

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.**

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

INTRODUCTION

1. This report (the "**Tenth 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**”) pronounced 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 Receiver has previously filed nine reports, as well as a supplement to its Third Report, with this Honourable Court. Summaries of the First through Ninth Reports and the supplement to the Third Report are provided in **Appendix “A”** attached.
 6. The Receiver has also brought two applications, without a hearing and by consent, during these receivership proceedings which are also described in Appendix “A”.
 7. 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/redcorp-ventures-ltd-and-redfern-resources-ltd.
 8. All terms not otherwise defined herein shall have the meanings ascribed to them in the Receiver’s prior reports.

PURPOSE OF THIS REPORT

9. This Tenth Report is filed in support of the Receiver's motion seeking an order from this Honourable Court:
- (a) authorizing and directing the Receiver to make an eleventh and final distribution of \$340,000 to the Note Trustee for the Note Holders in partial payment of the Secured Notes;
 - (b) approving the activities of the Receiver from December 6, 2013 (the date of the Ninth Report) to the date of this Tenth Report;
 - (c) approving the professional fees and disbursements of the Receiver and its legal counsel, DLA Piper (Canada) LLP ("**DLAP**"), for the periods described herein; and
 - (d) authorizing and approving the discharge of the Receiver upon the Receiver filing a certificate with this Court certifying that the activities required to conclude the receivership proceedings have been completed.

BACKGROUND

10. 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

11. The Receiver is currently holding approximately CDN\$376,000 (CDN\$310,000 and US\$50,000) in its trust accounts.
12. A combined summary of the Receiver's receipts and disbursements for Redcorp and Redfern for the period May 29, 2009 to December 4, 2015 (the "**Schedule of Receipts and Disbursements**") is attached hereto as **Appendix "B"**.

PROPOSED ELEVENTH DISTRIBUTION

13. The Court has previously approved ten interim distributions totalling \$39,900,000 (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).
14. The Note Holders' Committee has requested that the Receiver seek this Honourable Court's approval to make an eleventh and final distribution in the amount of \$340,000 to the Note Trustee (the "**Proposed Distribution**").
15. Based on the Receiver's combined summary of receipts and disbursements, and taking into consideration the hold back itemized below, the Receiver is of the view that the Proposed Distribution is appropriate at this time.

	As at Dec. 4, 2015 (in \$CDN 000s)
Cash on deposit in Receiver's trust accounts	\$376,000
Less proposed hold back amounts:	
Provision for future expenses (before net future realizations on non-cash assets)	(36,000)
Proposed Distribution	\$340,000

16. 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.

THE RECEIVER'S ACTIVITIES

17. Since the date of the Ninth Report, the Receiver's activities have included, among other things, the following:
- providing periodic updates to the Note Holders' Committee on significant receivership matters;
 - communicating with Global Sales and Appraisals Inc. ("**Global**") regarding their continuing efforts to market and sell the Companies' remaining equipment pursuant to the Liquidation and Sale Agreement previously entered into with the Receiver

and pursuing payment of the Net Minimum Guarantee provided for under the Agreement (including through the commencement of a Civil Claim);

- communicating with Redfern's insurance broker regarding the expiry/renewal of insurance policies and reduction of coverage on the sale of assets;
- preparing and filing required HST returns and administering various other Canadian and U.S. statutory filings;
- communicating with KPMG in respect of tax related matters;
- assisting Chieftain Metals Inc. ("**Chieftain**"), the purchaser of Redfern's mineral rights, with efforts to have certain cumulative Canadian exploration expense balances transferred to Chieftain via a successor election to be filed with the Canada Revenue Agency;
- responding to note holder and other enquiries;
- preparing this Tenth 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 Honourable Court.

20. Attached as **Appendix “C”** is a summary of the Receiver’s professional fees and disbursements for the period May 26, 2009 to September 27, 2014 (the “**Fees Period**”) which total \$2,244,414.45, including out of pocket disbursements of \$123,408.26 and applicable taxes of \$153,611.29.
21. Attached as **Appendix “D”** is a summary of the Receiver’s total professional fees indicating name, title, hourly rate and hours charged by the Receiver’s professional staff during the Fees Period.
22. Attached as **Appendix “E”** is a summary of the professional fees and disbursements for the Receiver’s legal counsel, DLAP, for the period May 30, 2009 to November 9, 2015 which total \$1,065,788.24, including out of pocket disbursements of \$18,545.43 and applicable taxes of \$113,492.71. Also included in Appendix “E” is a summary of DLAP’s total professional fees, indicating name, title, hourly rate and hours charged by DLAP’s lawyers and staff during the relevant time period.
23. The Receiver and DLAP anticipate incurring additional fees and disbursements of approximately \$36,000 combined (inclusive of applicable taxes) to complete the administration of the receivership proceedings, including the costs associated with preparing this Report and the related discharge application, as well as closing the related Chapter 15 case in the United States.

24. The Receiver is of the view that its professional fees and disbursements have been properly incurred and are fair and reasonable in the circumstances, as are its estimated fees and disbursements associated with the discharge of its duties as Receiver and completion of the administration of the receivership proceedings. 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 in British Columbia 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, as are DLAP's estimated fees and disbursements through completion of this matter.
26. The Receiver's invoices were rendered to legal counsel to the Note Holders' Committee 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 Receiver is not aware of any Note Holder (or any other stakeholder) taking issue with the professional fees charged in this matter to date.

REMAINING TASKS TO CONCLUDE RECEIVERSHIP PROCEEDINGS

27. On June 13, 2012, the Receiver entered into the Liquidation and Sale Agreement (the "**Agreement**") with Global, whereby Global was engaged to sell the remaining equipment assets of Redfern. The equipment included in the agreement were the residual

assets of Redfern that the Receiver had been unable to sell over the three plus year period from commencement of the receivership proceedings in May, 2009. The Agreement provides for a net minimum guarantee to the Receiver of \$400,000 (the “**NMG**”), with sharing thresholds commencing when aggregate sale proceeds exceed the NMG. As a result of the nature of the equipment, the passage of time since the commencement of the receivership proceedings, the significant prior marketing of the equipment and difficult business conditions in the mining sector, to-date the Receiver has received \$240,000 under the Agreement.

28. Pursuant to an option agreement entered into by Redfern and Cominco Ltd. (“**Cominco**”), Redfern established a fund (the “**Account**”) to cover the costs of a remediation plan with the Ministry of the Environment (British Columbia) regarding the Tulsequah Project. The Account is held by Borden Ladner Gervais LLP (“**BLG**”) as escrow agent pursuant to an Account Operating Agreement (“**AOA**”) among Redfern, Cominco and BLG, and holds an estimated \$2.5 million. 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, the Receiver has recently been informed that the remediation plan requirements may no longer be applicable, and the Receiver is accordingly determining whether the funds held in the Account under the AOA are releasable to the Receiver.
29. Subject to the approval of this Honourable Court, in addition to making the proposed eleventh distribution as described above, the remaining tasks for the Receiver are to:
 - (a) abandon the Agreement with Global;

- (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 the Proposed Distribution has cleared the accounts and subsequently close the bank accounts.

SUMMARY COMMENTS AND RECOMMENDATIONS

- 30. Following the Proposed Distribution, the Receiver will continue to hold approximately \$26,000 to fund the professional fees and disbursements and other costs to conclude these receivership proceedings.
- 31. Based on the foregoing, the Receiver respectfully recommends that this Honourable Court grant an order:
 - (a) authorizing and directing the Receiver to make the Proposed Distribution of \$340,000 to the Note Trustee for the Note Holders in partial payment of the Secured Notes;
 - (b) approving the activities of the Receiver from December 6, 2013 (the date of the Ninth Report) to the date of this Tenth Report;
 - (c) approving the professional fees and disbursements of the Receiver and those of its legal counsel;

- (d) authorizing and approving the discharge of the Receiver upon the Receiver filing a certificate with this Honourable Court certifying that the activities required to conclude the receivership proceedings, as described above, have been completed;
- (e) authorizing and directing 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; and
- (f) granting such further and other relief as counsel may advise and this Court may permit.

All of which is respectfully submitted this 8th day of December, 2015.

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

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.

REDCORP VENTURES LTD. / REDFERN RESOURCES LTD.

(In Receivership)

Consolidated Receipts and Disbursements

for the period May 29, 2009 to December 4, 2015

	Redcorp Ventures Ltd.		Redfern Resources Ltd.		TOTAL	
	CDN\$	USD	CDN\$	USD	CDN\$	USD
Receipts						
Transfers from company bank accounts	30,963,473	2,226	580,696	154,444	31,544,169	156,670
Recovery of advances and refunds	126,847	-	341,268	5,846	468,115	5,846
Proceeds from asset sales	11,553	-	6,435,247	840,567	6,446,800	840,567
Tax refunds	285,505	-	792,936	-	1,078,440	-
Miscellaneous receipts	-	-	18,130	53	18,130	53
Total Receipts	31,387,378	2,226	8,168,277	1,000,910	39,555,655	1,003,137
Disbursements						
Interim distributions	25,500,000	-	5,504,920	-	31,004,920	-
Transfers to Trustee (ABCP interest)	1,605,607	-	(2,500)	-	1,603,107	-
Holdbacks remitted to construction lien holders	148,517	-	192,438	-	340,955	-
Salaries, wages and casual, including source deductions	252,121	-	81,347	123,723	333,468	123,723
Transport	1,024,415	-	61,914	55,031	1,086,329	55,031
Professional fees	2,304,260	-	1,354,707	83,147	3,658,967	83,147
Commissions	-	-	175,507	-	175,507	-
Rent and property taxes	187,395	-	2,586	-	189,981	-
Maintenance and repairs	-	-	68,884	-	68,884	-
Storage and moorage	-	-	398,295	680,710	398,295	680,710
Insurance	178,704	-	80,194	2,500	258,898	2,500
Utilities	17,982	-	21,131	3,898	39,113	3,898
General and administrative	45,175	1,158	41,432	2,446	86,607	3,604
Total Disbursements	31,264,176	1,158	7,980,855	951,455	39,245,031	952,613
Net Cash Flow	123,202	1,068	187,422	49,455	310,624	50,524

APPENDIX "C"
ALVAREZ & MARSAL CANADA INC. AS COURT-APPOINTED RECEIVER OF
REDCORP VENTURES LTD. AND REDFERN RESOURCES LTD.
(May 26, 2009 - September 27, 2014)

Invoice No.	Invoice Date	Invoice Period / Description	Total Hours	Fees	Disbursements	HST	Invoice Total
83828 - 1	June 12, 2009	May 26, 2009 to May 30, 2009	80.9	\$ 52,479.00	\$ 5,583.48	\$ 2,903.12	\$ 60,965.60
83828 - 2	June 12, 2009	May 31, 2009 to June 6, 2009	77.5	\$ 45,153.00	\$ 5,178.45	\$ 2,515.34	\$ 52,846.79
83828 - 3	June 18, 2009	June 7, 2009 to June 13, 2009	119.2	\$ 65,525.00	\$ 859.29	\$ 3,316.00	\$ 69,700.29
83828 - 4	June 24, 2009	June 14, 2009 to June 20, 2009	120.1	\$ 64,930.50	\$ 8,937.59	\$ 3,663.08	\$ 77,531.17
83828 - 5	July 7, 2009	June 21, 2009 to June 27, 2009	113.3	\$ 60,709.50	\$ 9,656.57	\$ 3,515.88	\$ 73,881.95
83828 - 6	July 9, 2009	June 28, 2009 to July 4, 2009	88.0	\$ 44,891.00	\$ 3,947.13	\$ 2,286.16	\$ 51,124.29
83828 - 7	July 9, 2009	July 5, 2009 to July 11, 2009	116.3	\$ 61,618.50	\$ 10,342.82	\$ 3,596.24	\$ 75,557.56
83828 - 8	July 21, 2009	July 12, 2009 to July 18, 2009	103.9	\$ 54,163.00	\$ 3,032.93	\$ 2,858.56	\$ 60,054.49
83828 - 9	July 29, 2009	July 19, 2009 to July 25, 2009	111.1	\$ 57,571.50	\$ 15,073.93	\$ 3,405.60	\$ 76,051.03
83828 - 10	August 5, 2009	July 26, 2009 to August 1, 2009	99.6	\$ 50,198.00	\$ 4,865.56	\$ 2,517.03	\$ 57,580.59
83828 - 11	August 13, 2009	August 2, 2009 to August 8, 2009	94.3	\$ 48,763.00	\$ 7,137.01	\$ 2,629.59	\$ 58,529.60
83828 - 12	August 24, 2009	August 9, 2009 to August 15, 2009	97.2	\$ 49,235.00	\$ 10,001.84	\$ 2,960.68	\$ 62,197.52
83828 - 13	August 26, 2009	August 16, 2009 to August 22, 2009	74.1	\$ 38,525.50	\$ 13,609.74	\$ 2,462.58	\$ 54,597.82
83828 - 14	September 3, 2009	August 23, 2009 to August 29, 2009	71.8	\$ 37,400.00	\$ 2,150.48	\$ 1,927.71	\$ 41,478.19
83828 - 15	September 11, 2009	August 30, 2009 to September 5, 2009	86.4	\$ 43,472.00	\$ 1,989.08	\$ 2,224.23	\$ 47,685.31
83828 - 16	September 16, 2009	September 6, 2009 to September 12, 2009	55.2	\$ 28,990.50	\$ 48.25	\$ 1,451.94	\$ 30,490.69
83828 - 17	September 23, 2009	September 13, 2009 to September 19, 2009	48.6	\$ 25,684.00	\$ 6,247.90	\$ 1,596.60	\$ 33,528.50
83828 - 18	September 29, 2009	September 20, 2009 to September 26, 2009	58.7	\$ 31,338.50	\$ -	\$ 1,566.93	\$ 32,905.43
83828 - 19	October 22, 2009	September 27, 2009 to October 17, 2009	125.5	\$ 67,053.40	\$ 5,146.33	\$ 3,508.28	\$ 75,708.01
83828 - 20	October 28, 2009	October 18, 2009 to October 24, 2009	35.4	\$ 19,431.00	\$ 660.72	\$ 981.83	\$ 21,073.55
83828 - 21	November 4, 2009	October 25, 2009 to October 31, 2009	35.2	\$ 16,928.50	\$ 21.75	\$ 847.43	\$ 17,797.68
83828 - 22	November 11, 2009	November 1, 2009 to November 7, 2009	35.4	\$ 17,035.50	\$ 481.78	\$ 856.18	\$ 18,373.46
83828 - 23	November 18, 2009	November 8, 2009 to November 14, 2009	40.4	\$ 17,949.00	\$ -	\$ 897.45	\$ 18,846.45
83828 - 24	December 9, 2009	November 15, 2009 to November 29, 2009	65.0	\$ 31,822.50	\$ 277.95	\$ 1,605.02	\$ 33,705.47
83828 - 25	January 12, 2010	December 6, 2009 to January 2, 2010	71.4	\$ 34,789.50	\$ 125.56	\$ 1,745.75	\$ 36,660.81
83828 - 26	February 8, 2010	January 3, 2010 to January 30, 2010	106.2	\$ 53,836.00	\$ 107.71	\$ 2,696.19	\$ 56,639.90
83828 - 27	March 24, 2010	January 31, 2010 to March 13, 2010	126.8	\$ 65,630.00	\$ 131.08	\$ 3,282.96	\$ 69,044.04
83828 - 28	May 4, 2010	March 14, 2010 to April 30, 2010	150.4	\$ 78,643.00	\$ 156.08	\$ 3,939.08	\$ 82,738.16
83828 - 29	June 30, 2010	May 1, 2010 to June 26, 2010	129.5	\$ 69,856.00	\$ 58.07	\$ 3,495.30	\$ 73,409.37
83828 - 30	September 15, 2010	June 27, 2010 to August 21, 2010	112.8	\$ 60,788.50	\$ 79.37	\$ 7,213.02	\$ 68,080.89
83828 - 31	October 7, 2010	August 22, 2010 to September 18, 2010	79.2	\$ 45,475.00	\$ -	\$ 5,911.75	\$ 51,386.75
83828 - 32	October 19, 2010	September 19, 2010 to October 16, 2010	100.5	\$ 54,964.00	\$ 2,576.81	\$ 7,475.25	\$ 65,016.06
83828 - 33	November 16, 2010	October 17, 2010 to November 13, 2010	69.0	\$ 37,016.50	\$ 2,905.37	\$ 4,968.37	\$ 44,890.24
83828 - 34	February 16, 2011	November 14, 2010 to January 29, 2011	84.4	\$ 42,938.50	\$ 866.16	\$ 5,694.22	\$ 49,498.88
83828 - 35	April 29, 2011	January 30, 2011 to April 23, 2011	167.8	\$ 90,336.50	\$ 234.24	\$ 11,752.65	\$ 102,323.39
83828 - 36	July 12, 2011	April 24, 2011 to June 25, 2011	108.0	\$ 59,961.50	\$ 425.63	\$ 7,805.21	\$ 68,192.34
83828 - 37	September 15, 2011	June 26, 2011 to August 31, 2011	118.6	\$ 63,163.00	\$ 270.89	\$ 8,222.54	\$ 71,656.43
83828 - 38	October 28, 2011	September 1, 2011 to October 15, 2011	51.0	\$ 27,136.00	\$ -	\$ 3,527.68	\$ 30,663.68
83828 - 39	July 3, 2012	October 16, 2011 to May 31, 2012	118.4	\$ 60,811.00	\$ 77.89	\$ 7,915.56	\$ 68,804.45
83828 - 40	October 10, 2012	June 1, 2012 to October 5, 2012	53.2	\$ 31,279.50	\$ 96.76	\$ 4,078.91	\$ 35,455.17
83828 - 41	April 8, 2013	October 6, 2012 to March 31, 2013	31.7	\$ 17,831.50	\$ -	\$ 2,318.10	\$ 20,149.60
83828 - 42	October 22, 2013	April 1, 2013 to October 19, 2013	36.8	\$ 20,457.50	\$ -	\$ 2,659.48	\$ 23,116.98
83828 - 43	October 7, 2014	October 20, 2013 to September 27, 2014	37.0	\$ 21,614.00	\$ 46.06	\$ 2,815.81	\$ 24,475.87
					\$ -		
		TOTAL	3,705.8	\$ 1,967,394.90	\$ 123,408.26	\$ 153,611.29	\$ 2,244,414.45

APPENDIX "D"

**ALVAREZ & MARSAL CANADA INC. AS COURT-APPOINTED RECEIVER OF
REDCORP VENTURES LTD. AND REDFERN RESOURCES LTD.**

(May 26, 2009 - September 27, 2014)

Staff Member	Title	Total Hours	Rate (\$CDN)	Amount Billed
Douglas McIntosh	Managing Director	58.2	\$ 745.00	\$ 43,359.00
Alan Hutchens	Senior Director	932.8	\$ 650.00	\$ 606,320.00
Melanie MacKenzie	Director	1,812.6	\$ 535.00	\$ 969,741.00
Stuart Bonomo	Associate	690.0	\$ 435.00	\$ 300,149.90
Audrey Singels-Ludvik	Associate	206.5	\$ 225.00	\$ 46,462.50
Adam Noyek	Analyst	3.2	\$ 250.00	\$ 800.00
Garrett Healey	Analyst	2.5	\$ 225.00	\$ 562.50
Total Fees (excl. Disbursements and GST)		3,705.8	\$ 530.90	\$ 1,967,394.90

APPENDIX "E"
PROFESSIONAL FEES AND DISBURSEMENTS - DLA PIPER (CANADA) LLP
FOR THE PERIOD MAY 30, 2009 TO NOVEMBER 9, 2015

Invoice No.	Invoice Date	Fees	Disbursements	HST	Invoice Total
1072904	July 28, 2009	\$ 43,400.00	\$ 1,036.26	\$ 5,255.23	\$ 49,691.49
1076796	August 13, 2009	\$ 37,350.00	\$ 519.82	\$ 4,504.94	\$ 42,374.76
1083056	September 16, 2009	\$ 34,400.00	\$ 670.94	\$ 4,154.49	\$ 39,225.43
1089415	October 20, 2009	\$ 36,130.00	\$ 533.69	\$ 4,362.29	\$ 41,025.98
1095070	November 17, 2009	\$ 66,665.00	\$ 995.48	\$ 8,041.40	\$ 75,701.88
1099736	December 4, 2009	\$ 78,202.00	\$ 1,314.80	\$ 9,447.60	\$ 88,964.40
1110090	January 28, 2010	\$ 21,775.00	\$ 338.51	\$ 2,626.81	\$ 24,740.32
1113534	February 10, 2010	\$ 74,750.00	\$ 1,120.66	\$ 9,022.47	\$ 84,893.13
1125735	March 10, 2010	\$ 30,655.00	\$ 289.83	\$ 3,691.54	\$ 34,636.37
1132564	April 20, 2010	\$ 39,720.00	\$ 183.80	\$ 4,775.61	\$ 44,679.41
1139685	May 26, 2010	\$ 25,100.00	\$ 207.47	\$ 3,021.65	\$ 28,329.12
1144920	June 14, 2010	\$ 21,705.00	\$ 110.35	\$ 2,610.12	\$ 24,425.47
1155564	July 29, 2010	\$ 22,000.00	\$ 138.79	\$ 2,646.96	\$ 24,785.75
1161025	August 25, 2010	\$ 25,600.00	\$ 1,350.08	\$ 3,224.42	\$ 30,174.50
1168359	September 29, 2010	\$ 17,900.00	\$ 195.35	\$ 2,171.43	\$ 20,266.78
1172854	October 13, 2010	\$ 67,900.00	\$ 1,752.54	\$ 8,316.08	\$ 77,968.62
1183217	November 15, 2010	\$ 10,100.00	\$ 303.31	\$ 1,248.41	\$ 11,651.72
1189952	December 9, 2010	\$ 4,750.00	\$ 61.41	\$ 577.37	\$ 5,388.78
1208040	February 28, 2011	\$ 9,050.00	\$ 30.85	\$ 1,089.71	\$ 10,170.56
1213907	March 25, 2011	\$ 17,875.00	\$ 18.76	\$ 2,147.25	\$ 20,041.01
1220584	April 27, 2011	\$ 38,850.00	\$ 744.71	\$ 4,719.58	\$ 44,314.29
1227290	May 27, 2011	\$ 14,850.00	\$ 265.58	\$ 1,810.87	\$ 16,926.45
1233474	June 23, 2011	\$ 43,600.00	\$ 2,008.89	\$ 5,446.08	\$ 51,054.97
1240745	July 26, 2011	\$ 6,600.00	\$ 280.55	\$ 825.68	\$ 7,706.23
1248311	August 30, 2011	\$ 17,475.00	\$ 1,359.88	\$ 2,247.58	\$ 21,082.46
1253656	September 22, 2011	\$ 2,430.00	\$ 176.20	\$ 300.76	\$ 2,906.96
1260217	October 19, 2011	\$ 1,450.00	\$ 2.90	\$ 174.34	\$ 1,627.24
1265162	November 4, 2011	\$ 1,125.00	\$ 0.50	\$ 135.06	\$ 1,260.56
1273138	December 9, 2011	\$ 42,265.00	\$ 513.51	\$ 5,133.42	\$ 47,911.93
1280758	January 16, 2012	\$ 2,200.00	\$ 218.93	\$ 290.27	\$ 2,709.20
1287933	February 21, 2012	\$ 1,250.00	\$ 7.30	\$ 150.88	\$ 1,408.18
1293552	March 16, 2012	\$ 1,450.00	\$ 86.94	\$ 183.59	\$ 1,720.53
1299584	April 17, 2012	\$ 13,670.00	\$ 811.32	\$ 1,737.76	\$ 16,219.08
1305977	May 9, 2012	\$ 16,700.00	\$ 10.39	\$ 2,005.25	\$ 18,715.64
1313242	June 14, 2012	\$ 5,075.00	\$ 45.39	\$ 614.45	\$ 5,734.84
1320653	July 19, 2012	\$ 10,225.00	\$ 49.16	\$ 1,232.90	\$ 11,507.06
1326680	August 21, 2012	\$ 600.00	\$ 7.56	\$ 72.92	\$ 680.48
1340402	October 25, 2012	\$ 3,675.00	\$ 46.32	\$ 446.56	\$ 4,167.88
1345779	November 16, 2012	\$ 1,155.00	\$ 185.62	\$ 148.27	\$ 1,488.89
1351856	December 11, 2012	\$ 715.00	\$ -	\$ 85.80	\$ 800.80
1367203	February 27, 2013	\$ 3,450.00	\$ 3.30	\$ 414.40	\$ 3,867.70
1383722	May 6, 2013	\$ 1,975.00	\$ 0.63	\$ 237.03	\$ 2,212.66
1391592	June 13, 2013	\$ 4,335.00	\$ 8.50	\$ 520.28	\$ 4,863.78
1400593	July 25, 2013	\$ 2,800.00	\$ 3.44	\$ 336.18	\$ 3,139.62
1413700	September 27, 2013	\$ 240.00	\$ 3.30	\$ 28.97	\$ 272.27
1425944	November 21, 2013	\$ 950.00	\$ 0.63	\$ 94.47	\$ 1,045.10
1437890	January 8, 2014	\$ 750.00	\$ 162.74	\$ 94.13	\$ 1,006.87
1457146	April 4, 2014	\$ 150.00	\$ 5.60	\$ 18.28	\$ 173.88
1531583	March 5, 2015	\$ 330.00	\$ 13.15	\$ 40.27	\$ 383.42
1538623	April 8, 2015	\$ 210.00	\$ 6.77	\$ 25.54	\$ 242.31
1545837	May 11, 2015	\$ 480.00	\$ 15.28	\$ 58.02	\$ 553.30
1553720	June 16, 2015	\$ 846.50	\$ 38.02	\$ 101.91	\$ 986.43
1561259	July 16, 2015	\$ 1,390.00	\$ 6.86	\$ 167.15	\$ 1,564.01
1567766	August 13, 2015	\$ 2,142.50	\$ 264.71	\$ 259.67	\$ 2,666.88
1574086	September 9, 2015	\$ 2,035.00	\$ 5.07	\$ 244.46	\$ 2,284.53
1581567	October 8, 2015	\$ 556.00	\$ 12.41	\$ 67.35	\$ 635.76
1588286	November 9, 2015	\$ 723.00	\$ 0.77	\$ 86.80	\$ 810.57
		\$ 933,750.00	\$ 18,545.53	\$ 113,492.71	\$ 1,065,788.24

APPENDIX "E"

DLA PIPER (CANADA) LLP (formerly Davis LLP)

(May 30, 2009 - November 9, 2015)

Staff Member	Title	Total Hours	Rate (\$CDN)	Amount Billed
Dina Anastas	Student	16.70	\$195	\$3,260.19
Scott Andersen	Associate	22.40	\$250	\$5,606.37
Joanna Arsenault	Paralegal	0.40	\$235	\$94.06
Sean Bennett	Student	4.40	\$195	\$858.97
Maureen Birckel	Paralegal	0.20	\$165	\$33.00
Grant Boyle	Student	17.40	\$195	\$3,397.22
Rebecca Carroll	Associate	30.00	2009: \$240 2010: \$250	\$7,236.88
Ruby Chan	Partner	1.70	\$325	\$553.49
Michael Coburn	Partner	8.00	\$475	\$3,791.38
Sarah Conroy	Student	1.60	\$195	\$311.97
Timothy Duholke	Tax Advisor	2.20	\$625	\$1,339.90
Lana Finney	Partner	4.80	2009: \$475 2010: \$485	\$2,285.41
Shelley Fitzpatrick	Partner	438.20	2009: \$460/\$600 2010: \$600	\$254,131.98
Patrick Furlong	Associate Counsel	3.30	\$480	\$1,584.74
Tijana Gavric	Associate	22.50	2009: \$195 2012: \$240 2013: \$265 2015: \$315	\$5,005.78
Monika Gehlen	Partner	386.90	2009 - 2011: \$410 2012: \$425	\$159,062.81
Catherine Gibson	Partner	0.30	\$360	\$108.00
Robert Groves	Partner	83.00	2009, 2010: \$410 2011: \$430 2012: \$450	\$34,115.51
Michael Hamata	Associate	17.20	\$275/\$300	\$4,750.00
Jeffrey Hamel	Student	21.60	2011: \$200 2012: \$210 2013: \$215	\$4,418.54
Alyce Harper	Associate	2.00	\$200	\$400.64
Peter Lee	Associate Counsel	5.30	2010: \$405 2011: \$425	\$2,163.39
Karen Leung	Associate	4.80	\$280	\$1,342.22
Brent Meckling	Associate Counsel	253.80	2009, 2010: \$355 2011: \$365 2012: \$385	\$92,547.90

Tina Mihoc	Associate	0.20	\$300	\$60.10
Cyndi Millar	Partner	17.90	\$450	\$8,054.67
Stuart Morrow	Partner	0.60	\$485	\$290.97
Graham Norris	Associate	13.50	\$195	\$2,632.74
Alison Onyschuk	Paralegal	0.20	\$165	\$33.53
Robert Perrin	Associate Counsel	23.80	\$480	\$11,424.23
Richard Press	Partner	2.70	\$375	\$1,012.54
Larry Robinson	Partner	0.20	\$650	\$129.98
Jonathan Ross	Associate	95.40	2009: \$210 2010: \$220	\$20,123.11
Christine Sidal	Paralegal	0.30	\$117	\$35.00
Robert Swift	Partner	356.60	2009: \$440 2010 - 2013: \$550	\$178,571.34
Lee Ling Tam	Paralegal	0.40	\$175	\$70.00
Elaine Tham	Associate	8.90	2012: \$300 2013: \$325	\$2,677.19
Stephanie Walsh	Associate	0.40	\$300	\$120.00
Max Weder	Partner	0.20	\$600	\$99.90
Beverley Wighton	Paralegal	18.10	2009, 2010: \$195 2011, 2012: \$205	\$3,549.40
Lance Williams	Partner	390.80	2009: \$235 2010: \$250 2011-2014: \$300 2015: \$395	\$113,710.73
Tammy Yard	Paralegal	1.10	2009: \$175 2015: \$250	\$260.00
Dennis Yee	Associate	7.60	2009, 2010: \$290 2011: \$300	\$2,362.21
Word Processing	N/A	0.80		\$132.01
TOTAL FEES (excl GST and disbursements)		2,285.90		\$933,750.00