



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.

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

## INTRODUCTION

1. This report (the "**Eleventh Report**") is filed by Alvarez & Marsal Canada Inc., formerly McIntosh & Morawetz Inc. ("**A&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**").

2. Pursuant to an order of the Supreme Court of British Columbia (the “**Court**”) dated May 29, 2009 (the “**Appointment Order**”), A&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 holders of the secured notes (the “**Note Holders**”) 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 most recent report filed by the Receiver with this Court was the Tenth Report of the Receiver dated December 8, 2015 (the “**Tenth Report**”). The purpose of the Tenth Report was to support the Receiver’s motion (the “**Discharge Motion**”) seeking an order from the Court, among other things:
- (a) authorizing the Receiver to make an eleventh distribution of \$340,000 to the Note Trustee for the Note Holders in partial payment of the Secured Notes and authorizing the Receiver to make a further distribution of residual funds, if any, that the Receiver may receive to the Note Trustee for the Note Holders in partial payment of the Secured Notes (the “**Distribution**”);
  - (b) approving the activities of the Receiver from December 6, 2013 (the date of the Ninth Report) to the date of the Tenth Report;

- (c) approving the professional fees and disbursements of the Receiver and its legal counsel, DLA Piper (Canada) LLP (“**DLAP**”), plus an additional amount to complete the administration of the receivership proceedings, including the costs associated with preparing the Tenth Report and the related discharge application, as well as closing the related Chapter 15 case in the United States (the “**Fee Approval**”);
  - (d) authorizing the discharge of the Receiver upon the Receiver filing a certificate with this Court certifying that all activities required to conclude the receivership proceedings have been completed (the “**Discharge**”); and
  - (e) granting such further and other relief as counsel may advise and this Court may permit.
6. On December 14, 2015, the Court pronounced an order (the “**Discharge Order**”) which, among other things, approved the Distribution and granted the Discharge. The Fee Approval was adjourned generally. A copy of the Discharge Order is attached hereto as **Appendix “A”**.
7. In the Reasons for Judgment dated February 9, 2016, with respect to the Receiver’s application for the Fee Approval, The Honourable Mr. Justice Burnyeat concluded that the information included in the Tenth Report was insufficient for the Court to review and approve the fees and disbursements of the Receiver and its legal counsel.
8. The Receiver has previously filed ten reports, as well as a supplement to its Third Report, with this Court. A summary of the First through Ninth Reports and the supplement to the Third Report is attached hereto as **Appendix “B”**.

9. The Receiver has also brought two applications, without a hearing and by consent, during these receivership proceedings for a distribution and in relation to the sale of a Koppers Ball Mill and related assets, both which are also described in Appendix “B”.
10. Copies of the prior reports of the Receiver and the orders of this Court herein can be found at the Receiver’s website at [www.alvarezandmarsal.com/redcorp-ventures-ltd-and-redfern-resources-ltd](http://www.alvarezandmarsal.com/redcorp-ventures-ltd-and-redfern-resources-ltd).
11. All terms not otherwise defined herein shall have the meanings ascribed to them in the Receiver’s prior reports.

#### **PURPOSE OF THIS REPORT**

12. This Eleventh Report is filed in support of the Receiver’s motion seeking an order from this Court:
  - (a) authorizing the Receiver to make a thirteenth and final distribution of \$122,000 (or such other amount as the Receiver may hold for distribution following the completion of the Receiver’s mandate) to the Note Trustee for the Note Holders in partial payment of the Secured Notes (the “**Proposed Distribution**”); and
  - (b) approving the professional fees and disbursements of the Receiver and its legal counsel, DLA Piper (Canada) LLP (“**DLAP**”) for the periods described herein.

#### **BACKGROUND**

13. 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 was the registered holder of 38 mineral rights in the Tulsequah Project comprised of 25 Crown granted mineral claims and 13 MTOs. Redfern also owned the mining equipment assets of the Companies.

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

14. The Receiver is currently holding approximately CDN\$132,000 (CDN\$131,984 and US\$145) in its trust accounts.
15. A combined summary of the Receiver's receipts and disbursements for Redcorp and Redfern for the period May 29, 2009 to September 30, 2016 is attached hereto as **Appendix "C"**.
16. The Court has previously approved twelve interim distributions totalling \$40,280,000 (including \$7,425,000 paid directly to the Note Trustee on the closing of the mineral claims Asset Purchase Agreement and \$1.5 million paid to the Note Trustee by DLAP from the Permits Funds and the Licenses Funds).

#### **RECEIVER'S ACTIVITIES**

17. Since the date of the Tenth Report, the Receiver's activities have included, among other things, the following:
  - in accordance with the Discharge Order, coordinating the distribution of \$340,000 by the Note Trustee to the Note Holders in partial repayment of the Secured Notes;

- in accordance with the Discharge Order, negotiating and settling with Global Asset Sales and Appraisals Inc. (“**Global**”) with respect to amounts due to the Receiver pursuant to the net minimum guarantee under a Liquidation and Sale Agreement dated June 13, 2012. Global paid \$40,000 to the Receiver and the parties entered into a Mutual Release and the Receiver agreed to discontinue the Civil Claim that it had commenced against Global. In late February, 2016, the Receiver then coordinated the distribution of \$40,000 by the Note Trustee to the Note Holders in partial repayment of the Secured Notes;
- with the assistance of DLAP:
  - communicating with: (a) Borden Ladner Gervais (“**BLG**”), as escrow agent pursuant to the Account Operating Agreement (“**AOA**”) among Redfern, Cominco Ltd. (“**Cominco**”) and BLG (the “**AOA Account**”) with respect to the potential release of approximately \$1.3 million held by BLG to cover the costs of a remediation plan with the Ministry of the Environment (British Columbia) regarding the Tulsequah Project; and (b) Chieftain Metals Inc. (“**Chieftain**”), the purchaser of Redfern’s mineral rights, regarding its potential interest in a sale and assignment of Redfern’s interests in the Account; and
  - coordinating the release and payment, in July, 2016, of approximately \$148,000 to the Receiver, being the interest earned in the AOA Account since its establishment;

- providing updates to the Note Holders' Committee on the status of the remaining receivership matters and above referenced distributions;
- preparing and filing required HST returns;
- preparing this Eleventh Report in consultation with the Receiver's legal counsel;  
and
- maintaining the schedules of the Receiver's receipts and disbursements, and managing all banking-related matters generally.

#### **PROFESSIONAL FEES**

18. Pursuant to paragraph 3 of the Appointment Order, the Receiver was authorized to engage independent legal counsel (among others) to assist with the exercise of its powers and the performance of its obligations.
19. In accordance with paragraphs 26 and 27 of the Appointment Order, the Receiver and its legal counsel, DLAP, are to be paid their reasonable fees and disbursements at their standard rates and charges, and are required to pass their accounts from time to time before a judge of this Court.
20. In the Reasons for Judgment dated February 9, 2016 with respect to the Receiver's application for the approval of the fees and disbursements of the Receiver and its legal counsel, The Honourable Mr. Justice Burnyeat concluded that the fees information included in the Tenth Report was insufficient and that the Receiver could re-apply for the Fee Approval. In order to provide this Court with the further information requested, the



Receiver and its legal counsel have each prepared detailed affidavits in support of the Fee Approval.

21. During the period from May 26, 2009 to August 27, 2016, the Receiver expended a total of 3,742.9 hours in connection with this matter, giving rise to fees totalling \$1,978,590.72 plus out of pocket disbursements of \$123,712.44 and applicable taxes of \$155,106.29. Details of the hours incurred, the hourly rates and total fees and disbursements of the Receiver for the period May 26, 2009 to August 27, 2016 are included in the Affidavit of Alan J. Hutchens sworn on October 5, 2016.
22. During the period from May 30, 2009 to September 22, 2016, DLAP expended a total of 2,374 hours in connection with this matter, giving rise to fees totalling \$960,714.70, plus out of pocket disbursements of \$19,208.37 and applicable taxes of \$116,757.69. Details of the hours incurred, the hourly rates and total fees and disbursements of DLAP for the period May 30, 2009 to September 22, 2016 are included in the Affidavit of H. Lance Williams sworn on October 3, 2016.
23. Since the time of the Discharge Order, and barring any materially unforeseen circumstances to the completion of its mandate, the Receiver and DLAP have capped their unbilled and future professional fees and disbursements to complete the administration of the receivership proceedings at \$36,000 combined (inclusive of applicable taxes), which represents the prior estimated professional fees to complete the administration of the receivership proceedings as described in the Tenth Report. That is, the Receiver and DLAP have not invoiced for the additional time incurred to prepare this

Eleventh Report, including the fee affidavits, nor for the Court attendance in connection with this application.

24. The Receiver continues to be of the view that its professional fees and disbursements have been properly incurred and are fair and reasonable in the circumstances. The work completed by the Receiver was delegated to appropriate professionals in the Receiver's organization with the appropriate seniority and appropriate hourly rates, and the Receiver's fees are consistent with the fees charged by similar firms with the capacity to handle a file of comparable size and complexity. The services were performed by the Receiver in a prudent and economical manner.
25. The Receiver also considers that the fees and disbursements charged by DLAP have been necessarily incurred and that the hours and rates charged are fair and reasonable given the circumstances.
26. The Receiver's invoices were rendered to the Note Holders' Committee via their legal counsel on a regular basis throughout the receivership proceedings. The Note Holders will incur a loss on the principal amount of the Secured Notes in excess of \$110 million. The Note Holders' Committee supports the application for the Fee Approval.

#### **REMAINING TASKS TO CONCLUDE RECEIVERSHIP PROCEEDINGS**

27. As described in the Tenth Report, pursuant to an option agreement entered into by Redfern and Cominco, Redfern established the AOA Account to cover any liability to Cominco as a prior owner for the costs of a remediation plan with the Ministry of the Environment (British Columbia) regarding the Tulsequah Project. The AOA Account is held by BLG as escrow agent pursuant to the AOA among Redfern, Cominco and BLG

(the Receiver has confirmed with BLG that the current balance in the account is approximately \$1.2 million, excluding approximately \$148,000 of accrued interest paid to the Receiver in July, 2016). The Receiver had previously been informed by the Ministry of the Environment that the remediation plan was not complete, which meant that the funds would not be releasable pursuant to the AOA. However, through further review of relevant documentation and discussions with BLG, the Receiver concluded, and BLG and Cominco agreed, that the accrued interest was releasable to the Receiver.

28. In March, 2016, the Receiver contacted Chieftain to inquire if Chieftain was interested in acquiring the Receiver's interests in the AOA Account. Given the release of the funds will only occur once the Tulsequah Project site is remediated, or if Cominco otherwise agrees, the timing for the release of these funds is contingent. Chieftain, as the current owner of the Tulsequah Project, seemed to be a logical purchaser of the Receiver's interests. However, an agreement with Chieftain was not concluded. Further, pursuant to an Order of the Ontario Superior Court of Justice (Commercial List), Chieftain was placed into receivership on September 6, 2016 and Grant Thornton Limited was appointed receiver.
  
29. Given Chieftain's receivership, the uncertain future of the Tulsequah Project site, the Companies' contingent interest, and the unknown timeline, payment of the AOA Account to the Receiver or a sale by the Receiver of the Companies' interest beyond a nominal value in the foreseeable future is unlikely. Accordingly, the Receiver intends to take no further action to recover or realize on the funds. The Note Holders' will retain their security interest in the AOA Account (provided they take the necessary steps to maintain

its perfection), and should the funds become releasable in the future, the Note Holders may take steps then to exercise their rights with respect to the AOA Account.

30. The remaining tasks for the Receiver are to:
  - (a) coordinate the Proposed Distribution to the Note Trustee for the Note Holders in partial payment of the Secured Notes;
  - (b) file a final report of the Receiver with the U.S. Bankruptcy Court for the Western District of Washington, Case No. 09-12019-CMA, and file a motion to close that Chapter 15 case;
  - (c) close the Chapter 15 proceedings approximately 45 days after the proposed discharge order is granted by the Court, provided no objection is filed to the motion to close; and
  - (d) complete a final reconciliation of the estate bank accounts once all disbursements have cleared the accounts and subsequently close the bank accounts.

#### **SUMMARY COMMENTS AND RECOMMENDATIONS**

31. Following the Proposed Distribution, the Receiver will continue to hold approximately \$10,000 to fund the fees and disbursements of: (i) the Indenture Trustee to process three distributions to the Note Holders, one by the Receiver and two by Abakhan & Associates (one final dividend distribution from each of the Redcorp and Redfern bankruptcy estates); and (ii) Lane Powell PC, the Receiver's U.S. legal counsel, to close the Chapter 15 case.

32. Based on the foregoing, the Receiver respectfully requests that this Court grant an order:
- (a) authorizing the Receiver to make the Proposed Distribution of \$122,000 (or such other amount as the Receiver may hold for distribution following the completion of the Receiver's mandate) to the Note Trustee for the Note Holders in partial payment of the Secured Notes;
  - (b) approving the professional fees and disbursements of the Receiver and those of its legal counsel; and
  - (c) granting such further and other relief as counsel may advise and this Court may permit.

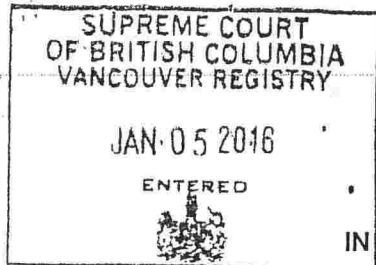
All of which is respectfully submitted this 5<sup>th</sup> day of October, 2016.

**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: Alan J. Hutchens,  
Senior Vice-President

# **APPENDIX “A”**



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

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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 MADE AFTER APPLICATION

BEFORE THE HONOURABLE )  
MR JUSTICE BURNYEAT ) MONDAY, THE 14<sup>TH</sup> DAY  
 ) OF DECEMBER, 2015  
 )

ON THE APPLICATION of Alvarez & Marsal Canada Inc., in its capacity as Court-appointed Interim Receiver and Receiver (the "Receiver") of the assets, undertakings and properties of Redcorp Ventures Ltd. ("Redcorp") and Redfern Resources Ltd. ("Redfern" and collectively with Redcorp, the "Companies") coming on for hearing at 800 Smithe Street, Vancouver, British Columbia, on Monday, December 14, 2015; AND ON HEARING H. Lance Williams, counsel for the Receiver, and those other counsel listed on Schedule "A" hereto; AND UPON READING the material filed herein including the Tenth Report of the Receiver dated December 8, 2015;

THIS COURT ORDERS THAT:

1. The time for service of the Notice of Application herein and all materials referred to therein is abridged as necessary such that the Notice of Application is properly returnable today.
2. The reports of the Receiver filed in these proceedings, including the Tenth Report of the Receiver dated December 8, 2015 (the "Tenth Report"), are received.


3. The hearing of the application to approve the fees and disbursements of the Receiver and its counsel, is adjourned generally.
4. The distribution of funds held by the Receiver, as described in the Tenth Report, is approved and the Receiver is authorized to make such distributions.
5. The Receiver is authorized to destroy any and all records of the Companies in its possession, subject to provisions of the *Bankruptcy and Insolvency Act*, any documents requested by the Canada Revenue Agency, and in accordance with the applicable standards established by the Office of the Superintendent of Bankruptcy.
6. The Receiver is authorized to settle or otherwise terminate the liquidation and sale agreement dated June 13, 2012 between the Receiver and Global Appraisals and Sales Inc. and to transfer any assets in accordance therewith or to the trustee-in-bankruptcy of Redfern.
7. Upon the filing of a Receiver's Discharge Certificate in the form attached as **Schedule "B"** hereto, the Receiver shall be discharged as Receiver of the assets, undertaking and property of the Companies set out in the Order of this Court pronounced herein on May 29, 2009, provided that notwithstanding its discharge: (a) the Receiver shall remain Receiver for the performance of such incidental duties as may be required to complete the administration of the receivership herein; and (b) the Receiver shall continue to have the benefit of the provisions of all Orders made in this proceeding, including all approvals, protections and stays of proceedings in favour of Alvarez & Marsal Canada Inc. in its capacity as Receiver.
8. ~~Alvarez & Marsal Canada Inc. is hereby released and discharged from any and all liability that it now has or may hereafter have by reason of, or in any way arising out of, its acts or omissions while acting in its capacity as Receiver herein. Without limiting the generality of the foregoing, Alvarez & Marsal Canada Inc. is hereby forever released and discharged from any and all liability relating to matters that were raised, or which could have been raised, in the within receivership proceedings.~~ ✓ *SM*
9. Notwithstanding any provision herein, this Order shall not affect any person to whom notice of these proceedings was not delivered as required by the *Bankruptcy and Insolvency Act* and regulations thereto, any other applicable enactment or any other Order of this Court.
10. Approval of this Order by counsel appearing, other than counsel for the Receiver, is hereby dispensed with.

THIS COURT REQUESTS the aid and recognition of other Canadian and foreign Courts, tribunal, regulatory or administrative bodies, including any Court or administrative tribunal of any Federal or State Court or administrative body in the United States of America, including without limitation the United States



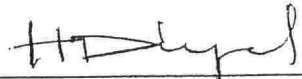
Bankruptcy Court for the Western District of Washington, to act in aid of and to be complementary to this Court in carrying out the terms of this Order where required. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:

  
\_\_\_\_\_  
DLA Piper (Canada) LLP (H. Lance Williams)  
Counsel for Alvarez & Marsal Canada Inc.,  
Receiver of Redcorp Ventures Ltd. and  
Redfern Resources Ltd.

  
B. V. YEAR, J.

BY THE COURT

  
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# SCHEDULE "A"

## LIST OF COUNSEL

NAME	PARTY REPRESENTED
Natalie Renner (by phone)	GMP Investment Management LP, Sandelman Partners, LP, Whitebox Advisors, LLC and VR Global Partners, LP

## SCHEDULE "B"

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*,  
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S.B.C. 2002, c. 57

- AND -

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

### RECEIVER'S CERTIFICATE

The undersigned hereby certifies for the purposes of the Order made on the 14<sup>th</sup> day of December, 2015 in the within matter (the "**Receivership Proceedings**") that:

1. All funds in the Receivership Proceedings were received and distributed as set out in the Tenth Report of the Receiver dated December 8, 2015.
2. The books and records of Redcorp Ventures Ltd. and Redfern Resources Ltd. in the possession of the Receiver have been destroyed, or alternative arrangements made, in accordance with the *Bankruptcy and Insolvency Act* and the applicable standards established by the Office of the Superintendent of Bankruptcy .
3. The Receiver has sent out all required statutory notices to the creditors and the Superintendent of Bankruptcy.
4. The administration of the Receivership Proceedings as described in the Receiver's reports to Court has been completed.

DATED at \_\_\_\_\_, this \_\_\_\_ day of \_\_\_\_\_, 2015.

**ALVAREZ & MARSAL CANADA INC.**, in its  
capacity as Receiver of Redcorp Ventures  
Ltd. and Redfern Resources Ltd.

Per:

\_\_\_\_\_  
Name:

Title:

# **APPENDIX “B”**

## SUMMARY OF REPORTS FILED BY THE RECEIVER

The Receiver has previously filed eight reports, as well as a supplement to its Third Report, with this Honourable Court, summarized as follows:

### **1. The Receiver's First Report to Court**

The First Report of the Receiver dated June 23, 2009 (the "**First Report**") was filed in support of the Receiver's motion that sought, among other things, an order from this 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, the Court granted an order that approved the First Report and granted the relief sought therein.

### **2. The Receiver's Second Report to Court**

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

- (i) the Receiver's motion that sought, among other things, 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.

### 3. The Receiver's Third Report to Court and Supplemental Report Thereto

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

- (i) approving the Proposed Sale Transactions (as defined therein, which included the sale of two marine vessels (barges), the RDV-WHO and the RDV-KEETU) 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 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 the 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, the Court granted four orders which collectively granted the relief sought in the Third Report and the Supplemental Third Report.

#### 4. The Receiver's Fourth Report to Court

The Fourth Report of the Receiver dated September 14, 2010 (the "**Fourth Report**") was filed in support of the Receiver's motion that sought orders from this Court:

- (i) approving the sale transaction proposed therein and the APA (as defined therein, which included the sale of the Tulsequah Project) for and vesting right, title and interest in the applicable assets free and clear of all liens, security interests and other encumbrances, other than Permitted Encumbrances (as defined therein) to the respective purchasers, and 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 respective 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) under the *Mineral Tenure Act*;
- (ii) authorizing and directing the Receiver to pay to the Trustee of Redcorp \$401,000 representing interest received on Redcorp's former ABCP investments;
- (iii) authorizing and directing the Receiver's legal counsel, 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;
- (iv) releasing and discharging the Directors' Charge;
- (v) 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 was only authorized and directed to be made following the Closing of the sale transaction described therein; and

- (vi) approving the activities of the Receiver from October 20, 2009 (the date of the Third Report) to September 14, 2010 (the date of the Fourth Report).

On September 22, 2010, the Court granted two orders which collectively granted the relief sought in the Fourth Report.

#### **5. The Receiver's Fifth Report to Court**

The Fifth Report of the Receiver dated March 15, 2011 (the "**Fifth Report**") was filed in support of the Receiver's motion that sought orders from this Court:

- (i) approving the proposed sale transaction for the RDV Gator, a Canadian tug boat registered in Canada and moored in Juneau, Alaska;
- (ii) vesting in North American Construction Group Inc. all right, title and interest in the Gator Tug free and clear of all liens, security interests and other encumbrances;
- (iii) authorizing and directing the Receiver to make a sixth interim distribution of \$1 million to the Note Trustee for holders of the Secured Notes in partial repayment of the Secured Notes and, upon receipt of the Licenses Funds (as defined in the Fifth Report), to make a further seventh interim distribution to the Note Trustee of up to \$500,000; and
- (iv) approving the activities of the Receiver from September 14, 2010 (the date of the Fourth Report) to the date of the Fifth Report.

On March 25, 2011, the Court granted two orders which collectively granted the relief sought in the Fifth Report.

#### 6. The Receiver's Sixth Report to Court

The Sixth Report of the Receiver dated May 13, 2011 (the "Sixth Report") was filed in support of the Receiver's motion that sought orders from this Court:

- (i) approving the proposed sale transaction for eight generator sets and related equipment (collectively, the "Gensets"), some of which was stored in Juneau, Alaska, and some of which was stored in Savona, British Columbia;
- (ii) vesting in R.J. Turner and Associates Inc. all right, title and interest in the Gensets free and clear of all liens, security interests and other encumbrances;
- (iii) authorizing and directing the Receiver to pay to the Trustee of Redfern \$814,971 upon closing of the Genset Sale Transaction;
- (iv) authorizing and directing the Receiver to make an eighth interim distribution of \$1.5 million to the Note Trustee for the Note Holders in partial repayment of the Secured Notes;
- (v) authorizing and directing the Receiver to direct Davis to pay NC Power Systems Company the sum of \$55,606, plus a per diem of \$19.26 after the date of the Sixth Report, in full satisfaction of its interest in the proceeds from the sale of the Gator Tug; and
- (vi) approving the activities of the Receiver from March 15, 2011 (the date of the Fifth Report) to the date of the Sixth Report.

On May 20, 2011, the Court granted two orders which collectively granted the relief sought in the Sixth Report.

## 7. The Receiver's Seventh Report to Court

The Seventh Report of the Receiver dated July 4, 2011 (the "**Seventh Report**") was filed in support of the Receiver's motion that sought orders from this Court:

- (i) approving the proposed sale transaction for eight floatation cells and related equipment, including sixty 600 volt Teco-Westinghouse motors located in Juneau, Alaska, Savona, British Columbia and Edmonton, Alberta (the "**Proposed Sale Transaction**");
- (ii) vesting in Pine Point Holding Corp. all right, title and interest in the Float Cells free and clear of all liens, security interests and other encumbrances;
- (iii) upon closing of the Proposed Sale Transaction, authorizing and directing the Receiver to direct Davis to pay to the Trustee of Redfern, the Non-BC Float Cell Proceeds in the amount of \$555,508;
- (iv) upon closing of the Proposed Sale Transaction, authorizing and directing the Receiver to direct Davis to pay:
  - i. \$32,770 to Teco-Westinghouse (Canada), Inc. ("**Teco**");
  - ii. \$18,165 to Alaska Marine Lines ("**AML**"); and
  - iii. \$138,600 to Global Sales & Appraisals Inc. ("**GSAI**"),in full satisfaction of storage costs owing to Teco and AML, and commissions owing to GSAI; and
- (v) approving the activities of the Receiver from April 29, 2011 (the date of the Sixth Report) to the date of this Seventh Report.

On July 8, 2011, the Court granted an order that approved the Seventh Report and granted the relief sought therein.

#### **8. The Receiver's Eighth Report to Court**

The Eighth Report of the Receiver dated September 20, 2012 (the "**Eighth Report**") was filed in support of the Receiver's motion that sought an order from this Court:

- (i) authorizing and directing the Receiver to direct Davis to pay from the Guarantee Proceeds \$626,253.38 to the Receiver and \$382,750.62 to the Trustee, plus accrued interest on a pro-rata basis;
- (ii) upon receipt of its allocation of the Guarantee Proceeds, authorizing and directing the Receiver to make a ninth interim distribution of \$950,000 to the Note Trustee for the Note Holders in partial payment of the Secured Notes; and
- (iii) approving the activities of the Receiver from July 4, 2011 (the date of the Seventh Report) to the date of the Eighth Report.

On October 1, 2012, the Court granted an order that approved the Eighth Report and granted the relief sought therein.

#### **9. The Receiver's Ninth Report to Court**

The Ninth Report of the Receiver dated December 6, 2013 (the "**Ninth Report**") was filed in support of the Receiver's motion that sought an order from this Court:

- (i) authorizing and directing the Receiver to make a tenth interim distribution of \$675,000 to the Note Trustee for the Note Holders in partial payment of the Secured Notes; and
- (ii) approving the activities of the Receiver from September 20, 2012 (the date of the Eighth Report) to the date of the Ninth Report.

On December 12, 2013, the Court granted an order that approved the Ninth Report and granted the relief sought therein.

#### 10. Applications Filed Without a Hearing and by Consent

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.

On application by the Receiver, without a hearing, on July 22, 2010, this Court granted an order (the “**Koppers Ball Mill Order**”), among other things, 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 subsequently 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.

# **APPENDIX “C”**

REDCORP VENTURES LTD. / REDFERN RESOURCES LTD.

(In Receivership)

Consolidated Receipts and Disbursements Schedule  
for the period May 29, 2009 to September 30, 2016

	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	159,964.19	-	5,825,774.22	840,567.00	5,985,738.41	840,567.00
Settlement proceeds	-	-	633,635.25	-	633,635.25	-
Income tax refunds	195,000.00	-	44,391.53	-	239,391.53	-
Transfers from company bank accounts	31,183,473.00	2,226.38	428,797.75	104,990.78	31,612,270.75	107,217.16
HST refunds	90,504.85	-	748,544.02	-	839,048.87	-
Miscellaneous receipts	-	1.74	18,130.21	56.75	18,130.21	58.49
<b>Total Receipts</b>	<b>\$31,755,789.04</b>	<b>\$2,228.12</b>	<b>\$8,040,540.98</b>	<b>\$951,460.79</b>	<b>\$39,796,330.02</b>	<b>\$953,688.91</b>
<b>Disbursements:</b>						
Interim distributions to CIBC Mellon (CST Trust)	25,499,950.00	-	5,515,050.00	-	31,015,000.00	-
Note holder distribution	340,000.00	-	29,870.00	-	369,870.00	-
ABCP interest transferred to Trustee in Bankruptcy	1,605,607.00	-	(2,500.00)	-	1,603,107.00	-
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	252,121.30	-	81,346.53	123,722.85	333,467.83	123,722.85
Bank service charges	982.16	434.24	1,410.14	2,220.70	2,392.30	2,654.94
Professional fees:						
Otherwise covered by CCAA Admin Charge	255,875.00	-	-	-	255,875.00	-
Consultant	34,405.15	-	53,431.10	-	87,836.25	-
Legal	337,824.48	889.80	748,832.93	83,146.70	1,086,657.41	84,036.50
Receiver	1,696,218.35	-	561,240.72	-	2,257,459.07	-
Commission on sale of camp equipment	-	-	175,507.25	-	175,507.25	-
Security	427.00	-	-	-	427.00	-
Rent	151,294.41	-	2,542.00	-	153,836.41	-
Property taxes	36,100.85	-	43.96	-	36,144.81	-
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	-	-	398,295.33	680,710.03	398,295.33	680,710.03
BC PST paid	-	-	10,745.00	-	10,745.00	-
Insurance	178,704.00	-	80,194.00	2,500.00	258,898.00	2,500.00
Utilities	17,981.70	-	21,131.00	3,898.18	39,112.70	3,898.18
Barging and trucking	1,024,415.40	-	42,203.60	34,317.92	1,066,619.00	34,317.92
General and administrative	43,901.71	759.00	39,645.75	231.41	83,547.46	990.41
<b>Total Disbursements</b>	<b>31,624,325.51</b>	<b>2,083.04</b>	<b>8,040,020.93</b>	<b>951,460.79</b>	<b>39,664,346.44</b>	<b>953,543.83</b>
<b>Net Balance</b>	<b>\$131,463.53</b>	<b>\$145.08</b>	<b>\$520.05</b>	<b>\$80.00</b>	<b>\$131,983.58</b>	<b>\$145.08</b>

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.

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**ELEVENTH REPORT OF THE RECEIVER  
ALVAREZ & MARSAL CANADA INC.**

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File No. 76334-00001

LZW/sdf