

S-160322

Court No. _____
Vancouver Registry

**IN THE SUPREME COURT OF BRITISH COLUMBIA
IN BANKRUPTCY AND INSOLVENCY**

**IN THE MATTER OF THE RECEIVERSHIP OF
BANKS ISLAND GOLD LTD.**

PETITION TO THE COURT

ON NOTICE TO:

Banks Island Gold Ltd.
Registered and Records Office
Suite 1200 – 750 West Pender Street
Vancouver, BC V6C 2T8

Gitxaala Nation
PO Box 149
Kitkatla, BC, V0V 1C0

National Leasing Group Inc.
Attorney for Service in British Columbia
LML & S Services, Inc.
Suite 1500, 1055 West Georgia Street
Vancouver, BC V6E 4N7

Finning International Inc.
Head Office in British Columbia
Suite 1000, 666 Burrard Street
Vancouver, BC V6C 2X8

New-Line Products Ltd.
Registered and Records Office
Suite 208, 1899 Willingdon Avenue
Burnaby, BC V5C 5T1

D. Manning & Associates Inc.
**in its capacity as Trustee of Banks Island
Gold Ltd.**
Suite 520, 625 Howe Street
Vancouver, BC V6C 2T6

Bank of Montreal
2nd Floor, 234 Simcoe Street
Toronto On, ON M5T 1T4

ATCO Structures & Logistics Ltd.
Attorney for Service in British Columbia
Christian P. Gauthier
Suite 2200, 1055 West Hastings Street
Vancouver, BC V6E 2E9

Horizon North Camp & Catering Inc.
Attorney for Service in British Columbia
BLG Corporate Services (B.C.) Ltd.
Suite 1200, 200 Burrard Street
PO Box 48600
Vancouver, BC V7X 1T2

Sepro Mineral Systems Corp.
Registered and Records Office
Suite 1600, 1095 West Pender Street
Vancouver, BC V6E 2M6

Sissons Enterprises Corp.
Registered and Records Office
2700, 10155 – 102 Street
Edmonton, AB T5J 4G8

Selkirk Metals Corp.
Suite 200, 580 Hornby Street
Vancouver, BC V6C 3B6

**Her Majesty the Queen in Right of the
Province of British Columbia**
Attorney General – Ministry of Justice
11th Floor, 1001 Douglas Street
Victoria, BC V8W 9E2

**Her Majesty the Queen in Right of
Canada**
Department of Justice Canada
900 – 840 Howe Street
Vancouver, BC V6Z 2S9

SilverStream SEZC
c/o Lawson Lundell LLP
1600-925 West Georgia Street
Vancouver, BC V6C 3L2

This proceeding is brought for the relief set out in Part 1 below, by:

MCC Non-Ferrous Trading Inc. (the “Petitioner”)
222 Bloomingdale Road, White Plains, New York 10605

If you intend to respond to this petition, you or your lawyer must

- (a) file a response to petition in Form 67 in the above-named registry of this court within the time for response to petition described below, and
- (b) serve on the petitioner(s)
 - (i) 2 copies of the filed response to petition, and
 - (ii) 2 copies of each filed affidavit on which you intend to rely at the hearing.

Orders, including orders granting the relief claimed, may be made against you, without any further notice to you, if you fail to file the response to petition within the time for response.

TIME FOR RESPONSE TO PETITION

A response to petition must be filed and served on the petitioner,

- (a) if you were served with the petition anywhere in Canada, within 21 days after that service,
- (b) if you were served with the petition anywhere in the United States of America, within 35 days after that service,

- (c) if you were served with the petition anywhere else, within 49 days after that service, or
- (d) if the time for response has been set by order of the court, within that time.

(1)	The address of the registry is: 800 Smithe Street, Vancouver BC V6Z 2E1
(2)	The ADDRESS FOR SERVICE of the petitioner is: c/o Colin D. Brousson Gowling Lafleur Henderson LLP Suite 2300 - 550 Burrard Street Vancouver, BC V6C 2B5 Phone: 604-891-2286 Fax number address for service (if any) of the petitioner: 604-683-3558 E-mail address for service (if any) of the petitioner: colin.brousson@gowlings.com
(3)	The name and office address of the petitioner's lawyer is: c/o Colin D. Brousson Gowling Lafleur Henderson LLP Suite 2300 - 550 Burrard Street Vancouver, BC V6C 2B5

ENDORSEMENT ON ORIGINATING PLEADING OR PETITION FOR SERVICE OUTSIDE BRITISH COLUMBIA

The Petitioner, MCC Non-Ferrous Trading Inc., claims the right to serve this Petition on any interested party outside British Columbia on the grounds, *inter alia*, that the proceeding

- (a) is brought to enforce, assert, declare or determine proprietary or possessory rights or a security interest in property in British Columbia that is immovable or moveable property;
- (b) is brought to interpret, rectify, or enforce any deed, contract or other instrument in relation to property in British Columbia that is immovable or moveable property;
- (c) concerns contractual obligations, and the contractual obligations, to a substantial extent were to be performed in British Columbia; and
- (d) concerns contractual obligations, and by its express terms, the contract is governed by the law of British Columbia.

CLAIM OF THE PETITIONER

PART 1: ORDERS AND DECLARATIONS SOUGHT

1. an Order that the date for service of the Petition and supporting materials is abridged to the date of actual service.
2. a declaration that a general security agreement (the “GSA”) between the Petitioner and Banks Island Gold Ltd. (“BIG”), notice of which was registered in the B.C. Personal Property Registry (“BC PPR”) under base registration number 845668I, are charges (the “Petitioner’s Charge”) on all the personal property (the “Property”) of BIG, including, but not limited to the Mineral Claims and Leases shown as “GOOD” in the attached Schedule “A” (the “Mineral Titles”).
3. an Order appointing FTI Consulting Canada Inc. as Receiver-Manager of BIG in the form of order attached as Schedule “B”.
4. a declaration that the Petitioner’s Charge ranks in priority to the interests of:
 - (a) Selkirk Metals Corp.,
 - (b) Her Majesty the Queen in Right of Canada registered under Base Registration No. 049337J, and
 - (c) Her Majesty the Queen in Right of the Province of British Columbia,and each of their heirs, executors, administrators, successors and assigns and all persons claiming by, through or under them.
5. a declaration that the GSA is in default.
6. a summary accounting of the amount of money due and owing to the Petitioner pursuant to the GSA and all related agreements.
7. an Order that the Petitioner be granted liberty to apply for a further summary accounting for any changes in interest rate or further amounts of money which may become due to the Petitioner pursuant to the GSA.

8. an Order that the Petitioner be granted its costs of and in connection with this proceeding; on a solicitor and own client basis as provided for under its GSA and the Gold Contract (defined below).
9. an Order for any further relief that this Honourable Court may seem just.

PART 2: FACTUAL BASIS

Background

1. The Petitioner is a New York company with an address for service in this proceeding at 2300-550 Burrard Street, Vancouver, BC V6C 2B5.
2. The respondent BIG is a bankrupt company that operated the Yellow Giant Gold Mine (the “**Mine**”) on the west coast of Banks Island, British Columbia. Banks Island is approximately 120 km south of Prince Rupert and immediately east across the Hecate Strait from Haida Gwaii.
3. BIG commenced commercial production of Gold at the Mine in January, 2015.
4. On August 4, 2015 BIG announced that it had suspended all operations at the Mine and would put the mine into care and maintenance “until permitting and regulatory issues at the project are resolved and [BIG] has sufficient working capital to re-commence operations”.
5. Further working capital was advanced, but operations at the Mine have not restarted.
6. On January 8, 2016 BIG assigned itself into bankruptcy. D. Manning & Associates Inc. has been appointed trustee (the “**Trustee**”).

Current Situation and Urgent Need for a Receiver

7. The Mine is located in a remote area of the Province. The Trustee does not have the funding in place to ensure the ongoing security of the Mine site, including secure storage of explosives and chemicals and environmental security generally.

8. The Petitioner has, on its own initiative and expense, engaged two contractors on an emergency temporary basis, to remain at the Mine to provide some security.
9. The contractors are residing in two trailers financed by ATCO Structures & Logistics Ltd. (“ATCO”). ATCO indicated at one point that it would be taking steps to remove the trailers from the Mine. Without these trailers the Mine site is uninhabitable at this time of year. Without them it will be impossible to maintain security at the Mine.
10. In the Petitioner’s view the appointment of a Receiver is required immediately to protect the value of the assets for all the creditors of BIG and to maintain minimum human presence and security at the Mine.

The Petitioner’s Security

11. Pursuant to the GSA the Respondent BIG granted the Petitioner a security interest and charge in all of its present and after-acquired personal property securing all of BIG’s obligations to the Petitioner.
12. Notice of the GSA was registered in the BC PPR under base registration numbers 845668I.
13. As at January 8, 2016 the Respondent BIG is indebted to the Petitioner in the approximate amount of US\$6,020,481.15 pursuant to advance payments made under a gold concentrate sale and purchase agreement entered into as of July 19, 2013 as amended from time to time (the “**Gold Contract**”).
14. Interest on the amounts advanced under the Gold Contract accrues at the rate of 8.5% per year.
15. The principal, interest and all other costs, charges and expenses secured and payable by the GSA are now due and payable and remain unpaid.

Other Interested Parties

16. The parties listed below, are the holders of a security interests in the Personal Property, notice of which was registered in the B.C. Personal Property Registry on the following dates under the following base registration numbers:

Creditor	Charge	Registration Date	Base Registration No.
Bank of Montreal	Security Agreements	February 14, 2012	587377G
Selkirk Metals Corp.	Security Agreement	November 9, 2012	046752H
National Leasing Group Inc.	Security Agreement	November 15, 2013	663258H
ATCO Structures & Logistics Ltd.	Security Agreement	May 21, 2014 July 31, 2014	966196H 102157I
Finning International Inc.	Security Agreement	June 6, 2014	002042I 002056I
Horizon North Camp & Catering Inc.	Security Agreement	July 16, 2014	073893I
New-Line Products Ltd.	Security Agreement	October 21, 2014	244533I
Sepro Mineral Systems Corp.	Security Agreement	October 30, 2014	262468I
Sissons Enterprises Corp.	Security Agreement	August 21, 2015	796701I
Her Majesty the Queen in Right of the Province of British Columbia	Miscellaneous Registrations Act (Mineral Tax Act)	December 21, 2015	022158J
Her Majesty the Queen in Right of Canada	Miscellaneous Registrations Act (Income Tax Act)	January 8, 2016	049337J

17. Gitxaala Nation is a First Nation whose claimed ancestral territories include the lands upon which the Mineral Titles are situated.
18. SilverStream SEZC is a Cayman Island Special Economic Zone Company and is a party to a metals purchase agreement with BIG.

19. By a Priority and Subordination Agreement dated August 30, 2015 Selkirk Metals Corp. subordinated its security to the GSA of the Petitioner.

PART 3: LEGAL BASIS

1. BIG is indebted to the Petitioner on account of the Gold Contract and the GSA and its obligations thereunder are now due and owing.
2. BIG granted security to the Petitioner for its obligations under the Gold Contract.
3. BIG is Bankrupt and has failed to pay the amounts owing pursuant to the Gold Contract and secured by the GSA.
4. Many of BIG's assets are or will soon be left unsecured at the Mine site and the Petitioner is of the view that the immediate appointment of a Receiver is required to ensure that these assets are not dissipated, destroyed or otherwise compromised.
5. The Petitioner is also of the view that court supervision of the Receiver, if appointed, would benefit all stakeholders.
6. The Petitioner will rely on:
 - a. Rules 2-1, 8-1, 10-2, 13-5, 14-1. 16-1 and 21-7 of the *Rules of Court*;
 - b. Sections 46 and 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended;
 - c. Section 39 of the *Law and Equity Act*, R.S.B.C. 1996 c. 253, as amended;
 - d. Section 66 of the *Personal Property Security Act*, R.S.B.C. 1996, c. 359, as amended.
7. The Petitioner will also rely on the inherent jurisdiction of this Honourable Court.

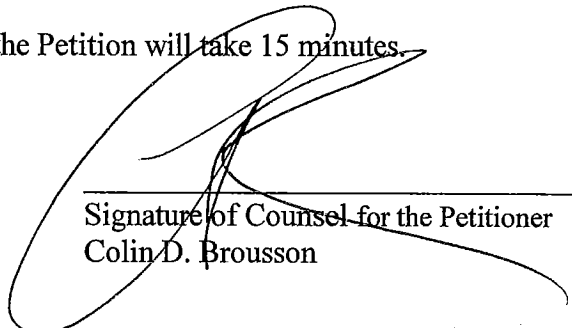
8. The Petitioner may also rely on such further legal bases as counsel may advise and this Honourable Court may permit.

PART 4: MATERIAL TO BE RELIED ON

1. Affidavit of H. Sio #1, sworn January ^{12th} ~~2~~, 2016;

The Petitioner estimates that the hearing of the Petition will take 15 minutes.

Date: January 13, 2016



Signature of Counsel for the Petitioner
Colin D. Brousson

To be completed by the court only:

Order made

in the terms requested in paragraphs _____ of Part 1 of this petition

with the following variations and additional terms:

Date _____

Signature of Judge Master

Schedule "A"
to Petition

Title Number	Claim Name	Owner	Title Type	Title Sub Type	Map Number	Issue Date	Good To Date	Status	Area (ha)
514644		276665 (100%)	Mineral	Claim	103G	2005/jun/17	2023/jan/01	SUBD 2013/nov/1-1408, 103	482,6726
514646		276665 (100%)	Mineral	Claim	103G	2005/jun/17	2025/jan/01	GOOD	578,919
603539		276665 (100%)	Mineral	Claim	103G	2009/apr/28	2024/jan/01	GOOD	463,114
603540		276665 (100%)	Mineral	Claim	103G	2009/apr/28	2024/jan/01	GOOD	193,0103
603543		276665 (100%)	Mineral	Claim	103G	2009/apr/28	2024/jan/01	GOOD	347,251
843425	B1	276665 (100%)	Mineral	Claim	103G	2011/jan/18	2024/jan/01	GOOD	462,8884
843426	B2	276665 (100%)	Mineral	Claim	103G	2011/jan/18	2024/jan/01	GOOD	482,2071
843428	B3	276665 (100%)	Mineral	Claim	103G	2011/jan/18	2024/jan/01	GOOD	482,4402
843429	B4	276665 (100%)	Mineral	Claim	103G	2011/jan/18	2024/jan/01	GOOD	482,6726
843430	B5	276665 (100%)	Mineral	Claim	103G	2011/jan/18	2024/jan/01	GOOD	482,6663
843432	B6	276665 (100%)	Mineral	Claim	103G	2011/jan/18	2024/jan/01	GOOD	482,6663
843438	B7	276665 (100%)	Mineral	Claim	103G	2011/jan/18	2024/jan/01	GOOD	231,6721
843442	B8	276665 (100%)	Mineral	Claim	103G	2011/jan/18	2024/jan/01	GOOD	482,2061
843443	B9	276665 (100%)	Mineral	Claim	103G	2011/jan/18	2024/jan/01	GOOD	482,4398
843444	B10	276665 (100%)	Mineral	Claim	103G	2011/jan/18	2024/jan/01	GOOD	482,6725
843445	B11	276665 (100%)	Mineral	Claim	103G	2011/jan/18	2024/jan/01	GOOD	482,4396
843447	B12	276665 (100%)	Mineral	Claim	103G	2011/jan/18	2024/jan/01	GOOD	482,6721
843448	B13	276665 (100%)	Mineral	Claim	103H	2011/jan/18	2024/jan/01	GOOD	482,4398
843449	B14	276665 (100%)	Mineral	Claim	103H	2011/jan/18	2024/jan/01	GOOD	482,6719
843450	B15	276665 (100%)	Mineral	Claim	103G	2011/jan/18	2024/jan/01	GOOD	424,8983
843451	B16	276665 (100%)	Mineral	Claim	103G	2011/jan/18	2024/jan/01	GOOD	444,2663
843452	B17	276665 (100%)	Mineral	Claim	103G	2011/jan/18	2024/jan/01	GOOD	482,9035
843453	B18	276665 (100%)	Mineral	Claim	103H	2011/jan/18	2024/jan/01	GOOD	482,9146
843454	B19	276665 (100%)	Mineral	Claim	103G	2011/jan/18	2024/jan/01	GOOD	328,4902
843455	B20	276665 (100%)	Mineral	Claim	103G	2011/jan/18	2024/jan/01	GOOD	193,1298
843456	B21	276665 (100%)	Mineral	Claim	103G	2011/jan/18	2024/jan/01	GOOD	192,9787
917809	B22	276665 (100%)	Mineral	Claim	103G	2011/oct/18	2024/jan/01	GOOD	425,0209
917829	B23	276665 (100%)	Mineral	Claim	103G	2011/oct/18	2024/jan/01	GOOD	463,922
1011874		276665 (100%)	Mineral	Claim	103G	2012/aug/07	2014/feb/07	FORF 2014/feb/07 77,1561	
1019799	BANKSE1	276665 (100%)	Mineral	Claim	103H	2013/may/26	2024/jan/01	GOOD	1933,1911
1019800	BANKSCH	276665 (100%)	Mineral	Claim	103G	2013/may/26	2024/jan/01	GOOD	771,173
1021866	BC ROAD	276665 (100%)	Mineral	Claim	104A	2013/aug/26	2014/aug/26	FORF 2014/aug/26 397,7656	
1023544		276665 (100%)	Mineral	Claim	103H	2013/nov/02	2024/jan/01	GOOD	38,638
1023821		276665 (100%)	Mineral	Claim	103G	2005/jun/17	2025/jan/01	SUBD 2015/jul/29 1330,9334	
1023822	TEL MINE LEAS	276665 (100%)	Mineral	Claim	103G	2005/jun/17	2025/jan/01	DEMI 2014/apr/16 77,1699	
1025955	MT	276665 (100%)	Mineral	Claim	103G	2014/feb/14	2016/feb/14	GOOD	57,8679

1027557		276665 (100%)	Mineral	Lease	103G	2014/apr/16	2016/apr/16	GOOD	77.17
1034018	STEPH	276665 (100%)	Mineral	Claim	103G	2015/feb/11	2016/feb/11	GOOD	19,2882
1037602		276665 (100%)	Mineral	Claim		2005/jun/17	2025/jan/01	SUBD 2015/jul/29	1292.3463
1037603	DISCO	276665 (100%)	Mineral	Claim	103G	2005/jun/17	2025/jan/01	GOOD	38.5871
1037604		276665 (100%)	Mineral	Claim	103G	2005/jun/17	2025/jan/01	GOOD	1176.6014
1037605	klm	276665 (100%)	Mineral	Claim	103G	2005/jun/17	2025/jan/01	GOOD	115.7448

Schedule "B"
to Petition

No. _____
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA
IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF THE RECEIVERSHIP OF
BANKS ISLAND GOLD LTD.

ORDER MADE AFTER APPLICATION

BEFORE THE HONOURABLE ● } ●, THE ● DAY
JUSTICE ● } OF JANUARY, 2016

ON THE APPLICATION of MCC Non Ferrous Trading Inc. (the "**Petitioner**") a secured creditor, for an Order pursuant to Section 243(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 FTI Consulting Canada Inc. as Receiver and Manager (in such capacity, the "**Receiver**") without security of all of the assets, undertakings and properties of Banks Island Gold Ltd., (the "**Debtor**"), coming on for hearing this day at the Courthouse, 800 Smithe Street, Vancouver, British Columbia.

AND ON READING the Petition dated January, 12 2016, the Affidavit #1 of Howard Sio sworn January 12. 2016 and the consent of FTI Consulting Canada Inc. to act as the Receiver; AND ON HEARING Colin D. Brousson, Counsel for the Petitioner MCC Non Ferrous Trading Inc. and other counsel as listed on Schedule "A" hereto, and no one appearing for ●, although duly served.

THIS COURT ORDERS AND DECLARES that:

ABRIDGMENT OF SERVICE

1. The date for service of the Petition herein and supporting materials is abridged to the date of actual service.

APPOINTMENT

2. Pursuant to Section 243(1) of the BIA and Section 39 of the LEA FTI Consulting Canada Inc. is hereby appointed Receiver, without security, of all the assets, undertakings and properties of the Debtor, including all proceeds thereof (the "**Property**")

RECEIVER'S POWERS

3. 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) to take possession of and exercise control over any or all of the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) to advance funds to any trustee in bankruptcy appointed in respect of the Debtor for the purpose of preserving and protecting any of the Property over which the Receiver does not take possession, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of

physical inventories and the placement of such insurance coverage as may be necessary or desirable;

- (d) to manage, operate and carry on the business of the Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor;
- (e) to 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 Receiver's powers and duties, including, without limitation, those conferred by this Order;
- (f) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;
- (g) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- (h) to settle, extend or compromise any indebtedness owing to the Debtor;
- (i) to 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 Debtor, for any purpose pursuant to this Order;
- (j) to undertake environmental or workers' health and safety assessments of the Property and operations of the Debtor;
- (k) to 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 Debtor, the Property or the Receiver, and to settle or compromise any such 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;

- (l) to exclusively market for sale any or all of the Property, including advertising and soliciting offers in respect of Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (m) to sell, convey, transfer, lease or assign any or all 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 \$100,000, provided that the aggregate consideration for all such transactions does not exceed \$250,000; 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 amount 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;
- (n) to 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;
- (o) to 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, subject to such terms as to confidentiality as the Receiver deems advisable;
- (p) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (q) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if considered necessary or appropriate by the Receiver, in the name of the Debtor;

- (r) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limitation, the ability to enter into occupation agreements for any Property owned or leased by the Debtor;
- (s) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have;
- (t) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations;
- (u) to consult with representatives of Gitxaala Nation with regard to the potential sale of the Property and the potential future use of the Property;
- (v) to abandon, dispose of or otherwise release any interest in the Property pursuant to Section 14.06(4)(a)(ii) of the BIA within ten days of the receipt of an order referred to in Section 14.06(4) of the BIA upon giving notice to the person who issued such an order; and
- (w) to resign as Receiver upon issuance of three business days notice to the Parties.

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 Debtor, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4. Each of (i) the Debtor, (ii) all of the Debtor's 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 the 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. 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 Debtor, 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, 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 5 or in paragraph 6 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 due to statutory provisions prohibiting such disclosure.

6. 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 the 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 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. 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 DEBTOR OR THE PROPERTY

8. No Proceeding against or in respect of the Debtor 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 Debtor 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 and provided that no further step shall be taken in respect of Proceeding except for service of the initiating documentation on the Debtor and the Receiver.

NO EXERCISE OF RIGHTS OR REMEDIES

9. All rights and remedies (including, without limitation, set-off rights) against the Debtor, 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 Order shall (i) empower the Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) affect the rights of any regulatory body as set forth in Section 69.6(2) of the BIA, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien. The stay and suspension shall not apply in respect of any "eligible financial contract" as defined in the BIA.

NO INTERFERENCE WITH THE RECEIVER

10. 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 Debtor, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

11. All Persons having oral or written agreements with the Debtor 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 Debtor 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 Debtor's 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 in accordance with normal payment practices of the Debtor or such other practices 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. 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 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 such 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.

EMPLOYEES

13. Subject to the right of employees to terminate their employment notwithstanding paragraph 11, all employees of the Debtor shall remain the employees of the Debtor until such time as the Receiver, on the Debtor's behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities of the Debtor, including any successor employer liabilities as provided for in Section 14.06(1.2) of the BIA, other than amounts the Receiver may specifically agree in writing to pay and amounts in respect of obligations imposed specifically on receivers by applicable legislation. The Receiver shall be liable for any employee-related liabilities, including wages, severance pay, termination pay, vacation pay, and pension or benefit amounts relating to any employees that the Receiver may hire in accordance with the terms and conditions of such employment by the Receiver.

14. 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 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 a 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 Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

15. 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 deemed 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

16. The Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except:

- (a) any gross negligence or wilful misconduct on its part; or
- (b) amounts in respect of obligations imposed specifically on receivers by applicable legislation.

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.

RECEIVER'S ACCOUNTS

17. The reasonable fees and disbursements of the Receiver and its legal counsel, in each case at their standard rates and charges, shall be entitled to and are hereby granted a charge (the "**Receiver's Charge**") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to Sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

18. 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.

19. 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.

FUNDING OF THE RECEIVERSHIP

20. The Receiver is at liberty and is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$250,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as the Receiver deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in Sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

21. Neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

22. The Receiver is at liberty and authorized to issue certificates substantially in the form annexed as **Error! Reference source not found.** hereto (the "**Receiver's Certificates**") for any amount borrowed by it pursuant to this Order.

23. The monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

ALLOCATION

24. 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 and Receiver's Borrowings Charge amongst the various assets comprising the Property.

GENERAL

25. The Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.
26. Nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.
27. This Court requests the aid and recognition of any 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. 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.
28. The Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal or regulatory or administrative body, wherever located, for recognition of this Order and for assistance in carrying out the terms of this Order and the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.
29. The Petitioner shall have its costs of this motion, up to and including entry and service of this Order, as provided for by the terms of the Petitioner's security or, if not so provided by the Petitioner's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.
30. Any interested party may apply to this Court to vary or amend this Order on not less than seven (7) 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.
31. Endorsement of this Order by counsel appearing on this application other than counsel for the Petitioner is hereby dispensed.

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

APPROVED BY:

Signature of Colin D. Brousson,
lawyer for Petitioner

BY THE COURT

DISTRICT REGISTRAR

SCHEDULE "A"
To Form of Order
OTHER COUNSEL

Counsel	Appearing for

SCHEDULE "B"
To Form of Order

RECEIVER CERTIFICATE

CERTIFICATE NO. ●

AMOUNT \$●

1. THIS IS TO CERTIFY that FTI Consulting Canada Inc. the Receiver and Manager (the "**Receiver**") of all of the assets, undertakings and properties of Banks Island Gold Ltd. including all proceeds thereof (collectively the "**Property**") appointed by Order made of the Supreme Court of British Columbia (In Bankruptcy and Insolvency) (the "**Court**") dated the ● day of ●, 20● (the "**Order**") made in SCBC Action No. ●/Estate No. ●, has received as such Receiver from the holder of this certificate (the "**Lender**") the principal sum of \$●, being part of the total principal sum of \$● which the Receiver is authorized to borrow under and pursuant to the Order.
2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded ● after the date hereof at a notional rate per annum equal to the rate of ● per cent above the prime commercial lending rate of Bank ● from time to time.
3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of the Property in respect of its remuneration and expenses.
4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at ●, British Columbia.
5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.
6. The charge securing this certificate shall operate to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.
7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum under this Certificate in respect of which it may issue certificates under the terms of the Order.

DATED the ● day of ●, 20●.

FTI Consulting Canada Inc. solely in its capacity as
Receiver of the Property, and not in its personal
capacity

Per: _____
Name:
Title:

Action No. _____
Estate No. _____

IN THE SUPREME COURT OF
BRITISH COLUMBIA

IN THE SUPREME COURT OF
BRITISH COLUMBIA
IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF THE
RECEIVERSHIP OF
BANKS ISLAND GOLD LTD.

RECEIVERSHIP ORDER

No. _____
Vancouver Registry

**IN THE SUPREME COURT OF BRITISH COLUMBIA
IN BANKRUPTCY AND INSOLVENCY**

**IN THE MATTER OF THE RECEIVERSHIP OF
BANKS ISLAND GOLD LTD.**

PETITION

GOWLING LAFLEUR HENDERSON LLP

Barristers & Solicitors
Suite 2300, 550 Burrard Street
Vancouver, BC V6C 2B5

Tel. No. 604.683.6498

Fax No. 604.683.3558

File No. V43646

CDB/jbr



S-160322
No. _____
Vancouver Registry

**IN THE SUPREME COURT OF BRITISH COLUMBIA
IN BANKRUPTCY AND INSOLVENCY**

**IN THE MATTER OF THE RECEIVERSHIP OF
BANKS ISLAND GOLD LTD.**

NOTICE OF HEARING

To: **All Interested Parties**

TAKE NOTICE that the Petition of MCC Non-Ferrous Trading Inc. dated January 12, 2016 will be heard at the Courthouse at 800 Smithe Street, Vancouver, British Columbia on Friday, the 15th day of January, 2016 at 9:45 a.m.

1. Date of hearing

The parties have been unable to agree as to the date of the hearing but notice of the hearing will be given to the Petition Respondents in accordance with Rules 16 1(8)(b) and 22-4(2) of the Supreme Court Civil Rules.

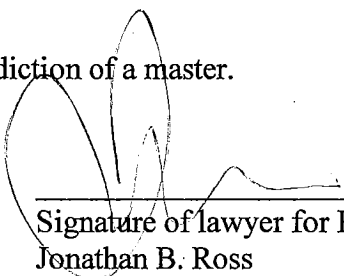
2. Duration of hearing

The Petitioner estimates the hearing will take 15 mins.

3. Jurisdiction

This matter is not within the jurisdiction of a master.

Date: January 13, 2016



Signature of lawyer for Petitioner
Jonathan B. Ross

THIS NOTICE OF HEARING was prepared by Jonathan B. Ross, of the firm of Gowling Lafleur Henderson LLP, Barristers & Solicitors, whose place of business and address for delivery is Suite 2300, 550 Burrard Street, Vancouver, BC V6C 2B5, Tel: 604-683-6498; Fax: 604-683-3558.