inaccuracy.

### **ARTICLE 3 - REPRESENTATIONS AND WARRANTIES**

**3.1 Purchaser's Representations.** The Purchaser represents and warrants to the Vendors that:

- (a) the Purchaser is a corporation duly incorporated, organized and subsisting under the laws of the Province of Ontario;
- (b) the Purchaser has all necessary corporate power, authority and capacity to enter into this Agreement, to complete the Transaction and to perform its obligations hereunder, and the execution and delivery of this Agreement and the consummation of the Transaction have been duly authorized by all necessary corporate action on the part of the Purchaser;
- (c) the Purchaser is not a party to, bound or affected by or subject to any agreement, instrument, charter or by-law, provision, order, judgment or decree that would be violated, contravened or breached by the execution and delivery by it of this Agreement, completion of the Transaction or the performance by it of its obligations hereunder; and
- (d) this Agreement and all other documents and agreements contemplated hereunder to which the Purchaser is or will be a party have been or will be, as at the Closing Time, duly and validly executed and delivered by the Purchaser and constitute or will, as at the Closing Time, constitute legal, valid and binding obligations of the Purchaser, as the case may be, enforceable in accordance with the terms hereof or thereof.

**3.2 Trustee's Representations.** The Trustee represents and warrants to the Purchaser as follows:

- (a) the Trustee is a corporation duly incorporated under the laws of province of British Columbia;
- (b) subject to the granting of the Approval and Vesting Order, the Trustee has the right to enter into this Agreement, to complete the Transaction and to perform its obligations hereunder;

- (c) the Trustee is not a party to, bound or affected by or subject to any agreement, instrument, charter or by-law, provision, order, judgment or decree that would be violated, contravened or breached by the execution and delivery by it of this Agreement, completion of the Transaction or the performance by it of its obligations hereunder;
- (d) attached hereto as Schedule E is a true and complete copy of the Certificate of Appointment, which certificate remains in full force and effect;
- (e) subject to the granting of the Approval and Vesting Order, this Agreement and all other documents and agreements contemplated hereunder to which the Trustee is or will be a party have been or will be, as at the Closing Time, duly and validly executed and delivered by the Trustee and constitute or will, as at the Closing Time, constitute legal, valid and binding obligations of the Trustee, as the case may be, enforceable in accordance with the terms hereof or thereof; and
- (f) the Trustee is not a "non-resident" of Canada within the meaning of the *Income Tax Act* (Canada).

**3.3 Receiver's Representations.** The Receiver represents and warrants to the Purchaser as follows:

- (a) the Receiver is a corporation duly incorporated under the federal laws of Canada;
- (b) subject to the granting of the Approval and Vesting Order, the Receiver has the right to enter into this Agreement, to complete the Transaction and to perform its obligations hereunder;
- (c) the Receiver not a party to, bound or affected by or subject to any agreement, instrument, charter or by-law, provision, order, judgment or decree that would be violated, contravened or breached by the execution and delivery by it of this Agreement, completion of the Transaction or the performance by it of its obligations hereunder;
- (d) attached hereto as Schedule D is a true and complete copy of the Receivership Order, which Receivership Order remains in full force and effect;
- (e) subject to the granting of the Approval and Vesting Order, this Agreement and all other documents and agreements contemplated hereunder to which the Receiver is or will be a party have been or will be, as at the Closing Time, duly and validly executed and delivered by the Receiver and constitute or will, as at the Closing Time, constitute legal, valid and binding obligations of the Receiver, as the case may be, enforceable in accordance with the terms hereof or thereof; and

- (f) the Receiver is not a "non-resident" of Canada within the meaning of the *Income Tax Act* (Canada).

#### ARTICLE 4 - OTHER CONDITIONS

4.1 **Compliance with Laws.** The Purchaser shall assume, at its cost, complete responsibility for compliance with all municipal, provincial, local and federal Laws insofar as the same apply to the Assets and the use of them by the Purchaser after the Closing Date. It shall be the Purchaser's sole responsibility to obtain, and pay the cost of obtaining any consents, permits, licences or other authorizations necessary or desirable for the transfer to the Purchaser of the Vendors' right, title and interest, if any, in the Assets.

4.2 **Insurance.** All insurance maintained by the Vendors relating to the Assets will be cancelled as of the Closing Date, and the Purchaser will be responsible for placing its own insurance as of and after the Closing Date.

4.3 **Books and Records.** At the Closing Time or promptly thereafter, the Vendors shall deliver to the Purchaser the Books and Records. The Purchaser shall allow the Vendors access from time to time to any of the Books and Records during the Purchaser's business hours upon reasonable notice and shall permit the Vendors to make copies thereof at the Vendors' expense to the extent reasonably necessary for the Vendors to comply with any applicable law. The Purchaser shall retain the Books and Records as required by applicable laws, and thereafter the Purchaser may destroy any of the Books and Records.

4.4 **Peripheral Assets.** At the Closing Time or promptly thereafter, the Vendors shall deliver to the Purchaser the Peripheral Assets, provided, however, that the Purchaser shall be responsible for and shall pay any and all costs of obtaining and moving and any claims and costs (whether for storage or otherwise) of third parties relating to the Peripheral Assets.

#### ARTICLE 5 - CONDITIONS

5.1 **Conditions - Vendors and Purchaser.** The obligation of the Purchaser to complete the Transaction is subject to the following conditions being fulfilled or performed:

- (a) [Intentionally deleted].
- (b) (i) On or before September 10, 2010, the Purchaser shall have closed a financing for funding sufficient to close the Transaction and funds from that financing shall be held in trust and available to be paid out to the Vendors' Solicitors to complete the Transaction subject and shall have fulfilled or performed all of the Purchaser's conditions precedent to Closing, subject only to the granting of the Approval and Vesting Order. If the Purchaser either (1) (a) has not closed such financing (b) does not have access to trust funds from that financing available to be paid out only

subject to the granting of the Approval and Vesting Order and (c) does not confirm items (a) and (b) in writing to the Vendors' Solicitors, or (2) shall not have fulfilled or performed all of the conditions precedent to Closing under this Agreement to be fulfilled or performed by the Purchaser, all on or before September 10, 2010, then this Agreement is terminated, null and void and of no further force and effect without any further action being required by the Vendors and without any continuing duties or obligations or liabilities of the Vendors or either of them to the Purchaser or to any financier or potential financier or advisor to the Purchaser and without any claim or other right of recourse by or available to the Purchaser, except for the return of the Purchaser's deposit without interest, as referred to in section 2.6, which shall forthwith be returned by the Vendors' Solicitors to TerraNova Partners L.P., without request or other act. Notwithstanding the immediately preceding sentence, if the Purchaser (x) requests or otherwise requires an extension to the September 10, 2010 date to close the financing and to have trust funds available to be paid out as provided above, or (y) shall not have fulfilled or performed all of the Purchaser's conditions precedent to Closing and requests or requires a delay of the date of termination of this Agreement, then any such requests or requirement for an extension by the Purchaser shall, if agreed to in writing by the Vendors and the Purchaser, result in the deposit forthwith becoming refundable as of September 10, 2010, and if the Transaction does not close due to the fault or non-performance of the Purchaser, then the deposit shall without further action be forwarded to the Vendors absolutely. The Purchaser and the Vendors expressly acknowledge and agree that time is of the essence of the requirement to comply with the above condition in this sub-section 5.1(b)(i).

(ii) With respect to the claim of lien by Matthews Equipment Ltd.,

(a) the Purchaser shall have settled this claim prior to the application to the Court for the Approval and Vesting Order, or

(b) failing having obtained such settlement, the Purchaser shall (A) support the Vendors' application to the Court to post funds in order to discharge such lien (such application to be made at the same time as the application for the Approval and Vesting Order), and (B) pay to the Vendors' Solicitors at the Closing Time for such purpose such amounts as are required to have the Matthews Equipment Ltd. lien removed from the Real Estate.

(c) at or prior to the Closing Time:

(i) all representations and warranties of the Vendors contained in this Agreement shall be true as of the Closing Date in all material respects with the same effect as though made on and as of that date and the Vendors shall have performed in all material respects each

of their obligations under this Agreement to the extent required to be performed on or before the Closing Date, and the Vendors shall have delivered to the Purchaser a certificate of an officer of each of the Vendors dated the Closing Date certifying that all representations and warranties of the Vendors contained in this Agreement are true in all material respects with the same effect as though made on and as of the Closing Date and that the covenants, agreements and obligations of the Vendors in this Agreement on the part of the Vendors to be performed or complied with at or prior to the Closing have been performed and complied with in all material respects, or identifying any breach of or inaccuracy in such representations and warranties and/or any covenant, agreement, or obligation of the Vendors which has not been performed or complied with;

- (ii) the Vendors shall have delivered to the Purchaser all necessary deeds, conveyances, bills of sale, transfers, assignments and any other instruments necessary, customary or reasonably required to transfer to the Purchaser such title in and to the Assets as required by the terms of this Agreement.

The foregoing conditions in section 5.1(b) are for the benefit of both the Vendors and the Purchaser, and the conditions in section 5.1(c) are for the exclusive benefit of the Purchaser. Any such conditions may be waived by the beneficiary of that condition in whole or in part. Any such waiver shall be binding on such beneficiary only if made in writing. If any of the foregoing conditions are not satisfied or waived as of the date stipulated for satisfaction in section 5.1(b), or as of the Closing Date in the case of section 5.1(c), this Agreement shall, at the option of the beneficiary, be terminated and of no further force and effect and the deposit referred to in section 2.6 shall be returned to the Purchaser without interest.

**5.2 Conditions - Vendors.** The obligations of the Vendors to complete the Transaction is subject to the following conditions being fulfilled or performed at or prior to the Closing Time:

- (a) all representations and warranties of the Purchaser contained in this Agreement shall be true as of the Closing Date with the same effect as though made on and as of that date, and the Purchaser shall have performed in all material respects each of its obligations under this Agreement to the extent required to be performed on or before the Closing Date, and the Purchaser shall have delivered to the Vendors a certificate of an officer of the Purchaser dated the Closing Date certifying that all representations and warranties of the Purchaser contained in this Agreement are true in all material respects with the same effect as though made on and as of the Closing Date and that the covenants, agreements and obligations of the Purchaser in this Agreement on the part of the Purchaser to be performed or complied with at or prior to the Closing have been performed and complied

with in all material respects, or identifying any breach of or inaccuracy in such representations and warranties and/or any covenant, agreement, or obligation of the Purchaser which has not been performed or complied with;

- (b) the Vendors are able to convey all of the Assets and have not lost possession or control thereof for any reason; and
- (c) the Purchaser shall have delivered to the Vendors certified resolutions of the directors of the Purchaser authorizing this Agreement and the transactions contemplated in this Agreement.

The foregoing conditions are for the exclusive benefit of the Vendors. Any such condition may at the option of the Vendors be waived by the Vendors in whole or in part. Any such waiver shall be binding on the Vendors only if made in writing. If any of the foregoing conditions are not satisfied or waived as of the Closing Date, this Agreement shall at the option of the Vendors, be terminated and of no further force and effect and, except for the condition referred to in section 5.2(b) (whereupon the deposit will be returned to the Purchaser), the deposit made by the Purchaser referred to in section 2.6 will be forfeited to the Vendors.

**5.3 Approval and Vesting Order and Environmental Assessment Certificate.**  
The obligations of the Vendors and the Purchaser to complete the Transaction are subject to the condition that:

- (a) the Approval and Vesting Order shall have been granted by the Court;
- (b) the Approval and Vesting Order shall not have been stayed, varied in any material respect or vacated, and no order shall have been issued and no action or proceeding at law or in equity shall be pending to restrain or prohibit the completion of the Transaction; and
- (c) on or prior to August 13, 2010, or such later date as may be agreed (i) the parties shall have received confirmation from the Environmental Assessment Office (BC) that the Ministry of Environment (BC) has consented to the transfer to the Purchaser of the interest of Redfern Resources Ltd. in the Environmental Assessment Certificate and the property which is the subject of the Environmental Assessment Certificate and (ii) the Purchase shall have provided to Environment Canada a remediation plan acceptable to Environment Canada to respond to the Direction issued pursuant to section 38(6) of the *Fisheries Act* relating to the discharge of deleterious substances in waters adjacent to the Redfern Resources Ltd. mine site. The parties will cooperate in obtaining such information and if the Transaction does not close solely by reason of such confirmation not being given, the Purchaser's deposit will forthwith be returned to TerraNova Partners L.P.

The foregoing conditions are for the mutual benefit of the Vendors and the Purchaser and shall not be waived without the mutual agreement of the parties and if not waived or satisfied the deposit made by the Purchaser referred to in section 2.6 will be returned to the Purchaser.

#### ARTICLE 6 - CLOSING

6.1 Closing. The completion of the Transaction shall take place at the offices of the Vendors' Solicitors on the Closing Date at the Closing Time.

6.2 Purchaser's Deliveries on Closing. At or before the Closing Time, the Purchaser shall deliver to the Vendors' Solicitors for the benefit of the Vendors the following, each of which shall be in form and substance satisfactory to the Vendors, acting reasonably:

- (a) payment of the Purchase Price as provided in section 2.6;
- (b) a general assumption of the Assumed Obligations;
- (c) certified copies of those resolutions of the directors of the Purchaser required to be passed to authorize the execution, delivery and implementation of this Agreement and of all documents to be delivered by the Purchaser under this Agreement; and
- (d) a release by the Purchaser of each of the Vendors and each of its respective directors, officers, employees, agents, successors and assigns from any and all claims with respect to the Vendors and their business and affairs, in form reasonably satisfactory to the Vendors and the Purchaser.

6.3 Vendors' Delivery on Closing. At or before the Closing Time, the Vendors shall deliver to the Purchaser the following, each of which shall be in the form and substance satisfactory to the Purchaser, acting reasonably:

- (a) a certified copy of the Approval and Vesting Order and forms of transfer;
- (b) if not previously delivered to or otherwise in the possession of the Purchaser, all Licences and Permits and the Vendors' consent to the transfer and assignment thereof to the Purchaser, and other documents relating to, used or obtained in respect of the Assets to the extent in the possession of the Vendors; and
- (c) such other documents and items, including tax elections, as the Purchaser may reasonably require to ensure the completion of the Transaction.

6.4 Receiver's Delivery Post Closing. As soon as is reasonably practicable after Closing, the Receiver will provide its consent to the Purchaser for the transfer to the Purchaser of the Licences and Permits and other documents relating to, used or obtained in respect of the Assets to the extent in the possession of the Receiver on the condition that the Purchaser will pay to the Vendors, in addition to the Purchase Price:

- (a) an amount equal to any funds existing with Royal Bank of Canada or Fisheries and Oceans Canada relating to the Fisheries Letters of Credit and the Vendors will transfer to the Purchaser all the rights of the Company and Vendors in respect of the Licences and the Fisheries Letters of Credit; and
- (b) an amount equal to any funds existing with Hongkong Bank of Canada relating to the Mines Letters of Credit and the Vendors will transfer to the Purchaser all the rights of the Company and Vendors in respect of the Permits and the Mines Letters of Credit.

The Purchaser shall at Closing deliver to the Receiver, to be held in escrow, fully paid and non-assessable treasury shares and share purchase warrants in the capital of the Purchaser, registered in the name of the Receiver or as directed by the Receiver, having a subscription price in the aggregate of \$750,000, paid on account of the security deposited by the Company with Royal Bank of Canada and Hongkong Bank of Canada for issuance of the letters of credit referred to in section 2.8, which shares are to be released from escrow upon the release or transfer to the Purchaser or crediting to the Purchaser by the Province of British Columbia or Fisheries and Oceans Canada of at least \$750,000 of the deposited funds referred to in section 2.8.

**6.5 Terms of Closing.** The Closing shall not be completed, nor shall the documents tabled for delivery at the Closing Time be delivered, until all conditions of Closing (including the deliveries contemplated by this Article 6) have been fulfilled or waived and the Approval and Vesting Order transferring the Real Estate and the Mineral Claims to the Purchaser has been deposited for application for registration in the Land Title Office, and notice of the transfer of the MTOs has been recorded with the Chief Gold Commissioner pursuant to the *Mineral Tenure Act* and receipt of satisfactory post-application index searches have been received which indicate that in the normal course of the Land Title Office's routine, title to the Real Estate will be issued to the Purchaser, and the charge of Undersurface Rights in respect of the Mineral Claims has been registered in favour of the Purchaser, and the notice of the transfer of the MTOs has been recorded in the records of the Chief Gold Commissioner subject only to the Permitted Encumbrances or encumbrances deriving from the Purchaser.

**6.6 Purchaser's Acknowledgement.** The Purchaser acknowledges that the Vendors are selling the Assets and Peripheral Assets pursuant to the Vendors' powers and as authorized by the Approval and Vesting Order. The Purchaser agrees to accept a conveyance of the Assets and Peripheral Assets pursuant to the Approval and Vesting Order and such other conveyance documents as identified in section 6.3 and determined by the Vendors, acting reasonably, as being necessary to transfer the Assets and Peripheral Assets to the Purchaser.

**6.7 Possession of Assets.** The Vendors shall remain in possession of the Assets and Peripheral Assets until the completion of the Closing. The Purchaser shall take possession of the Assets and Peripheral Assets where situate at the Closing Time. In no event shall title to the Assets and Peripheral Assets pass to the Purchaser until the conditions set out in the Approval and Vesting Order have been satisfied, the Purchaser



has delivered the documents and made the payments referred to in section 6.2, and the Vendors have delivered the documents referred to in section 6.3.

**6.8 Risk of Loss and Damage Prior to Closing.** Risk of loss of the Assets and Peripheral Assets will pass to the Purchaser at Closing, and the Vendors must bear all risk of loss or damage to, or destruction of, the Assets and Peripheral Assets arising until Closing and the Purchaser must bear all such risk of loss after Closing.

**6.9 Termination.** If the Vendors or the Purchaser validly terminates this Agreement pursuant to any of sections 2.11, 5.1, 5.2 or 5.3:

- (a) all the obligations of both the Vendors and the Purchaser pursuant to this Agreement shall be at an end provided, however, that if specific provision is made in any such section with respect to the deposit and/or break fee then the deposit and break fee shall be dealt with in the manner as stipulated in such section; and
- (b) neither Party shall have any right to specific performance or other remedy against, or any right to recover damages or expenses.

#### **ARTICLE 7 - GENERAL**

**7.1 Further Assurances.** Each of the parties shall, from time to time after the Closing Date, at the request and expense of the other, take or cause to be taken such action and execute and deliver or cause to be executed and delivered to the other such documents and further assurances as may be reasonably necessary to give effect to this Agreement.

**7.2 Public Notices.** All public notices to third parties and all other publicity concerning the transactions contemplated by this Agreement shall be jointly planned and coordinated by the parties to this Agreement and no party shall act unilaterally in this regard without the prior approval of the other party, such approval not to be unreasonably withheld or delayed, except for disclosure, as necessary, to the Court and to interested persons relating to the application referred to in section 2.11 and except where required to do so by law or court order or by the applicable regulations or policies of any provincial or Canadian or other regulatory agency of competent jurisdiction or any stock exchange in circumstances where prior consultation with the other parties is not practicable.

**7.3 Vendors and Purchaser Signatories.** The Purchaser acknowledges that the individuals signing this Agreement and any and all documents contemplated by or relating to the Transaction on behalf of the Vendors in the case of the Trustee is acting solely in its capacity as court appointed Trustee in the bankruptcy of the Company and in the case of the Receiver is acting solely in its capacity as court appointed interim receiver and receiver of the assets of the Company, signing solely in that capacity, and shall have no personal or corporate liability of any kind, whether in contract, in tort or otherwise. The Vendors acknowledge that the individual signing this Agreement and any and all documents contemplated by or relating to the Transaction on behalf of the Purchaser is

acting in his capacity as an officer of the Purchaser, signing solely in that capacity, and shall have no personal liability of any kind, whether in contract, in tort or otherwise.

7.4 Notice. Any notice or other communication under this Agreement shall be in writing and may be delivered personally or transmitted by fax, addressed, as follows:

(a) in the case of the Purchaser:

**Chieftain Metals Inc.**  
c/o Ogilvy Renault LLP  
Suite 3800  
Royal Bank Plaza, South Tower  
200 Bay Street  
P.O. Box 84  
Toronto, ON M5J 2Z4 Canada

Attention: Victor Wyprysky

Facsimile: 416.644-6001  
Electronic Mail: [vw@chieftainmetals.com](mailto:vw@chieftainmetals.com)

with a copy to:

**Ogilvy Renault LLP**  
Suite 3800  
Royal Bank Plaza, South Tower  
200 Bay Street  
P.O. Box 84  
Toronto, ON M5J 2Z4 Canada

Attention: Richard S. Sutin

Facsimile: 416.216-3930  
Electronic Mail: [rsutin@ogilvyrenault.com](mailto:rsutin@ogilvyrenault.com)

(b) in the case of the Vendors:

**Abakhan & Associates, Inc.**  
1120 - 625 Howe Street  
Vancouver, BC V6C 2T6 Canada

Attention: Phil McCourt/Rick Hamilton

Facsimile: 604.689-4277  
Electronic Mail: [pmccourt@abakhan.com](mailto:pmccourt@abakhan.com)  
Electronic Mail: [rhamilton@abakhan.com](mailto:rhamilton@abakhan.com)

with a copy to:

**Owen Bird Law Corporation**  
2900 - 595 Burrard Street  
PO Box 49130 Stn Bentall Centre  
Vancouver, BC V7X 1J5 Canada

**Attention: Jonathan L. Williams**

Facsimile: 604.688-2827

Electronic Mail: [jwilliams@owenbird.com](mailto:jwilliams@owenbird.com)

and to:

**Alvarez & Marsal Canada Inc.**  
Suite 2900  
Royal Bank Plaza, South Tower  
200 Bay Street  
P.O. Box 22  
Toronto, ON M5J 2J1 Canada

**Attention: Al Hutchens**

Facsimile: 416. 847-5201

Electronic Mail: [ahutchens@alvarezandmarsal.com](mailto:ahutchens@alvarezandmarsal.com)

and with a copy to:

**Davis LLP**  
2800 Park Place  
666 Burrard Street  
Vancouver, BC V6C 2Z7 Canada

**Attention: Robert B. Swift**

Facsimile: 604.605-3539

Electronic Mail: [rbswift@davis.ca](mailto:rbswift@davis.ca)

Any such notice or other communication, if given by personal delivery, will be deemed to have been given on the day of actual delivery thereof and, if transmitted by fax before 5:00 p.m. (Pacific time) on a Business Day, will be deemed to have been given on the Business Day, and if transmitted by fax after 5:00 p.m. (Pacific time) on a Business Day, will be deemed to have been given on the Business Day after the date of the transmission. Delivery by third party delivery services such as Federal Express shall constitute delivery for purposes hereof.

**7.5 Time.** Time shall, in all respects, be of the essence hereof, provided that the time for doing or completing any matter provided for herein may be extended or abridged by an agreement in writing signed by the Vendors and the Purchaser or by their respective solicitors.

**7.6 Currency.** All references herein to money amounts are stated in Canadian currency.

**7.7 Statutory References.** Any reference in this Agreement to a statute includes all regulations made thereunder, all amendments to such statutes or regulations in force from time to time, and any statute or regulation that supplements or supersedes such statute or regulation.

**7.8 Benefit of Agreement: Successors and Assigns.** This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective administrators, successors and permitted assigns. Neither party may assign this Agreement or any of its rights or obligations hereunder without the prior written consent of the other party.

**7.9 Entire Agreement, Amendments and Waivers.** This Agreement, together with the Trustee's Terms and Conditions of Sale dated November 4, 2009 constitute the entire agreement between the parties with respect to the subject matter hereof and supersede all prior agreements, understandings, negotiations and discussions, whether written or verbal. There are no conditions, covenants, agreements, representations, warranties, or other provisions, expressed or implied, collateral, statutory, or otherwise, relating to the subject matter hereof except as provided for herein and in the said Terms and Conditions of Sale. In the event of any conflict between the said Terms and Conditions of Sale and this Agreement then the terms of this Agreement shall govern.

Except as contemplated by sections 5.1 or 5.2, no amendment or waiver of any provisions of this Agreement shall be binding on any of the parties hereto unless consented to in writing by all the parties hereto. No waiver of any provision of this Agreement shall constitute a waiver of any other provision, nor shall any waiver constitute a continuing waiver unless otherwise so provided.

**7.10 Paramountcy.** In the event of any conflict or inconsistency between the provisions of this Agreement, and any other agreement, document or instrument executed or delivered by the parties in connection with the Transaction or this Agreement, the provisions of this Agreement shall prevail to the extent of such conflict or inconsistency.

**7.11 Severability.** If any provision of this Agreement or any document delivered in connection with this Agreement is partially or completely invalid or unenforceable, the invalidity or unenforceability of that provision shall not affect the validity or enforceability of any other provision of this Agreement, all of which shall be construed and enforced as if that invalid or unenforceable provision were omitted. The invalidity or unenforceability of any provision in one jurisdiction shall not affect the validity or enforceability of such provision in any other jurisdiction.

**7.12 Consent.** Whenever a provision of this Agreement requires an approval or consent by a party to this Agreement and notification of such approval or consent is not delivered within the applicable time period, then, unless otherwise specified, such party shall be conclusively deemed to have withheld its approval or consent.

**7.13 Calculation of Time and Business Day.** Unless otherwise specified, any time period referred to in this Agreement within or following which any payment is to be made or act is to be done shall be calculated by excluding the day which the period commences and including the day which the period ends, and by extending the period to the next Business Day following if the last day of the period is not a Business Day.

**7.14 Governing Law.** This Agreement shall be governed by and construed in accordance with the Laws of the Province of British Columbia and the Laws of Canada applicable therein and each of the parties irrevocably attorns to the non-exclusive jurisdiction of the courts of the Province of British Columbia.

**7.15 Commission.** The Vendors agree to be solely responsible for and indemnify and save the Purchaser harmless from and against any claims for compensation or commission by any third party or agent retained by the Vendors in connection with the Transaction or this Agreement. The Purchaser agrees to indemnify and save the Vendors harmless from and against any claims for compensation or commission by any third party or agent retained by the Purchaser in connection with the Transaction or this Agreement.

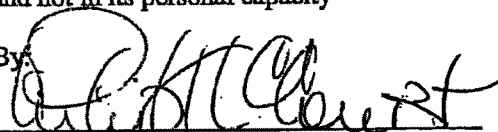
**7.16 Costs and Expenses.** Subject to section 2.2, the Purchaser and the Vendors shall each pay its own legal and accounting fees, costs and expenses incurred in connection with the preparation, execution and delivery of this Agreement and all documents and instruments executed pursuant hereto, and any other costs and expenses whatsoever and howsoever incurred, including all costs and expenses incurred in connection with obtaining Court approval for the Transaction.

7.17 **Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which shall constitute one and the same agreement. Transmission by facsimile of an executed counterpart of this Agreement shall be deemed to constitute due and sufficient delivery of such counterpart.

TO EVIDENCE THEIR AGREEMENT each of the parties has executed this Agreement on the date appearing below.

**ABAKHAN & ASSOCIATES, INC.,**  
as Trustee of the estate of Redfern Resources Ltd.  
and not in its personal capacity

By:

  
Authorized Signatory

Dated: SEPT 7<sup>th</sup> 2010

**ALVAREZ & MARSAL CANADA INC.**  
(formerly McIntosh & Morawetz Inc.),  
as Interim Receiver and Receiver of Redfern  
Resources Ltd. and not in its personal capacity

By:

\_\_\_\_\_  
Authorized Signatory

Dated: \_\_\_\_\_

**CHIEFTAIN METALS INC.**

By:

\_\_\_\_\_  
Authorized Signatory

Dated: \_\_\_\_\_

7.17 **Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which shall constitute one and the same agreement. Transmission by facsimile of an executed counterpart of this Agreement shall be deemed to constitute due and sufficient delivery of such counterpart.

TO EVIDENCE THEIR AGREEMENT each of the parties has executed this Agreement on the date appearing below.

**ABAKHAN & ASSOCIATES, INC.,**  
as Trustee of the estate of Redfern Resources Ltd.  
and not in its personal capacity

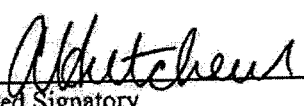
By:

\_\_\_\_\_  
Authorized Signatory

Dated: \_\_\_\_\_

**ALVAREZ & MARSAL CANADA INC.**  
(formerly McIntosh & Morawetz Inc.),  
as Interim Receiver and Receiver of Redfern  
Resources Ltd. and not in its personal capacity

By:

  
\_\_\_\_\_  
Authorized Signatory

Dated: Sep 7/10

**CHIEFTAIN METALS INC.**


By:

\_\_\_\_\_  
Authorized Signatory

Dated: \_\_\_\_\_

**CHIEFTAIN METALS INC.**

By:

  
\_\_\_\_\_  
Authorized Signatory

Dated: September 7, 2010



**SCHEDULE A**  
**Description of Mineral Claims**

## Schedule "A"

**REDFERN RESOURCES LTD. - IN BANKRUPTCY AND RECEIVERSHIP**  
**25 CROWN GRANTED MINERAL CLAIMS**  
**(UNDERSURFACE RIGHTS)**

<u>Property Area</u>	<u>Record Number</u>	<u>Area (ha.)</u>	<u>PID Number</u>	<u>Title Number</u>
Tulsequah Crown Grants				
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
Big Bull Crown Grants				
Big Bull	6303	20.85	015-623-556	TF9548
Bull No. 1	6304	16.95	015-623-611	TF9549
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
Banker Crown Grants				
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 B**  
**Description of MTOs**

## Schedule "B"

**REDFERN RESOURCES LTD. - IN BANKRUPTCY AND RECEIVERSHIP**  
**13 MINERAL TITLES ONLINE CLAIMS**

<u>Property Area</u>	<u>Tenure Number</u>	<u>Area (ha.)</u>
Tulsequah	513806	1,241.297
	513807	1,242.293
	513809	1,393.208
	513812	621.526
	513813	806.766
	513814	1,160.494
	513815	1,310.797
	513818	1,615.841
	513819	841.076
	513820	1,094.340
	513821	842.324
	513828	1,331.763
	590422	419.996

\* Please note that the Court-appointed Interim Receiver and Receiver of the Company, Alvarez & Marsal Canada Inc., formerly McIntosh & Morawetz Inc., ("A&M") is authorized to offer for sale the "13 Mineral Titles Online Claims" as described in Schedule "B" subject to Court approval and issuance of a Vesting Order and is in agreement with offering the 13 Mineral Titles Online Claims listed in Schedule "B" as part of this sale process.

**SCHEDULE C**  
**Description of the Real Estate**

Schedule "C-1"

REDFERN RESOURCES LTD. - IN BANKRUPTCY AND RECEIVERSHIP  
FEE SIMPLE LAND INTEREST  
(SURFACE RIGHTS ONLY)  
DISTRICT LOT 5687

Description

Registered Owner In Fee Simple:  
Redfern Resources Ltd., Inc. No. 185828

Taxation Authority:  
Atlin Assessment District

Parcel Identifier: 015-681-946  
District Lot 5687 Cassiar District

Schedule "C-2"

**REDFERN RESOURCES LTD. - IN BANKRUPTCY AND RECEIVERSHIP**  
**FEE SIMPLE LAND INTEREST**  
**(SURFACE RIGHTS ONLY)**  
**DISTRICT LOT 5686**

Description

Registered Owner in Fee Simple:  
Redfern Resources Ltd., Inc. No. 185826

Taxation Authority:  
Atlin Assessment District

Parcel Identifier: 015-661-938  
District Lot: 5686 Cassiar District

**REDFERN RESOURCES LTD. - IN BANKRUPTCY AND RECEIVERSHIP**  
**FEE SIMPLE LAND INTEREST**  
**(SURFACE RIGHTS ONLY)**  
**DISTRICT LOT 4233**

Description

Registered Owner in Fee Simple:  
Redfern Resources Ltd., Inc. No. 185826

Taxation Authority:  
Atlin Assessment District

Parcel Identifier: 015-661-920  
District Lot: 4233 Cassiar District



Schedule "C-4"

**REDFERN RESOURCES LTD. - IN BANKRUPTCY AND RECEIVERSHIP**  
**FEE SIMPLE LAND INTEREST**  
**(SURFACE RIGHTS ONLY)**  
**DISTRICT LOT 6302**

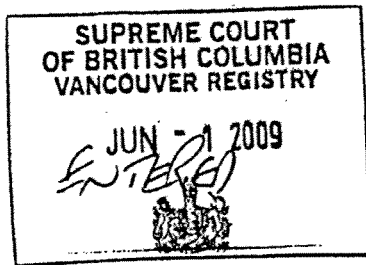
Description

Registered Owner in Fee Simple:  
Redfern Resources Ltd., Inc. No. 185826

Taxation Authority:  
Atlin Assessment District

Parcel Identifier: 015-661-954  
District Lot: 6302 Cassiar District

**SCHEDULE D**  
**Copy of Receivership Order**



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. 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.

**ORDER**

BEFORE THE HONOURABLE	)	FRIDAY, THE 29TH DAY
	)	
THE CHIEF JUSTICE	)	OF MAY, 2009
	)	

THE APPLICATION of Whitebox Advisors LLC, GMP Investment Management LP, Sandleman Partners LP and VR Global Partners LP for an Order pursuant to Section 47(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA") and Section 39 of the *Law and Equity Act*, R.S.B.C. 1996 c. 253, as amended (the "LEA") appointing McIntosh & Morawetz Inc, an affiliate of Alvarez & Marsal Canada ULC as Interim Receiver and Receiver (in such capacities, the "Receiver") without security, of certain assets, undertakings and properties of Redcorp Ventures Ltd. and Redfern Resources Ltd. (the "Debtors") coming on for hearing on May 27, 2009 at the Courthouse, 800 Smithe Street, Vancouver, British Columbia.

AND ON READING the Notice of Motion dated May 20, 2009, the Affidavit #1 of Paul Liebovitz sworn May 20, 2009, the Affidavit #4 of Terry Chandler sworn May 21, 2009, the Affidavit #5 of Terence E. Chandler sworn May 21, 2009, the Affidavit #1 of Wade Comin sworn May 25, 2009, the Affidavit #6 of Terry Chandler sworn May 26, 2009, and the Third Report of the Monitor dated May 22, 2009, and the consent of McIntosh & Morawetz Inc, an affiliate of Alvarez & Marsal Canada ULC to act as the Receiver; AND ON HEARING Matthew Gottlieb, Counsel for the Applicants, and other counsel as listed on Schedule A" hereto.

AND UPON JUDGMENT BEING RESERVED TO THIS DATE:

AND UPON THE COURT determining that the stay of proceedings granted herein as against the Applicants is no longer appropriate:

#### APPOINTMENT

1. THIS COURT ORDERS that pursuant to Section 47(1) of the BIA and Section 39 of the LEA McIntosh & Morawetz Inc, an affiliate of Alvarez & Marsal Canada ULC is hereby appointed Receiver, without security, of the Debtors' current and future personal assets, undertakings and properties, including all proceeds thereof, including, without limitation, all cash, money, goods, equipment, inventory, books and records, securities, choses in action, instruments, document of title, accounts, receivables, intangibles, certain mineral claims as administered by the Ministry of Energy, Mines and Petroleum Resources and certain royalty or other interests arising from oil and gas properties (collectively the "Property").
2. For greater certainty and notwithstanding the foregoing, the appointment of the Receiver against certain assets of the Debtors shall not extend to nor shall the Property include any interest of the Debtors in:
  - (a) any real property or land interests, including without limitation, any interests held in accordance with titles issued in accordance with the *Land Title Act* of British Columbia including the real property constituting the mine site known as the Tulsequah Project;
  - (b) any interest in certain Asset Based Commercial Paper (the "ABCP") secured in favour of HSBC Bank Canada as described in paragraph 1 of the Order granted herein on April 6, 2009, save and except for any interest receivable owing in respect of the predecessor notes to the ABCP for the period prior to this appointment;
  - (c) amounts held by CIBC Mellon Trust Company in an interest escrow account and payable to the Note Holders in accordance with paragraphs 6(d) and 10(a) of the Initial Order granted herein (the "Interest Escrow Account"); and
  - (d) any amounts deposited at HSBC Bank Canada and Royal Bank of Canada or elsewhere by the Debtor Redfern Resources Ltd. and secured in favour of those

parties in accordance with certain Safekeeping Agreements under the *Mines Act* and Standby Letters of Credit issued under the *Fisheries Act*.

### RECEIVER'S POWERS

3. THIS COURT ORDERS that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:
- (a) take possession and control of the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
  - (b) receive, preserve, protect and maintain control of the Property, or any part or parts thereof, including, but not limited to, changing of locks and security codes, relocating of Property to safeguard it, engaging of independent security personnel, the taking of physical inventories and placement of such insurance coverage as may be necessary or desirable;
  - (c) engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the powers and duties conferred by this Order;
  - (d) pay the costs of completing or improving certain equipment or pay the balance owing in respect of any partially paid for equipment;
  - (e) receive and collect all monies and accounts now owed or hereafter owing to the Debtors and to exercise all remedies of the Debtors in collecting such monies, including, without limitation, to enforce any security held by the Debtors;
  - (f) settle, extend or compromise any indebtedness owing to or by the Debtors, including without limitation, paying any amounts owing under the Administration Charge (as defined in accordance with the Initial Order of this Court dated March 4, 2009 (the "Initial Order"));
  - (g) apply for court approval of a claims process in respect of any amounts owing under the Directors' Charge (as defined in accordance with the Initial Order) and to pay such amounts as are determined to be owing under the Directors' Charge;
  - (h) execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtors, for any purpose pursuant to this Order;
  - (i) initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtors, the Property or the Receiver, and to settle or compromise any such
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proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding, provided that nothing in this Order shall authorize the Receiver to defend or settle the action(s) in which this Order is made unless otherwise directed by this Court;

- (j) market any or all the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate, including reselling equipment back to the original vendor or supplier or to equipment dealers or brokers;
- (k) sell, convey, transfer, lease, assign or otherwise dispose of the Property or any part or parts thereof out of the ordinary course of business:
  - (i) without the approval of this Court in respect of any transaction not exceeding \$2,000,000, provided that the aggregate consideration for all such transactions does not exceed \$10,000,000 or such greater amount that this Court may from time to time allow; and
  - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amounts set out in the preceding clause,

and in each such case notice under Section 59(10) of the *Personal Property Security Act*, R.S.B.C. 1996, c. 359 shall not be required;

- (l) apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
  - (m) report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information with such Persons, subject to such terms as to confidentiality as the Receiver deems advisable;
  - (n) apply for any permits, licences, approvals or permissions and any renewals thereof as may be required by any governmental authority for and on behalf of and, if considered necessary or appropriate by the Receiver, in the name of the Debtors;
  - (o) enter into agreements with any trustee in bankruptcy appointed in respect of the Debtors, including, without limitation, the ability to enter into occupation agreements for any Property owned or leased by the Debtors;
  - (p) exercise any shareholder, partnership, joint venture or other rights which the Debtors may have; and
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(q) take any steps reasonably incidental to the exercise of these powers,

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtors, and without interference from any other Person.

#### **DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER**

4. THIS COURT ORDERS that (i) the Debtors, (ii) all of the Debtors' current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "Persons" and each being a "Person") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to such Property to the Receiver, and shall deliver all such Property (excluding Property subject to liens the validity of which is dependant on maintaining possession) to the Receiver upon the Receiver's request.
  5. THIS COURT ORDERS that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtors, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "Records") in that Person's possession or control relating to the Property, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 4 or in paragraph 5 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or documents prepared in contemplation of litigation or due to statutory provisions prohibiting such disclosure.
  6. THIS COURT ORDERS that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by an independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including, without limitation, providing the Receiver with instructions on the use of any computer or other system and
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providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

#### **NO PROCEEDINGS AGAINST THE RECEIVER**

7. THIS COURT ORDERS that no proceeding or enforcement process in any court or tribunal (each, a "Proceeding"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

#### **NO PROCEEDINGS AGAINST THE DEBTORS OR THE PROPERTY**

8. THIS COURT ORDERS that no Proceeding against or in respect of the Debtors or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtors or the Property are hereby stayed and suspended pending further Order of this Court, provided, however, that nothing in this Order shall prevent any Person from commencing a Proceeding regarding a claim that might otherwise become barred by statute or an existing agreement if such Proceeding is not commenced before the expiration of the stay provided by this paragraph.

#### **NO EXERCISE OF RIGHTS OF REMEDIES**

9. THIS COURT ORDERS that all rights and remedies (including, without limitation, set-off rights) against the Debtors, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that nothing in this paragraph shall (i) empower the Receiver or the Debtors to carry on any business which the Debtors are not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtors from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, (iv) prevent the registration of a claim for lien, or (v) prevent the Note Holders or the trustee on behalf of the Note Holders from realizing on the Interest Escrow Account.

#### **NO INTERFERENCE WITH THE RECEIVER**

10. THIS COURT ORDERS that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtors, without written consent of the Receiver or leave of this Court. Nothing in this Order shall prohibit any party to an "eligible financial contract" (as defined in Section 65.1 of the BIA) with the Debtors from terminating such contract or exercising any rights of set-off, in accordance with its terms.

#### **CONTINUATION OF SERVICES**

11. THIS COURT ORDERS that all Persons having oral or written agreements with the Debtors or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data



services, centralized banking services, payroll services, insurance, transportation services, utility or other services of any kind to the Debtors are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Debtors' current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

#### **RECEIVER TO HOLD FUNDS**

12. THIS COURT ORDERS that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever including, without limitation, the sale or disposition of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "Post-Receivership Accounts") and the monies standing to the credit of Post-Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further order of this Court.

#### **TRANSITION**

13. THIS COURT ORDERS that subject to any subsequent order(s) of this Court, except to the extent provided for herein, KPMG Inc. (the "Monitor") is hereby relieved of its duties and obligations relating to its appointment as Monitor as set forth in the Initial Order and any subsequent Order of this Court, including specifically the duty to file any further reports to this Court. For clarity, notwithstanding the foregoing, all provisions of the Initial Order relieving the Monitor of any liability arising as a result of its appointment or the carrying out of its duties, including without limitation paragraph 34 thereof, shall continue in full force and effect.
  14. THIS COURT ORDERS that the Monitor shall not have any liability to any person for any matter relating to the duties and obligations in respect of which it has been relieved arising from and after the date of this Order.
  15. THIS COURT ORDERS that notwithstanding the relief from its duties and obligations as aforesaid, the Monitor shall continue to hold the ERIP Monies (as that term is defined in the April 6, 2009 Order of this Court) and disburse the ERIP Monies in accordance with the Employee Retention and Incentive Program described in Affidavit #3 of Terry Chandler or in accordance with any subsequent order(s) of this Court.
  16. THIS COURT ORDERS that notwithstanding the Initial Order, and in particular paragraphs 40 to 44 thereof, the Administration Charge, shall not secure payment of any
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fees and/or disbursements of counsel to the Committee, counsel to the Petitioners, the Monitor or counsel to the Monitor that are incurred after the date of this Order, provided however that the Administration Charge shall continue to secure payment of the fees and disbursements of the Monitor and its counsel in relation to the administration by the Monitor of the ERIP Monies and in relation to the defence by the Monitor of any claims against it by any person arising from or in relation to the appointment of the Monitor or the carrying out of its duties and obligations as Monitor.

17. THIS COURT ORDERS that notwithstanding the Initial Order, and in particular, paragraphs 40 to 44 thereof, any amounts accruing under the Directors' Charge from and after the date of this Order shall not constitute a charge on the Property (as defined herein). For greater certainty, the Directors' Charge continues to charge all of the Property, as defined in the Initial Order, as amended, including the Property as defined herein, for any Claims, as defined in the Initial Order, whenever made, arising from or connected with any matter, event, occurrence or any other cause, arising or occurring up to the date of this order.
18. THIS COURT ORDERS that:
  - (a) the sum of \$1,000,000 (exclusive of any interest earned thereon), as secured by the Administration Charge, shall be held and administered by the Receiver, and shall be exempt from any claims, Proceedings (as defined in the Initial Order) or execution by the Receiver or otherwise pending further order of this Court; and
  - (b) the sum of \$5,000,000 (exclusive of any interest earned thereon), as secured by the Directors' Charge, shall be held and administered by the Receiver, and shall be exempt from any claims, Proceedings (as defined in the Initial Order) or execution by the Receiver or otherwise pending further order of this Court.
19. THIS COURT ORDERS that all actions and activities of the Monitor performed or undertaken in connection with its appointment as Monitor in the within proceedings are hereby ratified and approved unless any person brings an application to challenge any of the Monitor's actions or activities within 30 days of the date of entry of this Order.
20. THIS COURT ORDERS that within seven days of the date of entry of this Order, the Monitor shall deliver a copy of this Order by regular mail or facsimile to all parties of record and all known creditors of the Petitioners and shall post a copy of this Order on the Monitor's website.

#### EMPLOYEES

21. THIS COURT ORDERS that, subject to the right of employees to terminate their employment notwithstanding paragraph 10, all employees of the Debtors shall remain the employees of the Debtors until such time as the Receiver, on the Debtors' behalf, may terminate the employment of such employees. The Receiver shall be liable for any employee-related liabilities that accrue subsequent to the date of this Order, including
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wages, severance pay, termination pay, vacation pay, and pension or benefit amounts relating to any employees that the Receiver may hire.

22. THIS COURT ORDERS that pursuant to Section 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5 or Section 18(1)(o) of the *Personal Information Protection Act*, S.B.C. 2003, c. 63, the Receiver may disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales or dispositions of the Property (each, a "Sale"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete the Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtors, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

#### LIMITATION ON ENVIRONMENTAL LIABILITIES

23. THIS COURT ORDERS that nothing in this Order shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "Possession") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release, or deposit of a substance contrary to any federal, provincial or other law relating to the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, 1999, S.C. 1999, c. 33, the *Fisheries Act*, R.S.C. 1985, c. F-14, the *Environmental Management Act*, R.S.B.C. 1996, c. 118 and the *Fish Protection Act*, S.B.C. 1997, c. 21 and regulations thereunder (collectively "Environmental Legislation"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be construed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless the Receiver is actually in Possession.

#### LIMITATION ON THE RECEIVER'S LIABILITY

24. THIS COURT ORDERS that the Receiver shall incur no personal liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Receiver by Section 14.06 of the BIA or by any other applicable legislation.
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## RECEIVER'S ACCOUNTS

25. THIS COURT ORDERS that any expenditure or liability which shall properly be made or incurred by the Receiver, including the fees of the Receiver and the fees and disbursements of its legal counsel, incurred at the standard rates and charges of the Receiver and its counsel, shall be allowed to it in passing its accounts and shall form a first charge on the Property (the "Receiver's Charge") in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but excluding the charge on the ERIP Monies, the Administration Charge and the Directors' Charge.
26. THIS COURT ORDERS that the Receiver and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the Supreme Court of British Columbia and may be heard on a summary basis.
27. THIS COURT ORDERS that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the normal rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

## ALLOCATION

28. THIS COURT ORDERS that any interested party may apply to this Court on notice to any other party likely to be affected, for an order allocating the Receiver's Charge amongst the various assets comprising the Property.

## GENERAL

29. THIS COURT ORDERS that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.
  30. THIS COURT ORDERS that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtors. The Receiver is authorized, but not required, to file assignments into bankruptcy with the Official Receiver on behalf of any of the Debtors naming itself, or some other Licensed Trustee in Bankruptcy, as Trustee.
  31. THIS COURT ORDERS that this Order and any other orders in these proceedings shall have full force and effect in all provinces and territories of Canada and shall be binding on all creditors of the Debtors, wherever situate. THIS COURT SEEKS AND REQUESTS the aid and recognition of any Canadian or foreign court, tribunal, regulatory or administrative body having jurisdiction, wherever located, to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order.
  32. THIS COURT ORDERS that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal or regulatory or administrative body, wherever
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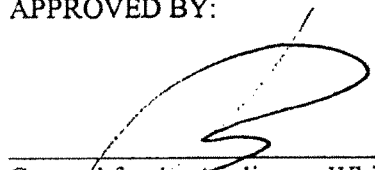
located, for recognition of this Order and for assistance in carrying out the terms of this Order and all such courts, tribunals and regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, 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. In particular, the Receiver shall be authorized as a foreign representative of the Debtors to apply to the United States Bankruptcy Court for relief pursuant to Chapter 15 of the *United States Bankruptcy Code*, 11 U.S.C. §§ 101-1330, as amended, if required.

33. THIS COURT ORDERS that the Applicants shall have their costs of this motion, up to and including entry and service of this Order, as provided for by the terms of the Applicants' security or, if not so provided by the Applicants' security, then on a substantial indemnity basis to be paid by the Receiver from the Debtors' estate with such priority and at such time as this Court may determine.
34. THIS COURT ORDERS that any interested party may apply to this Court to vary or amend this Order on not less than two (2) clear business days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.
35. THIS COURT ORDERS that endorsement of this Order by counsel appearing on this application, other than counsel for the Applicants, is hereby dispensed with.

BY THE COURT

DISTRICT REGISTRAR

APPROVED BY:

  
Counsel for the Applicants Whitebox Advisors  
LLC, GMP Investment Management LP,  
Sandleman Partners LP and VR Global  
Partners LP

## SCHEDULE "A"

### (List of Counsel)

COUNSEL APPEARING	REPRESENTING
Jay Swartz, Matthew Gottlieb and Shelley C. Fitzpatrick	Whitebox Advisors LLC, GMP Investment Management LP, Sandleman Partners LP and VR Global Partners LP
Colin Brousson	Redcorp Ventures Ltd. and Redfern Resources Ltd.
Kibben Jackson	The Monitor, KPMG Inc.
E. Jane Milton, Q.C.	Directors and Officers of Redcorp. Ventures Ltd. and Redfern Resources Ltd.
David J. Hatter	Her Majesty the Queen in right of the Province of British Columbia
Donnaree Nygard	Attorney General of Canada
David McKenzie	Arctic Const. Ltd.
Sharon Urquhart	Sundial Marine Construction and Repair, Inc.
J. Cam McKechnie	Canron Western Constructors Ltd. & Klohn Crippen Berger Ltd.
Cindy Cheuk	Procon Mining and Tunnelling Ltd.

**SCHEDULE E**  
**Copy of Certificate of Appointment**

From:

To: Abakhan-Van

06/29/2009 12:30

#807 P.001/002



Office of the Superintendent  
of Bankruptcy Canada

Bureau du surintendant  
des faillites Canada

An Agency of  
Industry Canada

Un organisme  
d'Industrie Canada

District of BRITISH COLUMBIA

Division No. 03 - Vancouver

Court No. 11-252701

Estate No. 11-252701

RECEIVED

JUN 29 2009

In the Matter of the Bankruptcy of:  
REDFERN RESOURCES LTD.  
Debtor

ABAKHAN & ASSOCIATES INC.  
Trustee

ORDINARY ADMINISTRATION

Date of Initial Bankruptcy Event: June 29, 2009      Security: \$0  
Date and Time of Bankruptcy: June 29, 2009, 10:44  
Date of Trustee Appointment: June 29, 2009  
Meeting of Creditors: July 20, 2009, 10:30  
XCHANGE CONFERENCE CENTRE  
2ND FLOOR, 888 DUNSMUIR ST.  
VANCOUVER, BRITISH COLUMBIA

Chairman: Trustee

CERTIFICATE OF APPOINTMENT Section 49, Rule 85

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify, that:

- the aforementioned debtor filed an assignment under section 49 of the Bankruptcy and Insolvency Act;
- the aforementioned trustee was duly appointed Trustee of the Estate of the Debtor.

The said trustee is required:

- to provide to me, without delay, security in the aforementioned amount;
- to send to all creditors, within five days after the date of the trustee's appointment, a notice of the bankruptcy; and
- when applicable to call in the prescribed manner, a first meeting of creditors, to be held at the aforementioned time and place or at any other time and place that may be later requested by the Official Receiver.

JUDY L. BEATON

Official Receiver

#2000 - 300 W. Georgia St., Vancouver, BRITISH COLUMBIA, V6B 6E1, 604/666-5007

Canada



**SCHEDULE F**  
**Approval and Vesting Order**

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.

No. B-091238  
Estate No. 11-252701  
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA  
IN BANKRUPTCY AND INSOLVENCY  
IN THE MATTER OF THE BANKRUPTCY OF REDFERN RESOURCES LTD.

**APPROVAL AND VESTING ORDER**

BEFORE THE HONOURABLE MR. | SEPTEMBER\_\_\_\_\_, 2010  
JUSTICE BURNYEAT

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 \_\_, 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 dated September \_\_, 2010, and the Report [NTD: Trustee to advise what they are filing in support]; 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 [NTD: need address], 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, 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 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.
10. 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: \_\_\_\_\_

11. 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.
12. 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.
13. 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.

BY THE COURT

\_\_\_\_\_  
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

\_\_\_\_\_  
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.

**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
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

<u>Property Area</u>	<u>Record Number</u>	<u>Area (ha.)</u>	<u>PID Number</u>	<u>Title Number</u>
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**

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  
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Janet W No. 3	6162	16.60	014-496-411	TF10242
Janet W No. 4	6163	20.76	014-496-437	TF10243
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R.S.C. 1985 c. C-44

- AND -

IN THE MATTER OF THE BRITISH COLUMBIA *BUSINESS  
CORPORATIONS ACT*,

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IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF THE BANKRUPTCY OF REDFERN  
RESOURCES 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

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File No. 76334-00001

LZW/bdw

Davis:6454852.10



# APPENDIX “B”

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# **In the Matter of the Bankruptcy and Receivership of**

## **REDFERN RESOURCES LTD.**

### **Sale Information Package**

<u><b>Description</b></u>	<u><b>Reference</b></u>
Disclaimer	Page 2
Terms & Conditions of Sale	Pages 3-6
Schedule "A": 25 Crown Granted Mineral Claims	Page 7
Schedule "B": 13 Mineral Titles Online Claims	Page 8
Schedule "C-1": Fee Simple Land - DL 5687	Page 9
Schedule "C-2": Fee Simple Land - DL 5686	Page 10
Schedule "C-3": Fee Simple Land - DL 4233	Page 11
Schedule "C-4": Fee Simple Land - DL 6302	Page 12
<b>Schedule "D": Offer to Purchase Form</b>	<b>Page 13</b>

#### **PLEASE NOTE:**

**DEADLINE FOR OFFERS DUE: NOVEMBER 18, 2009 BY 5:00 p.m. (Pacific Standard Time)**

## **DISCLAIMER**

Abakhan & Associates Inc. ("AAI"), in its capacity as Trustee in the bankruptcy of Redfern Resources Ltd. (the "Company"), is soliciting offers for **25 Crown Granted Mineral Claims and 4 Fee Simple Land Interests** of the Company described in Schedule "A", "C-1", "C-2", "C-3" and "C-4" attached hereto. The solicitation referred to herein is subject to approval by the Supreme Court of British Columbia. The Court-appointed Interim Receiver and Receiver of the Company, Alvarez & Marsal Canada Inc., formerly McIntosh & Morawetz Inc., is soliciting offers for **13 Mineral Title Online claims** of the Company described in Schedule "B" attached hereto

This Sale Information Package is not intended for general circulation or publication, nor is it to be reproduced or used for any purpose other than that outlined herein. AAI does not assume responsibility or liability for losses occasioned to any parties as a result of the circulation, publication, reproduction or use of this Sale Information Package or its contents contrary to the terms upon which this information is provided.

Any financial information provided herein has been obtained from the records of the Company and other third party information. We advise that AAI has not performed any audit functions with regard to the information provided herein.

The assets of the Company are described in Schedule "A", "B", "C-1", "C-2", "C-3" and "C-4" attached hereto are being offered for sale on an "as is, where is" basis. AAI makes no warranty, or representation, either expressed or implied, with respect to the assets description, condition, size, quantity or value.

## **In the Matter of the Bankruptcy and Receivership of Redfern Resources Ltd.**

### **TERMS AND CONDITIONS OF SALE**

1. The vendor is Abakhan & Associates Inc. ("AAI") in its capacity as Trustee in the bankruptcy of Redfern Resources Ltd. (the "Vendor" or "Trustee"). The vendor is soliciting offers for the assets of Redfern Resources Ltd. (the "Company") as described in Schedules "A" and "C-1", "C-2", "C-3" and "C-4" attached hereto pursuant to these Terms and Conditions of Sale. **The solicitation referred to herein is subject to approval by the Supreme Court of British Columbia and issuance of a Vesting Order.**

**Please note that the Court-appointed Interim Receiver and Receiver of the Company, Alvarez & Marsal Canada Inc., formerly McIntosh & Morawetz Inc., ("A&M") is authorized to offer for sale the "13 Mineral Titles Online Claims" as described in Schedule "B" subject to Court approval and issuance of a Vesting Order and is in agreement with offering the 13 Mineral Titles Online Claims listed in Schedule "B" as part of this sale process.**

"Vendor" in these Terms and Conditions of Sale shall include both AAI and A&M.

2. Any supplementary information provided, has been prepared solely for the convenience of prospective purchasers and is not warranted to be complete, accurate or reliable and does not form part of these Terms and Conditions of Sale.
3. Each offer shall be in writing.
4. All offers must be for all the assets for Schedules "A" through "C" "en bloc", however, all offers should include separate and distinct values attributed to the "4 Fee Simple Land Interests" listed in Schedules "C-1", "C-2", "C-3" and "C-4" and must be executed on the attached Schedule "D" – Offer to Purchase Form. Offers **must be** marked "Offer – Redfern Resources Ltd." and be delivered or mailed postage prepaid to Abakhan & Associates Inc., 1120 - 625 Howe Street, Vancouver, B.C. V6C 2T6, Attention: Mr. Rick Hamilton, and must be received before 5:00 p.m. (Pacific Standard Time) on November 18, 2009.
5. Each offer submitted must be accompanied by a certified cheque, bank draft or money order payable to "Abakhan & Associates Inc. – In Trust", for an amount equal to **3% of the total offered price**. If an offer is accepted and approved, the cheque, bank draft or money order shall be deemed a cash deposit and the successful offerors shall pay the balance of the purchase price to the vendor at the time and on the terms and conditions set out herein.

6. In consideration of AAI and A&M making available to offerors these Terms and Conditions of Sale, other information and the opportunity of inspection, and/or in consideration of the vendor receiving offers, each offeror agrees that its offer is irrevocable and cannot be retracted, withdrawn, varied or countermanded prior to acceptance or rejection thereof.
7. Certified cheques, bank drafts or money orders accompanying offers that are not accepted by the vendor will be returned to the offeror, without interest, by prepaid registered letter addressed to the offeror at the address given in the offer by the 24<sup>th</sup> of November 2009 or will be available for pick-up by the offeror if requested.
8. The highest or any offer will not necessarily be accepted.
9. Offers will be received on the basis that the offeror has inspected the assets offered for sale and has relied entirely upon its inspection and investigation, and there is no warranty, or representation, either express or implied, with respect to the assets or the title, description, fitness for purpose, quantity, merchantability or quality, as to all of which the purchaser shall be deemed to have satisfied itself, or in respect of any matter or thing whatsoever. The assets are being sold on an "as-is, where-is" basis with no representations or guarantees, expressed or implied.
10. If any offer is accepted by the vendor, then such acceptance which will be **subject to court approval and issuance of a vesting order (which order shall be in a form satisfactory to both vendor and purchaser acting reasonably, and shall provide for title to be transferred to the purchaser free and clear of all financial encumbrances, including builder's liens)** shall be communicated to the successful offeror by the 23<sup>rd</sup> day of November 2009. Such notice may be by telephone, facsimile transmission or delivery to the address set forth in the offer. Any notice given otherwise than by registered mail or delivery may be confirmed by registered mail or delivery. Notice of acceptance shall be deemed effectively given when so delivered, telephoned or sent by facsimile transmission or other means of recorded telecommunication or on the date of deposit in a post office if mailed by registered mail, as the case may be. Upon such acceptance, there shall be a contract of purchase and sale between the vendor and the offeror as purchaser on the terms contained herein **subject to court approval and issuance of a vesting order (the "Agreement of Purchase and Sale")**. The offer, these Terms and Conditions of Sale and acceptance shall be sufficient evidence of a contract of purchase and sale.
11. **The balance of the purchase price shall be paid to the vendor by cash or certified cheque on the closing date which shall be the first business day following Court approval. The closing date shall be subject to adjustment only at the mutual consent of both the vendor, the purchaser and, if necessary, the Court.**
12. On the closing date and on completion of the Agreement of Purchase and Sale, the purchaser or its agents shall be entitled to such deeds, deeds of conveyance

and transfer, bills of sale or assignments as may be reasonably necessary by the vendor to convey to the purchaser, or its assigns, the interest of the vendor in the assets being sold, provided such are required.

13. In the event the vendor is unable to obtain court approval and the issuance of a vesting order or is unable to comply with its undertakings in paragraph 12 in connection with one or more of the assets, the contract of purchase and sale for that particular asset(s) shall be terminated and neither party shall have any claim against the other for damage or compensation or otherwise. However, the purchaser shall be entitled to the return of any monies paid on account of the purchase price as it relates to the asset in question.
14. In addition to the balance of the purchase price for the assets being purchased, the purchaser shall pay to the vendor on the closing date all applicable federal, provincial and other taxes, unless all necessary certificates to exempt the purchaser therefrom are provided to the vendor on or before the closing date.
15. The vendor shall remain in possession of the assets until the closing date and completion of the Agreement of Purchase and Sale. Title to the assets shall not pass to the purchaser, nor shall the purchaser be entitled to possession of same, until the purchase price and all other payments to be made by the purchaser pursuant to the Agreement of Purchase and Sale have been paid in full.
16. The successful offeror shall examine title to the assets at its own expense and offerors are not to call for the production of any title, deeds, abstract of title, surveys, proof or evidence of title or to have furnished any copies thereof, other than those in the possession of the vendor or under its control.
17. There are no warranties as to title or encroachments whatsoever given the purchaser's obligation to conduct its own due diligence in accordance with paragraph 9 herein and that a vesting order will be obtained in accordance with paragraph 10 herein.
18. The vendor represents and warrants to the purchaser that it is now and will be at the time of closing a resident of Canada within the meaning of the Income Tax Act (Canada) and that this representation and warranty shall survive the closing of this transaction.
19. If an offeror purports to retract, withdraw, vary or countermand its offer or purports in its offer to limit or vary the time in which the vendor may accept or reject such offer pursuant to these Terms and Conditions of Sale, or a purchaser fails to comply with any of the terms of the Agreement of Purchase and Sale or if the purchaser fails to complete a sale, the deposits and all other payments made by the offeror or the purchaser to the vendor shall be forfeited to the vendor on account of liquidated damages, as a genuine pre-estimate of such damages, and the assets affected thereby may be sold or resold by the vendor in such manner and on such terms and conditions as the vendor at its sole discretion determines,

and the deficiency, if any, of such sale or resale, together with all costs, damages and expenses attending the same, or occasioned by the defaulting offeror or purchaser, shall be paid by the defaulting offeror or purchaser.

20. In the event that disruption occurs to the Canadian or other postal service, all notices contemplated by these Terms and Conditions of Sale may be forwarded by facsimile to the number of the Trustee as set out at the end of these conditions of sale.
21. The validity and interpretation of these Terms and Conditions of Sale, and of each provision and part thereof, and of any Agreement of Purchase and Sale defined herein, shall be governed by the laws of British Columbia and the courts of the Province of British Columbia shall have exclusive jurisdiction with respect to any disputes arising out of these Terms and Condition of Sale or any Agreement of Purchase and Sale entered into pursuant to these Terms and Conditions of Sale.
22. The vendor at its own discretion may waive any or all of the Terms and Conditions of Sale herein.
23. If there is any conflict between these conditions and the advertising calling for offers, the terms contained in these Terms and Conditions of Sale shall prevail.
24. AAI acts herein in its capacity as Trustee and shall have no personal or corporate liability under or as a result of the sale herein, or the terms and conditions of such sale. A&M acts herein in its capacity as Interim Receiver and Receiver and shall have no personal or corporate liability under or as a result of the sale herein, or the terms and conditions of such sale.
25. The Agreement of Purchase and Sale entered into pursuant to these Terms and Conditions of Sale shall inure to the benefit of and be binding upon the parties thereto, and their respective heirs and assigns.
26. All stipulations as to time are strictly of the essence.

DATED AT VANCOUVER, BRITISH COLUMBIA, CANADA THIS 4<sup>TH</sup> DAY OF NOVEMBER 2009.

**Abakhan & Associates Inc.**

In its capacity as Trustee  
and not in its personal capacity  
#1120 - 625 Howe Street  
Vancouver, B.C. V6C 2T6

Phone #: (604) 689-4255  
Facsimile #: (604) 689-4277

**REDFERN RESOURCES LTD. - IN BANKRUPTCY AND RECEIVERSHIP**  
**25 CROWN GRANTED MINERAL CLAIMS**  
**(UNDERSURFACE RIGHTS)**

<u>Property Area</u>	<u>Record Number</u>	<u>Area (ha.)</u>	<u>PID Number</u>	<u>Title Number</u>
Tulsequah Crown Grants				
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
Big Bull Crown Grants				
Big Bull	6303	20.65	015-623-556	TF9548
Bull No. 1	6304	16.95	015-623-611	TF9549
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
Banker Crown Grants				
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 "B"**

**REDFERN RESOURCES LTD. - IN BANKRUPTCY AND RECEIVERSHIP  
13 MINERAL TITLES ONLINE CLAIMS**

<u>Property Area</u>	<u>Tenure Number</u>	<u>Area (ha.)</u>
Tulsequah	513806	1,241.297
	513807	1,242.293
	513809	1,393.208
	513812	621.526
	513813	806.766
	513814	1,160.494
	513815	1,310.797
	513818	1,615.841
	513819	841.076
	513820	1,094.340
	513821	842.324
	513828	1,331.763
	590422	419.996

\* Please note that the Court-appointed Interim Receiver and Receiver of the Company, Alvarez & Marsal Canada Inc., formerly McIntosh & Morawetz Inc., ("A&M") is authorized to offer for sale the "13 Mineral Titles Online Claims" as described in Schedule "B" subject to Court approval and issuance of a Vesting Order and is in agreement with offering the 13 Mineral Titles Online Claims listed in Schedule "B" as part of this sale process.

**REDFERN RESOURCES LTD. - IN BANKRUPTCY AND RECEIVERSHIP**  
**FEE SIMPLE LAND INTEREST**  
**(SURFACE RIGHTS ONLY)**  
**DISTRICT LOT 5687**

Description

Registered Owner in Fee Simple:  
Redfern Resources Ltd., Inc. No. 185826

Taxation Authority:  
Atlin Assessment District

Parcel Identifier: 015-661-946  
District Lot: 5687 Cassiar District

**REDFERN RESOURCES LTD. - IN BANKRUPTCY AND RECEIVERSHIP**  
**FEE SIMPLE LAND INTEREST**  
**(SURFACE RIGHTS ONLY)**  
**DISTRICT LOT 5686**

**Description**

Registered Owner in Fee Simple:  
Redfern Resources Ltd., Inc. No. 185826

Taxation Authority:  
Atlin Assessment District

Parcel Identifier: 015-661-938  
District Lot: 5686 Cassiar District

**REDFERN RESOURCES LTD. - IN BANKRUPTCY AND RECEIVERSHIP**  
**FEE SIMPLE LAND INTEREST**  
**(SURFACE RIGHTS ONLY)**  
**DISTRICT LOT 4233**

Description

Registered Owner in Fee Simple:  
Redfern Resources Ltd., Inc. No. 185826

Taxation Authority:  
Atlin Assessment District

Parcel Identifier: 015-661-920  
District Lot: 4233 Cassiar District

**REDFERN RESOURCES LTD. - IN BANKRUPTCY AND RECEIVERSHIP**  
**FEE SIMPLE LAND INTEREST**  
**(SURFACE RIGHTS ONLY)**  
**DISTRICT LOT 6302**

Description

Registered Owner in Fee Simple:  
Redfern Resources Ltd., Inc. No. 185826

Taxation Authority:  
Atlin Assessment District

Parcel Identifier: 015-861-954  
District Lot: 6302 Cassiar District

**SCHEDULE "D"**

**REDFERN RESOURCES LTD. - In Bankruptcy and Receivership**

**Offer to Purchase Form**

To: Abakhan & Associates Inc.  
Trustee in the Bankruptcy  
of Redfern Resources Ltd.  
#1120 - 625 Howe Street  
Vancouver, B.C. V6C 2T6  
**Attention: Rick J. Hamilton**

On the basis of the terms and conditions of sale herein, I/we, \_\_\_\_\_  
(hereinafter referred to as the "Offeror") hereby offer to purchase all your right and interest in  
and to the assets of Redfern Resources Ltd. including those set out below:

1. Fee Simple Land Interests (Surface Rights Only)

**Schedule**

"C-1") District Lot 5687	\$ _____
"C-2") District Lot 5686	\$ _____
"C-3") District Lot 4233	\$ _____
"C-4") District Lot 6302	\$ _____

2. All Assets (1 above) on an "En-Bloc" basis; \$ \_\_\_\_\_  
(Please Note: As per clauses "4" of the "Terms and Conditions of Sale" attached hereto, all offers should  
include distinct and separate values for each Schedule noted in #1 above.)

DATED AT \_\_\_\_\_, BC, this \_\_\_\_ day of November, 2009.

Name of Offeror (Same as above)

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Address of Offeror

\_\_\_\_\_  
Telephone number of Offeror

**Note:** By submitting an offer the Offeror confirms that they have read, understand and  
accept all the "Terms and Conditions of Sale" attached hereto which form a part hereof.

# **APPENDIX “C”**

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**REDCORP VENTURES LTD. / REDFERN RESOURCES LTD.**  
(In Receivership)

**Consolidated Receipts and Disbursements Schedule**  
for the period May 29, 2009 to August 31, 2010

	Redcorp Ventures Ltd.		Redfern Resources Ltd.		TOTAL	
	CDNS	USD	CDNS	USD	CDNS	USD
<b>Receipts:</b>						
Recovery of advances and refunds	\$126,847.00	-	\$341,268.00	\$5,846.26	\$468,115.00	\$5,846.26
Proceeds from asset sales	11,553.00	-	2,882,123.12	571,985.00	2,893,676.12	571,985.00
Income tax refund	195,000.00		30,000.00		225,000.00	-
Transfers from company bank accounts	30,963,473.00	2,226.38	154,346.00	579,443.80	31,117,819.00	581,670.18
<b>Total Receipts</b>	<b>31,296,873.00</b>	<b>2,226.38</b>	<b>3,407,737.12</b>	<b>1,157,275.06</b>	<b>34,704,610.12</b>	<b>1,159,501.44</b>
<b>Disbursements:</b>						
Interim distributions to CIBC Mellon	25,500,000.00	-	1,500,000.00	-	27,000,000.00	-
ABCP interest transferred to Trustee in Bankruptcy	1,202,107.00	-	-	-	1,202,107.00	-
Cannon Western Constructors Inc. - holdback amount	148,517.00	-	-	-	148,517.00	-
Arctic Construction Ltd. - holdback and related interest	-	-	192,438.00	-	192,438.00	-
Salaries, wages and casual, including source deductions	253,673.76	-	81,346.53	79,445.84	335,020.29	79,445.84
Bank service charges	783.60	117.00	323.60	1,001.13	1,107.20	1,118.13
<b>Professional fees:</b>						
Otherwise covered by CCAA Admin Charge	255,875.00	-	-	-	255,875.00	-
Consultant	34,405.15	-	17,153.95	-	51,559.10	-
Legal	345,799.50	-	308,936.10	69,085.37	654,735.60	69,085.37
Receiver	1,520,753.34	-	-	-	1,520,753.34	-
Trustee	15,000.00	-	10,000.00	-	25,000.00	-
Commission on sale of camp equipment	-	-	128,150.00	-	128,150.00	-
Security	427.00	-	-	-	427.00	-
Rent	143,175.78	-	2,542.00	-	145,717.78	-
Property taxes	36,085.70	-	43.96	-	36,129.66	-
Equipment rental	-	-	19,710.00	16,303.00	19,710.00	16,303.00
Equipment transport	-	-	-	4,410.00	-	4,410.00
Maintenance and repairs	-	-	68,883.62	-	68,883.62	-
Storage and moorage	-	-	144,880.27	362,640.31	144,880.27	362,640.31
BC PST paid	-	-	10,745.00	-	10,745.00	-
Insurance	174,704.00	-	9,462.00	2,500.00	184,166.00	2,500.00
Utilities	15,848.99	-	21,131.00	2,900.34	36,979.99	2,900.34
Barging and trucking	1,020,283.40	-	34,834.00	34,317.92	1,055,117.40	34,317.92
General and administrative	36,022.32	759.00	29,143.04	231.41	65,165.36	990.41
<b>Total Disbursements</b>	<b>30,703,461.54</b>	<b>876.00</b>	<b>2,579,723.07</b>	<b>572,835.32</b>	<b>33,283,184.61</b>	<b>573,711.32</b>
<b>Net Balance</b>	<b>\$593,411.46</b>	<b>\$1,350.38</b>	<b>\$828,014.05</b>	<b>\$584,439.74</b>	<b>\$1,421,425.51</b>	<b>\$585,790.12</b>